

Printable pages you can use in your business or as you study, learn and practice bookkeeping.

Bookkeeping Forms and Templates

Includes:

- **Cash book spreadsheet**
- **Bank reconciliation form**
- **Delivery docket template**
- **Sales invoice template**
- **Statement of account**
- **Petty cash log**
- **Petty cash vouchers**

Plus

All the pages, as seen on our website, that describe how to process each form in the business setting.



Bookkeeping Forms and Templates

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Single Entry Bookkeeping

It is possible for a business to operate with the single entry bookkeeping system if the **business is new** and/or the **business transactions are low in volume** and uncomplicated.

Single entry bookkeeping is a great, easy way to ease yourself into accounting! And **it's cheap** because you do not have to invest in bookkeeping software.

This method of bookkeeping is a simple record of income and expenses using a manual cash book and calculator, or a spreadsheet in a self calculating programme such as Open Office, Excel or Quattro Pro.

There are no asset, liability or equity accounts as per [double entry bookkeeping](#) so single entry bookkeeping cannot be used to produce a [balance sheet](#). However, if your business by nature remains very small and uncomplicated then you need not be concerned by this.

If you are keen on starting with single entry bookkeeping for your budding business then take a look below at the sample of a cash book/spreadsheet. It's very easy to set one up just like it.

Cashbook Example

Date	Description	Ref	Income	Expense	Balance	
1-Apr	Balance b/f				200.00	R
4-Apr	Folders and pens	PE1		15.00	185.00	R
15-Apr	Sale : Ms E Inkson	SI1	54.00		239.00	R
18-Apr	Sale : Mr R U Redy	SI2	30.00		269.00	R
19-Apr	Drawings	D1		10.00	259.00	R
21-Apr	Envelopes and stamps	PE2		20.00	239.00	R
24-Apr	Web host fees	PE3		40.00	199.00	R
27-Apr	Chair and desk: Ch 001	PE4		125.00	74.00	R
29-Apr	Sale : Mr J Mighty	SI3	30.00		104.00	R
30-Apr	Bank Fees	PE4		2.50	101.50	R
30-Apr	Sale : Ms T Real	SI4	54.00		155.50	R
	Balance c/f				155.50	
	Cash Book Balance	155.50				
	Add: Unpresented cheque	125.00				
	Subtotal	280.50				
	Less: Deposit not yet showing	54.00				
30-Apr	Bank Statement Balance	\$226.50				

PE = Purchase Expense

SI = Sales Invoice

D = Drawings

- **The Date** - This is the date of the transaction which you can get off the [accounting source documents](#).
- **Description** - A brief description of the transaction. You can put whatever

information you feel necessary, but don't overdo it!

- **Reference** - You can basically choose whatever reference will help you identify the transaction. Some people use the invoice numbers.

The reference can be written somewhere on the transaction document, if it's not on there already - like an invoice number. This is a good way of cross referencing the transaction between the cash book and the document.

- **Income/Expenses** - Simply insert the value of the transaction into the appropriate column... is it money coming in to the business or money going out of the business? You could change the headings to 'Money In' and 'Money Out' if you prefer.
- **Bank** - This is a running balance column that changes each time a transaction is entered. Add the income, subtract the expenses. Notice on 01 Apr there is an opening balance. This is the balance taken from the last day in March and brought forward (b/f) to Apr. It can also be called b/d - brought down.

Okay! Now you've got the hang of that, let's discuss the bottom section of the spreadsheet...

The Bank Reconciliation

This is done to match the cash book total to the bank statement total for the end of April. You just need to go through and tick each cash book item that has a corresponding entry on the bank statement. Or you can put an R for reconciled as the example above shows.

Also included in the reconciliation is the cheque of \$125.00 - this was already written in the cash book but as at the end of April the supplier had not yet presented it to their bank so it is 'added back in'. The deposit made of \$54.00 is yet to be taken to the bank by our bookkeeper so this has to be 'taken away'.

