

Petty Cash

The Imprest System

At WI Committee agree the appropriate amount to be drawn for petty cash - say £30. Also the limit on which **cash** will be paid – say £10. (Wherever possible pay all invoices by cheque to provide a clear Audit Trail)

1. Write a cheque for CASH £30 and enter in **Accounts Book** under **Payments "Petty Cash"**. In a separate exercise book marked "**Petty Cash**" enter **credit "£30 cash drawn"** and keep the cash in separate container marked "petty cash".
2. Small payments to reimburse members for tea, coffee, postage stamps, stationery etc. can be made (receipts for items purchased should be requested – sign a docket if an invoice isn't available). Ask for a signature (in petty cash book) to support the payments you make.
3. Floats. Cash can be drawn from petty cash to use for floats. This money should be returned from the takings before Banking. **DO NOT pay cash received into petty cash.**
4. When you need to renew amount of petty cash, total up the exact amount you have spent - see example below #. Write a cheque for this **exact amount**, and enter it into the Accounts Book payment total - splitting the amounts under the correct headings*.

Example:

Accounts Book		Petty Cash Book		Balance
Debit £30 drawn petty cash		Credit £30 cash drawn		
	1/11	Mrs A raffle prize	£5.00	£25.00
	2/11	Mrs B refreshments	6.30	18.70
	1/12	Mrs C Secretary phone	3.20	15.50
	8/12	Mrs A for caretaker	<u>8.00</u>	7.50
		#Total spent	£22.50	

Debit Total **£22.50*** **Drawn petty cash in Accounts Book**

*Enter under columns: 1 Meeting Expenses

Speaker & other costs	Officers Expenses
£19.30	£3.20

5. Enter the credit **£22.50 cash** in the **petty cash book**, putting the money into the container. You should now have the original amount of £30 in the petty cash Book and in the Container.
6. Make up the petty cash to the agreed sum (£30) before you close your books at Year End. On the financial statement under "balances brought forward" petty Cash enter £30. There is no further action required. Ask the president to have a look through the petty cash book and sign it off. The IFE does not need to see the cash

Alternatively, if you prefer drawing a set amount follow the above 1-3. Each time the cash needs renewing, draw £30 and enter in the Accounts book Payments column 8 and total payments. At year end you then total the actual amount spent throughout the year listed in the petty cash book. In the Accounts book you enter this total into total payments, splitting the amount under the various headings, Speaker & other costs, etc. as above*. After adding these figures to the totals under each heading they can be transferred to financial statement. Also show the petty cash in hand on the Financial Statement under “balances brought forward.

Petty Cash example

Petty Cash Book

Date	Item	Signature	Amount £	Balance £
2014	b/fwd			30.00
1 Nov	Mrs A for raffle		5.00	25.00
2 Nov	Mrs B jar coffee and biscuits		6.30	18.70
1 Dec	Mrs C Secretary postage		3.20	15.50
8 Dec	Mrs A to pay caretaker/chairs		8.00	7.50
	total		£22.50	£ 7.50

Account Book entries – Imprest system

Date	Item	Cheque no.	Meeting Speaker & other	Expenses Committee/ Trustee	Petty Cash	Total payments
2014						
8 Dec	Petty Cash	0001	£19.30	£3.20		£22.50

This will put balance of petty cash back to £30.00. There is no further action required at year end other than ensuring you make up the petty cash before you close your books.

Account Book entries – Other system

Date	Item	Cheque no.	Meeting Speaker & other	Expenses Committee/ Trustee	Petty Cash	Total payments
2014						
8 Dec	Petty Cash	0001			£30.00	£30.00

This will put balance of petty cash to £37.50

At year end when accounts book is balanced you will need to analyse the amount spent in petty cash book and add the totals into the account book under relevant headings. These figures then go onto Financial Statement. The petty cash column total is not transferred.