

Chapter 1

Introduction Tally 9.0

Tally Solutions has released a new version of its Tally 9 software. It is most popular software for accounts and inventory management. It offers different feature for maintaining accounts. Tally 9 is integrated with a lot of advanced feature like better data migrating, fast data speed, payroll management, TDS, TCS, job costing and point- of sale invoicing etc.

Tally 9, a synchronized multilingual integrated business accounting software, enables to maintain accounts in any Indian language, view it in other and print it in yet other language of their choice. Targeted at SMBs, Tally 9 offers greater reliability, scalability, accuracy and speed. It supports Unicode data which helps companies maintain data in any of the Unicode supported languages.

Tally 9 program also has features including tax compliance features for value added tax (VAT), service tax and excise for traders.

FEATURES IN TALLY 9

1. Easy calculation of TDS (Tax Deducted at Source)

Using Tally 9 you can calculate TDS appropriately.

2. Negative Stock Warning in Journal Voucher

Create a stock item with an opening balance of considerable units and pass a delivery note against it. using a Journal Voucher to record a sales transaction tracking the delivery note would display a warning message of negative stock even through a considerable amount of stock was left over. The same has been addressed appropriately in Journal voucher.

3. Performance in Networking Environment

Tally 9 can work efficiently in a networking environment, if the Server has Windows XP and Clients have Windows 98 as the operating system, Tally performs efficiently with improved data stability.

4. Interest calculation in Forex

A Sales transaction created using Forex currency and Interest calculation, calculates the Outstanding Forex Interest accurately.

5. Ledger Account

Tally now prints the address of the Sundry Debtor/ Creditor ledgers, while printing a ledger account.

6. Ratio Analysis

If the Net Profit is lesser than the Return on Investment% or Return on Working Capital, Tally displays the values with a negative sign.

7. Maintain balances bill by bill

Altering a ledger created under Sundry Debtors or Sundry Creditors, by setting Maintain balances bill to Yes affects only the selected ledger and not the Group.

8. Migration Tool

Users may now migrate data to Tally 9, using the Tally Data Migration Tool on Tablet PCs and Desktop computers of higher processor speed.

9. Stock Journal

The value in the rate field of a Stock Journal (Transfer of Materials) appears appropriately.

10. Purchase/Sales Order

The list of Party or Customer ledgers is displayed appropriately, while creating a Purchase/ Sales order respectively.

11. Inventory Report

The Godown – wise Inventory reports now displays accurate balance values whereas multiple Godowns are maintained.

12. VAT (Value Added Tax)

You can calculate value added tax in tally 9.

13. FIFO Perpetual

Tally introduces a new method of inventory valuation FIFO Perpetual, which is similar to LIFO Perpetual. The Normal FIFO treats the opening balance of the financial year as the terminating rate to apply for residual stock. FIFO Perpetual takes all existing past data. Both LIFO and FIFO Perpetual are capable of changing the valuation when the company is split unlike their 'Annual' versions, which are consistent.

14. Payroll

It has been integrated with accounts, in order to simplify Payroll processing. Payroll can be configured to suit the requirements of various types of organization.

You can now configure, align and automate simple to complex payroll processes. You can print pay slips, maintain salary/ wages and attendance/leave/overtime registers, and generate Gratuity and Expat reports. You can also configure Payroll Data with cost centre reports for business analysis.

15. POS Invoicing

POS Invoicing in Tally is equipped with ease of use and advanced capability to simplify your retail operations. It efficiently automates the 'check – out' process, and allows you to create invoices and collect payments from customers, in a matter of moments.

16. Multilingual Support

Tally comes with the World's First Concurrent Multilingual Business Accounting & Inventory Management Software for small and medium businesses. The user interface for the software is available in Hindi, Marathi, Gujarati, Bengali, Kannada, Tamil, Telugu, Malayalam, Hinglish (colloquial English) and Punjabi, and in Bahasa Melayu and Bahasa Indonesia allowing you to interact with Tally, in a language of your choice.

INSTALLING TALLY 9

When you install Tally, a folder named Tally is created by default, where the program files will reside. You can specify a different folder name, if you wish.

System Requirements

To install Tally, your system must meet the following minimum requirements.

System Requirements	Configuration
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Processor	Intel Pentium IV and higher or equivalent
Memory	256 MB RAM or more
Free Hard Disk Space	40 MB Minimum (excluding the data)_
Monitor Resolution	Recommended 1024*768 or higher

Note: For better performance Tally Multilingual needs more memory (about 40MB of Free Hard Disk Space)

To install Tally in Windows NT/2000/XP/2003/XP SP2/VISTA Workstation,

1. You need to have administrator/all rights (to create, write, update, modify and delete) on the Application. Data, Configuration and Language directory.
2. Ensure that the Operating System you use supports Tally for Multilingual support.

You can install Tally using one of the given methods.

Method 1:

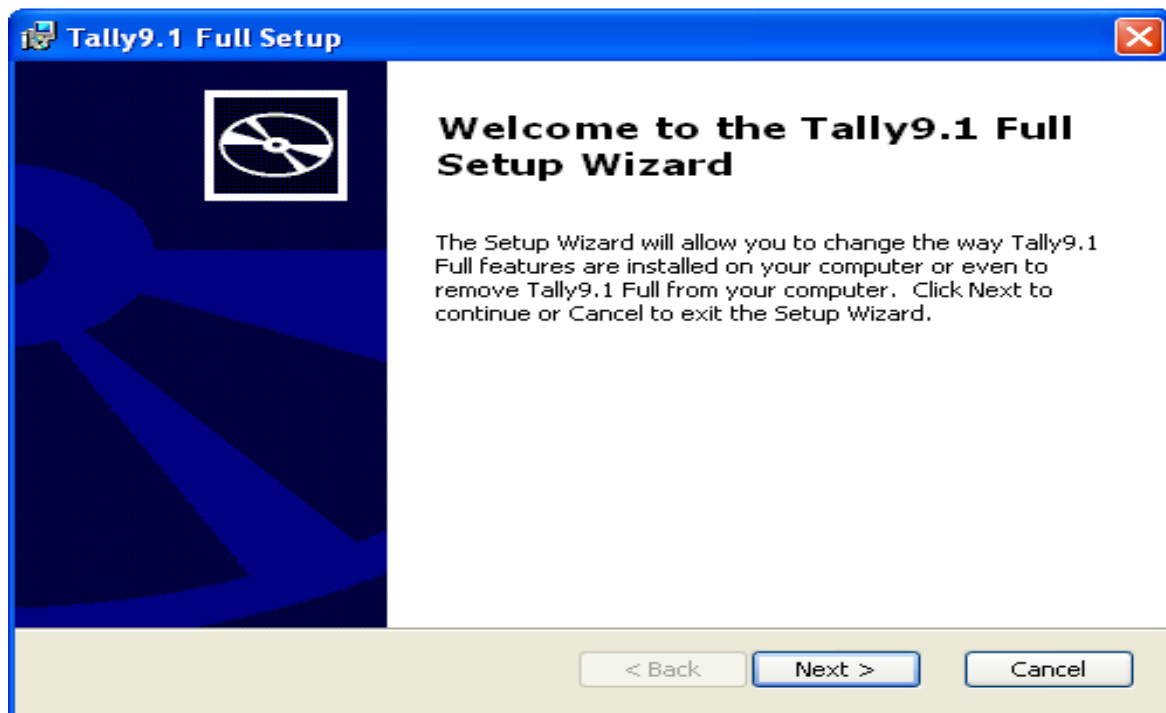
- Double click install.exe form the CD.

Method 2:

- Click START from Windows.
- Select RUN.
- TYPE<CD drive>:/INSTALL.
- Press ENTER key.

Follow the instructions on your screen to install Tally.

1. The Tally Setup Wizard is displayed.



2. Click Next to continue

3. The Installation wizard displays the License Agreement. Read the license agreement before you proceed. Click I Agree to continue. Click I Decline to stop setup or click Back to go to the pervious screen.



4. In the Installation screen, you may accept the suggested directories. Else click Change Application Directory or Change data Directory or Change Configuration Directory or Change Language Directory the change the respective directory paths. Use Tab or the mouse to change the path in any of the directories.



APPLICATION DIRECTORY

The tally program files reside in this directory.

Data Directory

The Tally data resides in Data directory.

The default directory where data is stored is C:/Tally/Data. To change click on Change Data Directory button and enter the new directory.

When Tally is installed in a directory with an earlier version, it detects and retains the data configuration path of the previous installation.

Configuration Directory

Tally configuration files reside in this directory. Specify the path of the directory where configuration files should be saved. It is usually the same path as that of the Application directory.

Language Directory

Tally Language files (.dct) reside in this directory.

Specify the path of the directory where the Language files will be maintained. It is usually the same path as that of the Application Directory.

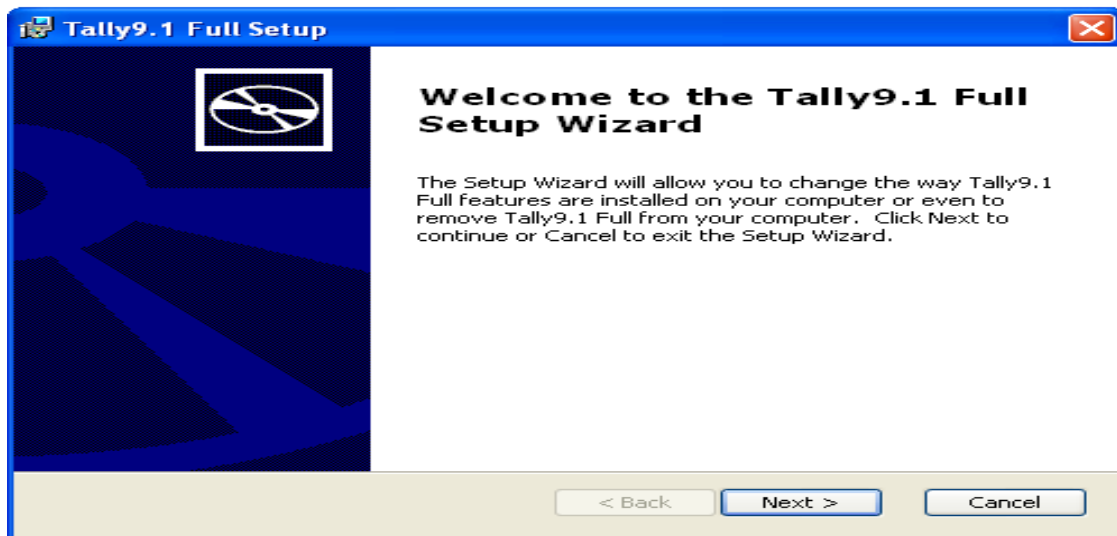
Note: If you are a multi-License User, select the Run Tally License Server at Windows Startup check box.

During installation, you are prompted to specify the path and the OS files to install the Indic languages.

5. Click Install Operating System Language Support to enable Language Support.
6. Select your Country name is Country Selection.
7. Select the Initial Startup Language from the list. When you start Tally for the first time, Tally will appear in the language selected as the Initial Startup Language (screen).

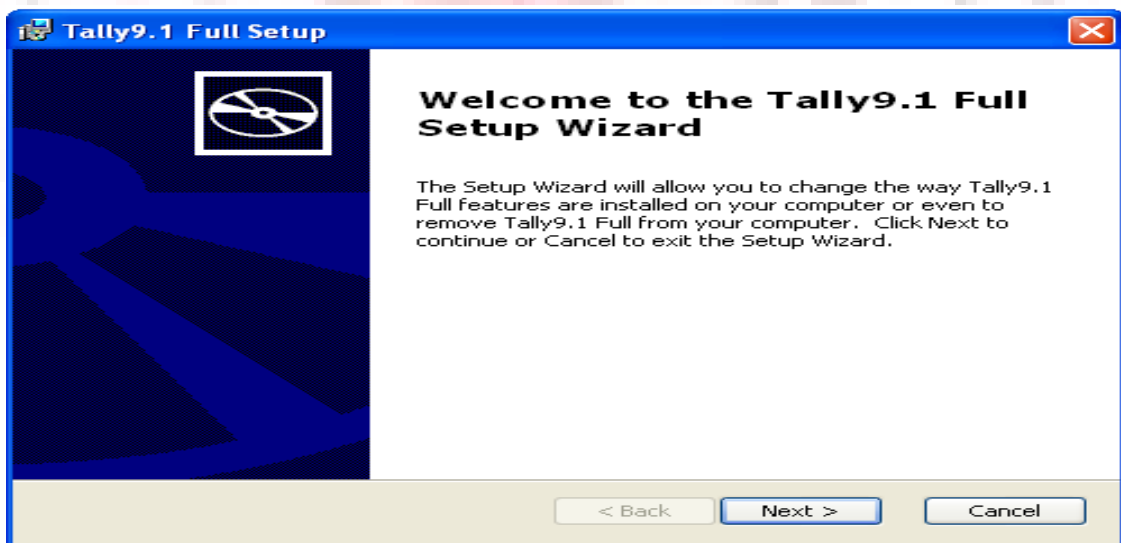


8. Once you select the Initial Startup Language, Click Install to proceed with the installation.
9. The installation progress startup is displayed as shown below.



10. Insert Windows CD to install language or Browse for the i386 folder in your system.

Note: You will be prompted to install the i386 language support folder only if it is not available in your system.



11. Click Finish to complete Setup.

After completing installation, double click Tally icon on the desktop to start working on Tally.

MULTILINGUAL FEATURE IN TALLY9

Tally comes with the World's First Concurrent Multilingual Business Accounting & Inventory Management Software for small and medium business. The use interface for the software is available in Hindi, Marathi, Gujarati, Bengali, Kannada, Tamil, Telugu, Malayalam, Hinglish (colloquial English) and Punjabi, and in Bahasa Melayu and Bahasa Indonesia allowing you to interact with Tally, in a language of your choice.

Thus, Tally gives you tremendous freedom to maintain accounts, as well as view and print in any of the above mentioned Indian languages.

Tally enables you to enter data in one language and have it transliterated into different languages. You can generate invoices, purchase orders or delivery notes in different languages after entering data for the same in a different language.

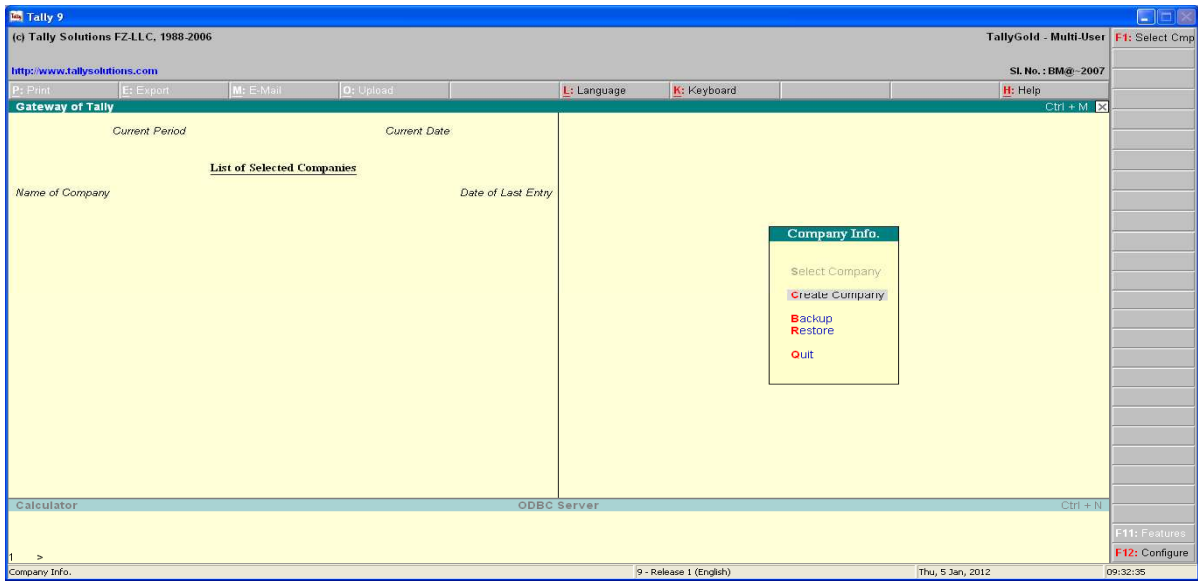
Features of Tally Multilingual

Tally is a concurrent Multilingual software that

- Tally.
- Can display Tally in any language that the user chooses from any screen in Tally.
 - Supports Translation of Pre-Defined Masters
 - Support Translation for the allowed languages.
 - Can capture data entered using the phonetic language or system language.
 - Can capture language specific Names and Aliases.
 - Can print and display Report, Vouchers and Invoices in any language.
 - Can copy text from Tally to Windows and vice versa. Use Ctrl + Alt + C to copy and Ctrl + Alt + V to paste.

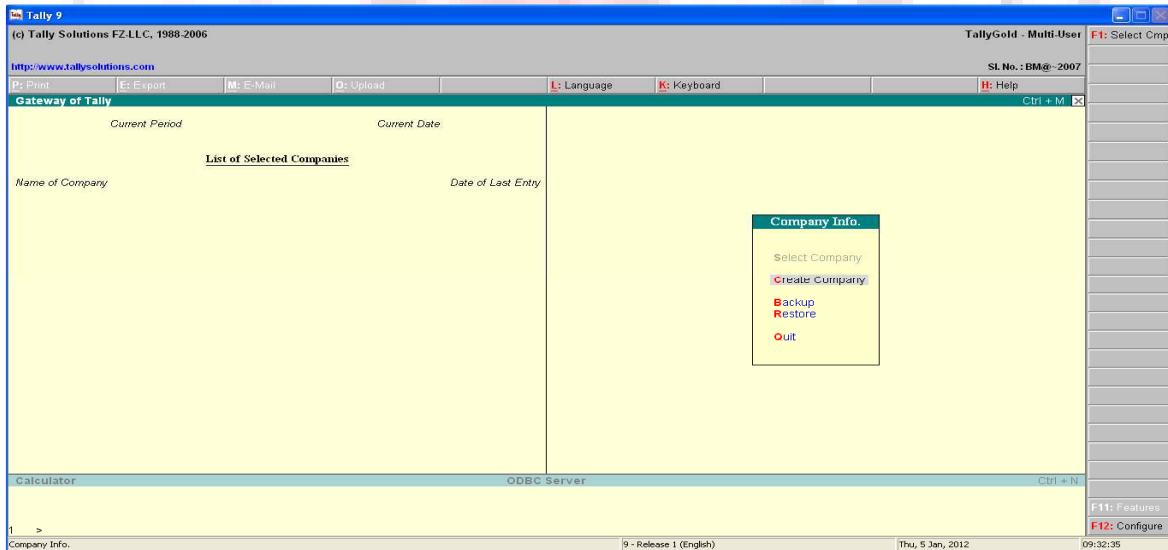
User Interface in Tally

The Tally interface displays in the language selected as Initial Startup Language, at the time of installation. For example, if you have selected Hindi as Initial Startup Language, the Tally interface displays as shown



Company Information

The first step to get started in Tally, is to Create a Company. The initial screen appears as shown:



The Gateway of Tally screen is separated into six sections, namely Title Area, Horizontal Button Bar, Main Area (Ctrl + M), calculator Area (Ctrl + N), Button Bar and the Bottom Pane.

The elements of the Gateway of Tally screen are explained below:

Title Area

Title Area contains the Tally Cop0ytight and Tally website link. You can access the Tally website directly from the Tally screen. You must have access to the Internet and Internet Explorer Web browser installed on your computer.

Click on the <http://www.tallysolutions.com> link on the top frame of the screen to enter our website. The link appears in all screen of Tally.

The Product type (Tally Gold, Tally Sliver, Tally Bronze or Educational) and Tally Serial Number appears on the upper-right corner. The software serial number is usually a unique number.

Horizontal Button Bar

The Button, Print (Alt + P), Export (Alt + M), Upload (Alt + O), Language (Ctrl + L), Keyboard (Ctrl + K) and Help (Alt + H) can be seen in the Horizontal Button Bar.

