

# Analysis of Muhammadiyah's Policies in Using Islamic Banking Services in Indonesia

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**Abstract:** Muhammadiyah with its thousands of AUM as the source of Persyarikatan has economic cooperation and bargaining with the conventional banks. With the decree No.37/KEP/1.0/C/2012 about islamic banking partner, then Persyarikatan funds must be moved entirely to the banking partners in cash management service. This study attempts to know the degree to which the policy of Muhammadiyah is in the use of islamic banking. Data is collected from interviews with Mr. Mukhaer Pakkanna S.E., M.M. as vice chairman of majelis economic and entrepreneurship outlined by using as well as several other sources outlined by using qualitative analysis descriptive. The results show that AUM has used islamic banking despite in the use of service cash management has not been reached optimal. This is caused by several factors, the are: obscurity of the content and policies sanctions and lack of socialization deeply to the implementors, AUM management, and members of muhammadiyah overall. In addition, the use of islamic banking is not yet optimal because the bureaucracy structure of AUM which is related to the government and other stakeholder

**Keywords:** Policy, Economic, Muhammadiyah, Islamic banking

## I. INTRODUCTION

Indonesia, a country with the highest Moslem population of 88.1 percent should be the place of Islamic economy to develop faster than any other country in the world. But in fact, the development of islamic banking is under the conventional one which is just 5,1 percent of the national banking (Dakhoir, 2017). This condition caused by several factors, one of it is the lack of contribution from Islamic organization which can support islamic banking development. This is proved by their strong relation with the conventional banks (Akhtar, 2011). Muhammadiyah as the largest organization in Indonesia with its spirit of innovation, has some policies to improve the development of Islamic economy, especially in banking. Through those policies, Muhammadiyah instructed to all leaders of Amal Usaha Muhammadiyah and several members so volunteers to do muamalah based on the Islamic principle and also to increase the appreciation of islamic economy and develop economic culture based on islamic principle (Pranawati, 2006)

Besides, Muhammadiyah with its thousands of Amal Usaha have fund potential to be managed productively, effective and accountable. So far, fund management from each AUM is given to each leader of region, branch even subsection which caused that fund could not be managed effectively and efficiently. Then, PP Muhammadiyah wanted to manage the Persyarikatan finance by cash management system so that can

be more productive, efficient, transparent and accountable. To create it, PP Muhammadiyah build cooperation with some islamic banks as its partner (Nurdin & Yusuf, 2020)

In the decision letter Number: 37/KEP/1.0/C/2012 about the fulfillment of Islamic Banking as Muhammadiyah's Partner in the Fund Management System with the Cash Management Service by taking advantage of service from Islamic Banks and Islamic Region Construction Banks, those are Bank Syariah Bukopin, Bank Syariah Mandiri, Bank Muamalat Indonesia, Bank BRI Syariah, Bank BNI Syariah, Bank Danamon Syariah and Bank BTN Syariah. Which in the decision is decided that Amal Usaha Muhammadiyah must place its fund in those banks (www.muhammadiyah.or.id, 2015 hal 19)

This cooperation caused islamic banking to gain profit, related to PP Muhammadiyah's big potency of fund. Nowadays, accumulatively the number of current asset that is in the account of Muhammadiyah and AUM, estimated about 15 billions. From that number that is used is just about 1,5 billions or about 10 percent. And the number of asset which is about 200 billions is not been accumulated yet in that account (Iswanaji, Khotijah, & Nafi'Hasbi, 2021).

## II. LITERATURE REVIEW

### Policy

Policy in the book of public policy fundamentals is a series of actions or activity that proposed a group or government in an environment where there are certain obstacles to and opportunities to implementation of policy proposal in order to achieve certain goal (Jackson, 1997). (Sage & Cuppan, 2001) agreed that of term policy use often interchange with the other terms such as goal, program, decision, laws, regulations, standards, proposal and *grand design*. For policy makers and those who cultivate the policy, the use of these terms not inflict a problem, but for outside people structure of the policy making may be confusing (Petticrew et al., 2019). So, policy is a concept or program that decided for applied in order that achieve the objectives targeted in the program that has been set.

