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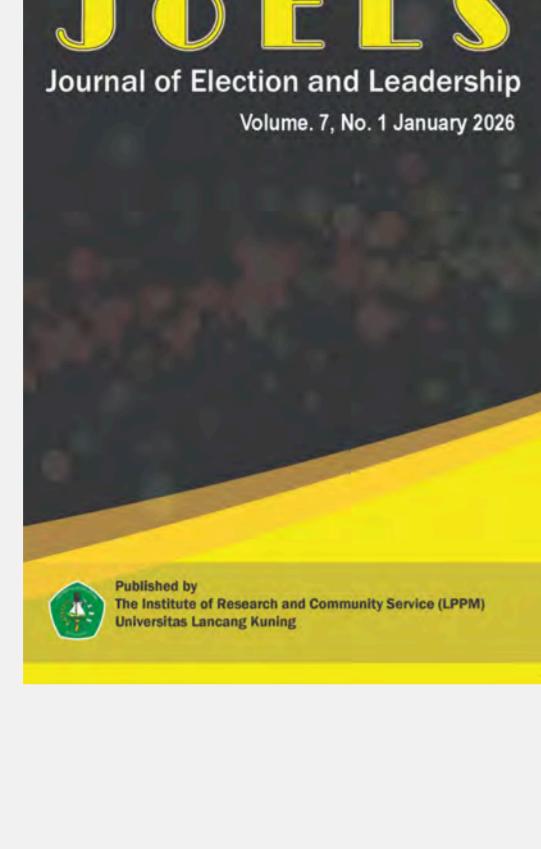
# JOELS

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1 - 17



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 Yuswarni, Denok Kurniasih (Author)

18-31



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 Ira Oktaviani Rz, Fathul Jannah, Rahimatal Uthia, Ridho Ramadhan Arfi, Alexander Yandra (Author)

32-46



 Abstract views: 8  Downloaded: 2

### The Involution of Democracy Post-Reform: Indonesian Case

 Henky Fernando, Yuniar Galuh Larasati (Author)

47-60



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### The Application of the Principle of Consensualism in Movable Property Sales Agreements Based on the Burgerlijk Wetboek (BW) : A Normative Legal Study of Business Practices and Legal Certainty for the Parties

 Monika Melina Monika Melina, Admiral Admiral (Author)

61-69



 Abstract views: 3  Downloaded: 1

### Pancasila Leadership Innovation: Reorienting Apparatus HRD for Digital Bureaucracy Transformation

 Dwi Astutiek, Agus Setyawanto , Haniyah, M. Falah Alfitamma (Author)

70-81



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### Does Idle Cash Utilization Increase Local Own-Source Revenue? Evidence From Bantul, 2023-2024

 Yandi Bagus Prasetyo Yandi, Hasanah Setyowati (Author)

82-93

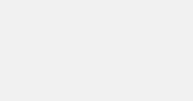


 Abstract views: 0  Downloaded: 0

### Evaluation of Voter Data Determination for the 2024 Elections in Tambang Subdistrict

 Aldi Febriyan Himawan, Muammar Alkadafi (Author)

94-107



 Abstract views: 0  Downloaded: 0

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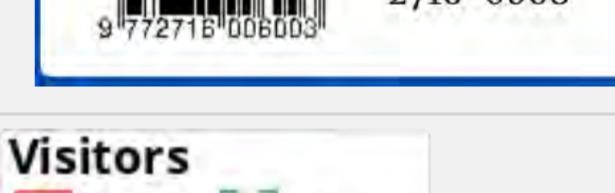


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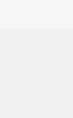
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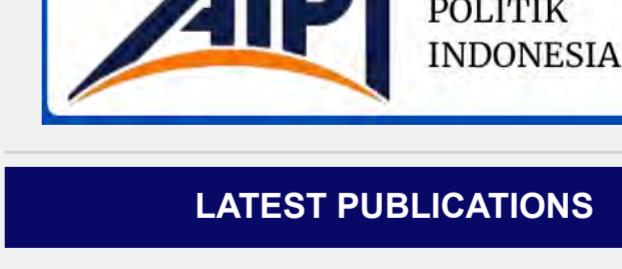
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# Does Idle Cash Utilization Increase Local Own-Source Revenue? Evidence From Bantul, 2023-2024

