

Petty Cash

Lesson Plan—reprinted with permission by Sherry Marks, Wilber-Clatonia High School

STANDARDS:

BE 4.3 Computation Essential Learning—Elementary Level— Making Change: Calculate and count change (back).
BE 12.3 Economics and Personal Finance Essential Learning—Secondary Level—Banking and Financial Services
BE 12.6 Entrepreneurship Essential Learning—Secondary level

MATERIALS:

Play money/nice tray (WalMart, \$5)

A checkbook –business, if possible (Local banks will supply practice checks.)

Pad of Petty Cash Vouchers (Office supply stores, or create your own.)

A Petty Cash Box...A good size Tupperware™ (9x12) works well; can store the supplies when done.

Other props as may be garnered/utilized (i.e. “supplies”—which could just be the extra pencils from your desk—if such a thing exists ☺ , “stamps” “repair kit”).

Narrative of petty cash transactions. (May use text or workbook problems.)

PROCEDURES:

Ask one student to be the accountant or bookkeeper of the firm.

Ask another to be the ‘front desk’ person.

Ask another person to be a bank clerk.

Ask other students to be various vendors, depending on the script/problem.

- 1 Have bookkeeper establish a petty cash fund by writing a check to petty cash for the desired amount. —This could be done on a ‘transparency’ check...so other students see it is made out to Petty Cash. [Class members can record this entry in their journals.]
- 2 Have ‘front desk’ take check to ‘bank’ and get cash—in a variety of bills/change; return to his/her ‘desk’ and put it in the petty cash box.
- 3 Send first vendor with item to be paid for from Petty Cash to ‘front desk’ person, who will complete the voucher and then disburse the money.
- 4 Send next vendor, etc.
- 5 Have the ‘front desk’ person sort the vouches by category and then determine the totals disbursed for each category.
- 6 Have them ‘Prove the Petty Cash Fund’. (Voucher totals, plus cash, must equal amount of fund.)
- 7 Determine amount to be requested to ‘replenish’ Petty Cash. (Total disbursed.)
- 8 Have bookkeeper or accountant write the check to replenish petty cash.
- 9 Have front desk person take check to bank for cash; return to desk, put money in the box, again counting to determine if the correct amount exists in the box.
- 10 Have students record entry in their journals, using the category totals determined when replenishing the fund.