According (Ruvalcaba-Gomez, Criado, & Gil-Garcia, 2020), each policy will pass six basic step, such as: setting agenda, policy formulation, decision making/adoption, policy implementation, policy evaluation and termination of development policy. Thus, the implementation of policy aims to implement and materialize as it should be. Implementation policy means implementing, achieving, fulfilling, and produce

or finish assigned task (Imurana & Kofi, 2014). Implementation of policies could be considered the process of implementing the government's decision, or the iterative process where ideas are being implemented, transformed into behavior, and expressed as *social action* (Kadushin & Harkness, 2014).

According to George C. Edwards in his book *Implementing Public Polycy*,

Policy implementation is influenced by four variables, namely: communication, resources, disposition or attitude and organizational structures (Amir & Anto, 2018).

1. Communications policy is the process of delivering the policy information from the policy makers to policy implementors. Communication policy has several dimensions, including the dimension of delivery information (*transmission*), clarity, and consistency.
2. Sources, however obvious and consistency in rules and regulations, if the implementing policies that are responsible for implementing the policy less have the resources, the implementation of these policies will not be effective.
3. Disposition, a characteristic that clung to the performer. disposition consists of the removal of bureaucracy and incentives. Dimensions removal of bureaucracy the appointment and election of executive employees of the policy should be those people who have a dedication to policies that have been adopted by. while the dimensions the incentive is one of the techniques suggested to overcome the problem of the attitude of the implementing policies with the award, either money or other.
4. Bureaucratic structure, the structure of the organization charged with implementing policy and influence signifikan of policy implementation.

In Islam there are few examples of successful implementation of policies, one which is the order prohibiting khamar. Where this prohibition has some stages, starting from the dangers alluded indirectly in Sura 16:67, later stages of the mention of the dangers of direct comparison between benefits and great danger in Surah 2: 219, followed by forbidding part of him in Surah 4:43 and Surah 5:90 which is the end of the ban on wine for leave forever and forever (Khan, 2009).

Evaluation by William N. Dunn can be equated with the assessment (*apparsial*), giving numbers (*rating*), and assessment, words that express business to analyze the results of the policy in the unit value (Dunn, 2015). 608). Evaluation plays a major function in policy analysis. First, evaluation inform a valid and reliable about the performance of policies, ie how far the needs, values and opportunity has been achieved through actions public. Secondly, the evaluation contributes to the clarification and critique of values underlying the selection of goals and targets. Values have also been criticized by asking systematic propriety and taget objectives in relation to the problems addressed. Third, evaluation contributed to the

application of methods of analysis of other policies, including the formulation of the problem and recommendation (Peffer, Tuunanen, Rothenberger, & Chatterjee, 2007).

#### *Relations Organizational Communication*

According to Pace and Faules, organizational communication is "organizing behavior" happened and how they are involved in the process of dealing and gave the meaning of what is happening (Perman, 2014). Organization and communication are the two things are related to one another. Where organizational communication is more than just what people do. Organizational communication is a discipline of study that can take a number of directions legal and beneficial (Bailey & Kurland, 2002). To establish a good cooperation clearly needs to be good communication Among the elements that exist within the organization. Good communication lead to mutual understanding and comfort in the work. According to (King, Desmarais, Lindsay, Piérart, & Tétreault, 2015), by far easier to identify problems than finding organizational communication solution (Adams, Blandford, Budd, & Bailey, 2005).