Bottom Pane

The Bottom Pane contains the Version number, Release details (every ti8me a new release of Tally is made, it is identified with a different release name like Release 3.14) and the Current Date (the date configured in the computer). The name of the day, date, month and year is displayed in DD, MM and YYYY format on the right- hand side.

System time (the time configured in the computer) appears on the lower-right corner in Hour: Seconds: Minutes (HH/MM/SS) format.

The Pate appears in the lower left corner in the Bottom pane.

Close Button

The Close Button in the upper right corner functions similar to the use of 'Esc' in Tally. It brings you to back to the Gateway of Tally from any screen.

Minimise Button

The Minimise button performs the standard Windows Operating System's function (windows 95onwords), allowing you to minimize Tally and work on other applications. To restore Tally, click on the Tally icon on the taskbar.

Main Area (Gateway of Tally)

The Main Area is separated into two:

1. Left-hand side area
2. Right-hand side area

The left-hand side provides information on Current Period, Current Date and List of Selected Companies (Name of the company and the date when last entry has been made).

The right-hand side displays the Company Information menu such as Select a Company, Create a Company, Backup a Company or Restore a Company and so on.

Hot Keys

Hot keys are capitalized and are red in color on all the menu screens. Using the Hot Keys in the Company Info Screen will take you to that particular screen or display the sub – menus within that Option.

Calculator Area

Press [Ctrl + N] to activate the calculator. Calculator Area is used for calculator functions. Any type of independent calculation can also be done using the calculator.

Button Bar

The buttons are designed to make the work easier and faster and vary from one screen to another based on the screen functionality. They appear on the right hand side so the Tally screen and the inactive buttons are greyed out. You can either click these buttons or press the shortcut keys to access the relevant screen.

The following are some of the buttons and their functions:

Help (Alt + H) – To access Tally’s online context-sensitive help

F1: Select Cmp – To select the company from the list of companies and access data from other data directories on the local system or through the network. You can also access the Directory field by pressing [Backspace].

F12: Configure – To access the configuration settings to manage the information entered in Tally. For example, you can access the General Configuration to set country specific defaults, before creating a company.

Button where a character or function key is underlined indicates that you have to press underlined character or the function key along with [ALT] key.

Button where a character or function key is double underlined indicates, you have to press the character or the function key along with [CTR;] key.

- F1: Press the shortcut function key [E1] to select a company.
- F1: Press [ALT +F1] to shut a company
- F8: Press [CTRL + F8] to select the Credit Note voucher
- Ctrl + M: Press Ctrl + M to access the Gateway of Tally.
- Ctrl + N: Press Ctrl + N to access the Calculator/ODBC Server frame.

Country Specific Configuration

The options available are Country Details, Style of Names, Style of Dates, Configuration of Numbers and Other Options.

Go to Gateway of Tally > F12: Configure> General

<u>Country Details</u>	
Use Accounting terminology of	: India / SAARC
<i>(SAARC countries include India, Pakistan, Sri Lanka, Bangladesh, Nepal, Bhutan and Maldives.)</i>	
<u>Style of Names</u>	
Default appearance of Names in Reports	: Name Only
Default appearance of Stock Item Names in Reports	: Name Only
<u>Style of Dates</u>	
Style of Short Date	: dd-mm-yy
Separator used in Short Date	: -
<u>Configuration of Numbers</u>	
Decimal Character to use	: .
Thousands Separator to use	: ,
Put Sign before Currency/Unit Symbols	? No
Show numbers in Millions (and not Lakhs)	? No
<u>Other Options</u>	
Show Monthly reports with Graphs	? Yes
Use separate Menu for Final A/c Statements	? No
Ignore errors & continue during data import	? No
<i>(Applicable for importing vouchers in XML format)</i>	
Export Base Currency Symbol along with Amount	? No
Show tables with Masters only in Current Language	? No

List of Countries

India / SAARC

International

General

Numeric Symbols

Accts / Inventory

Voucher Entry

Invoice / Orders

Printing

Connectivity

Licensing

Shop

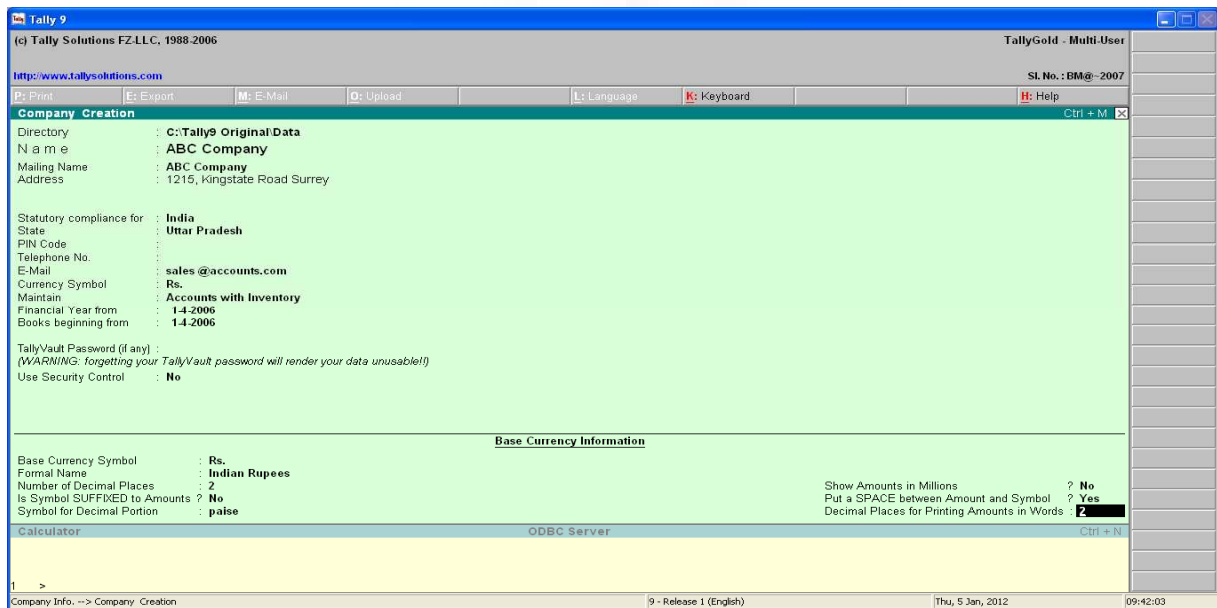
Quit

The configuration settings of Country Details, Style of Name, Style of Dates and Configuration of Numbers are self-explanatory. The prime differences are in the use of terms like VAT in Europe and Sales Tax in Asia and American that have to be configured before creating a company.

CREATING A COMPANY

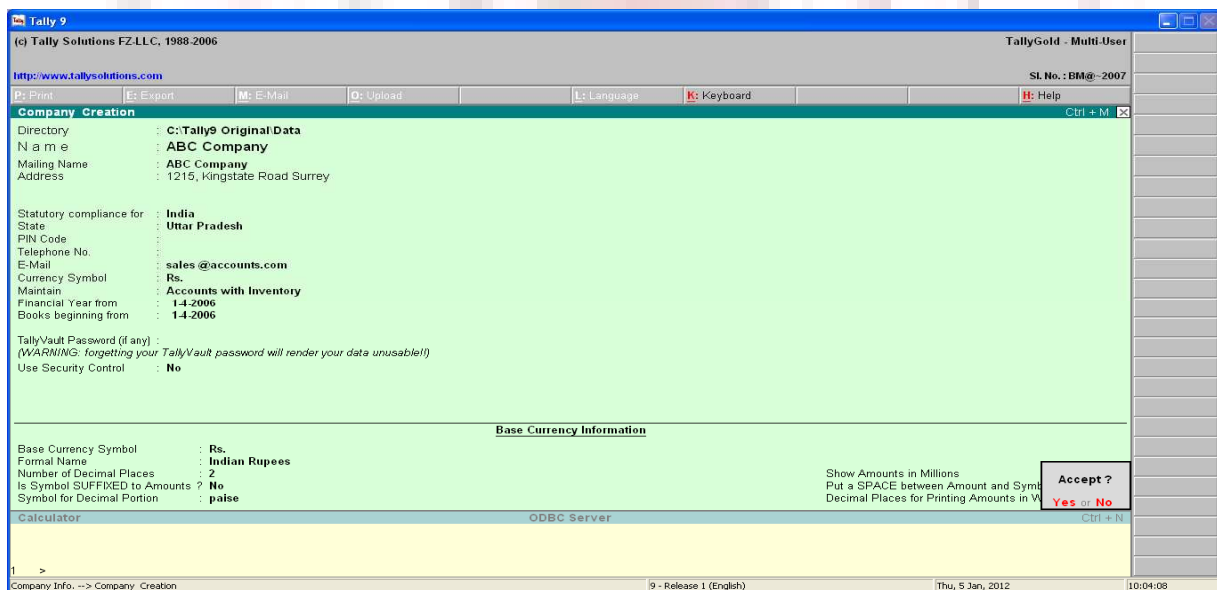
Creating a Company involves providing basic information about the company whose books of accounts are to maintained in Tally.

Go to Gateway of Tally > (Alt + F3) Company info. > Create Company



Above is displayed an International Company Creation Screen. Note that the State and PIN Code fields are not available.

The screen for India/SAARC would be:



A detailed explanation on each field is given:

Directory

The data path where you want the company to be created is specified in the Directory field.

This field is skipped by default when you create the company in the data path given in the **Tally.INI** file. If you want to change it, use the backspace key and modify it to the path required.

This is referred to as the Tally Anywhere concept – which is the ability to create/load companies in separate directories. The Directory field is displayed while selecting Select, Create, Backup, Restore and Rewrite options for a company. By default, the cursor will skip the field, presuming that you wish to use the default data directory for your work. You may press Backspace to give a new path and work from there.

For example, the default Tally data directory could be C:/TALLY/DATA. You may now wish to create a new company on C:/TALLY/PERSONAL, and some other companies on C:/TALLY/BRANCHES. The next time, the default directory displays C:/TALLY/DATA, and if you wish to work on the data of your branches, press Backspace and enter C:/TALLY/BRANCHES for the directory name. This displays the companies whose data is stored in that location in the List of Companies. You can even give the path of a network server or any other storage device.

Name

Enter the name of the company whose books are being opened. If you are a professional accountant and are maintaining the books of your clients, give the Client Company's name.

Mailing Name and Address

In addition to the Company Name, Tally provides the facility to enter the Mailing Name field. It displays the Company Name by default. You may change it as required, if the mailing name is different from the Company Name, the mailing name and address details are picked up for inclusion in any report that needs the company name and address as heading. For example: Balance Sheets, Statement of Accounts, and so on.

Tally's reports print the mailing name and address as given:

Mailing Name : **Rects Infotech Pvt Ltd.**
Address : 806 Shastri Nager Dadabari
Kota Raj.

Tally does NOT restrict the number of lines for the address details. Tally accommodates all the entered information and vertically compresses the same.

Note:

1. In the space provided for the Address details, observe the vertical compression as compared to the Mailing Name field where there is horizontal compression.
2. You can specify any length for the mailing name and you are permitted to give any number of lines for the address. The information is completely visible.
3. Tally handles compressed information correctly while printing. It adjusts the reports accordingly.

Statutory compliance for

Select the Country from the List of Countries. The Statutory Features and Base Currency Symbol are enabled in accordance with the country selected. For example, if the accounts belong to a company in India, the base currency would be Indian Rupees. The Base Currency will appear with respect to the Country selected.

Selecting India from the List of Countries brings up a State, pin code and Telephone No. field.

State

You can select the appropriate state from the predefined list.

PIN Code

Specify the PIN Code (Postal Index Number) of the specified address.

Telephone

Enter the Telephone number.

E-mail Address

Enter the E-mail address that will be used to e-mail documents, reports and data from Tally.

Currency

Currency symbol is the symbol of the base currency, that is, the currency that will be used to maintain the books of account.

The symbol Rs. appears by default for India/SAARC Companies and the field is left blank for International Companies.

Maintain

Tally displays a drop down for the Type of Company with two options Accounts only and Accounts with Inventory.

Select Accounts only if you do not have any inventory transactions (suitable for professionals and corporate offices).

However, at a later date (if required) you can choose to alter the information as Accounts-with-Inventory. Select Accounts- with - Inventory, to maintain both financial accounts and inventory.

Financial Year From

In most countries, the books of accounts of a company are maintained for a stipulated period liked, 12 months, 15 months, and so on. This stipulated period is referred to as the Financial Year.

The stipulated period of the financial year is 12 months in most countries. Tally automatically considers 12 months from the date you give here as the Financial Year.

For example, if you enter April 1, 2005 as the date, the Financial Year will be from April to March ending with March 31, 2006. If you enter October 1, 2005 as the Financial Year From then the financial year will be from October 2005 to September 2006 ending with 30th of September every year.

Tally allows you to maintain data for multiple years by changing the period (Alt + F2) at the Gateway of Tally. In addition, you can also specify the date of actual establishment of the company (date of incorporation)

Books Beginning From

Tally presumes that you wish to maintain books from the beginning of the financial year. Hence, Tally displays the date given in Financial Year From field automatically.

The date for Books beginning from can be changed, in case of companies, which are incorporated in the middle of the year. If your company is new, you can opt to start the books of accounts from the date of actual establishment of the company (date of incorporation) but close books according to the Financial Year as specified by you. Tally provides the required flexibility in such a case by allowing you to give the date when the books of accounts actually began. Tally will open books from this date and close as on the last day of the Financial Year.

For example, if your company is established on August 19, 2005, the opening balances for all the accounts can be given as on August 19, 2005 even though the Financial Year given is April 1, 2005 (April to March Financial year). The company's books will begin on August 19, 2005 and close on March 31, 2006, which ensures smooth transition to the next year.

This concept can be applied even when you are migrating to Tally from any other system or from a manual accounting system on any day during the Financial Year. Close books in that other system on the previous day and start books on Tally from this day. You are allowed to give opening balances of all Ledger accounts including Revenue accounts.

Tally Vault Password

Tally Vault is an enhanced security system, which allows for encryption of the company data. Encryption involves converting normally accessible Tally information into unrecognizable information, which can only be reconverted by authorized persons.

Give a password here and repeat the same in the Repeat field. This basically results in the creation of an encrypted company whose information is not accessible to users other than the password holder.

Use Security control?

Set this to Yes, if you want to initiate a password-protected system to control access to Tally data. Else, set this to No.

If you opt for security control, tally offers a comprehensive password based access control to different features to Tally based on authority list created by the Administrator. (The section on Security Control under Administer Tally contains details on authority lists)

Use Security Control	:	Yes	
Name of Administrator	:	A	
Password	:	***	Repeat : ****
Use Tally Audit Features ?	:	No	

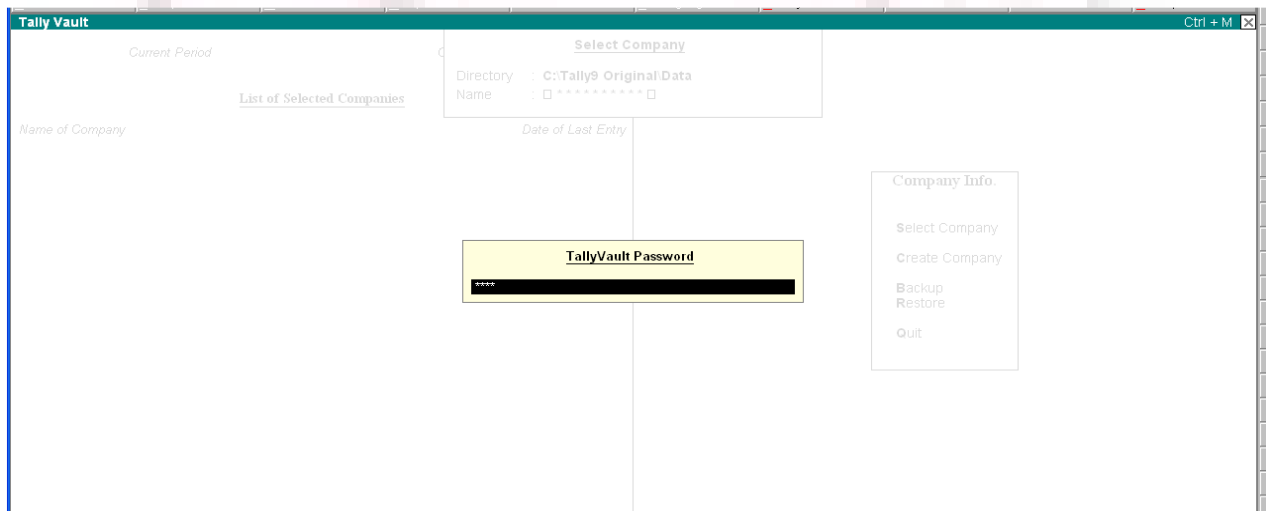
Name of Administrator, Password, Repeat

Assuming the Tally Vault Password and Use Security Control is set to Yes enter the Name of Administrator, Password and Repeat in the respective fields.

Use Tally Audit Features

Tally Audit allows the administrator or an auditor profile user to track changes in accounting information. If you wish to use this facility, select Yes. Tally Audit will be available only to the administrator/auditor, through Display of Statements of Accounts. It will be discussed in greater detail under the Security Control section in Administer Tally.

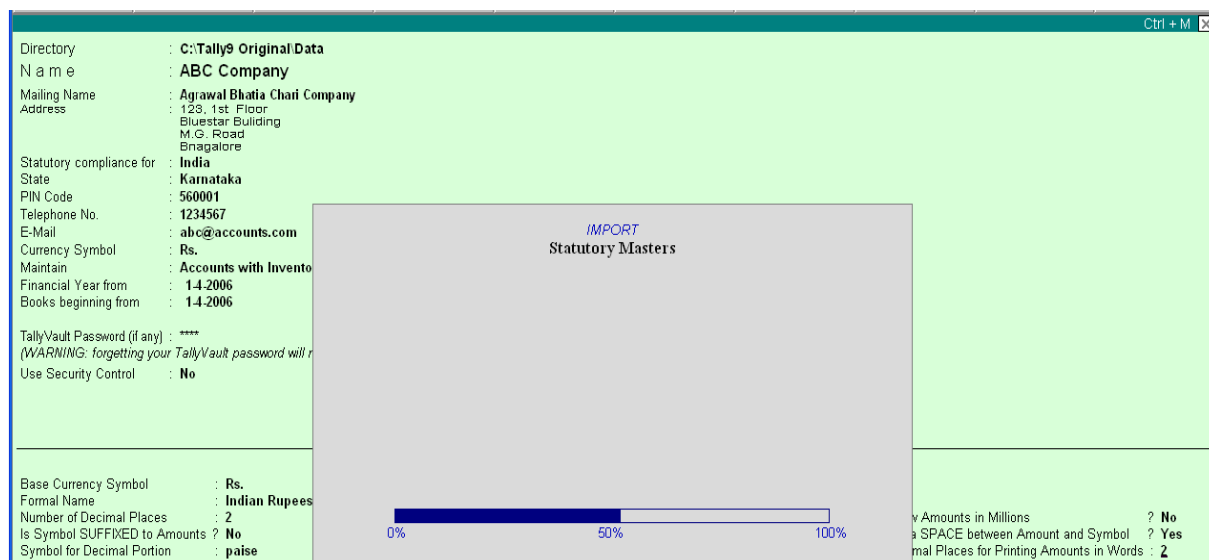
On accepting the company creation screen, if you have specified Tally Vault password, Tally prompts you to enter the Tally Vault password as appears:



Then Tally prompts you to enter the Name of User and Password (if any).



After verification Tally imports the latest statutory masters. Wait till the screen shows that 100% of import is complete.



