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	A. Supply Co	138			220	48
8	From Personal a/c	D/C	1000	00		
11	B.I.G. Buyers & Co	D/C			2382	50
19	Sales (Invoices 011-019)	139			955	25
26	ABC Co	D/C			986	60
31	The XYZ Co	D/C			1126	50
31	Card Sales (total)	D/C			150	00
Totals			1000	00	5821	33
Totals					6821	33

If you make a lot of small value card sales, you could add them up on your bank statement and enter the total here. The total may not match the SALES figure due to the delay in them appearing in your bank statement.

Any loan, grant, sale of an asset, interest the bank pays, tax or VAT refund, or personal money you put into the business should be entered in the "Non-Sales" column. Always specify the source of the funds.

The entries above are listed in the same order (and dates) as they appear in your Bank Statement. This makes this column easier to complete and check.

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 "D/C" means a Direct Credit.

File your Remittance Advice notes and bank pay-in details together in the same order as above.

Record below your finance-related Direct Debits and Standing Orders.

DIRECT DEBITS (& Standing Orders)			VAT (if any)		Total (inc VAT)	
Date	Details	Ref	£	p	£	p
26	Bank Charges	D/D			65	00
	Bank Interest					
1	Card Charges	D/D			170	00
1	Other Finance Charges Van	S/O			295	00
12	Cash Withdrawals (by card)				100	00
Total Debits (including Standing Orders)					630	00

"Bank interest" is for interest you are charged, eg for a loan.

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

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.

This cash is only to top up the Petty Cash Box. Note the entry under "MONEY INTRODUCED..." on the same date.

The "Balance at end of Month" (below) and your Bank Statement balance should be the same if your entries in the BANK RECORD and PAYMENTS columns are as they appear in your Bank Statement.

MONTH'S BANK BALANCE & STATEMENT CHECK		
Balance at start of Month + Total Bankings – Total Debits	7696	97
Less Total Payments (from overpage)	4691	57
Leaves: **Balance at end of Month** (carry forward)	3005	40
BANK STATEMENT CHECK — Add payments not	–	
Less banking	–	
Leaves: **Balance as**	3005	40

This check is only needed if you date your entries when you do the transaction rather than date them as they appear in your Bank Statement.

Money in Petty Cash at start of Month	£	p
	87	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		
12	From Business Bank a/c - by card		100	00
Total			100	00

If you were to make a petty cash payment with your own cash, you need to record the same amount here, as you have added new money into the "petty cash box".

PAYMENTS		Date	Ref	Net Value £	Net Value p	VAT (if any) £	VAT (if any) p	Invoice Total £	Invoice Total p
Stock									
Employee Costs	Staff Wages								
	A. Helper (Pt-time)		14	50	00	—		50	00
Premises Costs	Rent/Rates								
	Cleaning								
	Utilities								
R/M	Repairs/Maintenance								
Gen. Admin. Expenses	Post/Parcels		6,7,8	12	48	—		12	48
	Stationery/Print		12	5	83	1	17	7	00
	Sundries		11,13	2	56	—		2	56
	Tel/Fax/Mobile								
Motor	Fuel		9	45	00	9	00	54	00
	Other Expenses		10	25	00	5	00	30	00
Travel									
Ads	Adverts & Promotion								
Other									
Drawings									
Total Payments by Petty Cash				140	87	15	17	156	04

Allowable Expenses
Generally, costs you pay with the sole purpose of earning business profits are allowable expenses. Hence non-business or personal costs are not usually tax deductible.

Ideally, use one line per employee.

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

"Drawings" is where you record any wages taken from petty cash as a sole trader or partner.

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.

"Other Expenses". Avoid overuse of this category, and explain any payment you record here.

MONTH'S PETTY CASH BALANCE		
Petty Cash at start of Month + Money Introduced	187	34
Less Total Payments by Petty Cash (from above)	156	04
Less any surplus Cash paid into Bank		
Leaves: **Money in Petty Cash at end of Month**	31	30

If you have a discrepancy between the calculation below and the cash as counted, note it here and carry the actual figure forward to the next month.