#### *Islamic banking*

Bank Islam or Islamic banks are banks which operate with nothing to rely on the flowers, or the main business of financial institutions that provide financing and of rendering other services in payment traffic and circulation of money that operation adapted to the principles of Islamic law (El-Bdour, 1984). The first banking activity is to collect funds from the

public who in the banking world is known as *funding* activities. Understanding collect or seeking funds by buying from the public. In addition to obtaining funds in the form of deposits from the public, then by banking funds are being played back or back to the community dijualkan in the form of loans or better known as a credit (*lending*). where in The provision of credit will bear interest based on interest rates and the amount of money lent and administration fees charged on loans service received by *the debtor* (the borrower). As for banks to apply the system Islamic can be based on the profit sharing or equity participation (Anton.H and Tiolina E 2022)

The main advantage obtained from conventionally derived based banking business from the difference between deposit interest given to depositors with interest on the loan or loans are usually known as *Spread-Based*. If a bank incurred a loss of interest margin, where the deposit interest rate is greater than loan interest rates, then the term is called a *negative spread*. As for banks based on Islamic principles unknown term interest in providing services to depositors and borrowers. In this bank services is adjusted to the Islamic principles in accordance with Islamic law is applied, among others include the financing based on the principle of profit sharing (*Mudharabah*), financing based on the principle of equity (*Musharaka*), the principle of buying and selling goods with gain (*murabaha*), or the financing of capital goods is based on the principle pure rental without selection (*Ijara*), or by the

transfer of ownership of the selection goods leased from the bank other kepihak (*Ijara wa iqtina*).

### III. RESEARCH METHODOLOGY

The method used in this study ie the method descriptive approach, the method used to analyze data in a way describe or depict the data that has been collected as it is without intends to make conclusions or generalizations apply to the public (Onwuegbuzie, Dickinson, Leech, & Zoran, 2009). Qualitative research as proposed by Bogdan and Taylor (1992: 5), to gain an understanding of the research in a broader perspective, stated that the methodology of qualitative research is a research procedure produces descriptive data in the form of words written or spoken of people or observed behavior (Bogdan & Biklen, 1997).

Referring to the above definition, it is classified as descriptive research study, because were curious about this research is to find out how implementation of policies related to the use of Muhammadiyah Islamic banking services in Indonesia and anything what constraints that are impediments to the implementation of policies The.

#### Object And Location Research

According Sugiono (2009: 38) the object of research is an attribute or trait or value of people, objects or activities which have certain variations defined by researchers to learn and then drawn conclusions objects research in this study is Amal Usaha Muhammadiyah, Jakarta, Indonesia.

#### Data Types

Data used in this study are primary data and secondary data.

##### 1. Primary Data

This research is:

- a. Interview to the vice chairman of the panel of Economics and Entrepreneurship PP Muhammadiyah (written/structured)
- b. Observation or direct observation at the Secretariat of PP Muhammadiyah Jakarta.

##### 2. Secondary Data

So the secondary data is the data managed by writer, which consists of the data library (the book contains about policy, Organization, Muhammadiyah, Banking Islamic), website ([www.Muhammadiyah.or.id](http://www.Muhammadiyah.or.id)), and other literature that will be used in relation to discussion in this study. The secondary data used in This research is:

Table 1 Secondary Data

No	Sumber	Data Sekunder
1	Policy	Book on Public Policy and Organizational Effectiveness, Public Management and writings related to the Policy
2	Organization	Books on the Theory of Organization Writings Related Organizations
3	Muhammadiyah	All 47 Congress report in 2015, tanfidh Decision Conference Muhammadiyah

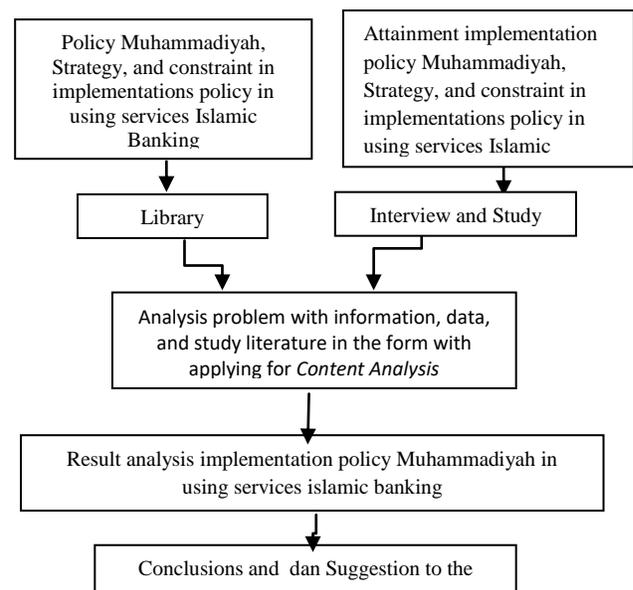
		47th, book Assistance Team Treasurer 2012, and website Muhammadiyah
4	Islamic banking	Related books Islamic Bank, covenants, product and practice