Do not include any transactions in the cash book that are never going to be reflected on the bank statement. The two should always be in agreement.

Expanding the Single Entry Bookkeeping Spreadsheet

If you want to keep a slightly more detailed cash book you can do the following:-

Details			Money In			Money Out					
Date	Description	Ref	Sales	Bank Interest	Bank	Stationery	Office Equip.	Internet	Drawings	Bank Fees	Bank
1-Apr	Balance b/f				200.00						
4-Apr	Folders and pens	1				15.00					15.00
15-Apr	Sale : Ms E Inkson : Inv 001	2	54.00		54.00						
18-Apr	Sale : Mr R U Redy : Inv 002	3	30.00		30.00						
19-Apr	Drawings	4							10.00		10.00
21-Apr	Envelopes and stamps	5				20.00					20.00
24-Apr	Web host fees	6						40.00			40.00
27-Apr	Simply Chairs: Chair: Chq 001	7					125.00				125.00
29-Apr	Sale : Mr J Mighty : Inv 003	8	30.00		30.00						
30-Apr	Bank Fee	9								2.50	2.50
30-Apr	Sale : Ms T Real : Inv 004	10	54.00		54.00						
			168.00	0.00	368.00	35.00	125.00	40.00	10.00	2.50	212.50
				<i>c/f</i>	155.50						

A separate column is made for each sale item and each expense item, and totalled. This is a great way of keeping closer tabs on how much you are receiving or spending for each income or expense type.

Incidentally, these separate columns are what make up the 'accounts' of a bookkeeping system i.e. bank account, stationery account, internet account and so on.

With this extended sheet it is wise to double check that the totals going across the sheet add up to the totals going down the sheet thus maintaining the accuracy of your accounts.

The difference between the Income and Expenses is written just below the Income Bank column as the '*c/f*' figure. Carry on with a bank reconciliation as per previous example.

Once your business grows and you're able to process a cash book with confidence you can move on from single entry bookkeeping. Remove the training wheels and expand into double entry bookkeeping.

Bank Reconciliation Statements

Learn everything you need to know about bank reconciliation statements for a business - how to do them and how often. This information can also be used to balance your personal bank accounts.

What are Bank Reconciliation Statements?

Any business that is receiving and spending money will use banking and bank reconciliation procedures.

The bank will regularly send the business a bank statement which lists in date order the money that has gone in and out of the bank account.

In the meantime, the business' bookkeeper will have entered these withdrawals and deposits into the business cash book.



Why do Bank Reconciliation Statements Need to be Done?

Bank reconciliations verify that the funds going in and out the cash book agree with the funds going in and out the bank account.

- If the closing balance of the cash book does not match the closing balance of the bank statement, the cash book will need to be adjusted or amended.

The reconciliation helps the bookkeeper to find what is causing the difference and make the necessary adjustments.

Of course, there may be an error on the bank statement rather than the cash book, however, in my experience banks very rarely make these errors. I'm not saying they don't happen, but it is rare!

- If you live in a country where you have to collect and pay sales tax, bank reconciliation statements will help you find any entries you may have doubled up on in the cash book – you don't want to pay sales tax unnecessarily.
- Your tax accountant will want to check the accuracy of your cash book by viewing your final bank statement and reconciliation statement for the end of the year.

An accurate cash book plays a big part in ensuring the correct tax is paid to the government.

How Often Should Bank Reconciliation Statements be Done?

Bank reconciliation statements are generally completed **once a month**.

However, if your business is very busy with a large number of transactions you could ask your bank for an extra **statement mid-month, or even weekly**.

That way you can easily stay on top of the reconciliations and avoid feeling rushed or stressed once a month.

If you have access to **internet banking** you do not have to wait for the bank to send you a statement. Simply print a transaction listing for the dates you require. Ensure there is an opening balance and a closing balance because these are required to complete an accurate reconciliation.

