Financial Ratios

Debts Expense

Depreciation

Accounts Payable

Payroll Accounting

Bank Reconciliation

Accounts Receivable and Bad

Inventory and Cost of Goods Sold

# What is petty cash?

#### **Definition of Petty Cash**

Course Outline

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.

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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.

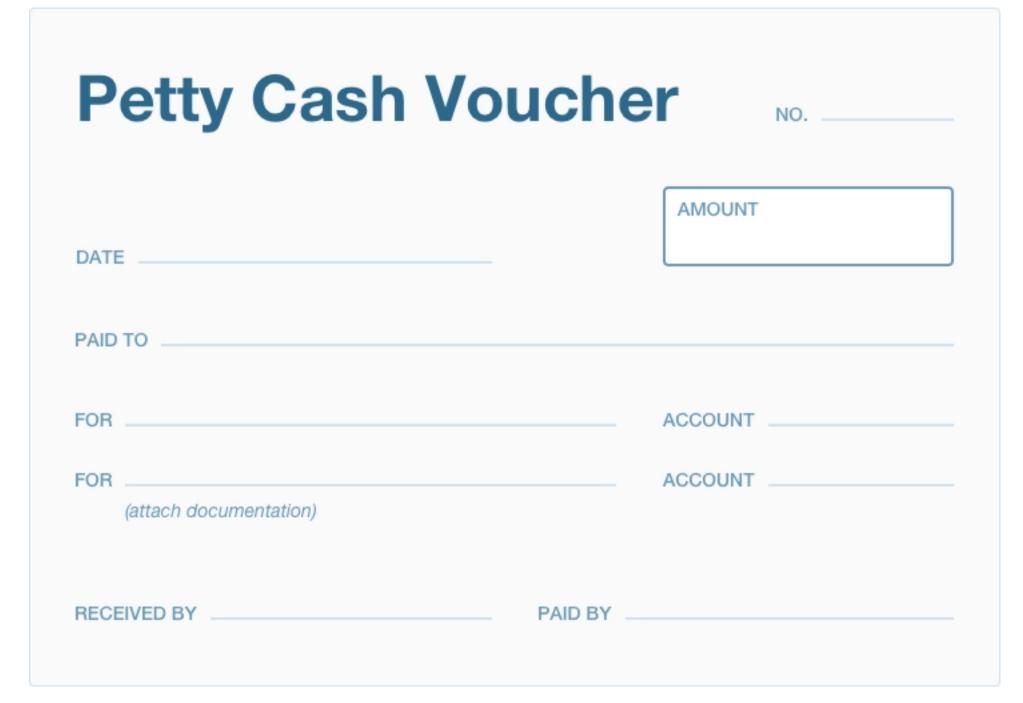
**Examples of Petty Cash Payments** 

Some examples of small payments made from petty cash include:

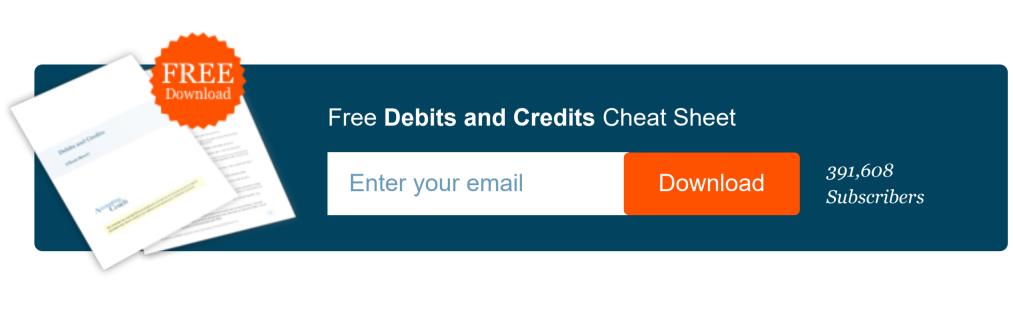
• Paying the mail carrier 30 cents for the postage due on a letter

- Reimbursing an employee \$9 for supplies purchased
- Reimbursing an employee for purchasing \$14 of bakery goods for an early morning meeting

Search any accounting term...



Shown above is an example of a petty cash voucher.



### **Related Questions**

① 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?	
② How do I start a petty cash fund?	
How is petty cash reported on the financial statements?	

#### To learn more, see the Related Topics listed below:

## Related Topics

**Accounting Basics** Bookkeeping











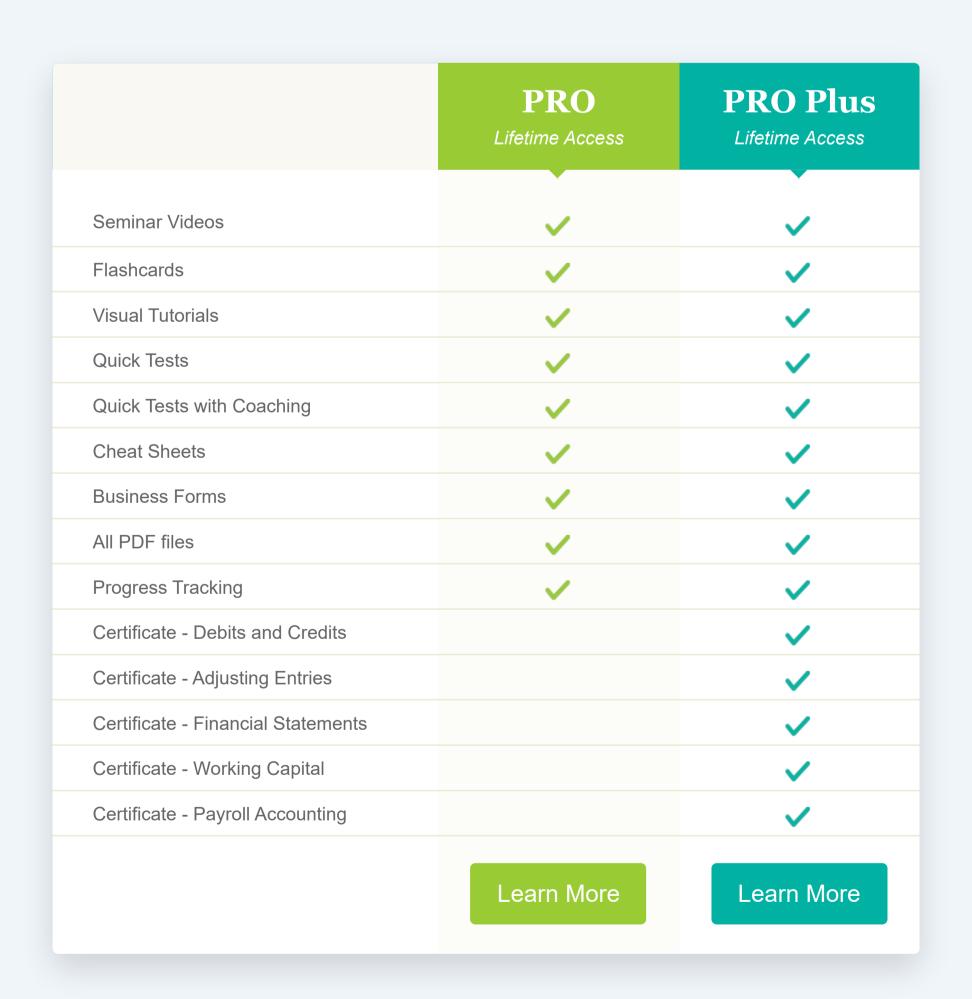






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# About the Author

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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