#### Analysis of Data

Data analysis is the process of systematically searching for and compiling data obtained from interviews, field notes, and documentation in a way organizing data into categories, describe into a pattern, choose which one important and will learn and make conclusions so easily understood by themselves own or others (Sugiono, 2010: 335). The observations were made at the office of the Secretariat of Muhammadiyah Jakarta, while interviews conducted by interviewing Chairman of Council of Economics and Entrepreneurship, Mr. Mukhaer Pakkanna, SE, MM.

To analyze the data that has been obtained from the research, researchers using *content analysis* described in descriptive form.

#### Research Framework



### IV. EMPIRICAL RESULTS

#### Analysis of Muhammadiyah's Policies in Using Islamic Banking Services In Indonesia

Muhammadiyah Islamic organization has a major task that fight continues optimally and do not know to stop in trying to create an Islamic society in truth, both in the life of Muhammadiyah and Muslims and the wider community, so that at each stage of development achieved condition getting better towards the realization of an Islamic society in truth (sebagai Gerakan & di Gunungpring).

In order to achieve these objectives, the required infrastructure and resources funds for making it successful. Financial resources and wealth of Muhammadiyah (Mutamimah, Zaenudin, & Cokrohadisumarto, 2022).

1. contribution, contribution and assistance
2. Results of property rights Muhammadiyah
3. Zakat, infaq, sadaqah, endowments, wills and grants
4. Attempts economy Muhammadiyah
5. Other sources

Funds from various sources above, as long as it is not managed well, so when analyzed structurally autonomous management organization Muhammadiyah, individual and egalitarian. This resulted in the absence of standard rules on fund management procedures so that asset allocation varies widely among institutions and creates inefficiencies in maximizing revenue for Muhammadiyah. Underfunded institutions borrow autonomously, while institutions with excess funds will place their funds in the form of demand deposits with low yields. In addition, the number of banks used in the name of Muhammadiyah makes the bargaining position of Muhammadiyah in each institution in optimizing the income to be low. The non-uniform deposit placement income in some banks leads to a non-maximum return on investment in deposits. Some of the fund management issues faced by Muhammadiyah are (Muhammadiyah T. A., 2012, 25):

Table 2 Problem of Fund Management Muhammadiyah

	Problems	Effect
Information	Limited financial information from each business unit (Business Charity Unit) managed in each PP/PW/PD/PR	<ul style="list-style-type: none"> <li>• Unavailability of the latest financial information at the Central Board</li> <li>• Funding exposure can not be calculated accurately</li> </ul>
Effectiveness and efficiency	Use of multiple banks for organizational activities and business charity units with similar service /products. Too many idle funds in current accounts	The Central Board can not effectively manage funds and low bargaining positions with third parties
Coordination and control	Each business charity unit sets its PP/PW/PD/PR own cash flow	Weak coordination of the Central Board and the Regional Board to control the flow of Charitable Unit Funds
Risk	Financial management policies are regulated for each business charity unit	If financial risks arise in the business charity unit will also affect the organization and people

All business charities should be understood as a form of private wealth and should not be privately owned. All assets should not be acknowledged by the board, since virtually all business and asset deeds belong to the association, so all Muhammadiyah members and staff must be subject to the rules of the Association.

In an effort to fix and regulate the financial governance of the association, the Muhammadiyah Central Executive formed a Treasurer Assistance Team which has the following tasks:

1. Includes membership fees and contributions from leaders and infaq from citizens and sympathizers

2. Managing the placement of funds for funds and funds of Muhammadiyah Charitable Enterprises in the Banking and other Financial Institutions, in order to gain as much as possible for the association.
3. Design and manage existing investment funds in a safe and profitable place based on the approval of the Muhammadiyah Central Executive.