There are no "rules" about how often to do a bank reconciliation statements. You can do it **daily** if you wish. Then again, you could do it **six monthly** but only if you have *very* few business transactions.

Also important to note is that you should never reconcile a bank statement to **today's date**, because today is not yet over and your closing balance might change by the end of the day. The most up-to-date you can make a reconciliation is to yesterday's date (meaning up to the day before you prepare a reconciliation).

How to do Bank Reconciliation Statements

Options on where to do it:

1. Enter a reconciliation summary underneath the relevant month in the cash book, or
2. Prepare a bank reconciliation form, or
3. Invest in bookkeeping software that has reconciliation capabilities.

If you are keeping a manual cash book you need to **check off each cash book entry against each bank statement entry.**

You can put a small tick *on* the bank statement next to the entry and put a tick or an 'R' for reconciled *in* the cash book next to the relevant entry. If there are extra entries in the cash book that do not show up on the bank statement, or vice versa, you need to **adjust the cash book** once you find out what they are. They might be:-

- **Outstanding cheques/withdrawals*** - these are cheques that your business has entered into the cash book and sent to vendors but which did not show up at the bank by the closing date of your bank statement.
 - **Outstanding deposits/receipts**** - these are payments that you have received into the cash book, but which were not deposited to your bank before the bank statement closing date.
 - **Bank Fees and Interest** - these are charges that you would normally only know about after receiving your bank statement. You will need to enter these into the cash book.
 - **Other Unidentified Entries** - if there are any other entries missing from either document then you will need to investigate how they got there and make the necessary adjustments.
- * Outstanding cheques/withdrawals will be **added** to the reconciliation
** Outstanding deposits/receipts will be **deducted** from the reconciliation

If the bank account is in overdraft, then do it the other way around.

Bank Reconciliation Form

If you don't want to enter the reconciliation *into* the cash book, use the form in this eBook instead. See below for a completed example of this template.

Bookkeeping Software Reconciliation

Bookkeeping software that has reconciliation capabilities makes the whole process quick and easy.

All you need to do is click on the reconciliation section of the software, run your eyes down the bank statement, check off each entry in the software's reconciliation section, add in the extra entries, press a button... and voila! you should have an automated bank reconciliation statement that you can print out and place into your filing system.

On the next page is a simple bank reconciliation example using the blank template in this eBook and based upon the cash book on Page 4

Delivery Docket

Date : _____

Docket No : _____

Delivery To: _____

Supplied By: _____

Customer PO# _____

Tel No _____

Order Date _____

Reference _____

Delivery Date _____

Code	Description	Quantity		
		Ordered	Shipped	Backorder

Please retain this delivery docket as proof of purchase.

Comments:

Delivery Docket Template

Use this free delivery docket template to produce a delivery docket with ease. All the basic information necessary for producing your own docket sheet is here.

All you have to do is add in the details relevant to your business and you are ready to deliver the goods.

Delivery Docket Advantages

For the seller:

- The docket can be used to check the items against the customer's order
- The warehouse can do the docket without worrying about putting in the prices as this will be done by the accounts office when they prepare the sales invoice
- It can be useful for quickly getting the items out, giving the bookkeeper time to check on prices/queries, if necessary
- The docket can go with the shipment, whilst the sales invoice can be emailed to the customer.

For the buyer:

- The department receiving in the goods can use the docket to double check the goods have all been received according to what was originally ordered
- The docket is the source document for updating the inventory records
- Once checked and authorized the docket can be given to the accounts department who will then know to expect an invoice from the seller.

Delivery Docket Details

A delivery docket should hold the following information:-

- The date of the docket
- The docket number
- The name and address of buyer
- Name, address and contact details of seller
- Buyer's purchase order number (PO#)
- Date of order
- Date of delivery
- Description and code of goods

- Quantity ordered and delivered
- Items that are not immediately available are placed in the back order column
- Comments about anything specific to the order, such as when the etd (estimated time of delivery) of the back ordered items is due to be shipped.