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## Abstract

*Effective development depends not only on human resource quality but also on adequate financial capacity. This study aims to analyze the effectiveness of regional cash management through idle cash utilization, assess its contribution to Regional Original Revenue (PAD), and evaluate whether the proportion of idle cash reflects fiscal efficiency in a fiscally dependent region such as Bantul Regency. A descriptive qualitative approach grounded in Regional Financial Management theory was employed. Operationally, idle cash refers to temporarily unutilized regional treasury funds exceeding short-term expenditure needs and placed in short-term financial instruments in accordance with regulations. Findings indicate that effectiveness is reflected in increased interest income, regulatory compliance, and maintained liquidity without disrupting expenditure realization. Although its contribution to PAD remains below 1%, this proportion suggests fiscal efficiency rather than underperformance. The study is limited by its qualitative design, short observation period, and single-region focus. Future research should apply quantitative or mixed methods and comparative longitudinal analysis.*

**Keywords:** *Regional Cash Management; Idle Cash; Regional Original Revenue.*

## 1. Introduction

Regional governments frequently encounter challenges in managing cash balances efficiently, particularly in regions characterized by high fiscal dependency on central government transfers. One recurring issue in local public financial management is the mismatch between revenue inflows and expenditure outflows within the fiscal year. Such imbalances often result in temporary cash surpluses that remain unutilized in regional treasury accounts, commonly referred to as *idle cash*.

Although a certain level of cash balance is necessary to ensure liquidity and the smooth execution of public expenditures, excessive idle cash may signal weaknesses in cash planning, budget execution timing, and financial coordination. Consequently, the management of idle cash represents not only a technical treasury function but also a critical indicator of fiscal efficiency and governance quality at the regional level. In the context of fiscal decentralization, local governments are expected to strengthen their financial capacity

and reduce dependency on intergovernmental transfers.

Regional Original Revenue (*Pendapatan Asli Daerah-PAD*) serves as a central component of regional fiscal capacity and is widely used as an indicator of fiscal independence. However, PAD performance varies significantly across regions, reflecting disparities in economic structures, administrative capacity, and revenue diversification. In many regions, PAD remains heavily dominated by local taxes and user charges, while contributions from other legitimate sources of regional revenue are relatively limited.

This structural condition highlights the need for alternative and complementary strategies to optimize financial resources within existing regulatory frameworks, including more effective regional cash management practices. From the perspective of Regional Financial Management theory, cash management aims to ensure liquidity, minimize financial risk, and optimize the use of available funds.

Government cash management differs from private sector treasury management due to its emphasis on public accountability, regulatory compliance, and service delivery obligations. Within this framework, idle cash refers to temporarily unutilized treasury funds that exceed short-term operational needs and can be placed in secure short-term financial instruments without disrupting expenditure commitments.

When managed properly, idle cash placement may generate interest income that contributes to non-tax regional revenue, thereby improving fiscal efficiency without increasing the tax burden on the community. Conversely, poorly managed idle cash may indicate delays in budget execution, weak cash forecasting, and inefficiencies in public financial administration.

The issue of idle cash becomes particularly relevant in regions with high fiscal dependency, where the proportion of PAD to total regional revenue remains relatively low. In such regions, efforts to increase fiscal independence often focus primarily on enhancing tax collection and expanding revenue bases. While these strategies are important, they may overlook the potential of internal financial management improvements as a source of fiscal optimization. Effective cash management can serve as a low-risk, regulation-compliant mechanism for enhancing regional financial performance. By strategically placing temporary cash surpluses in short-term instruments such as time deposits, regional governments may obtain additional interest income while maintaining liquidity and financial stability.

Empirical evidence indicates that many regional governments experience fluctuations in PAD realization and budget absorption rates across fiscal years. These fluctuations often influence cash balances held in regional treasury accounts. In some cases, large year-end cash balances coexist with unmet development targets, suggesting possible inefficiencies in planning and execution. In

other cases, relatively small idle cash balances may reflect efficient liquidity control rather than underutilization of financial resources.

This dual interpretation illustrates the need for a more nuanced analysis of idle cash management effectiveness, especially in relation to fiscal efficiency indicators and regulatory compliance.