In addition to performing its duties, the Treasurer Assistance Team selected by the Muhammadiyah Central Executive also drafted four programs on Muhammadiyah's financial governance (Muhammadiyah T. A., 2012, p.21), namely:

1. Member and non member revitalization plan
2. Program optimization of funds in banking
3. Investment program
4. Fund Raising Program (Fundraising from Outside the Organization)

In an effort to reorganize and regulate financial governance Persyarikatan, Leaders Muhammadiyah issued a policy as a guideline for all organizations under the auspices of Muhammadiyah to contribute to the success of the program. Policy The decision was made in three letters, namely:

1. SK PP Muhammadiyah No.36/KEP/1.0/C/2012 dated 18 Shafar 1433 H/12 January 2012 M Fund Management System Integrated Cash Management Services.
2. SK PP Muhammadiyah No.37/KEP/1.0/C/2012 dated 18 Shafar 1433 H/12 January 2012 M Determination Muhammadiyah Islamic Bank Partners in Systems Integrated Funds Management Service Cash Management
3. SK PP Muhammadiyah No.38/KEP/1.0/C/2012 dated 30 Shafar 1433 H/24 January 2012 M Member Dues, Infaq Still, Infaq pupils and students as well as Fund Allocation Persyarikatan.

In the three decree, PP Muhammadiyah describes technically Muhammadiyah's financial governance. In Decree Number: 36/KEP/1.0/C/2012 Muhammadiyah Central Executive gives the following considerations:

1. That in order to support Muhammadiyah's continuity and independence in conveying the Islamiyah da'wah corresponding to Al-Quran and As-Sunnah, adequate financial support is required.
2. Whereas Muhammadiyah funds at each level, its elements and charities need to be managed more productively, effectively and accountably.
3. That in order to follow up the above considerations, and to become a guide for all levels, elements and charitable efforts of Muhammadiyah, a decision letter should be made.

Based on the Decree Number 36/KEP/1.0/C/2012, described in the first dictum of paragraph 1, that the Integrated Fund Management System of the Cash Management Service is an integrated cash management system and procedure developed

by PP Muhammadiyah along with management information system based on information technology and supporting communication technology aimed at the creation of efficient cash management, effective and accountable. These Cash Management Services are commonly known as cash management banking services. In this service, there are some features that can be used by large organizations such as Muhammadiyah, one of them is able to see real time online financial movement of all institutions under the auspices of Muhammadiyah so that it can be seen and measured the economic strength of Muhammadiyah, especially the Muhammadiyah Business Amal. It aims to facilitate access to the management of funds owned by PP Muhammadiyah with the use of technology and information that is growing and the present.

In this cash management service Muhammadiyah aims to streamline the management of Muhammadiyah funds, technically this objective is implemented through account management, as stated in the second dictum on account governance. In the dictum it is explained that there will be an automatic transfer from the demand deposit account to the savings account, if the fund for the operational needs in the demand deposit account exceeds the maximum limit, or otherwise will be transferred from the savings account to the checking account if the operational requirement is below the maximum limit by using autosave or transweep facility. With this automatic transfer, you will get a higher profit share.

In the framework of transparency, checking AUM account balances can be found through real online time by the Head of Central, Regional Leadership, Regional Leaders or Branch Managers against AUM under its authority. This is as written in the third dictum in Decree Number: 36/KEP/1.0/C/2012

The revenue-sharing agreement is also governed by the fourth dictum of the revenue sharing distribution which reads:

1. PP Muhammadiyah agreed with Islamic bank partner of Muhammadiyah tariff for profit sharing of current account, business savings, and deposit for the Persyarikatan.
2. Profit sharing obtained from a checking account shall be the right of the level, element or charity of the Muhammadiyah's business concerned.
3. Differences between the business savings and current accounts are distributed among levels, elements, or charities of Muhammadiyah with a ratio of 2 to 1.
4. Difference in the previous deposit with special rate which was fought by PP Muhammadiyah distributed between level, element, or Amal Usaha Muhammadiyah and PP Muhammadiyah with comparison 2 to 1.
5. The PP Muhammadiyah instructs the syariah bank of the Muhammadiyah partner to share the profit sharing referred to in paragraph 3 automatically.