Handling the Delivery Docket

- **By the Seller**

The docket should be placed inside the envelope or box at the top where it can be easily retrieved. Another way is to place it inside a plastic sheath for protection which is then taped onto the outside of the shipment envelope or box.

- **By the Buyer**

The accounts department should keep the docket in a folder where it can be matched up to the purchase invoice once received. It can be attached to the back of the invoice, or filed away into a separate docket folder in alphabetical order.

Delivery dockets are not always necessary because a sales invoice can also be used as a delivery docket, thus avoiding having to use a delivery docket template.

Delivery Docket				
Date : <i>September 18, 2012</i>		Docket No : <i>1000043</i>		
Delivery To: <i>Goods In Department Green's Clothing Warehouse East Coast Upper Island</i>		Supplied By: <i>Wholesale Clothes East Coast Lower Island</i>		
Customer PO# <i>5769</i>	Tel No <i>093 8765428</i>			
Order Date <i>09/17/2012</i>	Reference <i>Z1203</i>			
Delivery Date <i>09/18/2012</i>				
Code	Description	Quantity		
		Ordered	Shipped	Backorder
<i>TPO1</i>	<i>Trackpants - Purple - Medium</i>	<i>20</i>	<i>17</i>	<i>3</i>
<i>H001</i>	<i>Hoodie - Purple - Medium</i>	<i>20</i>	<i>20</i>	
<i>TS005</i>	<i>T-Shirt - Yellow - Medium</i>	<i>10</i>	<i>15</i>	<i>5</i>
Please retain this delivery docket as proof of purchase.				
Comments: <i>Backordered goods estimated time of delivery 2 weeks from date of this docket.</i>				
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Sales Invoice

Date : _____

Invoice No : _____

To: _____

From: _____

Quantity	Description	Unit Price	Cost

Comment:

Subtotal _____

Discount _____

Tax _____

Total Due

Payment due by _____

Please make payment into Bank Account No: _____

Interest of _____% per annum will be charged on late payments.

 Cut here

Remittance

Customer Name _____

Invoice No. _____

Amount Paid _____

Sales Invoice

Create Your Own Invoice

A sales invoice template is an outline document into which is added information relevant to each and every sale you make to a customer.

A sales invoice template is available from the following resources:-

- A **pre-printed duplicate invoice book** available from stationery suppliers;
- A sales invoice template within your favourite **spreadsheet programme** such as Excel;
- **Bookkeeping computer software** that has the capability of producing invoices.

The outline of the sales invoice template will include unchangeable information like:-

- Your business name, address and logo
- Your business sales tax number if applicable
- The words 'Date' and 'Invoice No.'
- Column headings, etc.
- Your payment terms
- If you want payment directly into your bank account then display the account number.
- Your interest charge per annum for overdue payments.
- A remittance slip (optional)



Hint - always use the decimal point and cents units. Example, \$5.00 is better than \$5
This avoids any doubt about the full cost.

You probably receive sales invoices, also called bills, all the time. Study one and take note of what information is on it.

1. What details from a sale should an invoice include?

The Top

- The customer's name and address
- An invoice number. Start with something like 4001 or 0002510 rather than number 1 which is too basic, and you don't really want your customer to know they are the first - they may lose confidence in the product.
- The date of the sale. If you deliver a product and only prepare the invoice several days later, use the date you prepare the invoice. On the invoice you could indicate the delivery date and docket number in the Description column. (It's always a good practice to issue delivery dockets if the invoice is only going to be posted out at a later date)
- The customer purchase order number if they have given you one.

The Middle

Columns headed:-

- Quantity (optional)
- Description
- Unit Price (optional)
- Discount (optional)
- Cost

The above *optional* items are optional because you could put a one line detail into the 'Description' column. For example - '3 x hats @ \$5.00 each' with the total of \$15.00 in the 'Cost' column. It looks more professional to use *all* the columns so it depends on your situation.

