

All TopicsSuggested

How to Begin (Video)

01

Accounting Basics

02

Debits and Credits

03

Chart of Accounts

04

Bookkeeping

05

Accounting Equation

06

Accounting Principles

07

Financial Accounting

08

Adjusting Entries

09

Financial Statements

10

Balance Sheet

11

Working Capital and Liquidity

12

Income Statement

13

Cash Flow Statement

14

Financial Ratios

15

Bank Reconciliation

16

Accounts Receivable and Bad Debts Expense

17

Accounts Payable

18

Inventory and Cost of Goods Sold

19

Depreciation

20

Payroll Accounting

What is petty cash?

Definition of Petty Cash

Petty cash or a petty cash fund is a small amount of money available for paying small expenses without writing a check. Petty Cash is also the title of the general ledger current asset account that reports the amount of the company's petty cash. The amount of petty cash will vary by company and may be in the range of \$30 to \$300.

The petty cash is controlled through the use of a petty cash voucher for each payment made. The expenses will be recorded in the company's general ledger expense accounts when the petty cash on hand is replenished.

Examples of Petty Cash Payments

Some examples of small payments made from petty cash include:

- Paying the mail carrier 30 cents for the postage due on a letter
- Reimbursing an employee \$9 for supplies purchased
- Reimbursing an employee for purchasing \$14 of bakery goods for an early morning meeting

Petty Cash Voucher

NO. _____

DATE _____

AMOUNT

PAID TO _____

FOR _____

ACCOUNT _____

FOR _____

ACCOUNT _____

(attach documentation)

RECEIVED BY _____

PAID BY _____

Shown above is an example of a petty cash voucher.

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How does petty cash affect expenses?
- ?

What is a petty cash voucher?
- ?

What does it mean to replenish the petty cash fund?
- ?

What is an imprest system of petty cash?
- ?

How do I start a petty cash fund?
- ?

How is petty cash reported on the financial statements?

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- Bookkeeping

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About the Author

Harold Averkamp (CPA, MBA) has worked as a university accounting instructor, accountant, and consultant for more than 25 years. He is the sole author of all the materials on AccountingCoach.com

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