Of the three above SK elaborated their respective technical detail, so that facilitate the Muhammadiyah leaders and

members to understand and apply. In addition Muhammadiyah policy in the use of bank services Islamic also apply the concept of fellow ta'awun AUM. This is due to the AUM difference between the existing infrastructure. So arranged financing governance with collateral deposits.

The use of Islamic banking services that have been formulated by Muhammadiyah Central Executive binds all levels, elements, and charitable efforts of Muhammadiyah which means that all institutions related to the hierarchy of Muhammadiyah must use the services of Islamic banks. During this time, Muhammadiyah did not know how much assets it has, but if seen AUM owned very much and has tremendous potential if managed effectively, efficiently and accountable. With the number of AUM that amounted to tens of thousands of it takes time in implementing policies that have been designed by the Central Executive Muhammadiyah. To that end, Muhammadiyah Central Executive provides transitional period until the end of December 2012. Up to the limit specified, AUM is still allowed to use conventional banks in placement of funds and partners. However, until December 2016 there are still some AUMs that have funds with not much amount still using conventional banking services. This happens due to several things including the following:

1. The end of the contract period with the bank concerned, so inevitably AUM still use conventional banking services.
2. The existence of facilities and convenience provided by the bank concerned, thus making AUM reluctant and did not feel comfortable to move funds.
3. Payroll salaries for some Muhammadiyah members who become civil servants (PNS) at institutions that have not used the services of Islamic banking inevitably have to use conventional banking services (Pakkanna, 2016).

The same thing was also conveyed by the Finance Department of PP Muhammadiyah which stated that PP Muhammadiyah and business charity still maintain their account at one syariah bank which is used as a means of ease in transactions. This is due to the service features provided by Islamic banks have not competed with features of conventional banking services more quickly, sophisticated, and modern (Abdullah, Sidek, & Adnan, 2012).

Until so far is, to achieve the success of the application of the new policy reaches 80 percent from 100 percent success rate. Implementation of this policy is not optimal caused by several things including the AUM is still no cooperation with conventional banks due unexpired contract period, the facility that granted by the bank to make AUM reluctant or uncomfortable to move funds, payroll salaries and receiving assistance from other parties, as well as the features of the bank Conventional more sophisticated, fast and easily accessible. Causing to tetep to maintain one of the conventional bank accounts used in transactions demanding a certain ease of transaction.

Of the best experiences shared by several PDM or AUM that have implementing cash management systems such as PDM Palembang, Cirebon regency PDM, LWT-UMS, and PDM Pekalongan can be drawn some conclusions that with their cash management provides advantages such as their *ta'awun* among existing AUM, justice and equal rights between members of AUM, their sense of loyalty that makes the members have in the works, their Persyarikatan ease in fund management, and with their cash management can provide an opportunity for AUM to perform *bargaining* (bargaining) to the bank related to the results in the placement of funds and financing facilities filed.

In addition to the benefits, there are also several obstacles faced such as the refusal of the management AUM fearing deduct rights, manager/executive can not be bothered safe zone, especially for those who handles the finances and financial administration, and their stuttering technology causing frequent errors and *errors* in implementing *software*.

#### *Strategies Employed By PP Muhammadiyah In Policy Implementation*

Strategies undertaken by the PP Muhammadiyah so that this policy can be implemented by all charitable efforts, the board and members of Muhammadiyah is owned by socialization and education conducted through a pattern of strata. Where the Central Executive will disseminate the policy to the Regional Chairman and Amal big effort through specific forums. Furthermore, Regional Chairman will make the forum invite the entire leadership of the area, branches, twigs, chairman and treasurer of AUM for socialize and educate the policy related to the members below authority. Thus, this policy information can spread to the entire leadership and manager of the AUM, Muhammadiyah members and their sympathizers (Pakkanna, 2016).