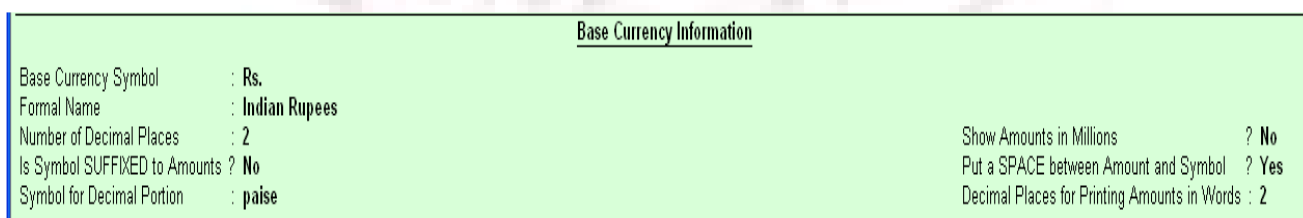
This completes the Company Creation process in Tally

An explanation on the field on the bottom of the Company creation screen follows.

Base Currency Information

The Base Currency Information is found in the bottom frame of the Company creation Screen. Base Currency is the currency in which your accounts would be maintained. Financial statements are prepared in the base currency by default and these are normally required to be submitted to local statutory authorities. The Base Currency information in Tally varies with the country selected for Statutory Compliance.

You can recode transactions and raise invoices in foreign currency; and also maintain bank accounts or ledgers in foreign exchange, exchange, when required.



Base Currency Symbol

The currency symbol given earlier in the Company Creation screen is displayed here automatically.

Tally uses this currency symbol in reports, wherever necessary.

Formal Name

Formal Name is the full name of the currency specified.

The Formal Name for the base currency is set to Indian Rupees for Indian Companies.

Number of decimal places

The number of decimal places for the base currency is set to 2 by default. However, you have the option of specifying up to 4 decimal places. Indian currency has 2 decimal places whereas certain other countries require 3 decimal place and so on.

Show Amounts in Millions

This is useful for companies, which require reporting the financial statements in millions. This is possible only if Allow Multi- Currency is enabled in F11: Features.

Is System Suffixed to Amounts

For countries, which specify the symbol after the amount (value) – this facility is provided. For example, Yen is specified after the amount (5000 Yen) unlike in India where the symbol is specified before the amount (Rs.5000).

Put a space between Amounts and Symbol

This facility is provided to users who require a space between the amount and the symbol. However, putting a space between the amount and symbol could give an opportunity for misuse incase of cheque printing. Hence, the flexibility to turn option on and off as required is provided.

Symbol for Decimal Portion

Enter the symbol for decimal portion.

Decimal Places for Printing Amounts in Words

You can specify the number of decimal places for printing the amount in words. This number should be equal to or lesser than the number specified in Number of Decimal places field in company creation or currency master screen which will appear in Invoice and Cheque printing screen

For example, if the currency is expressed upto 3 decimal places, the numeric to be printed in words can be restricted to 2 decimal places

Note: The Name of the Company, cannot be translated or transliterated but will appear in the Language created.

LOADING A COMPANY

A newly created company loads automatically. However, for subsequent working, you must load or select the company you want to work with from the List of Companies. (Select and Load are synonymous). A company can be loaded in two ways:

1. Automatically by Tally.
2. Using the Select Company option

Tally Loading the Company Automatically

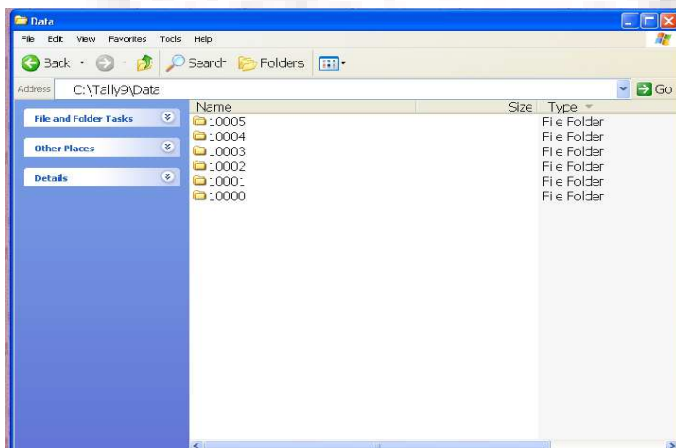
When creating a company, Tally creates a sub-directory under its\DATA directory for the company. The directory is allotted a number in serial order starting with 0001 (example – 10001, 10002...10009....10020, etc these are system generated codes for the company).

In order to automatically load a company, Tally has to be configured appropriately by setting the Tally.ini file (available in the Tally directory).

Ensure that Default Companies is set to Yes and specify the company number which has to be loaded automatically, for example, Load = 10000

Note: You can specify any number here as per the information available in the data directory (10000 or 10002 or 10003, etc)

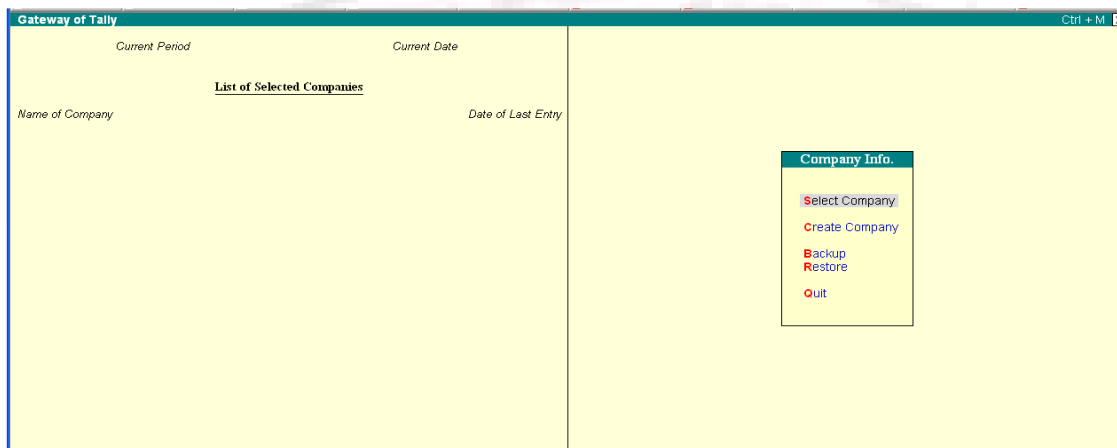
Example of sub-directories created by Tally for different companies:



LOADING A COMPANY USING THE SELECT COMPANY OPTION

In order to load a company using the Select Company option, disable the default loading of a company in Tally.ini file. Set Default Companies to No OR place a semi-colon before Load = 0001 (company number – placing a semicolon means that the words following it in that line would not be executed. Each line is a separate command).

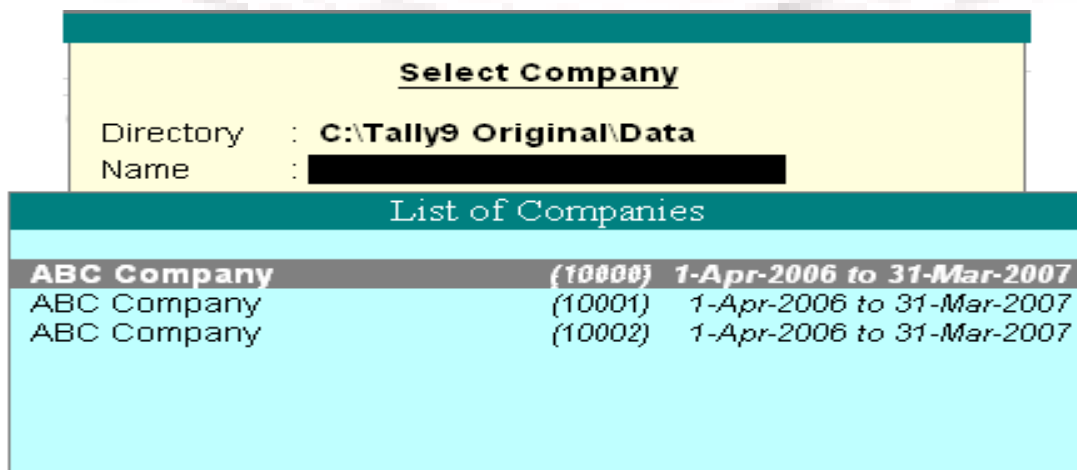
On double –clicking the Tally icon, the appears as:



You can use the Select Company option in two ways, from the Company Info. Menu OR by using the button F1: Select Cmp (available on the Gateway of Tally screen).

Select Company

Press Enter on Select Company or use the button F1: Select Cmp. Tally displays this screen.



Tally displays

1. Company Name (All the companies created are displayed)
2. System – generated code for each company displayed
3. The Financial Year information relating to the number of years data present in the company.

Note: The system-generated code for each company is displayed to assist you in identifying which company you wish to work on in case you have multiple companies with the same name (as displayed in the above screen).

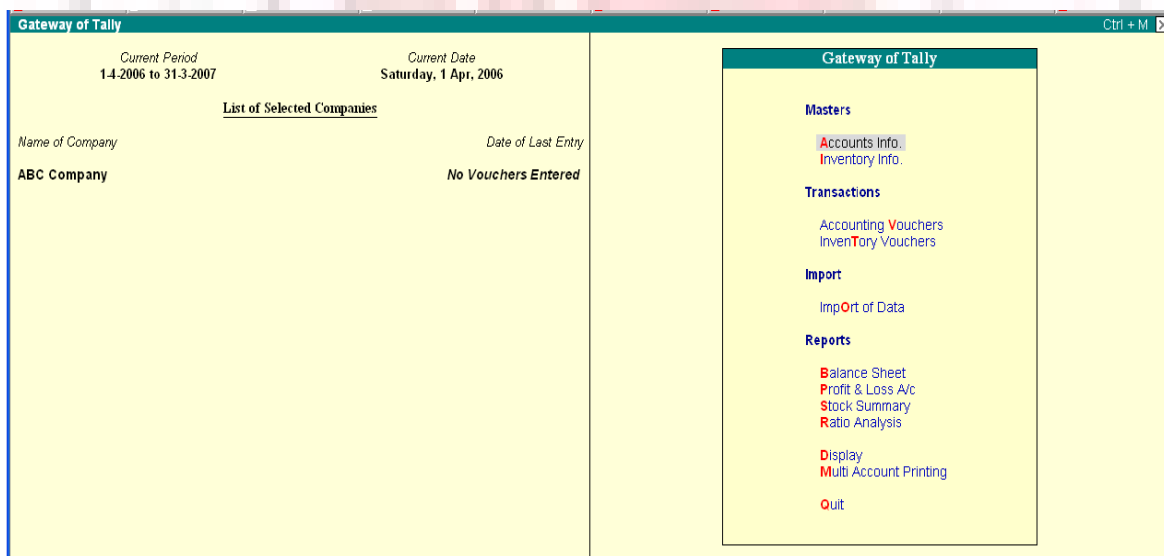
Select the required company to go to the Gateway Of Tally for that company.

GATEWAY OF TALLY

Gateway of Tally is the screen that appears on selecting a company. The Gateway of Tally menu differs based on the type of company selected. An Accounts-with-Inventory Company.

Gateway of Tally of an Account Only Company

The Gateway of Tally menu of an Accounts Only company appears as shown below:



The Gateway of Tally screen is separated into four sections- Title Area, Main Area (Ctrl+M), Calculator Area (Ctrl+N) and the Button Bar.

Main Area

The left side of the Main Area gives information on:

1. Current Period – which is the currently loaded company’s accounting period.
2. Current Date – This is the date of the last Voucher Entry for the selected company.
3. List of Selected Companies – This displays the name of the loaded company

The Main Area gives information on:

1. Creation of Accounting Master and Importing Master information
2. Creation of Accounting Vouchers and Importing transaction information
3. Viewing and printing financial reports using the information given in Master and Transactions,

Button Bar

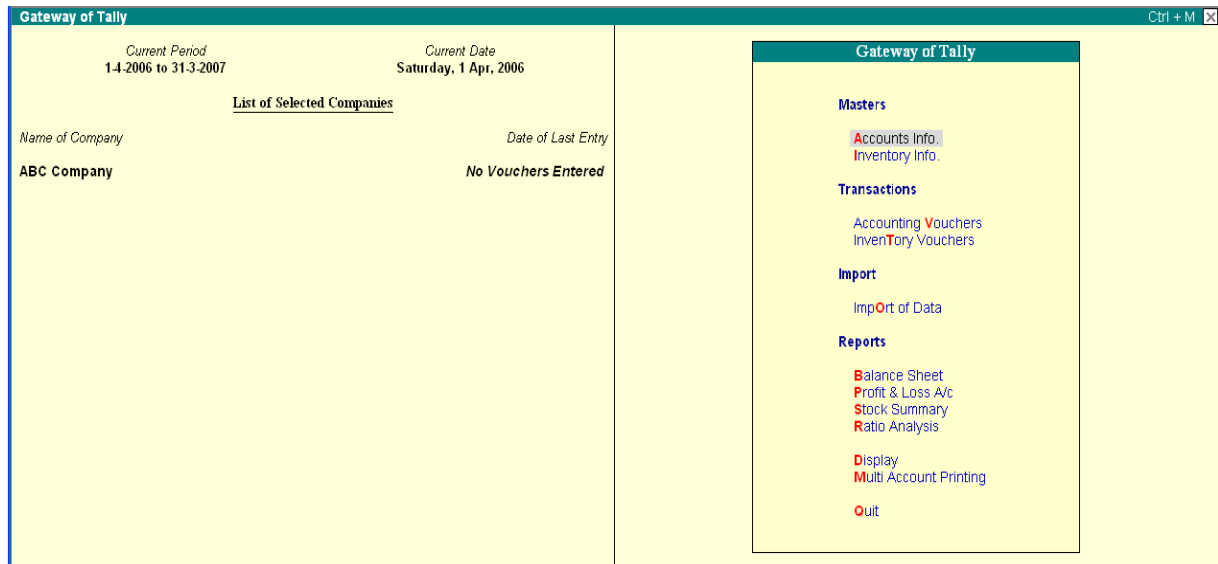
The Button Bar displays the following buttons (keys):

1. Help (Alt + H) – To access Tally’s online context-sensitive help
2. F1: Select Cmp – To select a company
3. F1: Shut Cmp – To shut of close the company
4. F2: Date – To change the current date
5. F2: Period – To change the period
6. F3: Company- To select a different company
7. F3: Cmp Info – To access the Company Info. Menu
8. F11: Features – To access the Company features for a company
9. F12: Configure – To access the configuration settings

Note: You cannot load companies with the same name at the same time. The loaded or selected company will have to be shut first in order to load the other company.

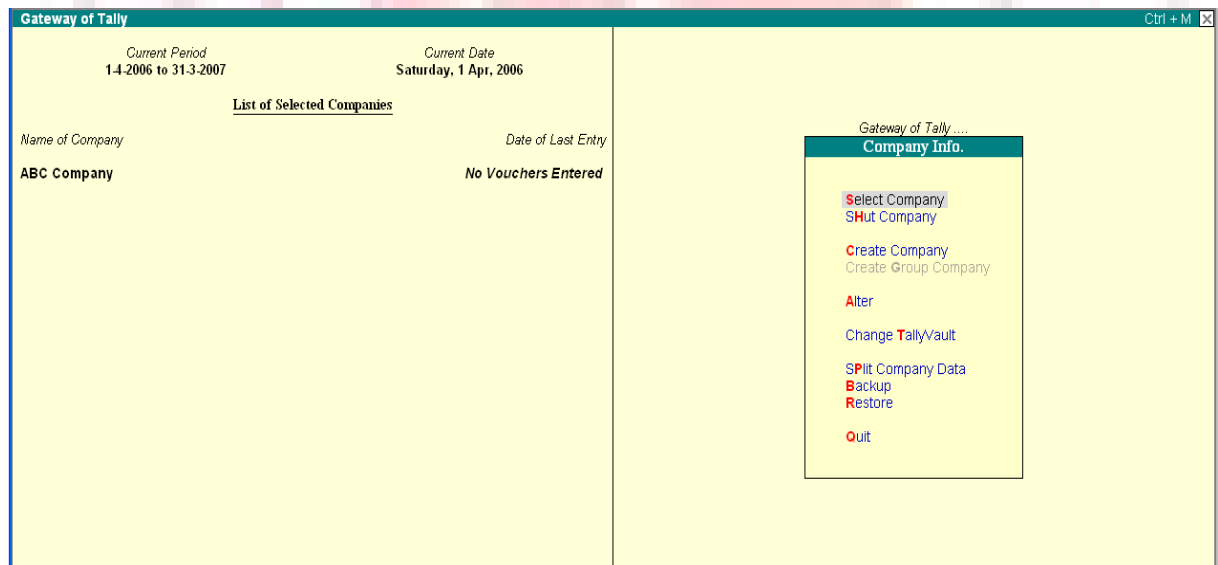
Gateway of Tally of an Accounts-with-Inventory Company

The Gateway of Tally menu of an Accounts-with Inventory company appears as shown below:



Company Info. Menu

The Company Info. (Information) menu appears as shown below::



The menu options in the Company Info. are as follows

Select Company

Allows you to Select or load a company.

Shut Company

Allows you to shut a company.

Create Company

Allows you to create a company.

Alter

Allows you to alter a company.

Change Tally Vault

Allows you to secure the data by providing a Tally Vault password

Backup

Allows you to take a backup of the company data.

Restore

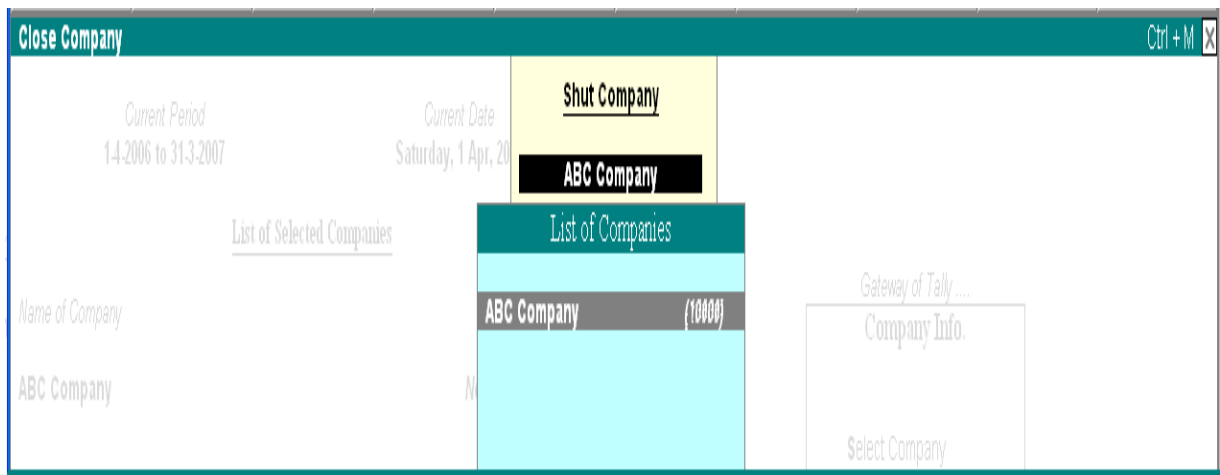
Allows you to restore a data backup.

SHUT A COMPANY

Shut a Company is to unload it. It does not mean that you have deleted it. Simply select it again to load and work on it again.

You can shut a company in two ways- either using the button F1: Shut Cmp (Alt + F1) or pressing Enter on Shut Company menu option on the Company Info. Menu

The screen appears as shown below:



Select the company to be shut from the List of Primary Companies.

ALTER A COMPANY

You can modify any information at any time that is set while creating a company.