Despite the growing relevance of this issue, existing literature tends to emphasize PAD performance, budget absorption, or macro-level fiscal decentralization outcomes. Studies often focus on tax capacity, revenue elasticity, or expenditure effectiveness, while the operational dimension of regional cash management receives comparatively limited attention. Research on idle cash is more commonly found in the context of central government treasury systems or banking sector liquidity management, which differ institutionally and operationally from local government financial systems. As a result, empirical studies specifically examining how idle cash utilization contributes to regional fiscal performance, particularly at the local government level, remain scarce.

Moreover, there is limited empirical evidence clarifying whether low proportions of idle cash indicate financial inefficiency or, alternatively, reflect effective liquidity control and disciplined cash planning. This ambiguity is particularly important in fiscally dependent regions, where financial management practices must balance the need for liquidity, regulatory compliance, and revenue optimization.

Without clear analytical frameworks and contextual evidence, idle cash balances may be misinterpreted, leading to suboptimal policy recommendations. Therefore, a context-specific examination of idle cash management effectiveness is necessary to better understand its role in supporting regional fiscal sustainability.

Bantul Regency represents an illustrative case of a region with dynamic PAD performance yet continued dependence on

central government transfers. Although local tax revenues have shown positive trends in recent years, the overall PAD contribution to total regional revenue remains moderate, indicating that fiscal independence is still in progress. At the same time, the region experiences periodic variations in cash balances, creating opportunities for idle cash placement. This condition makes Bantul Regency a relevant case for analyzing whether the utilization of idle cash can function as an effective instrument for improving fiscal efficiency without compromising liquidity and expenditure realization.

Based on the identified gaps, this study aims to analyze the effectiveness of regional cash management through idle cash utilization in Bantul Regency during the 2023–2024 period. Specifically, the study examines how idle cash placement contributes to Regional Original Revenue, evaluates whether the observed idle cash proportions reflect fiscal efficiency, and assesses the alignment of cash management practices with regulatory and liquidity requirements. By providing empirical insights at the operational level of local government financial governance, this study contributes to the literature on public sector cash management and offers practical implications for improving fiscal efficiency in fiscally dependent regions.

## 2. Theoretical Perspective

### 2.1 Concept and Scope of Regional Finance

Regional finance should be understood not merely as an administrative domain of local government, but as a reflection of fiscal capacity, which denotes a region's ability to mobilize, allocate, and manage financial resources to deliver public services and achieve development objectives. In public finance theory, fiscal capacity is shaped not only by the magnitude of revenue but also by the efficiency with which financial resources are managed. Thus, regional finance represents both a legal framework and an economic capacity that determines the extent

to which local governments can exercise their authority effectively.

Conceptually, regional finance encompasses all monetary rights and obligations of local governments, including revenues, expenditures, assets, and liabilities. However, its analytical significance lies in how these components are transformed into fiscal performance through management practices. Regions with similar revenue structures may exhibit different levels of fiscal capacity due to variations in financial planning, allocation efficiency, and treasury control. Consequently, the quality of financial management becomes a decisive factor linking financial resources to development outcomes.

The scope of regional finance includes the authority to generate revenue through local taxes and charges, undertake borrowing, manage expenditures, and administer public assets, including those invested in regionally owned enterprises. While these elements are juridically regulated under Indonesia's public finance laws, their practical relevance depends on how effectively they are managed to ensure fiscal sustainability, liquidity stability, and accountability.

Therefore, regional finance should be interpreted not solely as a regulatory construct but as a dynamic system whose performance is determined by managerial efficiency, particularly in the areas of financial planning and cash control.

### 2.2 Regional Financial Management

Regional financial management refers to the structured process through which local governments plan, allocate, execute, and account for financial resources. Beyond its procedural dimension, it functions as an operational mechanism that determines how fiscal capacity is translated into actual service delivery and development outcomes.

Its effectiveness is therefore reflected not only in budget absorption rates but also in the accuracy of financial timing, allocation

efficiency, and internal control over public funds. Within the framework of fiscal decentralization, the quality of regional financial management indicates a local government's ability to exercise fiscal autonomy in a responsible and accountable manner. Empirical evidence shows that operational weaknesses often arise during expenditure scheduling, inter-departmental financial coordination, and performance evaluation.

These weaknesses have practical consequences, such as delays in program implementation, inefficient fund allocation, and poor synchronization between revenue realization and expenditure execution.

