

HOW TO SETUP A PETTY CASH ACCOUNT IN QUICKBOOKS

Most businesses use petty cash accounts to fund small purchases and cover sundry expenses. Although individual petty cash transactions are usually too minor to include in the company's main balance sheet, you must still record the funds allocated to petty cash in your company accounts. You can record and track petty cash amounts by setting up a petty cash account in the Intuit QuickBooks business accounting application.

Setting Up Petty Cash Account

1. Launch QuickBooks. Click "Lists" in the program's main menu. Select "Chart of Accounts" from the pull-down menu.

2. Go to the bottom of the list of accounts in the Chart of Accounts window. Click the "Account" link, and then "Bank" in the context menu. Click the "Continue" button.

3. Enter a name for your new petty cash account into the "Account Name" input box.

4. Type the opening funds balance for the petty cash account into the "Opening Balance" input box. This is the total amount of money that you've allocated to start the petty cash accounts. If you haven't yet transferred funds to the account, you can leave this balance as zero.

5. Click the "As of" button, and then click on the current date in the drop-down list of dates. This records the date on which you opened the account.

6. Click the "Save" button to store the account information. Click "Close" to exit the petty cash account.



IT'S TIME TO TAKE ACTION!



There are so many ways you can this procedure.

For some great tips, head to www.smbaccountants.com.