

Unit Standard 13932

Activity 1 (SO1, AC1-6)

This is an individual activity

Explain the Imprest system

Explain the following petty cash terms:

voucher
balance brought forward
balance carried down
cash receipts (slip)
re-imbusement
petty cash budget
reconciliation
shortage and overcharge (surplus and access)
float

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Explain the basic petty cash procedures

Why should petty cash not be used for large purchases or for wage roll payments?

Explain the procedure for issuing and recording petty cash

Find out what an average amount for petty cash is for about 3 businesses. Discuss this in your groups.

Activity 2 (SO1, AC1-6)

This is an individual activity

Record the transactions in the petty cash journal. Use the blank form on the next page. The petty cash balance is R1000.

Transactions for March:

01 Drew a cash cheque for R200 – cheque 21

PETTY CASH VOUCHER

No: 01

Date 3 March 200... Amount R12.60

For Postage on a parcel

Signature

05 paid R21 to Paper & Co for stationery – petty cash voucher 02

11 Bought stamps from the Post Office – R24

13 Paid a worker R30 for cleaning the windows

17 Paid R20 to Quick Transport to deliver goods to a debtor, A.J. Nel.

23 Paid R35,40 to PG Glass for replacing a window pane

28 Donated R15 to the local old age home

30 Drew a cash cheque for R150 to pay into the petty cash – cheque 34

Date 2014	Amount received	Payments	Ref	Total	Postage	Stationery	Refreshments	Sundry expenses	Ledger
Mar 03	1,000.00	Cash float		1000.00					
		String, 2 balls	1	25.00		25.00			
04		Postage stamps	2	16.00	16.00				
		Repairs to blinds	3	125.00					125.00
05		Courier	4	45.00				45.00	
06		Coffee, tea, sugar	5	67.00			67.00		
		Cleaning materials	6	83.00				83.00	
07		Total disbursements		361.00	16.00	25.00	67.00	128.00	125.00
		Balance on hand		639.00					
	361.00	Imprest received		361.00					
		Cash float		1000					

[illegible]

Activity 3 (SO4, AC 1-4)

This is a group activity

An organisation should have systems in place to control the receipt of money and the payment of money. Why is this necessary

Why do organisations have administration procedures in place?

Describe procedures for receiving money.

Describe procedures for making payments.

List the source documents for banking.

What details must be entered on the deposit slip?

Explain why the following is important:

Date stamp.

Account name and number

Amount of the deposit

Explain cheques that are crossed "Not Transferable"

Activity 4 (SO4, AC 1-4)

List the information you will need to issue an invoice. (6)

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XYZ Trading sold the following goods on credit on 14 April:

- ✓ To Mrs C.A. Terer 5 table cloths at R25.00 each (cost of sales R16.5); and 50 white dinner plates at R8.00 each (cost of sales R5.60 each). Next invoice number 325.
- ✓ To P. Khoza 12 serving dishes and cutlery combo sets at R112 each (cost of sales R79). Next invoice number 326.

Draw up the invoices

INVOICE XYZ Traders 321 Church Street, Timbuktu, 12458					No 325	
To: Mrs C.A. Terer Timbuktu 12458				Date: 14 April 200...		
Quantity	Description	Price		Amount Due		
5	Table cloths	25	R 00	R 125	00	
50	White dinner plates		R 8 00	R400	00	
Total				R525	00	
Terms 30 days from date of invoice						

INVOICE XYZ Traders 321 Church Street, Timbuktu, 12458					No 326	
To: Mr P. Khoza Timbuktu 12458				Date: 14 April 200...		
Quantity	Description	Price		Amount Due		
12	Serving dish and cutlery combo sets	112	R 00	R 1344	00	

Total	R1344	00
Terms 30 days from date of invoice		

Activity 5 (S05, AC1-5)

In handout 1 you will find the following documents:

- Deposit slips
- Cheques

Do the following:

1. Make out a deposit slip to deposit the following into your bank account: (9)
 - A cheque for R700 issued by P. Polokwane for transport for the following two months ahead for children.
 - And cash of R13500.

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2. Write out the following cheques.
 - You need to buy new seats for one of your buses so that it meets the standards required by the tender contract you are planning to win. You speak to an old friend of yours who works in the seat-manufacturing industry and he decides to help you out. His company, "Sit-rite", is willing to sell you 100 seats for only R3000 – 00.
 - While you are out collecting the seats, your secretary phones you and tells you that your printer has broken. You need to be able to print itineraries for your passengers and must buy a new one. You stop in at "Walter's Compu-warehouse" where you buy a printer for R1449 – 00. you have enough food for the week that you will be away. You stop in at "Pick 'n Pay" to buy the groceries that you will need. They cost you R897 –90 altogether.
 - It is the end of the month and your secretary needs to be paid her salary. You usually do an electronic payment into her account but this month she has asked for a cash cheque rather. You write a cheque out for her salary of R1500-00.
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3. Calculate how much money you have left in the bank.
4. Reconcile the bank statement

Who should you report irregularities to? (1)

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Explain the safety procedures regarding the handling of money in your organisation. (3)

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