A critical manifestation of these inefficiencies appears in the treasury function, particularly in cash flow regulation. When financial planning and expenditure timing are not well aligned, temporary cash surpluses accumulate in regional treasury accounts without immediate utilization. These unutilized balances constitute idle cash, indicating that cash management performance serves as a direct operational outcome of broader financial management effectiveness.

### 2.3 Cash Budgeting and Effectiveness of Cash Management

In public finance literature, cash management is understood as an effort to ensure that the right amount of cash is available at the right time and in the right place. This concept highlights the importance of cash flow forecasting, cash balance control, and the selection of safe and liquid short-term financial instruments. Effective cash management becomes increasingly critical when local governments face revenue volatility and unpredictable expenditure demands.

Empirical studies show that regions with robust cash planning systems and appropriate temporary cash placement policies tend to demonstrate stronger fiscal resilience. Excessive cash balances or idle

cash entail opportunity costs, as they do not directly contribute to regional revenue. Therefore, decisions regarding cash placement, investment horizons, and liquidity buffers are key determinants of cash management effectiveness.

### 2.4 Idle Cash and Its Relationship with Regional Original Revenue

Idle cash refers to temporarily unutilized local government funds that exceed short-term operational needs. Its emergence is closely associated with cash budgeting, defined as the systematic process of forecasting the timing and magnitude of cash inflows and outflows within a fiscal period. Cash budgeting determines liquidity buffers and identifies potential temporary surpluses. When cash forecasting is inaccurate or expenditure realization is delayed, these surpluses accumulate in treasury accounts, resulting in idle cash balances.

From a public finance perspective, the level of idle cash reflects the effectiveness of cash management, particularly in the treasury function. Ineffective cash management is indicated by excessive idle balances that generate opportunity costs, while effective management maintains liquidity sufficiency and strategically utilizes temporary surpluses. Thus, idle cash is not merely an accounting residue but an operational outcome of cash planning quality, liquidity control, and fund placement decisions. When managed properly, idle cash represents a fiscal optimization mechanism. Temporary surpluses can be placed in low-risk short-term financial instruments to generate interest income without disrupting expenditure commitments.

This interest income represents a crucial component of non-tax regional revenue, serving as a direct conduit through which the efficiency and effectiveness of cash management practices play a significant role in enhancing the overall Regional Original Revenue (PAD). Consequently, it is possible to establish a clear causal linkage that

demonstrates how improved cash management not only influences but actively contributes to the growth and stability of PAD, thereby underscoring the importance of sound financial strategies in the context of regional economic development and sustainability.

**Figure 1.** Theoretical Framework.



This theoretical relationship provides the analytical basis for examining how idle cash utilization reflects cash management effectiveness in Bantul Regency during the 2023–2024 period.

### 3. Method

This study employs a descriptive qualitative research approach to examine the effectiveness of regional cash management in increasing Regional Original Revenue (PAD) through idle cash utilization in Bantul Regency. The qualitative design is intended to capture actual cash management practices, institutional procedures, and administrative dynamics within the local government.

Rather than testing hypotheses, the study focuses on systematically describing management processes and evaluating how cash management performance is reflected in fiscal outcomes.

The research was conducted at the Regional Financial, Revenue, and Asset Management Agency (BPKPAD) of Bantul Regency, which holds institutional authority over the management of the Regional General Cash Account (RKUD) and idle cash placement. The site was selected purposively due to its direct relevance to the research objectives. Fieldwork was carried out from

August to November 2025, while the financial data analyzed cover the 2023–2024 fiscal years.

Thus, the research period refers to the time of data collection and analysis, whereas the data period refers to the fiscal years under review.

The research subjects consist of BPKPAD officials and staff directly involved in regional treasury and cash management. They were selected based on their functional roles, responsibilities, and technical knowledge of cash planning and placement procedures. The research object is the effectiveness of regional cash management, particularly the utilization of idle cash and its contribution to PAD as an indicator of fiscal performance.

Two types of data were utilized. Primary data were obtained through in-depth interviews and field observations to understand operational cash management practices, internal procedures, and decision-making processes related to cash placement. Secondary data were derived from official regional financial documents, including the Regional Revenue and Expenditure Budget (APBD), general cash books, revenue realization reports, and interest income reports from deposit placements for 2023–2024. These documents function as empirical evidence supporting the analysis of cash management outcomes.