According to the theory of implementation, stating that there are some variables affect the implementation and success of policies (Julnes & Holzer, 2001). These variables include:

##### *1. Communication*

If the policies want to implement it accordingly, then directives implementation must not only understand, but also be clear. If the instructions are not clear, then the policy implementers will experience confusion about what they should do. In this process there are three things that must note, ie, transmission, clarity and commitment. Communication on the policy of use of Islamic banks is done through socialization and education through Strata pattern of central leadership to all institutions under the auspices of Muhammadiyah. Socialization and education is done by PP Muhammadiyah invited the Regional Chairman and some leaders of AUM nearby, which will be the Chairman of this region will return to disseminate and education to the Regional Executive, Branch, and Branch leaders who will also will re-socialization and eduksi the policy related to all members and managers of Muhammadiyah Charitable Enterprises under its jurisdiction (Zein, 2019).

In this socialization PP Muhammadiyah Assistance Team assisted by the Treasurer. However, the current treasurer of the assistance team is no more activity and movement. case This occurs, due SK Assistance Team Treasurer only until 2015. So from 2016 until now there is no more movement of the Assistance Team Treasurer. Based on interviews with several officials of the Council of Economic and Entrepreneurship and Treasurer of Muhammadiyah can be concluded that the absence treasurer clarity whether Assistance Team will be reactivated or reconstituted or otherwise be frozen. (Jaya N. d., 2017).

Although the transmission of orders this policy is going well, but in This policy consistency command has no penalty will be imposed to Charity Muhammadiyah businesses that still use conventional banking services. So This policy is basically just be an appeal or rather the awareness and the faith of the head of AUM as well as members and sympathizers as a whole. This makes the policy is not effective for the organization of Muhammadiyah which has AUM, members and sympathizers in an amount not in doubt number.

There should be clarity related sanctions implementation of policies already socialized. Given that Muhammadiyah is a giant organization with a very large fund. Which of course, with this funding can help development for the organization Muhammadiyah itself of the benefits of cooperation with Islamic banking. As for Indonesia, it can help Islamic banking development in order to expand market share, so as to offset the conventional banking market. In fact, the hope in the future the bank Islamic has a market share greater than the share of the banking market Conventional.

To achieve these expectations, required the intervention of community organizations that exist in Indonesia. Moreover, organizations that have a great time and sympathizers as well as Muhammadiyah. So, if you want the policy implementation in progress effective, must be clarity and consistency of command. If the policy does not command consistent meal will encourage implementers to take action very loose in interpreting and implementing the policy.

##### *2. Resources*

###### *a. Apparatus and Staff*

When viewed from the central leadership to formulate this policy, Tim assistance treasurer deemed to have been able to carry out tasks that they receive and competent in the formulation of programs for the next Muhammadiyah. Only the implementation is not maximized, this is due to team personnel the assistance amounted to only eleven people who should be promoting policies The Muhammadiyah to all members throughout Indonesia. Therefore, Good management is needed to arrange it. And it has also been arranged and coordinated with the PMW socialization to the level below with strata pattern in accordance with the authority of each leader.

### b. Information

Information in the implementation of this policy, the researchers concluded that all members and charitable efforts must menggunakan service Islamic bank, bank freed from usury elements as well as implement the policy. And yet known with certainty what percentage of AUM are already obeying the rules. This was stated by Mr. Mukhaer sebagaimana and several speakers Other that although the outline of AUM that is already moving and using Islamic banking services through cash management services, but AUM there are still some who are still using conventional banking services. Even AUM AUM question is who has the power of large funds. So the time gradually to move funds owned kebank islamic.

### 3. Trends

The tendency of the executive is a third factor that has important consequences for the implementation of effective policies. When implementing policies be kind to the policy set. Then it signifies that their support that will lead to implementation as desired. When researchers look, the tendency of leaders charitable efforts or executor policies tend to be positive. This is evident from the responses of those who support and said that this policy is good in terms of religion or the organization itself. So, we need the commitment of implementing this policy can be effective and optimal.

