

Petty Cash SOP

Document no.	SOP-ACC-008
Revision	1.0
Owner	Accounting Manager
Effective date	September 15, 2026
Review cycle	Every 12 months

1. Purpose

To provide a controlled way to pay small, incidental business expenses in cash while keeping the fund accurate, secure and supported by receipts at all times.

2. Scope

Applies to a single imprest petty cash fund used for small, incidental office expenses. Employee expense reports and corporate card spending are covered by the separate expense reimbursement SOP.

Definitions

Imprest fund	A fixed-amount cash fund that is replenished for exactly what was spent, so it always returns to its set total.
Petty cash voucher	The slip completed for each disbursement, showing the amount, purpose, date and recipient.

3. Responsibilities

Petty Cash Custodian	Holds the cash box, disburses funds against vouchers and receipts, and requests replenishment.
Employee	Requests petty cash for a legitimate small expense and returns a receipt promptly.
Accounting Manager	Approves replenishment, performs surprise counts and investigates discrepancies.

RACI matrix

Activity	Petty Cash Custodian	Employee	Accounting Manager
Request and receive petty cash	R	R/A	-
Disburse cash against a voucher	R/A	C	-
Reconcile cash on hand to the log	R/A	-	I
Approve fund replenishment	R	-	A
Perform a surprise count	C	-	R/A

R = Responsible, A = Accountable, C = Consulted, I = Informed

4. Materials and PPE

Materials, tools and systems

- Locked petty cash box
- Petty cash voucher pads
- Petty cash log
- Accounting system for replenishment entries
- Safe or locked drawer for storage

5. Procedure

Step	Task	Owner	Done
5.1	Establish the imprest fund The accounting manager sets the fixed petty cash fund amount and issues the starting cash to the petty cash custodian, recording the fund as an asset on the books.	Accounting Manager	☐
5.2	Request a petty cash disbursement An employee needing cash for a small, legitimate business expense completes a petty cash voucher stating the amount, purpose and date, and takes it to the custodian.	Employee	☐
5.3	Verify and disburse the cash The petty cash custodian reviews the voucher for a reasonable business purpose and disburses the exact amount requested, having the employee sign the voucher as received. Checkpoint: Every disbursement has a signed voucher before cash leaves the box.	Petty Cash Custodian	☐
5.4	Log the disbursement The petty cash custodian records the date, amount, purpose and recipient in the petty cash log immediately after each disbursement, keeping the log current with the cash box.	Petty Cash Custodian	☐
5.5	Collect the receipt The employee returns the itemized receipt for the purchase to the custodian promptly, and the custodian attaches it to the corresponding voucher. Warning: A voucher without a returned receipt should be followed up on, not left open indefinitely.	Employee	☐
5.6	Reconcile cash on hand to the log The petty cash custodian periodically counts the cash remaining in the box and confirms it plus the total of open vouchers equals the fixed fund amount. Checkpoint: Cash on hand plus vouchers on file always equals the fixed imprest fund amount.	Petty Cash Custodian	☐
5.7	Request replenishment when cash is low When cash on hand runs low, the petty cash custodian compiles the vouchers and receipts since the last replenishment and submits them to the accounting manager for approval.	Petty Cash Custodian	☐
5.8	Approve the replenishment request The accounting manager reviews the submitted vouchers and receipts for completeness and reasonableness and approves the replenishment amount.	Accounting Manager	☐

Step	Task	Owner	Done
5.9	Replenish the fund and record expenses The petty cash custodian receives the replenishment cash and records the underlying expenses to their proper general ledger accounts, bringing the fund back to its fixed amount.	Petty Cash Custodian	☐
5.10	Perform a surprise count The accounting manager periodically performs an unannounced count of the petty cash box, verifying the cash and open vouchers against the log without advance notice to the custodian.	Accounting Manager	☐
5.11	Investigate and resolve discrepancies If a count does not match the log, the accounting manager investigates with the custodian, documents the cause, and adjusts the record once the discrepancy is explained.	Accounting Manager	☐
5.12	Secure the cash box The petty cash custodian keeps the cash box locked in a safe or locked drawer at all times when not actively making a disbursement, and never leaves it unattended and open.	Petty Cash Custodian	☐

6. Quality checks

- Every disbursement has a signed voucher and, once returned, a matching receipt.
- Cash on hand plus open vouchers always equals the fixed fund amount.
- Replenishment requests are approved by the accounting manager before cash is added back.
- Surprise counts occur periodically without advance notice to the custodian.

7. Records

- Petty cash log
- Signed vouchers and attached receipts
- Replenishment approvals
- Surprise count and discrepancy notes

8. KPIs

- Number of surprise counts completed per year
- Number of unresolved discrepancies at count
- Average time from replenishment request to funding
- Percentage of vouchers with a receipt returned within the expected time

9. Common mistakes

- Disbursing cash without a signed voucher.
- Letting vouchers sit for weeks without a receipt returned.
- Skipping the periodic reconciliation because the fund seems fine.
- Leaving the cash box unlocked or unattended.

10. Revision history

Revision	Date	Description	Reviewed by
1.0	September 15, 2026	Initial release	Iliia Pirozhenko

Approval

Prepared by	Approved by	Date

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