Data collection techniques included interviews, observation, and documentation. Interviews were conducted with treasury and finance officials to explore cash planning practices, liquidity control mechanisms, and policies governing short-term fund placement. Observations focused on administrative processes and coordination among financial management units. Documentation provided quantitative records necessary to verify financial conditions and idle cash placement results.

Data analysis followed a qualitative analytical framework consisting of data reduction, data display, and conclusion

drawing. Information obtained from interviews and observations was organized thematically and then compared with financial documents to assess consistency between managerial practices and fiscal outcomes. This approach allows the study to connect administrative processes with measurable financial results.

To enhance analytical clarity, simple quantitative calculations based on secondary data were employed solely as supporting tools. These calculations were used to estimate the magnitude of idle cash and its proportional contribution to PAD. However, they do not constitute the primary research method; rather, they complement qualitative interpretation by providing measurable context to the findings.

To ensure scientific validity and reliability, the study applied source triangulation and method triangulation. Data from interviews, observations, and official financial documents were cross-verified to confirm consistency and reduce potential bias. This procedure strengthens the credibility of the analysis and ensures a clear distinction between empirical findings, documentary evidence, and researcher interpretation.

Through this methodological design, the study provides an in-depth, context-based understanding of how regional cash management practices influence idle cash utilization and PAD performance in Bantul Regency.

#### 4. Results And Discussions

##### Results

##### 4.1 Empirical Findings on Regional Cash Management Practices in Bantul Regency

Empirical evidence obtained from in-depth interviews and field observations indicates that regional cash management in Bantul Regency is conducted within an integrated institutional and banking framework. The Regional Financial, Revenue, and Asset Management Agency (BPKPAD)

operates in coordination with Bank BPD DIY as the official holder of the Regional General Cash Account (RKUD).

This institutional arrangement establishes a structured treasury environment in which cash inflows and outflows are recorded, monitored, and reconciled through formal procedures. The presence of a designated banking partner reflects the operationalization of treasury governance at the local government level, where banking infrastructure supports administrative control over public funds.

Field observations reveal that daily cash balances are monitored using a Cash Management System (CMS) that provides real-time information on cash inflows and outflows. The CMS functions as a digital interface linking the regional treasury with the banking system, allowing financial officers to track liquidity positions continuously. This monitoring mechanism illustrates how digital financial tools are embedded in routine treasury operations. Rather than serving solely as a reporting instrument, the CMS facilitates day-to-day liquidity assessment, enabling officials to observe fluctuations in cash balances and identify short-term surplus or deficit positions. In this regard, the CMS represents an operational tool for liquidity control rather than merely a technological feature.

Interview data further indicate that routine cash monitoring operates as a mechanism for aligning administrative records with actual treasury balances. Financial officers describe the daily review of cash positions as a necessary step in maintaining consistency between accounting records and bank-held funds. This process supports expenditure prioritization, short-term liquidity planning, and the scheduling of disbursements. The empirical pattern suggests that cash monitoring practices are embedded within broader administrative routines, where treasury oversight is closely connected with budget execution activities. Consequently,

monitoring activities influence the timing of fund allocation by informing decisions regarding which expenditure obligations can be fulfilled within existing liquidity constraints.

The observed structure of cash flows demonstrates that inflows are primarily derived from three sources: regional own-source revenues (PAD), intergovernmental transfers, and previous-year budget surpluses (SILPA). Outflows correspond to the realization of regional expenditures, including operational spending and development programs. The timing of these inflows and outflows does not occur uniformly throughout the fiscal year. Instead, interview responses suggest that transfer receipts and tax revenues tend to follow periodic patterns, while expenditure realization often intensifies during specific implementation phases. This temporal mismatch contributes to daily variations in treasury balances.

From an analytical perspective, temporary cash surpluses emerge as operational outcomes of differences in revenue and expenditure timing. These balances do not necessarily represent permanently unused funds but rather short-term liquidity positions that arise between inflow and outflow cycles. Financial officers report that the identification of such surpluses forms the basis for considering short-term fund placements. Thus, the existence of idle cash is linked to the operational dynamics of cash flow cycles rather than to a static condition of fund accumulation. This interpretation situates idle cash within the context of liquidity management rather than treating it solely as an indicator of inefficiency.

