

Month

BANK RECORD

WORKED EXAMPLE & Guide Notes

PETTY CASH

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Balance in Bank at start of Month			£	p
			1505	64

This "start of Month" figure is 0 if this is your first month of trading. Otherwise it is the previous month's "Balance at end of Month".

BANKINGS (& Direct Credits)			Non-Sales		Sales	
Date	Details	Ref	£	p	£	p
4	Sales	136			220	48
8	From Personal a/c	D/C	1000	00		
11	Sales	137			382	50
19	Sales	138			955	25
26	Sales	139			986	60
31	Sales (Invs 019/023)	140			150	00
31	Card Sales	D/C			126	50
Totals			1000	00	2821	33
Total Bankings (including Direct Credits)					3821	33

Card transactions you process by terminal can be entered as one monthly total when the Bank Statement arrives (as shown in the last entry above).

Any loan, grant, disposal of an asset, tax or VAT refund or personal money you put into the business (or transfer into the account) should be entered in the "Non-Sales" column - always specify the source of these funds.

The "Ref" (Reference) column could be the last 3 figures of the Bank pay-in slip or the number of the sales invoice(s) being paid. Here we have used "D/C" for a Direct Credit.

DIRECT DEBITS (& Standing Orders)			VAT (if any)		Total (inc VAT)	
Date	Details	Ref	£	p	£	p
26	Bank Charges				65	00
	Bank Interest					
	Card Charges					
1	Other Finance Charges	Van			95	00
12	Cash Withdrawals (by card)				50	00
Totals					210	00

Record here your finance-related Direct Debits and Standing Orders, such as bank charges and cash withdrawals by card from your business bank account.

For those suppliers you pay by Direct Debit, you could record that here but it is probably better to record those transactions on the following PAYMENTS pages as that permits an analysis of the expenditure and it is easier to add to similar expenditure made by cheque etc.

"Other Finance Charges" is for lease and HP payments (but add a note as to what the payment is for).

You may not always have a suitable "Ref" (Reference). Don't worry! But each entry should appear on the Bank Statement.

MONTH'S BANK BALANCE & STATEMENT CHECK		
Balance at start of Month + Total Bankings - Total Debits		5116 97
Less Total Payments (from overpage)		2991 52
Leaves: Balance at end of Month (carry forward)		2125 45
BANK STATEMENT CHECK	Add payments not yet on Bank Statement	400 00
	Less bankings not yet on Bank Statement	1136 60
	Leaves: Balance as per Statement	1388 85

The "Balance at end of Month" (below) may differ to the balance on your Bank Statement due to payments and bankings that have not yet been processed by the bank (eg in this example, the cheque no. 366 and the bank pay-ins 139 & 140).

Money in Petty Cash at start of Month			£	p
			37	34

This "start of Month" figure is 0 if this is your first month of trading. Otherwise it is the previous month's "Money in Petty Cash at end of Month".

MONEY INTRODUCED DURING MONTH			
Date	Source of Money	Ref	
3	From Bank a/c - by cheque	359	50 00
12	From Bank a/c - by card	D/D	50 00
Total			100 00

PAYMENTS BY PETTY CASH		Net Value		VAT (if any)		Invoice Total	
	Date	Ref	£	p	£	p	£
Stock							
Employee Costs							
	Staff Wages						
	A. Helper (Pt time)		20	00	—		20 00
Premises Costs							
	Rent/Rates						
	Cleaning						
	Utilities						
RM							
	Repairs/Maintenance						
Gen. Admin. Expenses							
	Post/Parcels	6,7,8	12	48	—		12 48
	Stationery/Print	12	5	74	1	00	6 74
	Sundries	11,13	2	56	—		2 56
	Tel/Fax/Mobile						
Motor							
	Fuel	4,5,9	45	96	8	04	54 00
	Other Expenses	10	25	52	4	47	29 99
Travel							
Ads							
	Adverts & Promotion						
Other							
	"Other Expenses". Avoid unnecessary use of this category and explain any payment you record here.						
Drawings							
	"Drawings" is where you record your "wages" from petty cash as a sole trader or partner.						
Total Payments by Petty Cash			112	26	13	51	125 77

General Note on Tax: Only expenditure that is "wholly and exclusively" for your business is normally tax deductible.

General Note on VAT: Only "Input tax" which relates to the making of taxable supplies can usually be reclaimed.

Ideally, use one line per employee.

If there is more than one transaction in any category in the month, just show the total.

The "Ref" (Reference) for a Petty Cash payment could be the sequential number you write on each invoice/receipt (as shown here) or the date.

MONTH'S PETTY CASH BALANCE		
Petty Cash at start of Month + Money Introduced		137 34
Less Total Payments by Petty Cash (from above)		125 77
Less any surplus Cash paid into Bank		
Leaves: Money in Petty Cash at end of Month		11 57

If you find a discrepancy between the calculated amount below and the cash (as counted), then make a note here and carry the actual (cash counted) figure forward to the next month.