

Managing Petty Cash

This document will explain:
How to enter petty cash expenses and reimburse the float.

Most businesses have a Petty Cash float to pay for minor expenses

You need to ensure that you have a Petty Cash account set up in your General Ledger. If not, you'll need to create it. The Petty Cash Account should be set up as a Detail Cheque Account (Postable) type, otherwise you cannot select it to use in the Chequebook or via creditors. The default tax code should be set to X because the GST Reporting is on the expense entries.

Add new GL Account

Type

Header Account (non Postable)

Detail Account (Postable)

Detail Cheque Account (Postable)

Active

Expense PO Account

Account Classification: Asset

Currency: AUD

Account Number: 1 - 1140

Account Name: New Account

Opening Balance: 0.00

Foreign Currency Balance: 0.00

Current Balance: 0.00

Open Bal. Exchange Rate: 1.0000

Default Tax Code: X Exclude from GST

Linked Accounts:

Bank Info OK Cancel

The balance in the petty cash account should equal the amount of money you have available for minor expenses. The way it works is:

- The physical amount of money in the petty cash tin should equal the balance in the Petty Cash General Ledger account (1-1140).
- If it doesn't, then a combination of money and un-entered receipts in the tin should equal this balance.
- At least on a monthly basis, the petty cash expenses should be entered into Jim2.

How to Enter Expenses to the Petty Cash Account

There are two ways to do this.

1. You can record expenses via the chequebook. Go to **Accounts > Cheque Book**. Use your company CardFile, eg. DEMO.CO.
 - Select Add
 - In the Cardcode field, select DEMO.CO
 - In the GL Acc. field select eg. 11140 Petty Cash
 - In the cheque Amount field type in a dollar amount
 - Leave cheque status on Booked

Adding Cheque - #136
Your Company Name 🗨️ ✕

Tran#	136	<input type="checkbox"/> Handwritten	Type	Cheque	Status	Booked
Card Code	YOUR.COMP	Date	25/02/2016	GL Acc.	11140 Petty Cash	Balance
Your Company Name 123 Smith Street SYDNEY NSW 2001				Payment By	Cheque	HC Bal
				Cheque No	1	Chq Amt \$
				Chq Amt \$ 500.00		

Five Hundred Dollars only

Comment *Invalid per Licence*

Acc.Code	Branch	SubBranch	GL Dept	Name	Curr	Amount Ex.	Amount Inc.	Tax
▶	...	▼	▼					▼

Cancel Cheque
Create Similar
✕ Cancel
 Save
Save & Close

Amount allocated	
Tax \$	0.00
Total \$	0.00
Out of Balance \$	500.00

- Each time a petty cash purchase is made staff should provide a Tax Receipt.
- Record each purchase in this open cheque by selecting an appropriate Expense account and Tax code.
- New lines can be added using the down arrow key.

Adding Cheque - #142

Tran# 142 Handwritten Type Cheque Status Booked

Card Code ... Date 25/02/2016 GL Acc. 11105 Cheque Account - CBA Balance -118140.94

Payment By Electronic Transfer HC Bal -118140.94

Cheque No 13 Chq Amt \$ 240.00

Two Hundred and Forty Dollars only

Comment *Invalid per Licence*

Acc.Code	Branch	SubBranch	GL Dept	Name	Curr	Amount Ex.	Amount Inc.	Tax
62100	...			Printing & Stationery	AUD	136.36	150.00	G
63880	...			Staff Amenities	AUD	90.00	90.00	N

Buttons: Cancel Cheque, Create Similar, Cancel, Save, Save & Close

Amount allocated	
Tax \$	13.64
Total \$	240.00
Out of Balance \$	0.00

When the level of petty cash in the float gets, finish the cheque:

- Open the Cheque record
- Adjust date to today's date
- Adjust cheque total to match the calculated total of all receipts to date.
- By changing the cheque status to FINISH you will commit the expenses to their general ledger accounts, and reduce the balance in the Petty Cast Account.

OR

2. You can add an Expense PO (CardFile is your company CardFile) to list all the expenses and then pay via the Creditor record by Cash from the Petty Cash Account. You can then print out the Expense PO and attach all the receipts to it.

Note: For Vendor Inv# you can enter any description you wish, ie. PCddmmyy.

How to Top Up Petty Cash Float

There are two ways you can top up Petty Cash in Jim2.

1. Go to Accounts > Cheque Book. Add a cheque from the bank account (using the company CardFile) to the Petty Cash account (using tax code X). Physically cash the cheque at the bank.
2. If you have taken cash payments and don't want to take the cash to the bank, you can create a banking session and 'bank' the cash into the Petty Cash Account.

For further assistance or information please call Happen Business 02 9570 4696 or email support@happen.biz