Empirical findings also suggest that decisions regarding temporary fund placement are influenced by considerations of liquidity sufficiency and regulatory compliance. Interviewees describe the need to maintain adequate cash buffers to meet expenditure obligations, particularly during periods of

intensified spending. As a result, only portions of identified surpluses are considered eligible for placement in short-term financial instruments. This indicates that placement decisions are conditioned by liquidity risk management, where maintaining payment readiness takes precedence over extending investment horizons. The operational approach observed in Bantul Regency therefore reflects a treasury orientation that prioritizes liquidity stability.

The interaction between monitoring practices, cash flow timing, and placement decisions illustrates how routine treasury activities shape idle cash management. Daily liquidity assessments determine the volume and duration of funds that may be temporarily allocated for interest-bearing placements. Consequently, idle cash management is embedded within continuous monitoring processes rather than treated as a separate financial strategy. The empirical pattern shows that cash management decisions are incremental and responsive to daily liquidity conditions.

Overall, the findings demonstrate that regional cash management practices in Bantul Regency are characterized by structured coordination between administrative procedures and banking systems, real-time liquidity monitoring through CMS, and decision-making processes that connect expenditure scheduling with short-term liquidity control. Temporary cash surpluses are identified as products of revenue-expenditure timing differences and serve as the operational basis for idle cash placement considerations. These observations provide an empirical foundation for interpreting idle cash not merely as an accounting balance but as an outcome of treasury management dynamics within the local government financial system.

#### **4.2 Empirical Findings on Idle Cash Utilization Mechanism**

Document analysis of regional financial records shows that idle cash in

Bantul Regency is utilized through placement in short-term deposits and on-call deposit instruments. These placements are conducted exclusively at Bank BPD DIY as the RKUD holder, in accordance with Regional Regulation Number 5 of 2022 concerning short-term regional investments.

The empirical data collected from various sources indicate that the process of deposit placements is predominantly carried out using an auto roll-over mechanism. This mechanism allows for matured deposits to be automatically renewed without the need for manual intervention. The findings from interviews conducted with relevant stakeholders further confirm that this auto roll-over process is viewed as both administratively efficient and low-risk, while also providing a level of liquidity flexibility that is desirable for managing funds. However, it is important to note that the data also reveal a downside to this approach; by restricting fund placements to a single bank, there is a limitation on the opportunity to access more competitive interest rates, which could potentially enhance overall returns on deposits.

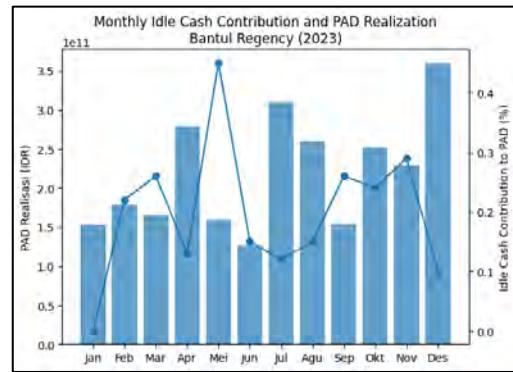
Moreover, the analysis of the magnitude of idle cash during the observation period indicates that the amount of cash left unutilized is relatively small. A thorough examination of financial documents shows that regional expenditure realizations tend to align closely with the planned schedules, which ultimately results in a limited availability of idle cash. This finding serves as evidence of effective budget absorption practices and disciplined cash utilization strategies being implemented within the organization.

The overall implication of this comprehensive analysis underscores not only the critical importance of strategic financial management but also its pivotal role in optimizing resource allocation. It highlights the necessity for organizations to adopt strategic financial practices to ensure that

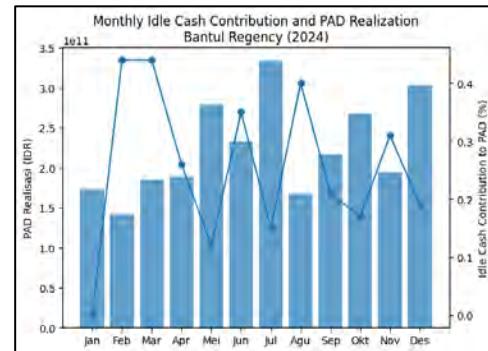
funds are utilized efficiently and effectively, thereby maximizing their potential for achieving long-term growth and sustainability.