Many businesses provide both service *and* parts in the same job (like a plumber spending time fixing a sink - *the service*, and providing the replacement parts - *the items*). These can both be included on the same invoice.

The Bottom

- A subtotal below the 'Cost' column (optional)
- A tax amount (optional)

- The total due.
- Your early payment discount terms if you provide them
- Your payment terms should indicate whether you want cash on delivery, or payment within 7 days or by the end of the month following the date of invoice

Hint : Sales are coded to the Income account in your Chart of Accounts. You can break it down to two:- Service Income, Parts Income

2. The Remittance Slip

This is bit of paper the customer can return to you with their payment so that you know who it's from and what sales invoice it is for. The remittance should show:-

- The customer name
- The sales invoice number
- The amount due
- A blank line onto which they can write how much they are paying (if they are not paying the whole amount).

3. Discounts

Early Payment Discounts: You could offer an early payment discount of say 10% as an incentive for the customer to pay cash before receiving delivery, or to pay by the due date if you extend credit. Just be sure you can afford the discount. Does your [mark up](#) cover it?

Most people love to know they can pay less than they have to. If a discount encourages them to pay on time at least you are getting the money in and not wasting energy, time and money on chasing overdue payments.

Bulk Discounts : You can also offer a discount to customers who buy in bulk. Here again you need to decide what your limits are. A customer buying 100 hats could well deserve a discount of 20% as long as your original mark up per hat still allows you some profit after this discount.

Discounts are an expense to your business and coded to a 'Sales Discounts' expense account in your Chart of Accounts.

4. Credit Note

A Credit Note is usually produced to reduce the total of an invoice in the following scenarios:-

- An error has occurred such as an overcharge.
- A customer complains about the product and you decide to give them a discount.
- To 'cancel' out a sales invoice when an unsatisfied customer returns a product.

You can use the exact same layout as your sales invoice template replacing the words 'Tax Invoice' with 'Credit Note' and put a negative sign next to the value (like this -\$5.00).

In the description column be sure to indicate which sales invoice the credit note is amending. Keep the description short and sweet; if you want to keep lots of detail put it on a separate sheet of paper to file away with the copy of the credit note.

Post out to the client as you would a sales invoice.

Below is a very basic sales invoice which displays some of the things I have mentioned above so you can see how it all pulls together.

MICHAEL SMITH PLUMBER			
5 Any Street, Any City, That Area Code			
Telephone: 0800 XXX XXX			
Date :	2/03/2011	Invoice No :	0003521
		Tax Registered No	123456
Mrs T Customer	This Address		
	This City		
	This Area Code		
TAX INVOICE			
Quantity	Description	Unit Price	Cost
Repair of leaking bathroom sink			
5	Michael's labour	30.00	150.00
2	Bathroom Taps	12.00	24.00
4	Pipes	15.50	62.00
1	Travel	30.00	30.00
1	Sundry Charge	5.00	5.00
		Subtotal	271.00
		Tax	33.87
Discount			
*** Pay only \$274.87 if paid by due date ***		Total Due	\$304.87
Payment due by the 10th of the month following the date of invoice.			
Please make payment into Bank Account No. 12 3456 789112 012			
Interest of 10% per annum will be charged on late payments.			
Cut here			
Remittance		Mrs T Customer	
Michael Smith Plumber		Amount Due	\$304.87
5 Any Street		Amount Paid	_____
Any City			
That Area Code			

Statement of Account

To:

From:

Reference: _____

Date : _____

Opening Balance:

Date	No.	Description	Amount	Payment	Remaining

Comment _____

Subtotal

Interest

Total Due

Payment due by _____

Please make payment into Bank Account No: _____

Interest of _____% per annum will be charged on late payments.

Cut here ✂

Remittance

Customer _____

Invoices Paid

Reference _____

Total Paid

Statement of Account

Sample and Template

A statement of account is a summary of all sales made to a customer during the month.