1. Go to Gateway of Tally
2. Select F3: Cmp Info. (ALT+F3) from the button bar
3. Select Alter and press Enter and the screen appears as shown below:

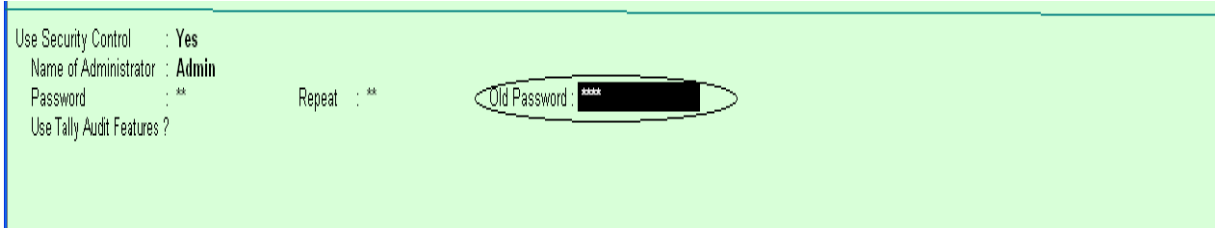


Make the necessary changes in the required fields. To change the password if Use Security Control is set to Yes:

4. Enter the Name of Administrator.
5. Enter the new password.

6. Re-enter the password in the Repeat field to confirm.

7. Enter the Old Password and Accept the screen to alter the company



Use Security Control : Yes
Name of Administrator : Admin
Password : ** Repeat : ** Old Password : ****
Use Tally Audit Features ?

DELETE A COMPANY

To delete a company, you have to load the company first.

1. Select F3: Cmp Info. (ALT+F3) from the Gateway of Tally to proceed to the Company Information menu.
2. Select Alter and press Enter.
3. Select the company to be deleted. The Company Alteration screen is displayed.
4. Use Alt + D to delete. Tally will prompt for a confirmation on deleting the company.
5. Press enter to delete the company.

Note: Deletion of a company is irreversible. The company is permanently deleted from the system

Chapter 2

Administration in Tally

SECURITY CONTROL

In an ideal company scenario, there will be more than one person working on Tally. In such a case, not every person needs to be given the full access. The head of the department/Administrator should be able to create different users and assign their rights to them.

Tally has a very customizable security system. You can set up Security Levels and users who are placed at these levels. The authority levels or Types of Security decides the rights of the users while using Tally.

To create Security Levels

1. Go to Gateway of Tally, select F3: Cmp Info.> Create/Alter Company
2. In the Company Creation screen set Use Security Control to Yes.
3. Enter the Name of the Administrator.
4. Enter your Password and reenter the password for verification. The password is not displayed for security reasons.
5. Accept Yes to save the changes made

USERS AND PASSWORDS

To create different users who belong to one or more different Security Levels of Types of Security

Go to Gateway of Tally, select F3: Cmp Info > Security Control > Users and Passwords.

The List of Users for Company screen is displayed.

List of Users for Company		
Name: ABC Company		
Name of User	Password (if any)	Security Level
Data Entry		

follows: A brief description of all the fields in the List of Users for Company screen

Name: The selected company name is displayed here automatically.

Name of User: Enter the name of the user.

Password (if any): Enter the password if required.

Security Level: Select the security level form the Security List.

Note: You need to create Security Levels before creating users or the default security levels available viz. Owner and Date Entry.

ALTERING/DISPLAYING USERS AND PASSWORDS AND TYPES OF SECURITY

There is no separate menu option to alter or display Users and Passwords and Types of Security options. Use the same menu to display or alter user or security level set-up. To delete a User, delete the Name of User and Password and Accept, Yes to save. Do the same for deleting a security level. if you have defined a user under a security level, then the security level cannot be deleted before deleting the users under it.

TALLY AUDIT

Tally Audit provides the capability to the administrator/auditor to track changes in the accounts following his previous review. Changes of two areas are very important – changes I Transactions or Vouchers and changes in Ledger Master. Only changes that affect the integrity of a transaction are considered. For e.g. a change in the narration does not affect the integrity of a transaction and will not e considered as a change. Any material change in a voucher is logged. The name of a ledger account if changed is material and hence it would be tracked.

Tally Audit feature should be enabled while creating the Company and creating Security levels. Only a user designated as an auditor or the administrator can view the audit list and act upon it.

BACKUP AND RESTORE

Backup

Tally has a flexible backup mechanism where in you can take a backup of the data from virtually any storage medium into any other medium.

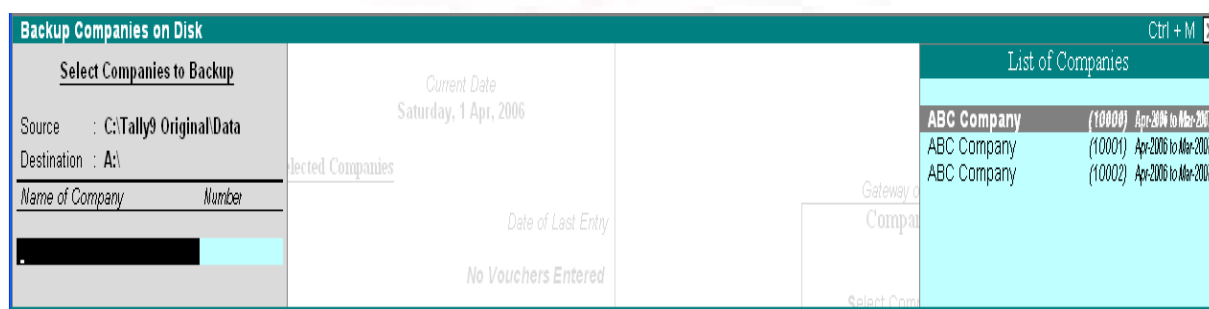
The more commonly used media are floppy drive, hard disk drive, zip drive, tape drive, etc – installed either locally or on a network. In the screen, the source of the backup and the destination of where it has to be stored have to be given and Tally will do as required.

Taking a Backup

The procedure for taking a backup is as follows

1. Go to Gateway of Tally, select F3: Cmp Info > Backup
2. The Backup Companies on Disk screen is displayed.
3. To change either the Source or the Destination paths, use the [Backspace] key and change the path as required. Specify the paths of the Source and Destination drives. Incase we want to take a backup onto another system on the network the Destination path will be [\\machinename\drivename\directoryname](#). The process of backing up data begins when at least on company is selected for the same from the List of Companies. To stop selecting companies, select the option End of List, which appears at the top of the selection list.
4. The backup file is stored as TBK900.001. If the backup is taken in a medium likely to extend more than one- for example, floppy, then the extension digits (10001,10002 and so on) will be stored accordingly.

The Backup screen appears as:



Note” If Tally Vault password is enables for a company, Tally will allow you to select only one company at a time from the list for a backup.

BACKUP PRECAUTIONS

Data on a computer is vulnerable to all types of difficulties. Considering the same, it is important that we do not overlook the importance of regular backing-up of data regardless of the stability of the database. With a little planning and forethought, we can ensure that maintenance of the important data is continuous and hassle-free.

Depending on the volume of data entry, an appropriate backup mechanism will have to be devised. One method of achieving it will be by maintaining a backup directory in the local hard disk or the server (external storage media such as the floppy disk, zip diskette can also be used). We can have sub-directories for every day of the week under the main backup directory and regularly take data backup in the following manner depending on the day of the week.

Monday – C:\TallyBackup\Monday

Tuesday – C:\TallyBackup\Tuesday and so on till Saturday.

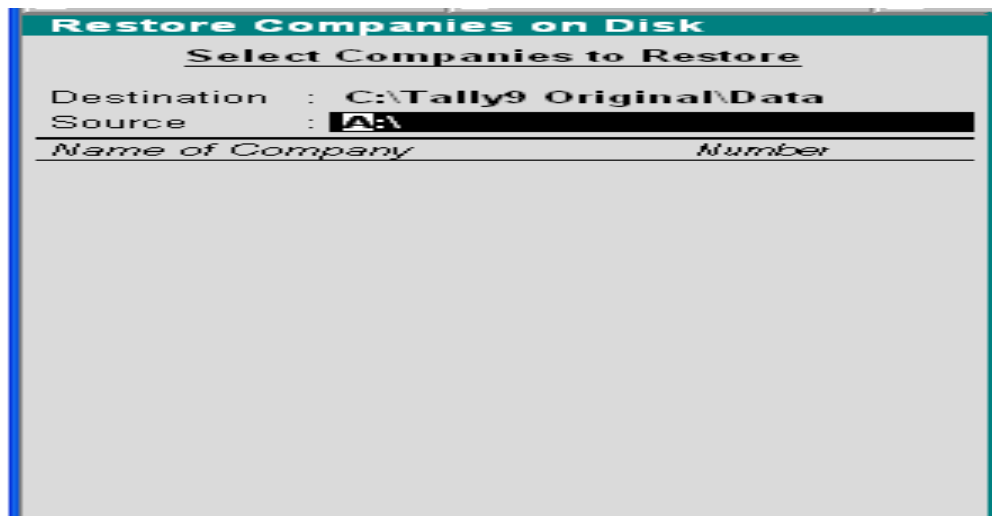
Note: Tally backup facility is not limited to the Hard Disk drive alone. You can backup data not other storage devices also

The above procedure ensures that there exists a reliable data backup at any given time. In order to use that reliable data backup or bring back the data from that existing data backup you have to use the Restore option.

Important: It is preferable NOT to restore a backup onto the original data directory primarily to ensure that No data is overwritten unintentionally.

Restore

Restore literally means to bring back. Similar to backing up of data, Tally allows restoring of data from any medium into any other storage medium. The Restore Companies on Disk screen is displayed as shown below:



RESTORING DATA

The procedure for restoring data is as follows

1. Go to Gateway or Tally, select F3: Cmp Info > Restore
2. The Restore Companies on Disk screen appears.
3. The Source and Destination paths displayed in the screen are those that were used last.
4. The Source field has to have the appropriate path. It is the path from which you intend to bring back the previous data. Accepting the path will read the contents of the particular file and will then display the list of companies available.
5. Select as required and restore the data accordingly.

RESTORE PRECAUTIONS

It is preferable NOT to restore a backup onto the original data directory primarily to ensure that No data is overwritten unintentionally.

Activate Company Features (F11: Features)

The different features of a company can be selected or modified by F11: Features button. This button is available in almost all screens of Tally as you might wish to modify it as your requirements change. Unlike F12: Configure, F11: Company Features is specific to the current company only. Therefore, each company may have different features active. For example, a company in your group may need multi-currency where as another company may not. Configuration options, on the other hand, affect all companies maintained in the same Tally

directory and setting configuration for one company will affect other companies in that data directory.

Note: Certain features like multi-currency and multi-locations, once set to Yes, cannot be modified if the feature has been used. However, other features like Cost Centers and Bill-wise details can be modified ever if they are used. If you reset the options after having used the feature in transactions, it is advisable to rewrite the company by using CTRL + ALT + R.

Go to Gateway of Tally > F11: Features
The F11: Features menu displays as shown



The menu consists of the following options.

- “ Accounting Features
- “ Inventory Features
- “ Statutory & Taxation

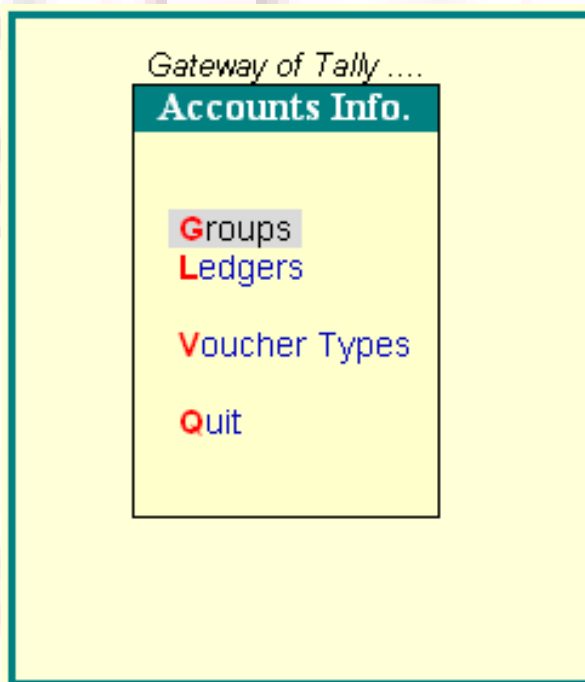
There are various settings available under Accounting Features, Inventory Features and Statutory & Taxation Features in Company Operations Alteration screen, which determine the information to be keyed in during transaction entire

Chapter 3

Managing Groups Ledgers and Vouchers

Accounts Info menu lists the masters through which you can provide Tally the details of your company's accounts. You can also manage Groups, Ledger and Vouchers from this menu.

Go to Gateway of Tally > Accounts Info.

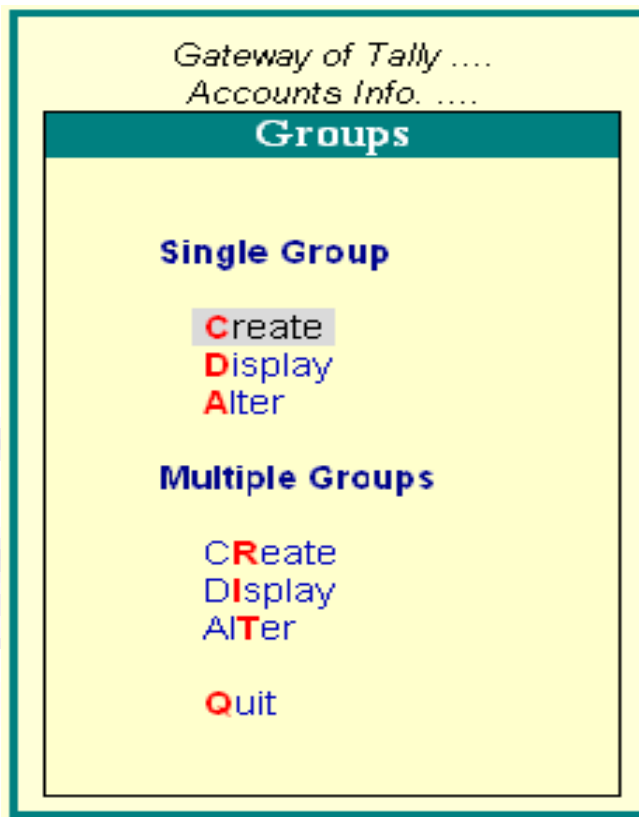


INTRODUCTION TO GROUPS

Tally follows the modern way of managing accounts called 'Single Ledger' concept of accounting. This is in direct contrast to subsidiary Ledger Accounting. All financial entries are made using ledgers or account heads. Ledger accounts are created to identify transactions.

The single ledger concept avoids the need for sub-ledgers and corresponding control accounts in General Ledger. Tally allows you to group ledger information to generate meaningful reports that are compliant with laws. Groups in Tally classify and identify account heads according to their nature. This helps in presenting summarized information.

Gateway of Tally > Accounts Info.>Groups



CLASSIFICATION OF ACCOUNT HEADS

Usually, grouping of accounts is done only when reports are needed. This may result in delay in preparing the reports. Tally allows you set up chart of accounts.

You can group the ledger accounts while creating them. Tally will enable your reports and statements to reflect the desired classification at any point. In Tally, you can also re-group the ledgers (with some minimal restrictions) if re-classification is necessary. Re-grouping becomes necessary whenever there is a change in the nature of information, however, re-grouping can be done only by users who have authorised rights.

At the highest level of grouping, accounts are classified into classification into capital or revenue – specifically into assets, liabilities, income and expenditure. Based on mercantile accounting principles, Tally provides a set of reserved groups and allows you to modify their names or create subgroups.

Sub-Groups

A sub-Group behaves exactly like a group and is created under a group.

Concept of Sub-Groups

Groups have a hierarchical structure. The main group of accounts that determine the entire accounting and their presentation are the asset, liability, income or the expenditure. There main groups ascertain whether a ledger affects Profit & Loss Account as a revenue item or if it affects the Balance Sheet.

The Reserved Primary Groups and subgroups are:

Primary Groups of Capital Nature

1. Capital Account

a) Reserves and Surplus [Retained Earnings]

2. Current Assets

a) Bank Accounts

b) Cash-in hand

c) Deposits (Asset)

d) Loans & Advances (Asset)

e) Stock-in-hand

f) Sundry Debtors

3. Current Liabilities

a) Duties and Taxes

b) Provisions

c) Sundry Creditors

d) Fixed Assets

4. Investments

5. Loans (Liability)

• **Bank OD Accounts [Bank OCC Accounts]**

- a) Secured Loans
 - b) Unsecured Loans
 - 6. Suspense Account
 - 7. Miscellaneous Expenses (Asset)
 - 8. Branch/Divisions
 - 9. Sales Account
 - 10. Purchase Accounts
 - 11. Direct Income [Income Direct]
 - 12. Indirect Income [Income Indirect]
 - 13. Direct Expenses [Expenses Direct]
 - 14. Indirect Expenses [Expense Indirect]
- Note: Aliases for the groups are given in square brackets [].

A Discussion on Each of the Reserved Groups

1. CAPITAL ACCOUNT

This records the Capital and Reserves of the company. The ledgers that belong to Capital Accounts are Share Capital, Partners' Capital A/c, Proprietor's Capital Account and so on.

Reserves and Surplus [Retained Earnings]

This contains ledgers like Capital Reserve, General Reserve, Reserve for Depreciation and so on.

2. CURRENT ASSETS

Current Assets record the assets that do not belong to either Bank Accounts or Case-in-Hand sub-groups.

Bank Accounts

Current account, savings account, short term deposit accounts and so on.

Cash-in-hand

Tally automatically creates Cash A/c in this group. You can open more than one each account if necessary.

Note: An account under Cash-in-hand group or Bank Account/Bank OCC A/c group is printed as separate Cash Book in the traditional Cash Book format and does not form part of the Ledger.

Deposits (Asset)

Deposits contain Fixed Deposits, Security Deposits or any deposit made by the company (not received by the company, which is a liability).

Loans & Advances (Asset)

This records all loans given by the company and advances of a non-trading nature (example: advance against salaries) or even for purchase of Fixed Assets. We do not recommend you to open advances to Suppliers' account under this Group.

Stock-in-hand

This group contains accounts like Raw Materials, Work-in-Progress and Finished Goods. The balance control depends on whether you have selected Integrated Account-cum-Inventory option while creating the company.

Integrated Accounts-cum-Inventory

This option has a significant effect on the Balance Sheet and Profit & Loss Account. If set to Yes, it brings the stock/inventory balance figures from the inventory records and provides a drill down to the Stock registers from the Balance Sheet.

You are not allowed to directly change the closing balance of an account under this group. You are allowed to pass transactions in Inventory records and the account balances are automatically reflected in the Balance Sheet as Closing Stock.

Non- Integrated Accounts-cum-Inventory

If integrated Account-cum-Inventory option is set to No, it ignores the inventory books figures and picks up manually entered closing stock balances from the ledger account created. This provides th facility to maintain accounts separately and inventory separately.

You are not allowed to pass transactions if your accounts that come under this Group. It allows you to hold opening and closing balance only. Since no vouchers can be passed for these accounts, they are the only accounts for which the closing balances can be directly altered (by an authorised user only).

3.CURRENT LIABILITIES

Accounts like Outstanding Liabilities, Statutory Liabilities and other minor liabilities can be created directly under this group. Sub- groups under Current Liabilities are Duties and Taxes, Provisions and sundry Creditors

Duties and Taxes

Duties and Taxes contain all tax accounts like VAT, MODVAT, Excise, Salas and other trade taxes and the total liability (or asset in case of advances paid) and the break-up of individual items.

Provisions

Accounts like Provision for Taxation, Provision for Depreciation and so on are recorded under Provisions.

4.INVESTMENTS

Group your investment accounts like Investment in Shares, Bonds, Govt. securities, long term Bank deposit accounts and so on. This allows you to view the total investments made by the company.

5.LOANS (LIABILITY)

Loans that a company has borrowed, typically long-terms loans.

Bank OD Accounts [Bank OCC Accounts]

Tally provides you with distinct types of Bank Accounts,

Bank OCC A/c

To record the company's overdraft accounts with banks. For example, Bill Discounted A/cs and Hypothecation A/cs etc.