### 4. Bureaucratic structure

Basically, the policy implementers to know what to do and have desire enough and sufficient information to do so. However, in implementation is still a lot of obstacles that hinder the implementation of the policy. Barriers that usually come from outside the bureaucratic units such as legislative committees, business-as interest groups, the executive officer, the State constitution and the nature of policy influence of bureaucratic organization. While the external pressure coming from the bank interest groups Conventional, which is already in cooperation with AUM, so that there is a bad taste to sever the relationship that has existed as well as the many benefits that have been obtained from the partner banks. Although it's a step towards migration to Islamic banks already there, it's just still waiting for the right time.

Another effect that is important also from government agencies, where many grants for AUM which requires you to open a bank account islamic. It is also a lot of experience for the members of the leadership and members of the work diinstansi government. Where remuneration requires them to remain using conventional banking services although it is only used as a last Cross-payments and receipts cursory only. From some of the above explanation, it can be taken a decision that the policy in the use of Islamic banking services has been good, but in terms of implementation still tailored to the nature and condition of each AUM. Such as schools or agencies should receive assistance from the government. So there is a contradiction policy of the external and internal

Muhammadiyah make the implementation of this policy walking is not optimal.

### *Applying Policy Constraints In Muhammadiyah In Use Islamic Bank*

The whole Charitable Enterprises Muhammadiyah basically comply with and obey the stipulations which has been established by PP Muhammadiyah. So there is no dissent in principles in implementing these policies, even many who have used the AUM Islamic banking services long before the existence of the policy of PP Muhammadiyah. This matter indicates that the AUM itself has been siding with Islamic banks, although in application of the cash management system itself has not been fully applied because due to limited branches of Islamic banks have cash management system or they in the stage of building, although there are some who are ready as well as Bank Syariah Mandiri. The application is not optimal it is because there is still AUM is using conventional banking services. This is because cooperation the long-established and because of the ease of transactions given in service conventional banking. While there is still using conventional banking services, does not mean that economic activities and placement of funds in the bank more conventional. This generally occurs limited to the means of payment and receipt of funds at a glance only.

Another problem associated with the partnership is the absence of Islamic banks cooperation between partner banks and fund management-related CSR Muhammadiyah Islamic banks partners that can be managed by Muhammadiyah through LazisMU owned institutions. The potential is very large CSR funds, if managed properly and competently. Although there are some banks that perform their CSR funds related cooperation, but banks concerned are not banks including partner banks Muhammadiyah (Latief, 2013). Therefore, it is necessary to Muhammadiyah cooperation with banks Islamic partner in the management of their CSR funds, so these funds will spun back on Muhammadiyah through LazisMU, assemblies and institutions socially engaged in the social field.

## V. CONCLUSIONS

Analysis of Muhammadiyah policy in the use of Bank Syariah services in Charity Muhammadiyah efforts have not optimally implemented or in the process optimization. This is due to several AUM are still using bank Conventional still need socialization in implementing service cooperation *cash management* by Islamic banks. Although the application of the use of bank services Islamic in the savings and loans and financing are already a lot of AUM use them, even before their policy regarding such use. The strategy used by Muhammadiyah in applying This policy is to dissemination and education through strata pattern. Some of the obstacles that are impediments to the implementation of the policy, between other: Clarity and consistency of decision Still their charities do not know the business as a whole related to the policy, so that the necessary socialization as a whole. While Related consistency, any information that is different from the

leaders and makers policy on sanctions if it does not implement this policy in the future transition that has been determined. information obedience - The absence of accurate information on the level of the region how charitable effort has moved or using the services of Islamic banks, thus making This policy is difficult to measure its success. So that the necessary evaluation and clear coordination of each hierarchical organization Muhammadiyah. Bureaucratic structure - In carrying out the charitable efforts of Muhammadiyah cooperation with several other parties. such as schools associated with funding BOS (School Operational Assistance) and High diperguruan scholarship. as well as some Muhammadiyah members who work in government agencies. Under these conditions, requiring them to maintain cooperation with conventional banks, in order to maintain the strong collaboration and the smooth operation of the charitable efforts Muhammadiyah. Meski on its activities, Conventional bank accounts used only *payroll* or traffic admission and payment.

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