It is usually only issued to customers whom the seller has previously approved to have an account with them, and who have signed the sales/purchases terms of agreement.

Statements of account only need to be sent to customers who have to pay their account in the months following the date of invoice. Customers who have to pay right away or within a short time frame, like 7 days, don't need to be issued a statement.

A customer with a zero balance on their account does not need to be sent a statement unless they specifically request one, which doesn't usually happen.

Statements of account can be printed and posted, or emailed to the customer. If you prefer to send emailed documents you can use the attached Excel template of this form. Simply fill in all your details, print the completed form to a PDF document (download for free PrimoPDF to do this) and email the PDF document to the customer.

Statement of Account Layout

Some of these items may be really obvious requirements but check the list carefully as there may be one or two things you hadn't thought of.

Name and address:

- **Top Half:** On the top half of the statement the customer's full business name and address needs to be included, as well as yours, the seller, with contact numbers.
- **Bottom Half:** Complete your business name and address on the remittance, and your customers name on the right.

Reference: This could be your customer's account number if you allocated them one when approving them as account holders. Or you could use the month as a reference i.e. April. Or just leave it blank.

Date: Some businesses date their statements at the last day of the month i.e. April 30, this statement will show all invoices and credit notes for the month of April. Some businesses date their statements at the first day of the month i.e. May 1, and will show all invoices and credit notes for the month of May. There is no strict rule about how to date it. Chose your preference and stick with it.

Opening Balance: This is the 'total due' balance taken off the statement sent out the previous month.

Headings

- **Date:** this is the date on the invoice or credit note sent
- **Number:** this is for the numbers of the credit notes or invoices that were sent out. Payments can be allocated the reference number given it in the cash book
- **Description:** describes the type of document or transaction affecting the customer
- **Amount:** this is the amount of each [sales invoice](#) or credit sent to the customer – note the credit has a negative sign in front of it
- **Payment:** the column in which to show any payments the customer made during the month.
- **Remaining:** the amount left after each invoice addition or credit/payment subtraction.

Totals/Interest

The sub-total is the balance left once all the invoices, credits and payments have been factored in. Then the interest can be added on – calculated on overdue payments from the previous month - or a discount for early payment taken off. This ends up with the final total due by the customer. Make the final total stand out in a bold or larger font.

Extra Details

- **Comments** - The comments section can be used for a personalised message by the seller to the customer such as 'thank you for your business!'
- **Due date/payment type** – It is important to let the customer know when payment is expected. Give them options of type of payment you accept, like direct banking (be sure to include your full bank account number), check/cheque, credit card.
- **Interest percentage** – also often called 'finance charge'. Remind the customer how much interest will be charged on overdue payments. Go to [accounts receivable collections](#) to learn how to calculate interest charges.

Remittance

Entering your business name and address on the remittance makes it convenient for the customer – it means they don't have to do it and they can simply pop it into a window envelope to be posted to you.

Fill in your customer's name on the right so that you know which customer the remittance is from when you open the envelope.

Note: many customers will pay by direct banking but will post the remittance so you know exactly what they are paying. Many customers will not use it which can be a nuisance if they only pay a portion of each invoice leaving you not knowing which invoices to allocate their payment against – ring them in this instance.

Customer Cut Off Dates

Many business customers have a cut off date (such as 5th of the month) beyond which any invoices you send will not be included in their current pay run but held over for the next month's one, so be sure to process all your invoices as soon as the month has ended and issue your statement of account right away.

Invoice/Statement Adjustments

Once a statement of account has been sent to the customer, do not then go back and amend an invoice unless it has been discussed with the customer so they are aware of any issues. If you have to amend an invoice then be sure to send the customer both the amended invoice and an amended statement of account showing the new balance.