Note: An account under Bank OCC A/c group is printed as separate Cash Book in the traditional Cash Book format and does not form part of the Ledger.

Secured Loans

Term loans or other long/medium term loans, which are obtained against security of some asset. Tally does not verify the existence of the security. Typical accounts are Debentures, Term Loans, and so on.

Unsecured Loans

Loans obtained without any security. Example: Loans from Directors/partners or outside parties.

6. SUSPENSE ACCOUNT

In modern accounting, many large corporations use Suspense Ledger to track the money paid or recovered, the nature of which is not yet known. The most common example is money paid for Traveling Advance whose details will be known only upon submission of the TA bill. Some companies may prefer to open such accounts under Suspense Account.

Loans and Advances (Asset) group.

The Suspense Account is a Balance Sheet item. Any expense account even if it has 'suspense' in its name, it should be opened under Revenue group like Indirect Expenses and not under Suspense Account group.

7. MISCELLANEOUS EXPENSES (ASSET)

This group is typically used for legal disclosure requirements such as Schedule VI of the Indian Companies Act. It should hold incorporation and pre-operative expenses. Companies would write off a permissible portion of the account every year. A balance remains to an extent that cannot be written off in Profit & Loss Account. Tally does not show loss, carried forward in the Profit & Loss Account, under this group. The Profit & Loss Account balance is displayed separately in the Balance Sheet

8. BRANCH/DIVISIONS

This maintains ledger accounts of all your company's branches, divisions, affiliates, sister concerns, subsidiaries and so on. Tally permits Sales and Purchase transactions to take place with accounts. Just treat them as any other party accounts. If you wish to maintain the books of a branch/division on your computer, you must open a separate company. (Tally allows maintenance of multiple company accounts).

Revenue- Primary Groups

9. SALES ACCOUNT

You can classify your sales accounts based on Tax slabs or type of slabs or type of sales. This also becomes a simple mechanism for preparation of Tax returns.

Examples:

- Domestic Sales
- Export Sales

Now under Domestic Sales open the following ledgers:

- Sales (10%)
- Sales (5%)
- Sales (exempt)

You can even open an account as Sales Returns under the group Domestic Sales to view your net sales after returns (or the returns may be directly passed through Journal against the specific Sales account).

10. PURCHASE ACCOUNT

This is similar to sales accounts, except for the type of transactions.

11. DIRECT INCOME [INCOME DIRECT]

These are Non-trade income accounts that affect Gross Profit. All trade income accounts fall under Sales Accounts. You may also use this group for accounts like Servicing, Contract Change that follow sales of equipment.

For a professional services company, you may not use Sales Account group at all. Instead, open accounts like Professional Fees under this group.

12. INDIRECT INCOME [INCOME INDIRECT]

These are miscellaneous non-sale income accounts. Example: Rent Received and Interest Received.

13. DIRECT EXPENSES [EXPENSES DIRECT]

These are manufacturing or direct trading expenses. These accounts determine the Gross Profit of the company.

14. INDIRECT EXPENSES [EXPENSES INDIRECT]

All administrative, selling or non-direct expenses.

Profit & Loss Account is a reserved primary account in Tally. You can use this account to pass adjustment entries through journal vouchers. For example, transfer of profit or loss account to Capital or Reserve account.

Creating a Group

You can create multiple or single group from create option. In multiple group creation, the sub-groups will automatically inherit the characteristics of their parent groups.

Go to Gateway of Tally > Accounts Info.> Groups > Create (under Single Group)

The Group Creation screen displays

Name of Group

Enter the name of the Group to be created. For example, Administrative Expenses

Alias

Enter an alias name to allow access to the group using the Alias in addition to its name of leave it blank. For example, for Administrative expenses, you can enter Office Expense or even an alphanumeric code, say E001, as an alias.

Under

Specify under which existing (Parent) group the sub-classification is required. If it is a new primary group, select Primary (requirement of a new primary group is very rare, but the option exists). You can also create a new Parent Group by using Alt+C.

Note: Creation of new Primary Group is not allowed if an Allow Advanced entry in Masters is set to No in F12: Configure.

Additional Information

If a group (e.g. Printing) is created under Primary, you must select the appropriate option from the list whether it is an asset, liability, income or expenses. If you select an income or expenses you should specify whether it will affect the gross profits or not by suitably setting the option Does it affect Gross Profits? to Yes/No

You can use this concept when you wish to segregate your profits into Operative Profit and Net Profit. This helps you when you want to consider other revenue accounts in addition to Direct instead of Gross and Net Profit).

Normally, Tally calculates Gross Profit using Opening Stock, Purchase Accounts, Direct Expenses, Sales Accounts, Direct Incomes and Closing Stock only. To make other accounts contribute to this, without classifying under these reserved heads, set this option to Yes.

Group behaves like sub-ledger?

This option is applicable to Sundry Debtors group, you can set this to Yes to display Sundry Debtors without Ledger break-up in statements. Normally, Sundry Debtors will have a large number of ledger accounts under it and it can be expanded during display to show ledger balances. To disable this detailed display set this option to No.

Net Debit/Credit Balances for Repotting?

Setting this option to Yes will display either the net debit or credit balance in the report (whichever is higher). If this is set to No, both debit and credit balances will displayed in the report.

Used for Calculation (e.g. taxes, discounts)?

Set this option to Yes if ledgers under this group would have percentages for discounts/taxes to be used for invoice entry. This gets reflected while passing voucher entry in Invoice mode, it uses the automatic calculation capability.

Method to allocate when used in purchase invoice

Select the appropriate allocation method from the list, this is used to allocate the expense of the Item in the ratio of the quantity or value.

Buttons in single group screens

F3: Company

This button helps you to open a different company. In the creation mode, you can create groups in the other company. In alter mode, you can copy the information by accepting the screen (enter or Ctrl+A). The old company's information remains. This feature is not available in Display mode.

Groups, Ledgers, Cost Categories, Cost Centers, Voucher Types, Currency, Budgets

This button enables you to switch to the appropriate area without quitting from the current screen.

F11: Features

This allows you to set or modify the company features.

F12: Configure

This enables you to set or modify configuration of the master screen.

Note: Configuration changes affect all companies and changes made in Features affect only the current company.

Displaying and Altering Group

You can display and alter the Group in Single mode or Multiple mode.

Displaying a Single Group

Go to Gateway of Tally > Accounts Info. > Group > Display (under Single Group)

Select the name of the Group from the List of Items. You cannot make any changes in Display mode.

Altering a Single Group

Go to Gateway of Tally > Accounts Info. > Group > Alter (under Single Group)

Select the Group that you wish to alter from the List of Groups. Make the necessary changes and click Yes to save the changes.

Displaying Multiple Groups

Go to Gateway of Tally > Accounts Info. > Group > Display (under Multiple Group)

Select the Group from the List of Groups to display all the Groups under the selected Group or select All Items to display all Groups. The Multi Group Display screen lists Groups and the corresponding details of the Groups.

Altering Multiple Group

Go to Gateway of Tally > Accounts Info. > Group > Alter (under Multiple Group)

Select the Group for which you want to alter from the List of Groups. In Multi Group Alteration screen, make the necessary changes and click Yes to save changes.

Deleting a Group

Gateway of Tally > Accounts Info > Groups > Single/Alter

The Delete function is performed through the single alteration mode. You cannot delete groups from the Multiple Alteration mode.

1. Select the group to be deleted.
2. Press Alt+D to delete.

Note: You cannot delete a group if it is a reserved group or a group has sub-groups or ledgers in it.

Note: A new group created under primary will not reflect in reports until you pass masters/transactions for that group.

Introduction to Ledgers

A Ledger is the actual account head to which you identify a transaction. In Tally, you pass all accounting vouchers using Ledgers. However, all Ledgers have to be classified into Groups. Hence a thorough understanding of account classifications is important for working with Ledgers.

Go to Gateway of Tally > Accounts Info. > Ledgers

Creating a Ledger

Ledgers can be created in single and multiple modes. In multiple mode you can create multiple ledgers at a time.

Creating a Single Ledger

The creation of Ledger depends on the features you opt for in the F11: Configure screen before creating any Ledgers. You may configure or set your Ledgers to enable or disable advanced mode.

Tally automatically creates two Ledger accounts namely, Cash (Under Cash-in-Hand) and Profit and Loss Account (direct Primary Account). You need to create all other accounts heads. There are no restrictions in Ledger creation except that you cannot create another Profit & Loss A/C. Any number of Cash Accounts may be created in any other name like Petty Cash.

Creating a Ledger Accounts with minimal information:

Go to Gateway of Tally > Accounts Info. > Ledgers > Create (under Single Ledger)

Name

Enter the Name of the account. You can provide the full name of the account. Tally fits it all in. Press Enter to move to the next field. Tally does not allow entry of duplicate names. the uniqueness check is made here itself.

Note that punctuation and other non-relevant information are ignored by Tally in its recognition of a name. Thus, CST, C.S.T. and C.S.T. are all considered as same.

Tally converts the first letter of all relevant words to upper case, which helps you; speed up data entry. You need not bother about changing the case every time it is a different word.

Alias

Enter an alias name if required. You can access the Ledgers using the original name or the alias name.

Under

All accounts must be classified under their appropriate Groups. Select the Group under which the Ledger is created from the List of Groups. To create a new Group from this field press [ALT+C]

A Group is not important by itself, but because it controls the usage of Ledger accounts. A wrong classification would affect the treatment of the Ledger account in final statements and during voucher entry.

You can, alter a Ledger account to change its group classification at any time.

Opening Balance

If yours is an existing company whose books you are entering onto Tally, Opening Balance would be applicable in circumstances such as when the Ledger is an asset or a liability and if it has a balance in the account as on the date of beginning of books in Tally.

Tally recognises normal accounting principles of debit balances for Assets and credit balances for Liabilities. It accepts the reverse for obverse balances. Revenue accounts normally do not have balances. Tally, however, permits you to give balances even for such accounts – You may be transferring your books on to Tally in the middle of the year and may not have closed them in your earlier system. Hence, you may specify whether the balance is Debit or Credit. Simply D or C also would suffice.

Note: Use Ctrl + A at the field following which the information in other fields do not need to be changed.

Creating Multiple Ledgers

You can create multiple Ledgers at a time in this mode. You can first create a Ledger under each group in single Ledger mode and then the rest of the Ledgers in multiple mode. Tally will set the settings of the Ledger created as default for other Ledger to be created in multiple mode.

Go to Gateway of Tally > Accounts Info. > Ledgers > Create (under Multiple Ledger)

Multi Ledger Creation		ABC Company		Ctrl + M
Under Group : <input type="checkbox"/> All Items			For 1-Apr-2006	
S.No.	Name of Ledger	Under	Opening Balance DnCr	
1.	Ramji Lal and Sons	Sundry Creditors	15,00,000.00	Cr
2.	Track Computers	Sundry Creditors	25,00,000.00	Cr

The Multiple Ledger Creation screen is displayed. A brief description on each of the fields in the Multiple Ledger Creation screen follows:

Under Group

Select the name of the group under which you want to create the Ledgers from the List of Groups.

Below this field, the other fields are arranged in a table. The cursor rests at the field Name of Ledger.

The other fields in the column are:

S. No

This is auto generated.

Name of Ledger

Enter the name of the Ledger

Under

This field defaults to the parent group selected in Under Group. The selected group in Under Group gets displayed here automatically and the cursor skips this column. However, if you select All Items in Under Group field, the cursor does not skip this column and you have the option to select the group. You can even create a new group from this field by pressing Alt+C.

Opening Balance

This is the balance remaining when you first enter your books on Tally, i.e., the date of beginning of books. If you have opted to maintain balances bill-by-bill, you must give the bill details.

Dr

Specify whether the Opening Balance is Debit or Credit. Tally follows the normal accounting principals of accounting.

Note: While creating Ledgers in multiple mode, the field Cost Centers are applicable, is set to Yes for Revenue accounts and No for Non-Revenue accounts by default. The field Inventory values are affected is set to Yes for Sales and Purchase Accounts and No for the others by default.

Method of Calculation

There are four methods of calculating a duty.

1. Duty Based on Items – Tax based on Item Rate
2. Additional Duty
3. On Total Sales
4. Surcharge on Tax

Tax or Duty Based on Items Rate (or Excise Duty)

This type of account is suitable in cases where there are differential rates of duty/tax on items. In India, excise duty accounts would normally adopt this method. In the UK, VAT accounts would do likewise. When creating your Inventory item masters, you might specify Rate of Duty for each item. In your account books, you would open a ledger for the duty, possibly by the name VAT 17.5% or Excise Duty 12.5%. You will select this method to instruct Tally to pick up the Rate of Duty specified in your Inventory item master during master during invoice entry. If one or more items exist with the same rate of duty, then the amount is calculated using the total. Otherwise, it is calculated on total sales. For example,

Your invoice lists,

Item A (Rate 10%) for 10000/-

Item B (Rate 12%) for 15000/-

Item c (Rate 10%) for 18000/-

Duty (VAT or Excise) will be calculated as follows:

10% on 28000/-	2800/- (Item A & C)
12% on 15000/-	1800/- (Item B)
Total Duty	4600/-

Additional Duty

When excise duty is not enabled for invoicing purposes in Company Features [F11] (as applicable for many products in India), Additional Duty and Surcharge function alike.

In case it is enabled, then Additional Duty is added to the 'Duty Based on Items' in the invoice to reflect the 'Table Duty payable'. Its method of calculation is explained under 'Surcharge'.

On Total Sales

As the type suggests, duty will be calculated on the total of individual values of the items. It does not consider the Rate of Duty specified for each item in your inventory masters.

It does not calculate duty on the current sub-total unless you have specifically opted for it in the company features. Hence, the two scenarios could be as follows:

When you have not opted for calculation on current sub-total:

Assuming that there are two items in the invoice:

Item A 10000/-

Item B 15000/-

Tax 2% will be calculated at 2% on total sales of 25000/- = 500/- tax amount following which you obtain a current sub-total of 25500/-.

If you now add another line, Tax 4%, it will calculate 4% also on 25000/- (on total sales) giving another 1000/- as tax.

If you opt for calculating on current sub-total:

The above Tax 4% will be calculated on 25500/- (25000+500) giving 1020/-.

Surcharge on Tax

Surcharge and Additional Duty are charged on the immediately preceding entry. A surcharge is treated as a percentage of the duty levied. Tally expects the preceding line in the invoice to be the duty on which surcharge is to be calculated.

Hence, in the above example if you have added a line Surcharge 10% it will appear as:

Item A	10000/-
Item B	15000/-
	25000/-
Tax 2%	500/-

Surcharge 10%	50/- (10% of 500)
---------------	-------------------

If your invoice is as below:

Item A	10000/-
Item B	15000/-
	25000/-
Tax 2%	500/-
Surcharge 10%	50/-(10% of 500)
Addl. Surcharge 8%	4/- (8% of 50)

During invoice creation, this figure is used to calculate tax amount based on the method of calculation as well as specified in invoicing configuration

([F12] configure > Invoice Entry > Calculate tax on current sub-total?).

Though invoicing has been discussed separately in greater detail, we shall touch upon relevant aspects here.

Calculate tax on current sub-total: (Yes/No)

Tax here refers to VAT or sales tax. During voucher entry in Invoicing mode, you may enter additional ledger accounts after giving the list of items in the invoice. Typically, the ledgers would pertain to duties, taxes, delivery charges, other charges and discounts. Sales Tax may be calculated on the total of item values, viz., Inventory sub-total, or you may specify it to calculate on the immediately preceding sub- total. In the latter case, the immediately preceding sub-total could include any entry that you may have passed, e.g. Delivery Charges. Tally does not make any presumptions and would not verify its appropriateness or otherwise.

Normally, you would not answer Yes to this option. The facility of Surcharge being available, the need to calculate on current sub-total is fulfilled by it. Hence, use it sparingly, maybe only when you have both Excise Duty and Sales Tax (on Excise Duty) applicable on an.

Display or Alter a Ledger Account

Information in display and alter is the same, hence only alter is discussed. Display option does not permit any modification. Alter option is accessible only to authorised users.

Gateway of Tally > Accounts Info.>Ledgers > Single Alter > select ledger

Ledger Creation		ABC Company	
Name	: Tally Solutions	Total Op. Bal.	
(alias)	:		
		12,052.00 Dr	
		50,500.00 Cr	
		<i>Difference</i>	
		38,448.00 Cr	
Under	: Sundry Creditors (Current Liabilities)		
Maintain balances bill-by-bill	: ? Yes		
Default Credit Period	:		
Inventory values are affected	: ? No		
Cost centres are applicable	: ? No		
Statutory Information			
Is Service Tax Applicable	: ? No		
Is TDS Applicable	: ? No		
Is TCS Applicable	: ? No		
Opening Balance (on 1-Apr-2006) : 50,000.00 Cr		Accept ? Yes or No	

You are allowed to alter any information of the ledger master with the exception of the Closing Balance of a ledger account, if any, other than closing balance of accounts under the group 'stock –in-hand'.

Deleting a ledger account

You can delete a ledger from the alteration mode by pressing <Alt>+<D>. Tally does not allow deletion of accounts that have transactions. Therefore, should you wish to delete an account, which has transactions, you must first delete all its voucher entries.

Interest Calculations

Tally allows you to obtain reports on interest calculated by Tally based on the instructions you furnish. Interest figures are typically desired in the following situations:

1. On outstanding balance amounts
2. On outstanding bills/invoices/transactions (Received and payable)

Tally gives you an exhaustive capability to obtain interest implications on both.

Activate Interest Calculations

Interest is a legitimate return on money invested and chargeable in the business world on loans and also on delayed payments. Interest can be calculated on the basis of Simple or Compound Interest.

Tally allows you to obtain reports on interest calculated based on the instructions you furnish. Interest figures are typically desired in the following situations:

- On Outstanding Balance amounts.
- On Outstanding Bills/Invoices /Transactions (Receivables and Payables)

The Activate Interest Calculation field is displayed in the Ledger Creation screen only if Activate Interest Calculations is set to Yes in F11: Features.

Set this field to Yes for each specific ledger account for which interest is to be calculated.

Simple Mode (Where advanced parameters are not applicable)

To calculate Interest in the Simple Mode:

1. Go to Gateway of Tally > F11: Features > Set Activate Interest Calculation to Yes.>Set Use Advanced Parameters to No.
2. In the Ledger Creation screen set Activate Interest Calculation to Yes.
3. The Interest Parameters sub screen is displayed. Enter the Rate and select the interest style from the list.

Interest calculations on outstanding balances

Enter Interest details in Vouchers (only in case of transaction by transaction/Bill-by-bill). View Interest reports.

You will have to alter existing ledger accounts to permit interest calculations on them. The same operation will apply when creating a new ledger account.

Interest calculation on outstanding balances is allowed for any ledger account. You simply specify the interest rate and style of calculation. Nothing is required to be done for interest during voucher entry.

Let's take an example: Interest calculated on Outstanding Balances

1. Go to Gateway of Tally> Accounts Info.> Ledgers> Alter (Single)> Bank Ltd (bank account)

2. Set Activate4 interest Calculation to Yes.

3. On activation, the Interest Parameters must be set. It is the basis on which interest will be calculated for this Ledger account.

4. Rate: This is the rate at which the interest has to be calculated. In this case, specify 15%.

5. Interest Style: It is the basis on which the rate is applied. Of the four options, select 365-Day Year.

6. Accept the screen.

You can now view the amount of interest that could be charged by the Bank.

Report on Interest Calculated on outstanding balances.

The Interest Calculations Report can be displayed and printed.

Go to Gateway of Tally> Display> Statements of Accounts> Interest Calculations> Ledger> Bank Account

Interest calculation transaction by transaction

Activate and specify interest calculations in ledger masters.

