

Petty Cash

Most small businesses need to use petty cash - money withdrawn from the bank and used to buy sundry items.

It is important to put procedures in place, so that employees know what authorisation is required and the expense is correctly recorded in the accounting system.

Petty cash voucher

A petty cash voucher is used as a detailed record whenever some money is withdrawn. The petty cash voucher will need to show the following information:

- A unique voucher number
- Date the money is withdrawn
- Details of the transaction, include as much information as possible.
- Total amount that is withdrawn
- Attach any receipts to the voucher
- Make sure the voucher is authorised by the correct person

If the petty cash voucher is used as an advance, ensure that the correct details are recorded when the change and receipt are returned.

Petty Cash Voucher	
Date	<input type="text"/>
Voucher Number	<input type="text"/>
Description	£
Total	0.00
Approved By	_____
Cash Recieved	_____

Petty cash procedures

You will need to put petty cash procedures in place and ensure that staff are made aware of them.

- Use a locked box and make sure that only a few people know where the box and key are stored.
- Choose an appropriate float amount, this will vary from business to business, most businesses keep £300 **imprest amount**. This amount will need to be withdrawn from the bank.
- Put the money in the box and record your transaction in a petty cash book.
- When money is withdrawn from the box fill out a petty cash form or voucher.
- The money in the box plus the vouchers should always equal the original amount of money in the box. If you have a £300 float and the vouchers add up to £215 you should have £91 remaining in the box.

John Paihia – Petty Cash Book

Total Received	Date	Details	Total Paid	Postages & stationery	Travelling expenses	Cleaning	Ledger accounts
\$ 48(1) 252(1)	2007 Sept 1	Balance b/d Cash/Bank	\$	\$	\$	\$	\$
	6	Postage stamps	15	15 (1)			
	11	Paul Ahipara	95				95 (1)
	19	Cleaner	24			24 (1)	
	23	Travelling expenses	9		9 (1)		
	25	Stationery	72	72 (1)			
6(1)	29	Refund on stationery					
			<u>215 (1)</u>	<u>87</u>	<u>9</u>	<u>24</u>	<u>95</u>
	30	Balance c/d	<u>91</u>				
<u>306</u> 91(1)O/F 209(1)O/F	Oct 1	Balance b/d Cash/Bank	<u>306</u>				