Completed Sample

Statement of Account					
To:			From:		
<u>My Customer</u>			<u>Me</u>		
<u>at his address</u>			<u>at my address</u>		
<u>in this town</u>			<u>in this city</u>		
<u>at this code</u>			<u>with this code</u>		
Date : <u>April 30, 2012</u>					Reference: <u>B16</u>
Opening Balance:					<u>\$350.00</u>
Date	No.	Description	Amount	Payment	Remaining
<u>04-09-12</u>	<u>SI10072</u>	<u>Sale</u>	<u>\$250.00</u>		<u>\$350.00</u>
<u>04-18-12</u>	<u>SI10093</u>	<u>Sale</u>	<u>\$400.00</u>		<u>\$850.00</u>
<u>04-25-12</u>	<u>DC18</u>	<u>Payment</u>		<u>\$100.00</u>	<u>\$750.00</u>
<u>04-29-12</u>	<u>CR20010</u>	<u>Credit</u>	<u>-\$50.00</u>		<u>\$700.00</u>
Subtotal					<u>\$700.00</u>
Interest					<u>\$5.75</u>
Total Due					<u>\$705.75</u>
Comment					
Payment due by <u>May 25, 2012</u>					
Please make payment into Bank Account No: <u>246813579</u>					
Interest of <u>10%</u> per annum will be charged on late payments.					
Cut here ✂					
Remittance			<u>My Customer</u>		
			Customer		
<u>Me</u>			Invoices Paid		
<u>at my address</u>			<u>SI10072</u>	<u>\$</u>	
<u>in this city</u>			<u>SI10093</u>	<u>\$</u>	
<u>on this code</u>					
Reference			Total Paid <u>\$</u>		

PETTY CASH VOUCHER

DATE:	<input type="text"/>	CASH OUT:	<input type="text"/>
DETAIL:	<input type="text"/>	CASH IN:	<input type="text"/>
	<input type="text"/>	TOTAL:	<input type="text"/>
VOUCHER NO:	<input type="text"/>		

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PETTY CASH VOUCHER

DATE:	<input type="text"/>	CASH OUT:	<input type="text"/>
DETAIL:	<input type="text"/>	CASH IN:	<input type="text"/>
	<input type="text"/>	TOTAL:	<input type="text"/>
VOUCHER NO:	<input type="text"/>		

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PETTY CASH VOUCHER

DATE:	<input type="text"/>	CASH OUT:	<input type="text"/>
DETAIL:	<input type="text"/>	CASH IN:	<input type="text"/>
	<input type="text"/>	TOTAL:	<input type="text"/>
VOUCHER NO:	<input type="text"/>		

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Know Your Petty Cash Procedures

Here you will learn how to keep a petty cash log, when to use petty cash slips, and how to stay on top of the petty cash float. Ensure your petty cash procedures are up to scratch so that you can confidently reconcile your cash expenses at the end of every month and claim them for tax purposes.

What is Petty Cash?

Petty cash is a small amount of cash that any business can keep on their premises in a lockable container. Petty cash should be properly controlled with a petty cash log and accurately entered into the bookkeeping system in exactly the same way you would maintain a bank account.



The cash can be used for:-

- small purchase items such as tea, coffee, sugar, stationery
- giving change to customers who pay cash
- holding cash that has been paid by a customer – it can be 'deposited' into the petty cash box instead of the bank account. (larger cash payments should be deposited to the bank).

This page is in two sections:-

1. Four Steps to Setting up the Petty Cash Box, and
2. Four Steps to Maintain the Petty Cash.

Four Steps to Setting up the Petty Cash Box

Step 1 : Purchase a Petty Cash Box

Buy a decent box in which to keep the cash. Most stationery stores sell them. Chose the size appropriate for you and one that has a lock and keys. Most boxes have a removable tray on which you place all the coins. The tray comes out and underneath is a space for the notes of cash and the vouchers.

Step 2 : Decide on the Petty Cash Float

The float is the maximum amount with which you start off your cash box. You may decide \$50 is enough to start with, so the float is \$50.00. Withdraw \$50 from you business bank account ensuring you ask for the coins you think you will need. Fill in a petty cash voucher/slip as per the example below, and place the money and your very first voucher in the box!