#### 4.3 Quantitative Results: Contribution of Idle Cash to Local Own-Source Revenue (PAD)

**Figure 2.** Monthly Idle Cash Contribution and PAD Realization Bantul Regency (2023)



**Figure 3.** Monthly Idle Cash Contribution and PAD Realization Bantul Regency (2024)



The monthly pattern of PAD realization and idle cash contribution for 2023 is presented in Figure 2, while the corresponding pattern for 2024 is shown in Figure 3. These figures illustrate the proportional contribution of interest income from idle cash placement relative to total PAD realization across months.

In 2023 (Figure 2), PAD realization exhibits monthly variation. Lower realizations are observed in January and June, while higher values appear toward the end of the fiscal year,

particularly in December. The proportional contribution of idle cash management ranges from 0.00% to 0.45%, with an annual average of 0.19%. The highest monthly contribution occurs in May (0.45%), whereas the lowest value is recorded in December (0.10%). Several months show moderate contributions between 0.15% and 0.30%, indicating variation in the proportion of interest income relative to PAD.

In 2024 (Figure 3), PAD realization again demonstrates monthly fluctuations. Higher realizations are recorded in July and December, while relatively lower values occur in February and August. Idle cash contribution ranges between 0.00% and 0.44%, with an annual average of 0.24%. The highest monthly contributions occur in February and March, each reaching 0.44%.

Other months show values between 0.15% and 0.30%, similar to the range observed in 2023. From an annual perspective, total PAD realization in Bantul Regency amounted to IDR 2,628,196,965,043.46 in 2023 and increased to IDR 2,686,309,034,411.35 in 2024. Interest income generated from idle cash placement reached IDR 4,879,166,685.00 in 2023 and IDR 6,339,971,488.46 in 2024. These figures correspond to annual proportional contributions of 0.19% in 2023 and 0.24% in 2024.

A comparison of the two years indicates a nominal increase in both PAD realization and interest income from idle cash placement. The proportional contribution of idle cash to PAD rises by 0.05 percentage points between 2023 and 2024. Monthly data in both figures show that the proportion of idle cash contribution varies independently of absolute PAD levels. Months with relatively high PAD realization do not consistently display higher proportional contributions from idle cash placement.

The distribution of monthly percentages suggests variability in the relative share of interest income within total PAD

across the fiscal year. Periods with higher proportional contribution appear in different months across the two years. In 2023, the peak proportional contribution occurs in May, whereas in 2024, higher contributions are observed early in the year, specifically in February and March. The figures therefore illustrate differences in the monthly distribution of proportional contributions between the two fiscal years.

Overall, the numerical data presented in Figures 2 and 3 indicate that interest income from idle cash placement constitutes a small proportion of total PAD in both years. Annual averages remain below 0.25%, while monthly values fluctuate within a range of approximately 0.00%–0.45%. The pattern observed across months and years demonstrates variation in the proportional contribution of idle cash income relative to PAD realization.

## Discussion

The findings indicate that regional cash management practices in Bantul Regency during 2023–2024 demonstrate structured administrative control; however, the proportional contribution of idle cash utilization to Regional Original Revenue (PAD) remains limited. These results can be interpreted through the framework of regional financial management theory and cash management effectiveness theory.

From the perspective of regional financial management theory, effective financial management encompasses planning, budgeting, execution, reporting, and accountability. Empirical evidence shows that Bantul Regency applies real-time cash monitoring through the Cash Management System (CMS), which supports control over daily cash positions. This mechanism reflects the operational application of treasury oversight and administrative discipline. Nevertheless, the data suggest that financial management practices are more strongly oriented toward expenditure reliability and

liquidity control than toward revenue optimization from temporary financial assets.

Cash management effectiveness theory emphasizes the balance between liquidity preservation and return optimization. In Bantul Regency, interest income from idle cash placement contributes 0.19% of PAD in 2023 and 0.24% in 2024. These proportions indicate that idle cash utilization functions as a supplementary revenue source rather than a primary fiscal instrument. The relatively small percentages can be interpreted as consistent with a conservative liquidity strategy, where maintaining payment readiness takes precedence over extending placement horizons for higher returns.