Transaction by transaction or Bill-by-bill interest calculation is permitted for 'Party' accounts like accounts falling under the groups Sundry Debtors and Sundry Creditors. For example:

1. Alter a Customer account (under the group Sundry Debtors or one of its sub-groups).

2. Set Activate Interest Calculation to Yes. In the Interest Parameters now you have three lines to answer.

3. Set Calculate Interest Transaction-by-transaction to Yes.

4. Set Over-ride Parameters for each transaction to No.

If set to No, you are not allowed to change interest parameters in voucher/invoice entry. If set to Yes, you can change the interest parameters during entry.

Report on Interest Calculated on outstanding transactions/bills

To view the Interest calculated

Go to Gateway of Tally> Display> Statements of Accounts> Interest Calculations> Ledger> CP Ltd

The report is similar to the Bill-wise Outstanding Statement. The last column gives the interest amount on the transaction. Select the line to be viewed in detail for its calculations.

How to enter the calculated interest amounts? Use Debit/Credit Note with Voucher Classes

Use Debit notes for Interest receivable and Credit Notes for Interest Payable. Interest is calculated on Simple or Compound basis and separate classes should be used for them.

Set-up Debit/Credit Note Classes for interest entries

Set up Debit Notes. Credit Notes will behave the same way.

Go to Gateway of Tally > Accounts Info.> Voucher Types> Create/Alter

1. Alter the Voucher Type Debit Note.
2. Tab down to the field Class.
3. Type the name of the Class.
4. Type Simple Interest.

Likewise, create a Class – Compound Interest and set Yes to Amounts to be treated as Compound Interest.

Accept the Voucher Type and return to the Gateway of Tally. Create a ledger account Interest Received under Group Indirect Income.

Voucher Entry for booking Interest

1. Go to Gateway of Tally> Accounting Voucher> Voucher Entry
2. Select F7: Journal > Debit Note

3. A Cost Centre Class is also selected if required. Marketing Expenses Class has been selected here.

4. There are two situations for interest adjustment:-

Billwise interest

- **Simple Interest** – Interest amounts are not debited onto the same bills. Create a fresh reference for it.

- **Compound Interest** – Amounts are auto-debited to the selected bills. Bill-wise details will not appear in this case.

5. Interest on balances only

Bill-wise interest entry

Debit CP Ltd

Credit Interest Received

When you debit the party account, a list of bills for which interest is applicable pops up. Select the bills to adjust. Note that even cleared bills appear.

Select the respective interest bills from the list. The debit amount is filled up with the total. Select New Ref in the bill-wise allocations. In the interest sub-screen, ensure that the rate of interest is 0. Now Credit Interest Received. The amount is already filled in.

Your voucher will resemble the one below:

Accounting Voucher Creation		ABC Company		Ctrl + M
Debit Note No. 1		1-Apr-2006		
Ref.:		Saturday		
Particulars		Debit	Credit	
By CP Ltd		22,148.38		
Cur Bal: 1,75,144.38 Dr				
New Ref 1	22,148.38 Dr			
To Interest Received			22,148.38	
Cur Bal: 22,148.38 Cr				
Narration:		22,148.38	22,148.38	
		Accept ?		
		Yes or No		

Entries for compound interest are exactly the same as for Simple Interest where all you do is select the Voucher Class Compound Interest. Also the Bill-wise details popup sub-screen does not come up as the amounts are added onto the bills.

Select Demo from the list and complete a Debit Note.

Now display Outstanding for CP Ltd

Note the contents:

The Bill reference Demo/28/01 and Demo/31/01d are invoices onto which interest has been compounded.

A new Reference no 2 has been created for Simple Interest due from CP Ltd.

Entries for Interest on Balances only

Again, the issues are Simple and Compound Interest

Compound Interest

Make the following entries in a Debit note with Compound Interest. Voucher Class Debit Bank Ltd the amount is automatically filled up with the calculated interest

Credit Interest Received

And nothing needs to be done! The Bank Account has been increased by the amount of interest due and the Income account of Interest Received also credited.

Simple Interest

Make the same entry as above.

However, since it has the effect of increasing the Bank Ltd account with the amount due (compound effect), you must make a journal entry to reverse it. the reversal entry would be something like this:

Debit Interest Receivable (a current asset account)

Credit Bank Ltd

Use a normal Journal voucher for this entry.

We have to necessary go this route to take advantage of the auto filling of the interest amount which can appear only when we use the Bank Ltd account in Debit Note in the first place.

Interest Calculation Reports

Interest Calculation report are automatically produced if the feature is activated In F11: Features and the parameters are set for individual ledger accounts.

There are two types of reports, one pertaining to interest on balances of accounts like loans, and the other interest on overdue invoices.

Interest reports are available for individual ledger accounts as well as for Groups

Interest Calculation on Ledger Balances (e.g. Loans)

You can get a report on the Ledger balances for the interest calculated.

Go to Gateway of Tally> Display> Statements of Accounts> Interest Calculations> Ledger

Select Account E.g. Bank Loan Account.

Interest is re-calculated with every change in balance outstanding. The Cr in the interest amount should not be confused to resemble an Income. It only means that it is payable and is a Liability.

To ease interest recording, Tally has an interest template, a special voucher class in Debit Note and Credit Notes.

Specifying Closing Stock Values

Closing stock values have to be specified when accounts and inventory are not integrated. Tally allows you to specify closing stock values even if your books are integrated. It would simply ignore the specified figure so long as you maintain the integration. If and when you select to separate the books, the specified values would automatically be considered.

To enter the closing stock as on a specific date, you must alter the ledger account. Simply follow the ledger alteration procedure or go from the Balance Sheet via Current Assets.

Go to Gateway of Tally> Balance Sheet> Current Assets> Group Summary

(Or)

Go to Gateway of Tally> Accounts Info.> Ledgers> Alter (Single)

Assuming that you had a ledger account 'Stock' under the group Stock-in-hand the information would be as follows

Ledger Alteration		ABC Company
Name : Stock		Total Op. Bal.
(alias) :		1,50,75,000.00 Dr
		1,00,93,547.00 Cr
		<u>Difference</u>
		49,81,453.00 Dr
<hr/>		
Under : Stock-In-Hand		
	(Current Assets)	
Opening Balance (on 1-Apr-2006) : 15,07,500.00 Dr		
Closing Balance 31-May-2006 : 40,000.00 Dr		
1-Jun-2006 : 60,000.00 Dr		
		Accept ?
		Yes or No

You are allowed to alter the opening balance as well as specify/alter closing balances on different dates. You would typically specify Balance Sheet dates so that the Balance Sheet reflects the amount of that date.

Effective Date for Reconciliation (Bank Accounts only)

The Effective Date for Reconciliation is given for accounts falling under the Bank Accounts Group (or Bank OCC a/c). By default it is the books beginning date.

This is the date from which you can reconcile your bank account in your books with the bank statements. Normally, it would be the books beginning date.

However, you can import data from a previous version of Tally or from any other system (where the reconciliation process was not available or was different). In that case, you may not need to reconcile the bank account with your bank statements from the very beginning. Give the date from which you want the reconciliation facility to be activated. Then, previous entries will not appear for reconciliation.

Ledger Alteration		ABC Company
Name : Tribune Bank		Total Op. Bal.
(alias) :		1,50,75,000.00 Dr
		1,00,93,547.00 Cr
		<i>Difference</i>
		49,81,453.00 Dr
Under : Bank Accounts		
	(Current Assets)	
Effective Date for Reconciliation? 1-Apr-2006		
Opening Balance (on 1-Apr-2006) : 1,00,93,547.00 Cr		Accept ?
		Yes or No

Indirect Expenses

Group Summary
Particulars
Communication Expenses
Freight
General Maintenance
Labour Charges Paid
Printing & Stationary
Project Sales
Staff Welfare
Wages
Wages Payable

DISPLAYING AND ALTERING LEDGERS

Displaying and Altering Ledgers can be done in Single mode and Multiple mode. The Multiple mode allows you to display and alter multiple Ledgers at a time.

Displaying and Altering a Single Ledger

You can view the details of the Ledger Masters in Display mode. Display does not permit any modification. However you can make changes to Ledger Masters in Alter mode.

Displaying a Single Ledger

Go to Gateway of Tally > Accounts Info. > Ledgers > Display (under Single Ledger.)

Select the Ledger from the List of Ledgers. The Ledger Display screen is displayed. You will be able to view the details of the selected Ledger Master.

Altering a Single Ledger

Select the Ledger from the List of Ledgers. The Ledgers Alteration screen is displayed.

You are allowed to alter any information. Make the necessary changes and Accept Yes to save.

Specifying Closing Stock Values of a Ledger account the group Stock in Hand

This is possible only in Ledger alteration mode. Closing stock values have to be specified when accounts and inventory are not integrated. Tally allows you to specify closing stock values even if your books are integrated. It would simply ignore the specified figure so long as you maintain the integration. If and when you select to separate the books, the specified values would automatically be considered.

To enter the closing stock as on a specific date, you must alter the ledger account. Simply follow the ledger alteration procedure or go from the Balance Sheet via Current Assets.

Go to Gateway of Tally > Balance Sheet > Current Assets > Group Summary

Assuming that you had a ledger account Stock under the group Stock-in-hand the information would be as follows:

Ledger Alteration		ABC Company
Name : Stock		Total Op. Bal.
(alias) :		1,50,75,000.00 Dr
		1,00,93,547.00 Cr
		<u>Difference</u>
		49,81,453.00 Dr
<hr/>		
Under : Stock-In-Hand		
(Current Assets)		
Opening Balance (on 1-Apr-2006) : 1,00,000.00 Dr		
Closing Balance 31-May-2006 : 40,000.00 Dr		
1-Jun-2006 : 60,000.00 Dr		
Accept ?		
Yes or No		

You are allowed to alter the opening balance as well as specify closing balances on different dates. You would typically specify Balance Sheet dates so that the Balance Sheet reflects the amount of that date.

DELETING SINGLE LEDGER

You can delete a Ledger account from the Ledger Alteration screen by pressing ATL+D Tally does not allow deletion of accounts that have transactions. Therefore, should you wish to delete an account, which has transactions, you must first delete all its voucher entries.

Ledger Alteration		ABC Company
Name : Stock		Total Op. Bal.
(alias) :		1,50,75,000.00 Dr
		1,00,93,547.00 Cr
		<u>Difference</u>
		49,81,453.00 Dr
<hr/>		
Under : Stock-In-Hand		
(Current Assets)		
Opening Balance (on 1-Apr-2006) : 1,00,000.00 Dr		
Closing Balance 31-May-2006 : 40,000.00 Dr		
1-Jun-2006 : 60,000.00 Dr		
Accept ?		
Yes or No		

DISPLAYING AND ALTERING MULTIPLE LEDGERS

DISPLAYING MULTIPLE LEDGERS

Go to Gateway of Tally> Accounts Info.> Ledgers> Display (under Multiple Ledger.

Select All Items from the List of Groups to view the details of all the Ledgers in Tally. If you want to view the details of all the Ledgers created under a Group select the Group from the List of Groups. The Multiple Ledger Display screen is displayed.

Altering Ledgers in Multiple Mode

Go to Gateway of Tally> Accounts Info.> Ledgers> Alter (under Multiple Ledger.)

Select any Group or All Items from the List of Groups. The Multi Ledger Alteration screen is displayed. Make the necessary changes and Accept Yes to save.

Note: You are not allowed to delete a ledger from this mode. Select single alter mode to delete.

Explanation on Buttons

F3: Company: To work with a different company. In the creation mode, you can create cost categories in the other company. In alter mode, you can copy the information by accepting the screen (<enter> or <Ctrl>+<A>). The old company's information remains. Not available in Display mode.

F3: New Cmp: To work on the same report of another company. Available only in display mode.

F4: Parent: To move the cursor to the field 'Under Group'

F4: New Parent: To bring up the list of Groups to select a new parent Group.

Zero Op Bal: To nullify (change to zero) all opening balances in this group.

F6: Skip names: For faster data entry when you do not need to the names of ledgers. The cursor will not go to that column 'Under'. Toggle to 'Edit Parent'.

F7: Skip Parent: For faster data entry when you do not need to alter the parent Group. The cursor will not go to the column 'Under'. Toggle to 'Edit Parent'.

F8: Skip Details: the cursor will not go to the columns Opening Balance and Dr/Cr. Toggle to 'Edit Details'.

F9: Show Closing: Closing Balances replace Opening Balances. This is available only in alter mode. Closing balance is not alterable and the cursor skips the field.

F10: Chg Sort: To display a column of sorting position indices. Toggle to 'Skip Sort'. You may change display positions of ledger accounts under the group.

Groups, Ledger, Cost Categories, and Cost Centres: To enable you to switch to these areas without having to quit from the current screen.



Chapter 4

Cost Centres and Cost Categories

A Cost Centre is any unit of an organization to which transactions (generally, revenue) can be allocated. When only costs or expenses are allocated to these units, they are referred to as Cost Centres. When profits are also allocated to these units, they become Profit Centres. You can now obtain a Profit and Loss account of each such Profit Centre.

Cost Centre in Tally allows an additional dimension to a transaction where a Ledger account indicates the nature of the transaction. It does not readily disclose, except in the narration field, which part of the organization was involved in the transaction.

By providing Cost Centres, a transaction can be allocated to it, which would then enable extraction of all transactions for a Cost Centre. Tally gives you the Cost Centre break-up of each transaction as well as details of transactions for each Cost Centre.

Some examples of Cost Centers are

- Departments of an organization – Finance, Manufacturing, Marketing, and so on.
- Products of a company.
- Individuals such as Salesman A, Salesman B.

USE OF COST CENTRES

You can classify Cost Centres just as how you classified Group/Ledger accounts. You can have Primary Cost Centres and several levels of Cost Centres under each Primary Cost Centre.

Consider the following example.

Primary Cost Centres - Finance, Manufacturing, Marketing.

Under Marketing, classify the company's sales executives as Cost Centres. This will help you track a sales executive's performance, in terms of cost and revenue generated.

You will then have the following Cost Centre structure (shown here only for the Marketing Department):

Primary Cost Centre – Marketing

Under Marketing:

Salesman A

Salesman B

Salesman C

Allocate expenditure incurred on sales by the salesmen, as well as the sales generated by them, directly to their Cost Centres. The allocation is done online at the time of transaction entry. This prevents allocation problems at the end of the period, when you find a large number of transactions not allocated.

By allocating expenses and sales transactions to the salesman, you are setting up a valuable information system that tracks the performance of your salesmen.

CREATING A SINGLE COST CENTRE

To create a Cost Centre, set Maintain Cost Centres to Yes in F11: Features. It is advisable not to set More than ONE Payroll/Cost Category to Yes, unless required.

By default, Tally activates the Cost Centre feature for Ledger accounts under Sales Accounts, Purchase Accounts, Expense and Income groups.

Go to Gateway of Tally> Accounts Info.> Cost Centres> Create (Single Cost Centre)

The Cost Centre Creation screen displays.

Cost Centre Creation	
Name	: Bangalore
(alias)	: Head Office
Under	: <input type="checkbox"/> Primary
Accept ? Yes or No	

A brief explanation on each of the fields in the Cost Centre Creation screen follows.

Name

Enter the name of the Cost Centre in this field. For example, Bangalore.

Alias

Enter an alternative name, if required. For example, the Cost Centre Bangalore can be referred to as Head Office or by a code number.

Under

Select the parent Cost Centre under which the Cost Centre needs to be created from the list of Cost Centres. If you want the Cost Centre to be a Primary Cost Centre, select primary from the list.

Note: Unlike Groups, you can allocate transactions to Primary Cost Centre. However, you should do so when you do not have Sub Cost Centres under the Primary Cost Centre. It is suggested that you allocate transactions to the lowest levels (similar to ledgers).

DISPLAYING A SINGLE COST CENTRE

To display the details of Cost Centre masters

Go to Gateway of Tally> Accounts Info.> Cost Centres> Create (Under Single Cost Centre)

The Cost Centre Display screen appears. It is not possible to make any modifications to the Cost Centre master in the Display mode. You can only view the details in this mode.

Altering a Cost Centre

To alter an existing Cost Centre

Go to Gateway of Tally> Accounts Info.> Alter > Create (Under Single Cost Centre)

The Cost Centre Alteration screen appears. Make the necessary changes and Accept to save.

Deleting a Cost Centre

You can delete a Cost Centre from the Cost Centre Alteration screen by pressing ALT+D.

You can delete a Cost Centre only if

- It does not have any Cost Centres created under it.
- It is not used in any transactions.

EXPLANATION ON BUTTONS FOR COST CENTRES IN SINGLE MODE

Groups, Ledger, Voucher Types

It enables you to switch to these areas without having to quit from the current screen.

F11: Features

To change company features.

F12: Configure

To change the configuration of master information.

Note: Configuration changes affect all companies in the data directory. Whereas Features changes affect the current company only.

Altering a Cost Centre

To alter an existing Cost Centre

Go to Gateway of Tally> Accounts Info.> Alter > Create (Under Single Cost Centre)

The Cost Centre Alteration screen appears. Make the necessary changes and Accept to save.

Deleting a Cost Centre

You can delete a Cost Centre from the Cost Centre Alteration screen by pressing ALT+D.

You can delete a Cost Centre only if

- It does not have any Cost Centres created under it.
- It is not used in any transactions.

COST CATEGORY

Cost Categories are useful for organizations that require allocation of resources to parallel sets of Cost Centres. Such organizations would usually be project oriented.

Most organizations would not need Cost Categories. The proper use of Cost Centres itself would offer the same benefits. Cost Categories could increase data entry work and make it more complicated. Hence, before opting for Cost Categories, evaluate whether you actually need this option. Always attempt to first use Cost Centres.

Use of Cost Categories

By using cost Categories you may allocate, in parallel, a transaction to more than one set of Cost Centres. The following example illustrates the use of Cost Categories.

The Primary Cost Centres such as Marketing, Finance and Manufacturing can now be-long to a category – Departments.

The Salesman A, Band C can be Cost Centres under a Category – Executives.

Similarly, you can create⁴ a new Cost Category ‘Projects’ under which Cost Centres such as Airport construction, Road construction and Buildings may be created. The classification appears as in the following matrix.

Cost Categories:	Departments	Executives	Projects
Cost Centres:	Marketing	Salesman A	Airports cont.
	Manufacturing	Salesman B	Roads const.
	Finance	Salesman C	Buildings

Specify a Cost Category to allow allocation of only revenue items or items of both revenue and capital nature. In this example, allow both for Departments and Projects Categories and only revenue for Executives.

Salesman A incurs conveyance expenses of Rs. 1000. If he has incurred it for marketing, allocate this amount to the Cost Centre – Marketing and his own Cost Centre-

Salesman A. (Allocate this while entering a payment voucher debiting Conveyance and crediting Cash.). If the salesman now incurs expense for the project Buildings, allocate to the Cost Centres – Salesman A and Buildings.

Allocate an expense to one or more Cost Centres. It is not essential to always allocate expenses to all Cost Centres. If you did not create Cost Categories, you would have been able to allocate the expense to either the Project Buildings cost centre or Salesman A, not to both.

You can obtain details of conveyance expenses incurred by Salesman A on Marketing as well as on the Buildings project when you have Cost Categories.

You cannot, however, extract a single report giving details of marketing expensed incurred by Salesman A on the Project Buildings. These are different Cost Categories and cannot be merged. If such reports are required, you must create ledgers such as Conveyance-Marketing which will help you generate the desired report.

By allocating expenses to parallel Cost Centres under different categories, you are simply assigning the amounts to them; the amount does not increase. In the above example, the conveyance of Rs. 1000 remains an expense of Rs. 1000 only. Tally performs an automatic reconciliation on real- time basis, saving you the effort of reconciling Ledgers and Cost Centres.

Note: Transactions are not allocated to Cost Categories but to Cost Centres only.

CREATING A SINGLE COST CATEGORY

To create a Cost Category, set Maintain Cost Centres to Yes in F11: Features and the set More than ONE Payroll/Cost Category to Yes.

