KIRA KIRA
MANAGEMENT & ACADEMY SDN BHD

PETTY CASH

CHEAT SHEET & PRACTICAL GUIDE

Learn Today, Lead Tomorrow.

1 WHAT IS PETTY CASH?

Petty Cash is a small amount of cash set aside to pay for minor and incidental expenses that are impractical to pay through the normal payment process.

KEY POINTS

- Used for small value, day-to-day expenses.
- Has a fixed amount (imprest amount).
- Expenses must be supported by valid receipts.
- Must be properly recorded and reconciled.
- At the end of each period/month, a Petty Cash Certificate must be signed.

2 PETTY CASH PROCESS FLOW

1. Establish Petty Cash Fund (Set Imprest Amount)
2. Issue Petty Cash to Custodian
3. Spend for Approved Expenses
4. Collect Receipts
5. Record in Petty Cash Book
6. Replenish Petty Cash (When cash is low)
7. Reconcile at End of Period/Month
8. Prepare & Sign Petty Cash Certificate

PETTY CASH RECONCILED & CERTIFIED

3 IMPORTANT DOCUMENTS

- Petty Cash Policy / Guidelines
- Petty Cash Imprest Register
- Petty Cash Vouchers / Payment Vouchers
- Receipts (original)
- Petty Cash Book / Record
- Petty Cash Replenishment Form
- Petty Cash Certificate (Monthly)

MALAYSIAN COMPLIANCE & GOOD PRACTICES

- ✓ Follow company policy & approval authority
- ✓ Use for legitimate business expenses only
- ✓ Keep original receipts and supporting documents
- ✓ Do not split payments to avoid approval limits
- ✓ Reconcile and certify at the end of each period/month
- ✓ Maintain proper records for audit & tax purposes

4 EXAMPLES OF PETTY CASH EXPENSES

ALLOWABLE EXPENSES

- Stationery & office supplies
- Courier & postage
- Parking & toll
- Refreshments
- Public transport
- Small repairs & maintenance
- Other minor expenses

NOT ALLOWABLE EXPENSES

- Purchase of assets
- Salary payments
- Loan repayments
- Personal expenses
- Entertainment (without approval)
- Any expenses above the approval limit

5 PETTY CASH JOURNAL ENTRY (EXAMPLE)

A. Establish Petty Cash Fund

Account	Debit (RM)	Credit (RM)
Petty Cash	1,000	–
Cash at Bank	–	1,000

B. Replenish Petty Cash

Account	Debit (RM)	Credit (RM)
Office Supplies Expense	120	–
Postage Expense	30	–
Petty Cash	–	150

Note: Amount replenished = Total expenses supported by receipts.

6 PETTY CASH RECONCILIATION (EXAMPLE)

Imprest Amount	RM 1,000
Less: Expenses (supported by receipts)	
Office Supplies	150
Courier	60
Parking	20
Refreshments	45
Others	25
Total Expenses	(300)
Cash on Hand	700
Add: Unreconciled Advance (if any)	–
Adjusted Cash on Hand	**700**
Balance per Books (Petty Cash)	**700**
Difference	–

Note: If there is any difference, investigate immediately and resolve.

7 PETTY CASH REPLENISHMENT

When to Replenish?

When cash on hand is low.
Do not wait until fully spent.

How to Replenish?

1. Custodian submits receipts & Petty Cash Replenishment Form.
2. Finance verifies and records expenses.
3. Cash at Bank is used to top up Petty Cash back to the imprest amount.

8 PETTY CASH CERTIFICATE (MONTHLY)

At the end of each period/month, the Petty Cash Custodian must prepare and sign the Petty Cash Certificate.

PETTY CASH CERTIFICATE

I, ______________________________, the undersigned Petty Cash Custodian, certify that:

- The petty cash imprest amount is RM ______________.
- All expenses listed in the Petty Cash Book are supported by valid receipts.
- The cash on hand is RM ______________.
- All transactions are for legitimate business purposes.

Certified by:

____
(Name & Signature) Date: ______________

Petty Cash Certificate must be signed at the end of each period/month.

9 RESPONSIBILITIES

Petty Cash Custodian

- Safeguard petty cash at all times.
- Spend only on approved expenses.
- Obtain and keep all original receipts.
- Record all transactions in the Petty Cash Book.
- Reconcile and sign the Petty Cash Certificate at the end of each period/month.

Finance / Approver

- Approve and set the imprest amount.
- Review and verify petty cash expenses.
- Replenish petty cash based on valid receipts.
- Review and file Petty Cash Certificate.

10 BEST PRACTICES

- Keep petty cash in a safe place.
- Always request receipts.
- Record immediately after each expense.
- Reconcile regularly (do not delay).
- File all documents systematically.

11 INTERVIEW QUESTION

Q: Why is Petty Cash important?

A: Petty Cash is important because it allows the company to pay for small, day-to-day expenses efficiently while maintaining proper control, record-keeping, and accountability. It ensures expenses are legitimate, supported by receipts, and reconciled at the end of each period/month.