The monthly data further illustrate that variations in PAD realization are not consistently accompanied by proportional changes in idle cash contribution. This pattern aligns with theoretical arguments that cash management effectiveness depends more on cash flow timing and forecasting accuracy than on the absolute magnitude of revenues. Short placement periods and regulatory risk considerations may limit the capacity to expand interest income, even when overall PAD levels increase. Thus, the observed relationship reflects operational constraints and liquidity management priorities rather than a direct association between PAD size and idle cash returns.

A comparison between 2023 and 2024 shows a modest increase of 0.05 percentage points in idle cash contribution. This change can be interpreted as indicating incremental adjustments in placement practices or timing efficiency, although the qualitative design of this study does not allow causal attribution. Instead, the findings provide interpretive evidence that cash management outcomes are shaped by institutional priorities, liquidity safeguards, and regulatory compliance.

Overall, the discussion suggests that Bantul Regency's regional financial management system demonstrates administrative stability in treasury control,

while the strategic optimization of temporary cash surpluses remains constrained. Within regulatory limits, improvements in cash flow forecasting accuracy, placement scheduling, and coordination between revenue inflows and expenditure timing may expand the relative contribution of idle cash income. These interpretations do not imply causal effects but rather highlight how empirical patterns correspond with theoretical expectations regarding liquidity-oriented cash management in the public sector.

## 5. Conclusions

Based on the analysis results, regional cash management through idle cash utilization in Bantul Regency during 2023–2024 demonstrates structured implementation and the capacity to generate additional interest income that contributes to Regional Original Revenue (PAD). Although the proportional contribution remains below 1%, this finding can be interpreted as consistent with liquidity-oriented cash management practices rather than as evidence of underperformance.

The relatively small proportion suggests that cash balances are primarily maintained to ensure expenditure readiness, while temporary surpluses are utilized within regulatory limits. Thus, the observed pattern reflects an administrative emphasis on liquidity control, with interest income functioning as a supplementary fiscal outcome.

The findings indicate that cash management in Bantul Regency operates within an orderly and regulation-compliant framework. However, this interpretation is derived from observed patterns rather than causal inference. The study does not establish that idle cash utilization directly determines fiscal efficiency; instead, it highlights how cash management practices correspond with theoretical expectations regarding public sector liquidity management.

This study has several limitations. First, the analysis focuses on a single local

government, which limits broader generalization to regions with different fiscal and administrative contexts. Second, the study concentrates on idle cash utilization without explicitly incorporating other determinants of cash management performance, such as human resource capacity, financial information systems, or variations in placement instruments. Third, the observation period covers only two fiscal years (2023–2024), which may not fully capture longer-term structural patterns.

Future research could extend the analysis through comparative or cross-regional designs and longer observation periods. Integrating institutional, technological, and human resource dimensions may provide a more comprehensive understanding of factors shaping regional cash management practices. Such approaches would support the development of more context-sensitive and evidence-based regional financial management policies.

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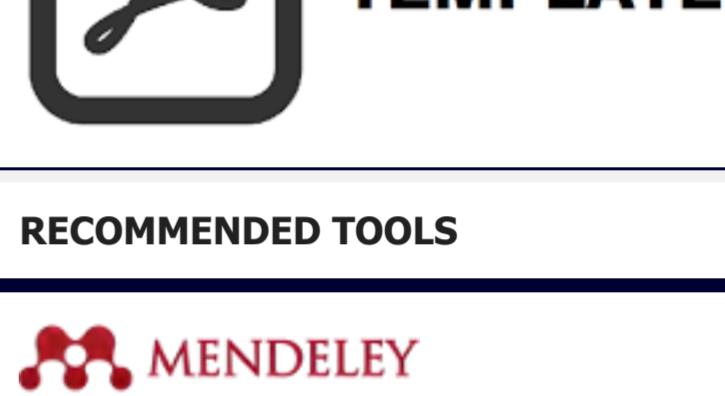
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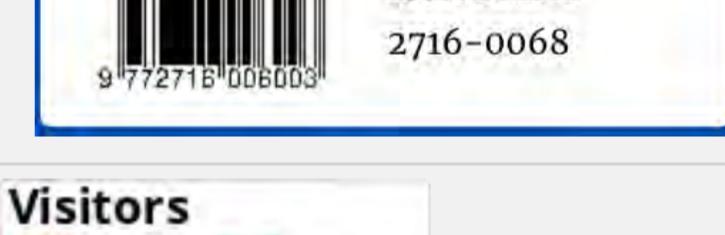
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