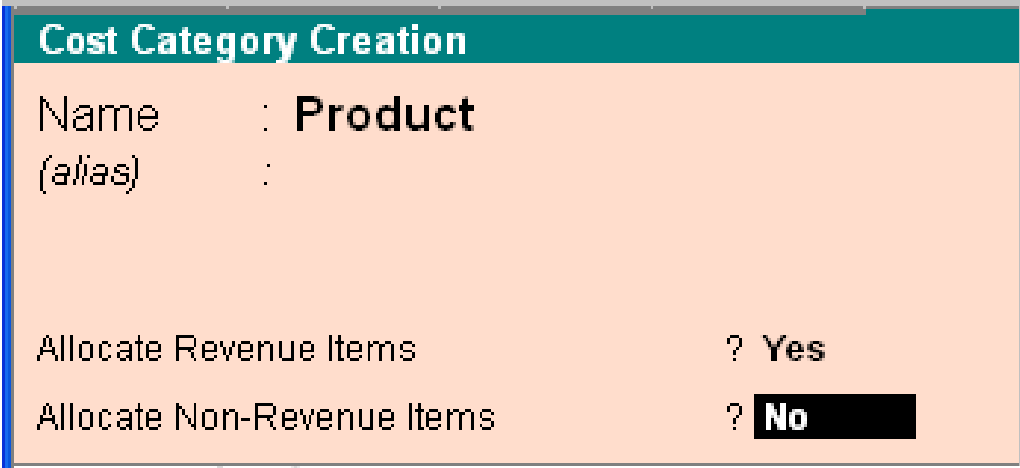
Cost/Profit Centres Management	
Maintain Cost Centres	? Yes
Use Cost Centre for Job Costing	? No
More than ONE Payroll / Cost Category	? Yes
Use Pre-defined Cost Centre Allocations during Entry?	No

By default, it is set to No. Tally creates a single Cost Category called Primary Cost Category and allocates all Cost Centres created, prior to enabling this feature, to this category. You can create new cost categories, and alter the existing Cost Centres to allocate them under required Cost Categories.

To create a Cost Category

Go to Gateway of Tally> Accounts Info.> Cost Categories> Create (Under Single Cost Centre)

The Cost Category Creation screen displays.



Cost Category Creation	
Name	: Product
(alias)	:
Allocate Revenue Items	? Yes
Allocate Non-Revenue Items	? No

A brief description on each of the fields in the Cost Category Creation screen follows.

Name

Enter the name of the Cost Category. For example, Products.

Note: There is no sub-classification of Cost Categories and hence you do not find an Under option. Though there is a Primary Cost Category, it is not a parent of other categories.

(Alias)

Enter an alias if you wish to call the Category by another name or even by a code number. this field displays only if you set Allow ASVANCED entries in Masters in Gateway of Tally > F12: Configure> Accts/Inv Info. to Yes.

ALLOCATE REVENUEITEMS

Set this options to Yes, to allocate all sales, purchase, expenses and income related transactions to Cost Centres that you create under the Cost Category. Normally, you would enable this option. However, should you need to allocate only capital/non-revenue items only to Cost Centres in that cost category, set this to No.

ALLOCATE NON-REVENUEITEMS

You would, usually, disable this options by setting it to No as most Cost Centres need only revenue allocation. However, should you wish to allocate items of non-revenue (capital) or Balance Sheet items, you may set it to Yes. Organizations increasingly incurred on Cost Centres and measure them against revenue earned. Recognizing this trend, Tally has provided this option.

Note: Enable either revenue or non-revenue items, or both. Do not disable both. Tally sets Yes, by default, for revenue items and No for Non-revenue items.

DISPLAYING SINGLE COST CATEGORY

To view the details of the selected Cost Category masters from this mode

Go to Gateway of Tally> Accounts Info.> Cost Categories> Display (Under Single Cost Category)

Select a Cost Category form the List of Categories. The Cost Category Display screen displays.

You cannot make any changes to the fields in the Display mode.

ALTETING SINGLE COST CATEGORY

To alter and existing Cost Category

Go to Gateway of Tally> Accounts Info.> Cost Categories> Alter (Under Single Cost Category)

Select a Cost Category form the List of Categories. The Cost Category Alteration screen displays. Make the changes in the required fields and Accept to save.

Deleting a Cost Category

You may delete a Cost Category that does not have any cost centre under it from the Cost Category Alteration screen. Use ALT+D to delete it. tally does not allow deletion of a Cost Category that has Cost Centres.

Buttons in Single Cost Category screens

Groups, Ledgers, Voucher Types

It enables you to switch to these areas without having to quit from the current screen.

F11: Features

To change company features. A detailed explanation on features has been given in the earlier section under Gateway of Tally.

Note: Configuration changes affect all companies, whereas Features changes affect only the current company.



Chapter 5

Introduction to Budgets

A budget is a plan prepared for the flow of funds in an organization. It contains financial guidelines for the future plan of action for a selected period of time.

A budget helps to refine goals and use funds efficiently. It provides accurate information for evaluation of financial activities, aids in decision making and provides a reference for future planning.

- Multiple budgets can be created for specific purposes in Tally. Budgets for Banks, Head offices, Optimistic budgets, Realistic budgets, Pessimistic budgets, and so on can be created. Departmental budgets like Marketing Budgets, Finance Budgets, and so on, can also be created. Budget figures can be used in Tally to compare actuals and variances.

In Tally, you can create, alter and delete a budget.

ACTIVATING BUDGETS FEATURE

To activate the Budgets feature in Tally:

- Select F11: Features > Accounting Features
- Set Maintain Budgets and Controls? to Yes.
- Accept to save.

CREATING A BUDGET

To create a Budget in Tally

- Go to Gateway of Tally > Accounts Info> Budgets> Create
- In the Budget Creation screen enter a Name for your budget.
- Select from the List of Budgets for Under field. You can have a hierarchical setup for budgets. In the List of Budgets, Primary is at the top of the hierarchy and you can create more primary budgets. Sub-budgets can be created under Primary budgets.

- Enter the period of the budget in the From and To fields. The period entered can be a month, a year or any other period.

- In Set/Alter Budgets of, select
- Groups – To create a budget for a Group of ledger accounts.
- Ledgers – To create a budget for Ledgers.
- Cost Centres – To create a budget for Cost Centers.
- Accept to save.

Period of Budget		Set / Alter Budgets of		
From	To	Groups	Ledgers	Cost Centres
1-Apr-2006	31-Mar-2007	No	No	No

BUDGET FOR GROUPS

Set Yes in the Groups field in the Budget Creation/ Alterations screen to set budgets for a group or group of ledgers.

In the Group Budget screen, select a Group from the List of Groups and enter Account Name.

Enter the cost center for a group in Cost Centre. Select Not Applicable, if the budget is not for a particular cost centre, but for th company.

In Type of Budget, select from the following two types.

1. On Nett Transactions

Select this option to monitor the transaction amounts, not the balances. Nett is not of debits and credits for the specified period. For example, Nett transactions for Indirect Expenses are the debit amount for the specified period after reducing the credits for the same period. Opening and closing balances are not considered.

2. On Closing Balance

Select this option to monitor the balance of the accounts, not the transactions. For example, balances of bank accounts, balances of debtors.

Enter the budget amount in the Amount field.

Group Budget		ABC Company			Ctrl + M
Name	Group Budgets Under 'Corporate Budget'				
Under	(From 1-Apr-2006 to 21-Mar-2007)				
	Account Name	Cost Centre	Type of Budget	Amount	
Period	Indirect Expenses	<input type="checkbox"/> Not Applicable	On Closing Balance	1,50,000.00	
From	Current Assets	Tally Buildings	On Closing Balance	20,00,000.00	
1-Apr-20	Fixed Assets	<input type="checkbox"/> Not Applicable	On Closing Balance	30,00,000.00	

BUDGET FOR LEDGER ACCOUNTS

Set Yes in the Ledgers field in the Budget Creation/ Alteration screen to set budgets for ledgers.

In the Ledger Budget screen, select a Ledger from the List of Ledgers and enter Account Name.

Enter the cost centre for a group in Cost Centre. Budgets can be created for ledger accounts pertaining to a cost centre. For example, Accountancy Fees for Finance Group. Accountancy Fees can be repeated for another cost centre such as a Branch. Select Not Applicable if the budget is not for a particular cost centre, but for the company.

In Type of Budget, select from the following two types.

1. On Nett Transactions

Select this option to monitor the transaction amounts, not the balances. Nett is not of debits and credits for the specified period. You do not expect to have a negative figure in Revenue items which reflect the transacted amounts. If there are negative figures, they are adjustments. For example, an expense account like travel always has debit entries unless there is a reversal due to error or change to a customer.

Caution: When using Nett Transactions, the Budget Closing Balances actually get adjusted even if you have not selected this type. The figures in the Profit & Loss Account reflect the Closing Balance figures.

Note: To compare transactions against budgets, especially revenue income and expenses, select On Nett Transactions.

2. Closing Balance

Select this option to monitor the balance of the accounts, not the transactions. For example, balances of bank accounts, balances of debtors.

Note: To compare closing balance figures in final statements, especially Balance Sheet items like assets and liabilities, select Closing Balances.

Enter the budget amount in the Amount field.

Name		Ledger Budgets Under 'Corporate Budget'		
Under		(From 1-Apr-2006 to 31-Mar-2007)		
		Account Name	Cost Centre	Type of Budget
		Amount		
Period		Account Fee	Finance	On Nett Transactions
From		Advertising & PR	Marketing Team	On Nett Transactions
	1-Apr-20			
				5,000.00
				15,000.00

Apportionment of budget specified for periods more than a month

- Ledger Budgets are apportioned for each month on the basis of number of days.
- Group Budgets do not get apportioned. Hence, Budget for Current Assets does not automatically flow to sub- groups.

- Closing Balances Budget: Each month will have the same budget value except that the actual Opening Balance is taken into account.

- Nett transactions Budgets specified for a period get equally apportioned over the period.

- Enter the budget amount for the specific ledger.

- You can set the Budget for as many ledger accounts as required and accept to save.

- Use Columns and Variance options to compare budget figures with actuals in most statements.

BUDGETS FOR COST CENTRES

The purpose of a budget is to control expenditure. You can create multiple budgets in Tally, each for a specific purpose such as for the Bank, for the Bank, for the Head Office, Marketing budgets, Finance budgets, and so on.

- Set Yes in the Cost Centres field in the Budget Creation/ Alteration screen to set budgets for cost centres.

- In the Cost Centre Budget screen, select a Cost Centre from the List of Cost Centres and enter Cost Centre.

- Enter a budget figure in Expenses for the cost centre.

- Enter a budget figure in Income for the cost centre.

- Enter Closing Balance.

- Enter more cost centres, if required, and accept to save.

Cost Centre Budget		ABC Company			
Name	:	Cost Centre Budgets Under 'Corporate Budget'			
		<i>(From 1-Apr-2006 to 31-Mar-2007)</i>			
Under	:	Cost Centre	Expenses	Income	Closing Balance
Period of		Finance	15,000.00	5,000.00	10,000.00
From		Marketing Team	2,50,000.00	4,50,000.00	15,00,000.00
1-Apr-2006					

ALTER A BUDGET

You can modify a budget, using the alter option.

- Go to Gateway of Tally> Accounts Info> Budgets> Alter
- In the Budget Alteration screen, modify the fields as required. Change the period or change budgets of Groups, Ledgers and Cost Centers.

Budget Alteration		ABC Company		
Name	: Corporate Budget			
Under	: <input type="checkbox"/> Primary			
Period of Budget		Set / Alter Budgets of		
From	To	Groups	Ledgers	Cost Centres
1-Apr-2006	31-Mar-2007	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> No

Note: Set/Alter Budget is set to No by default. Set this option to Yes to alter.

DELETING A BUDGET

To delete a budget

- Go to Gateway of Tally> Accounts Info> Budgets> Alter
- Press Alt+D.

BUDGET VARIANCE

Trial Balance and Group Summary have a feature called Budget Variance. The Budget Variance button (Alt+B) is active if Budgets feature is enable and at least one budget created. Budget Variance displays Budgets, Actuals with percentage and Variance from the budget with percentage.

1. Budget Variance can be accessed from:

- Gateway of Tally> Display> Trial Balance to display the Trial Balance screen.

- Gateway of Tally> Display> Account Books> Group Summary and select a group from List of Groups to display the Group Summary screen.

2. **Click on Budget Variance (Alt+B) from the toolbar to display the Budget Analysis screen.**

3. **Select from the List of Budgets for Budgets/Scenario.**

4. **Three columns display Budget, Actuals and Budget Variance, respectively.**



Chapter 6

Introduction to voucher

A voucher is the primary online document for recording transactions. Transactions recording and analysis are greatly facilitated by having specific formats for different types of transactions. Tally provides 16 different predefined voucher formats or what it calls predefined types of vouchers. These are used for recording various transactions. A payment voucher is used for all types of payments, a receipt voucher for all types of money receipts, a sales voucher for recording sales transactions, and so on.

These predefined vouchers fulfill your normal transaction needs. They pertain to both accounting and inventory. Some of these vouchers can also be used differently according to the situation, e.g., sales vouchers can be used as invoices, vouchers can be post-dated, etc. Such use can be decided at the time of voucher entry by selecting the appropriate button.

The predefined voucher types can be displayed as follows:

Gateway of Tally> Display> List of Accounts> <Ctrl>+<V> [Voucher Types]

List of Voucher Types
Contra
Credit Note
Debit Note
Delivery Note
Journal
Memorandum
Payment
Physical Stock
Purchase
Purchase Order
Receipt
Receipt Note
Rejections In
Rejections Out
Reversing Journal
Sales
Sales Order
Stock Journal

Tally acknowledges the special requirements of some users for more voucher types. These arise in cases like when you need the same voucher but in different names or separate series of numbers.

Examples include Cash Payment Vouchers and Bank Payment vouchers where the relevant predefined voucher is Payment Voucher. You may have two or more sets of Sales Vouchers for different kinds of also transactions e.g. Credit Sales, Cash Sales, etc.

You would need to alter a voucher type to change default setting for different information appearing in vouchers. Using F12: Configure, you can further configure a voucher.

ALTER A PREDEFINED VOUCHER TYPE

Even if you do not need extra voucher types, you would normally alter the predefined voucher types to customize them according to your needs, e.g., to control their numbers.

Display or alter each voucher type (by pressing enter or double clicking) after Gateway of Tally> Display> List of Accounts> Ctrl+V Voucher Types

We shall create a new voucher type to explain the different features. It would also be applicable to alteration of voucher types including predefined types.

CREATING A VOUCHER TYPE

Go to Gateway of Tally> Accounts Info.>Voucher Type> Create

Note: A new voucher type must assume the functions of a predefined voucher type

The Voucher Type creation screen is divided into three sections depending on the various setting.

Voucher Type Creation		ABC Company		Ctrl + M	X
Name : Purchase Invoice					
(alias) :					
General		Printing		Name of Class	
Type of Voucher	: Purchase	Print after saving Voucher	? No		
Abbr.	: Purc				
Method of Voucher Numbering ? Automatic					
Use Advance Configuration ? Yes					
Use EFFECTIVE Dates for Vouchers ? No					
Make 'Optional' as default ? No					
Use Common Narration ? Yes					
Narrations for each entry ? No					
					Accept ? Yes or No

Name

Give the name of the new voucher type, e.g., Sales Invoice.

General

Type of Voucher

The type of voucher should be any one of the predefined voucher types (already listed in introduction). The new voucher type would inherit the properties of this predefined voucher type. It would function exactly like the predefined voucher.

Abbreviation

An abbreviation is required particularly for unformatted reports, which do not use compressing techniques. (Tally allows printing of both formatted and unformatted reports). Even if the Abbreviation is not specified, Tally automatically sets a default name to the Voucher. In this example, give 'Purch' as the abbreviation. Though there is no restriction on the length of the abbreviation, it should preferably be five characters or less.

Method of Voucher Numbering

This is, perhaps, one reason for your opting for a new voucher type. There are three methods available:

None

This will disable numbering of such vouchers. If you select this method, no further information is required.

Manual

This method will allow you to number vouchers of this type your self. It does not check for sequence of the numbers and permits you to specify anything you wish in the voucher number field. However, you may choose to prevent entry of duplicate numbers. If you do, enable the next field 'Prevent Duplicates'.

1. Prevention of Duplicates is possible if you enable the option at the time of creation. You may enable it later (by alteration) only if there are no transactions of this voucher type.

2. If you face difficulty because transactions now exist, simple create another voucher type for preventing duplicates of subsequent voucher number

No further information is required for manual numbering method.

Automatic

This method is both flexible and exhaustive. Use it carefully to give you your desired numbering system. Select this option to let Tally number the vouchers automatically for you.

Use Advance Configuration

If the Method of Voucher Numbering is set to Automatic, then an additional field to set the advanced configuration for the Voucher type appears. Setting this field to Yes, Voucher Type Creation (Secondary) screen appears.

A further discussion on these options is necessary.

Use EFFECTIVE dates for vouchers?

Select Yes if you want to enter effective dates for vouchers. You would opt for this if you have instances where a transition under consideration for overdue/ageing analysis is recorded currently but will take effect from another date. If effective date is entered, the overdue/ageing will be considered from the effective date and not from voucher date.

Make Optional as Default

Setting this option to Yes, will set your Voucher to Optional Voucher by default.

Use common narration?

Select Yes to give a common narration for the entire voucher. Tally vouchers can have multiple entries. Hence, you may wish to give a common narration for all the entries of the voucher or a separate narration for each entry or both. Select Yes even when you want both. Select No if you do not want a common narration.

Example of common narration in a voucher:

Accounting Voucher Creation		ABC Company		Ctrl + M
Payment No. 1				1-Apr-2006 Saturday
Particulars		Debit	Credit	
By Conveyance On Account	100.00 Dr	100.00		
To Cash			100.00	
Narration: Paid Taxi Fare				
		100.00	100.00	
				Accept ? Yes or No

Narrations for each entry

Select Yes if you want to give a separate narration for each entry of a voucher. This would be applicable for a multiple entry voucher where you want separate details for each entry. Select Not if you do not want separate narration for each entry.

Accounting Voucher Creation		ABC Company		Ctrl + M
Payment No. 2				1-Apr-2006 Saturday
Particulars		Debit	Credit	
By Conveyance Narration: Paid Taxi Fare		100.00		
By Telephone Expenses Narration: For phone number 080-27532981		350.00		
To Cash			450.00	
		450.00	450.00	
				Accept ? Yes or No

Note: The option to create an Excise Voucher type appears in the General section if, the Excise feature is enabled in F11 features.

PRINTING

Print after saving voucher?

If you want to print every voucher after entering it, select Yes, else select No. This is suitable for an online environment where you use the Tally printed voucher as the formal voucher. Remember, however, that the transaction is already recorded and posted and should you wish to make corrections to the printed voucher, you must alter the Tally voucher online and print it out again.

Note: Depending on the Type of Voucher you have selected to create or alter, different printing features appear in this field.

Name of Class

You can create classes by entering the class name in this section

If the Method of Voucher Numbering is set to Automatic, then an additional field to set the advanced configuration for the Voucher type appears. Setting this field to Yes, Voucher Type Creation (Secondary) screen appears.

Voucher Type Creation (Secondary)		ABC Company		Ctrl + M		X	
Name : Re	Starting Number	? 1					
(alias) :	Width of Numerical Part	: 3					
	Prefill with ZERO	? No					
	Restart Numbering		Prefix Details		Suffix Details		
Type of Voucher	Applicable	Start-	Particula-	Applicable	Particulars	Applicable	Particulars
Abbr.	From	ing Number	rs	From		From	
Method of Vouch	1-Apr-2006	1 Yearly		1-Apr-2006		1-Apr-2006	
Use Advance							
Use EFFECTIVE							
Make 'Optional'							
Use Common f							
Narrations for e							

Starting number

Give the number for the first voucher. Usually it is 1. You can set it to any number you want. Tally will auto-increment from this number for subsequent vouchers. However, the numbering of vouchers also depends on other variables supplied by you, which follow hereafter.