PETTY CASH VOUCHER			
DATE:	March 01	CASH OUT	
DETAIL:	Float	CASH IN:	\$50.00
		TOTAL:	\$50.00
VOUCHER NO:	1		

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Step 3 : Petty Cash Voucher

You can buy pre-printed, numbered petty cash vouchers from a stationery store, or you can design one on your computer.

Or use the free template that came with this eBook!

These pre-printed slips are good for helping you to remember all the details you need to put on the voucher. Blank bits of paper may encourage sloppy habits such as forgetting to put the date; the proper amount etc.

Step 4 : Petty Cash Log

Prepare a blank petty cash log utilizing a small book or use the free template that came with this eBook

Scroll down to Step 2 below for a completed example.

Keep this log readily available so you can fill it in on a regular basis taking the information off the petty cash vouchers.

The petty cash log is useful for keeping a running total of the balance left in the box – a good way ensure the box doesn't run short of cash.

If your petty cash is very small and used very little then you can get away with not using a petty cash log but instead enter the information straight from the vouchers into the bookkeeping system at the end of the month when it is time to reconcile the petty cash.

Four Steps to Maintain the Petty Cash

Step 1 : Cash Withdrawals/Deposits

Every time cash is taken out the box a voucher should be filled in like this example below:-

PETTY CASH VOUCHER			
DATE:	March 20	CASH OUT:	\$5.00
DETAIL:	Milk	CASH IN:	\$1.50
		TOTAL:	\$3.50
VOUCHER NO:	2		

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There are several options here:-

1. Fill a voucher for cash out of say \$5.00 and when the change is returned complete the 'cash in' box of the voucher (as in the above example). Attach the receipt; or
2. Take the cash, buy the item, put the change and the receipt back into the box and only then fill in the voucher 'cash out' with the exact amount as per the receipt.
3. Take the cash, buy the item, put the change and the receipt back into the box. Don't worry about filling in vouchers. Simply fill in the petty cash log.

With option 2) and 3) care needs to be taken to at least put a receipt of some sort into the box if you don't have the patience to fill in a voucher or log. If you are forgetful you may discover at the end of the month that cash has been taken with absolutely no record of what it was used for.

In this instance, put it to owner's drawings if this happens to you – and only if you are the owner or have permission to do so! Otherwise you need to fess up to the boss and admit there's been an error :(.

Ensure there is a receipt for every item purchased just the same as when you make purchases from your business bank account (except of course this may not be possible in some cases like with parking meters).

Keeping receipts and/or invoices is a standard bookkeeping and accounting practice and is something an auditor will check.

Step 2 : Petty Cash Log

On a regular basis (perhaps every time the cash box is used, or weekly) complete the petty cash log – see the example on the next page. Keep it in or near the petty cash box so it is within easy reach.

Step 3 : Petty Cash Reconciliation

The petty cash should be reconciled at the end of the month the same way a [bank account is reconciled](#). Also, the cash will need to be counted and the total should match the total at the bottom of the petty cash log.

Step 4 : Petty Cash Top-Up

The final step is to top-up the petty cash to the float amount. Many people get confused about topping up a float. If you initially decided that the float is \$50, and at the end of the month you have more than \$50 the extra should be deposited into the bank account so that you start the new month with \$50.

If there is less than \$50 then the cash box should be topped up to the \$50 amount.

You do not top up *with* \$50 (unless of course, there is nothing left in the box)!

Free Excel Downloads

i. Excel Cash Book

12 months plus basic profit and loss sheet all linked. This link takes you to the page that describes the cash book and has the download button on it.

[Excel Cash Book](#)

ii. Sales Invoice

fully customizable, include your logo

[Excel Sales Invoice](#)

iii. Petty Cash Log and Vouchers

[Petty Cash Log and Vouchers](#)

iv. Statement of Account

[Statement of Account](#)

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