Width of Numerical Part

You may leave it blanks to let Tally automatically adjust the width according to th number. however, for more aesthetically aligned look in reports, you may keep a fixed width, e.g., 3.

Prefill with ZERO?

When the width is specified, the digits before the number is blank if ‘No’ and zeroes if ‘Yes’

E.g. 001 1
010 10
PEU/001/06-07
PEU/1/06/07
PEU/1/06/07

Restart Numbering

Voucher Numbering may be restarted with the starting number (as specified) at intervals selected by you- Daily, Monthly, Never, Weekly or Yearly. You must give the date whence numbering should restart under the field Application from. The date must be the first day of the month. You may specify more than one Restart dates. For example, should you wish to renumber your vouchers form 01 June 06 on yearly basis, you must specify it in the next field. this would retain the numbering system in the period. If, however, you want to change the numbers from the beginning from monthly to yearly basis, simple alter the first field itself.

Prefix Details

If you want the voucher numbers to be prefixed with some fixed information, give the information here. Examples of prefix details are:

1. month of the voucher as given above- ‘April/’
2. company info like ‘TSPL/’
3. even fixed number series like ‘1000’

Note: The numeric portion begins immediately after the prefix information. Therefore, be sure to give a space or a slash ‘/’ or some such character should you want a separation, e.g. we have specified April/. The slash would cause the voucher number to appear as April/001. other-wish it would be April001. This facilitates simple usage for fixed number series appearing as 200100001 where 2001 is the prefix, and 00001 is the starting number with a width of 5, and with leading zeros.

You can choose different prefix information for different periods or let one continue. The prefix continues from the date you mention under 'Applicable from 'till the next date that you may give under 'Applicable from'. Hence, we have chosen to change the prefix from April to May when the month changes. Please note, however, that if we omit to change the prefix for the subsequent months (i.e. do not give 'Applicable form' date for the month), your voucher numbers for even June, July etc would contain the prefix 'May/'.

Suffix Details

You can also give fixed suffix information for the voucher number. The same rules and effects as for Prefix Details apply.

VOUCHER CLASSES

Voucher Classes are available for all major voucher types and the Cost Centres can be allocated if classes are used. Automation of cost centre allocation has met the need of 'percentage allocation' based on predefined figures.

Cost centre classes affect all voucher types.

Voucher Classes for Payment, Receipt and Contra Vouchers

The primary intention of using classes for payment, receipt and contra vouchers is to enable data input in 'single entry' or list rather than in Tally's traditional double entry mode. You can also use it to have a separate form for each cash and bank account.

Let us take an example of a Payment Voucher.

You can either alter the existing Payment Voucher Type or create a new voucher type based on it.

(From Gateway of Tally> Account Info> Voucher Types)

The item Name of Class is below Effective Dates for Voucher and above the Numbering Table.

Give a name to the class by simply typing it, e.g. Barclays Band Payment. You may create more than one class. Hence, you might want to have one more for Cash Payment.

The Class Table

Exclude these Groups

Groups other than Bank or Cash groups should not be selected. This is used to exclude Cash or Bank Groups that are not to be used in this class to pay out the money. In out example, we want to exclude Cash and Credit Cards.

Exclude these Groups

Groups other than Bank or Cash groups should not be selected. You might exclude a top level group but include its sub-group.

Ledger Name

Selecting the ledger account that will be used to pay out the money will eliminate the need to select it during entry. In title case, it is BareSlays Bank. In a receipt voucher, you will select the ledger account into which monies will be received. You may even select 'Not Applicable '. The purpose of selecting 'Not Applicable' will be to permit Single Entry mode and at the same time retaining the option of selecting the account during entry.

Note: Exclude or include Groups are irrelevant when you specify a Ledger Name for which the class is created. They are useful when you select 'Not Applicable'.

In case you do not require split payments, you could create only one class with nothing in include/exclude Groups and without any ledger Name. A single class does not require class selection and is a rapid way of using Single Entry mode with full functionality of all ledgers available.

Accept the class table and the voucher type alteration. You may use [CTRL] + [A] combination.

PAYMENT VOUCHER ENTRY WITH CLASSES

Select Voucher Entry at the Gateway of Tally. Press F5: Payment. You have to select a class or Not Applicable if no class is desired for this entry. If Cost Centre Class has been set, it can be selected too.

The entries will be made as

PURCHASE ENTRIES INVOICE MODE (WITHOUT CLASSES)

Purchase Voucher can now be created in Invoice mode. You can enter the suppliers' invoices in the same way as they physically appear.

Set-up Invoice Mode entry for Purchase transactions

1. Select F11: Company Features.
2. Select F1: Accounting Features.
3. Set the option 'Allow Invoicing' to Yes.
4. Enter Purchases in Invoice Format? Set it to Yes.
5. Accept the screen using Ctrl+A.

ENTRY OF PURCHASE VOUCHERS IN INVOICE MODE

Select F9: Purchase. Select As Invoice button or use CTRL+V. This button is a toggle for Invoice and Voucher modes. You may want to use the voucher mode for more complex entries.

Entries are exactly like sales invoices and hence are not discussed.

Accounting Voucher Creation (Secondary)		ABC Company		Ctrl + M
Purchase No. 1				31-Mar-2007
Ref. : P01				Saturday
Party's A/c Name : Tally Solution				
Current Balance :				
Purchase Ledger : Purchases				
VAT/Tax Class:				
Name of Item	Quantity	Rate per	Amount	
CD Rom Drives	50 nos	7,500.00 nos	3,75,000.00	
Freight		2 %	7,500.00	
Narration:				
			50 nos	Accept ?
				Yes or No

The treatment of additional cost of purchase needs elaborating.

ADDITIONAL COST OF PURCHASE

If it is desired to add the other purchase expenses like freight and import duty to the cost of the item, you would have activated the option in F11: Company Features 'Track

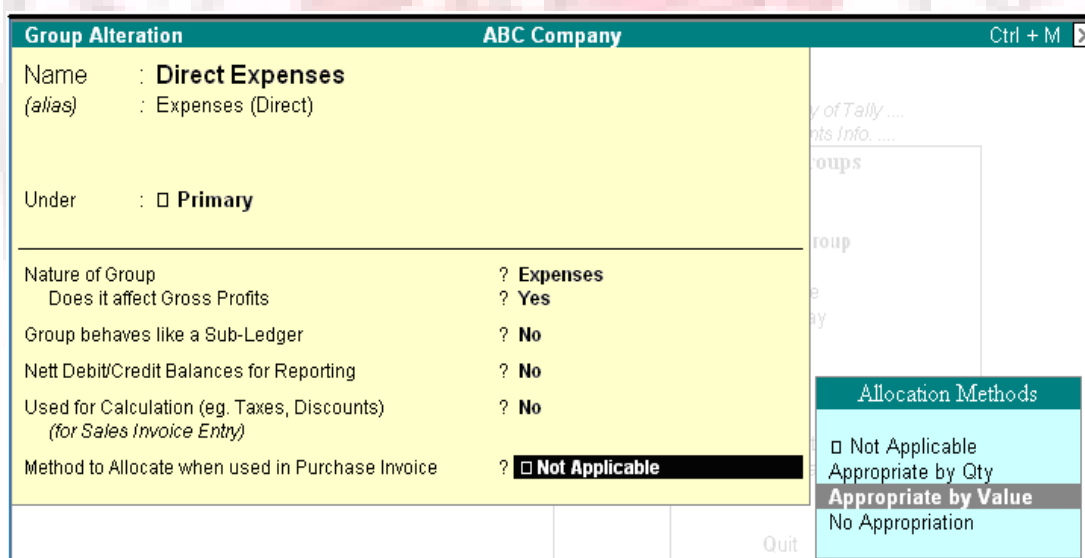
Additional Costs of Purchases'. In voucher mode, the additional cost details have to be filled in after the allocation of each purchase item.

In Invoice mode, the treatment of additional costs on stock items is automated by altering the parent group master details of the expenses.

In Invoice mode, than one item is purchased where the expense that is incurred for them is charged as a lump-sum. However, to give an effective cost including the expense to each purchased item, you would earlier give additional costs of purchase for each item. That method though very flexible and practical could be tedious. That process is now automated and allocation of the expense to stock item can be done on a predefined basis.

The following set-up activity is required to be carried out:

1. Alter the Parent Group of the expense ledger accounts, e.g. Direct Expenses. You will find a new option – Method to Allocate when used in Purchase Invoice. If you want to appropriate the ledger accounts under this group to stock items by either Quantity or value, you must select the option. Select Appropriate by Qty for out example.



Now if freight belongs to the group Direct Expenses, the amount will be apportioned by quantity, i.e., in the ratio of 1:5. If however, the parent group does not have an allocation method or is set to No Appropriation or Not Applicable, the amount of freight will not be apportioned to the items and will simply remain in the financial books as expense.

Note: In Invoice mode, Purchases can be allocated to Cost Centres only when Cost Centre classes are used, i.e., you have to auto-allocate purchases to cost centres if you are using the invoice mode of entry. Using the voucher mode of entry for purchases allows manual allocation of purchase to cost centres.

Chapter 7

Currencies (Multiple currencies and foreign exchange)

Many Organizations have transactions in more than one currency. Such transactions have to be recorded either in the base (home) currency or in the foreign currency. If the transactions are recorded in home currency, the rate at which the foreign currency is exchanged should be recorded as well. At times you need to record the transaction in the foreign currency itself when you maintain the balance of the concerned account in foreign currency. Tally uses the term base currency for the currency in which your account books are kept. Foreign Exchange is used interchangeably with foreign currency. The base currency is specified while creating the company.

Tally makes it easy to manage multiple currencies, automatic calculations of exchange rates, automatic conversion of any currency used to record a transaction to the currency of the account, etc.

The Balance Sheet and Profit & Loss Account of the company is maintained in the base currency. Conversion of foreign currency account balances is done as per rules set by you.

ENABLING MULTIPLE CURRENCY IN TALLY

Enable Multi-Currency feature to view and enter transactions in multiple currencies.

1. Go to Gateway of Tally
2. Select F11: Features > Accounting Features> to display the Company Operations Alteration screen
3. Set Allow Multi-Currency? to Yes
4. Accept to Save.

Multi Currency feature is now enabled.

CURRENCIES MENU

View the Currencies menu from Gateway of Tally > Accounts Info > Currencies.

Creating a Currency

Use ASCII Special Characters with [Alt] key combination if our keyboard does not have the symbol. Utilities like Character Map (Start>All Programs>Accessories> System Tools) in Windows shows the key combination for most symbols. This might be different on some notebook computers, refer to the computer's user manual or the vendor.

You cannot assign a duplicate currency symbol for a company in Tally.

The Key combinations for a few currency symbols are given below:

1. Alt + 156 – Pound Sterling - £
2. Alt + 0165 – Japanese Yen - ¥
3. Alt + 0128 – Euro - €
4. Use the Dollar and the Rs. Symbol from the keyboard.

To create a foreign currency

1. Go to Gateway of Tally > Accounts Info.> Currencies> Create

Currency Creation		ABC Company
Symbol	:	Rial
Formal Name	:	Omani Rial
Number of Decimal Places	:	2
Show Amounts in Millions	?	No
Is Symbol SUFFIXED to Amounts	?	No
Put a SPACE between Amount and Symbol	?	Yes
Symbol for Decimal Portion of Amount	:	baisa
Decimal Places for Printing Amounts in Words	:	2

2. Enter the currency symbol in Symbol. This symbol appears in your reports wherever applicable.

3. Enter the name of the currency in Formal Name.

A formal name is required to distinguish different currencies with the same symbols. For e.g. you have created two companies (ABC and PQR) in Tally. ABC and PQR have different set of currencies. ABC uses symbol \$ for Australian Dollars and PQR uses the symbol \$ for U.S. Dollars. The formal name. distinguishes two different currencies with the same symbol when you compare accounts of two companies.

The company that is loaded first retains the original symbol for display purposes. The other company's currency symbol will be prefixed with the first letter/first letters (to make it unique) of the formal name. Here, if ABC is loaded first then the symbol \$ is for Australian Dollars and in PQR (loaded next) the symbol \$ is prefixed with the letter U (first letter of its formal name).

e.g., US Dollars, Pound Sterling, Indian Rupees, Omani Rial, etc.

Note: You cannot assign a duplicate Formal Name for a company in Tally.

4. Enter the number of decimal places for the currency in Number of Decimal Places. E.g. Currencies with 2 decimal places like paisa and currencies with three decimal places like diner. There are currencies that do not have decimal places, e.g., Vietnamese Dong

5. Tally has two formats for displaying an amount, viz., in millions and in lakhs. 1000000 (one followed by six zeroes) in millions format would appear as 1,000,000 and lakhs would appear as 10, 00,000.

Selecting No means you want amounts to appear in lakhs.

Note: You can always specify the appearance of numbers in specific reports, e.g. In Profit & Loss Account display, press [F12]: Configure to change scale factors for values.

6. Set Is Symbol SUFFEXED to Amounts? to Yes for the symbol to appear after the amount. Set to No for the symbol to be prefixed to the amount.

7. Set Put a SPACE between Amount and symbol? to Yes to apply a space between amounts and symbol.

8. Enter the symbol for decimal portion of currency in Symbol for Decimal Portion of Amount. E. g. Ps. For Paisa.

9. Enter the number of decimal places for printing the amounts in words in Decimal Places for Printing Amounts in Words. This number should be equal to or lesser than the number specified in Number of Decimal Places field.

Note: The Currency cannot be translated or transliterated but will appear in the Language created.

ALTER CURRENCY

You can modify or delete a currency master using the Alter option. Rates of Exchange can also be altered from here.

To alter a currency master:

1. Go to Gateway of Tally > Accounts Info.> Currencies> Alter
2. Select a Currency from the Currencies list (displayed if there is more than 1 currency)
3. In the Currency Alteration screen alter details as required. For details see Creating a Currency Master

Standard		Selling			Buying		
Date	Specified Rate	Date	Last Voucher Rate	Specified Rate	Date	Last Voucher Rate	Specified Rate

DISPLAYING A CURRENCY

The currency Display screen displays the details and rates of exchange for a selected currency.

To display the Currency screen.

1. Go to Gateway of Tally > Accounts Info.> Currencies> Display
2. Select a Currency from Currencies list (displayed if there is more than 1 currency)
3. Enter to view the details

DELETING A CURRENCY

To delete a Currency

1. Go to Gateway of Tally > Accounts Info.> Currencies> Alter
2. Select a currency from the Currencies list (displayed if there is more than 1 currency)
3. Press Alt + D in the Currency Alteration screen to delete

Note: You cannot delete a Currency that has been used in a voucher transaction.

RATES OF EXCHANGE

Rate of Exchange is a feature wherein you can enter the rate of foreign currency for a specific date. Foreign exchange variations occur every day with different selling and buying rates. Rate of Exchange helps you apply the rate for the given date in your transactions.

Multi Currency Alteration							ABC Company		Ctrl + M	X
Date for Rate of Exchange : 1-Apr-2006										
S.No.	Currency	Std. Rate	Selling Rate		Buying Rate					
			Last Voucher Rate	Specified Rate	Last Voucher Rate	Specified Rate				
1.	A\$ (Australian Doller)			Rs. 15/A\$		Rs. 14.50/A\$				
2.	DM (Deutsche Markd)	Rs. 280/DM		Rs. 3/DM		Rs. 2.90/DM				
3.	FFr (French Francs)	Rs. 9.62/FFr		Rs. 9.70/FFr		Rs. 9.60/FFr				
4.	U.S.\$ (U.S. Dollars)	Rs. 1.62/U.S.\$		Rs. 3/U.S.\$		Rs. 2.90/U.S.\$				

To open Rates of Exchange:

1. Go to Gateway of Tally > Accounts Info.> Currencies> Rates of Exchange
2. The Multi-Currency Alteration screen is displayed
3. Enter the date for which the exchange rate is applicable

4. Enter the Standard Rate (optional) which is used to calculate variances from the actual transaction rates

5. Enter the Setting Rate (your setting rate)

6. Enter the Buying Rate (your buying rate)

7. Accept to Save

Note: Last Voucher Rate is displayed if any voucher has been entered earlier.

SELLING RATE – SPECIFIED RATE

Setting rate is your selling rate (as opposed to bank's selling rate) used for receipt voucher entry where you receive foreign exchange.

This is the rate obtained from the daily newspaper or your banker. If you input this rate before any transaction entry, while entering a foreign transaction, this rate will be brought up by default. (You can still change the actual rate).

The actual rate at which the currency was last used is displayed and cannot be changed.

The specified rate is used for calculating foreign exchange variances only in case there is no standard rate.

BUYING RATE – SPECIFIED RATE

Buying Rate is your buying rate (as opposed to bank's buying rate) used in payment vouchers.

The actual rate at which the currency was last used is displayed and cannot be changed.

The specified rate is used for calculating foreign exchange variances only in case there is no standard rate.

Note: Tally calculates Gain Loss in foreign exchange transactions automatically using the standard rates, specified rates and actual transaction rates

Chapter 8

Inventory information

The Inventory Info menu lists the masters, through which you can provide Tally the details of your company's inventory.

Go to Gateway of Tally > Inventory Info.

Note: The Inventory Info menu is displayed in Gateway of Tally, only select Maintain Accounts with Inventory form the Type of Company list in the Company Creation screen.

STOCK GROUPS

Stock Groups in Inventory are similar to Groups in Accounting Masters. They are helpful in the classification of Stock Items. Classification is based on some common behaviour. Stock Groups enable easy identification and reporting of Stock Items in statements.

You can group Stock Items under different Stock Groups to reflect their classification based on some common functionality. Grouping enables you to locate Stock Items easily and report their details in statements.

You can group the items of a particular brand to extract stock of all items of that brand.

Consider that the Stock Items in your inventory are Sony 3.5" disks, Maxell 3.5" disks, Sony tapes, Maxell tapes, and so on. Create Stock Groups, Sony and Maxell, and classify Sony products under the group Sony and Maxell products under Maxell. You now have ready details of all Sony and Maxell products, duly classified.

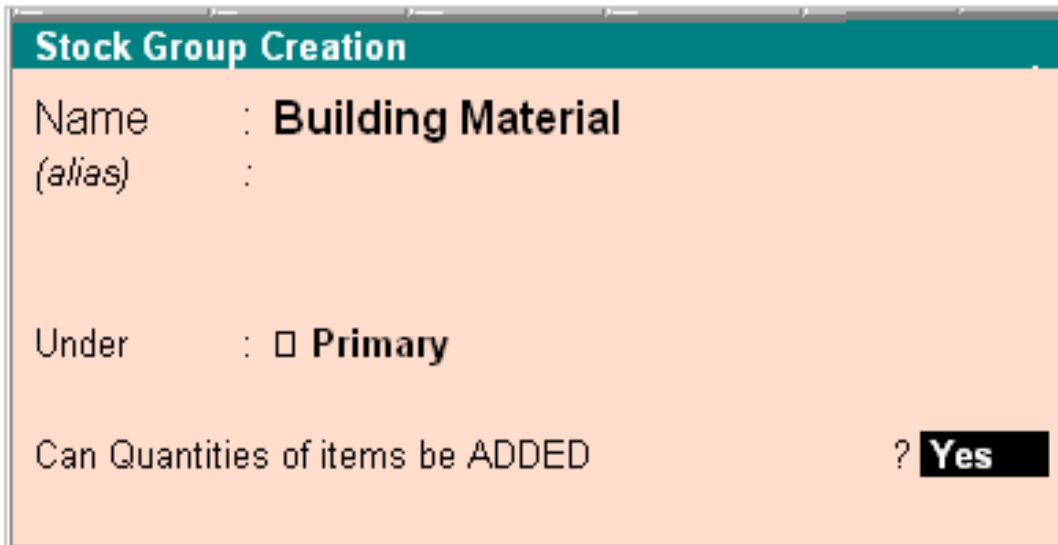
Create sub-groups under Stock Groups for deeper analysis.

Go to Gateway of Tally > Inventory Info > Stock Groups

CREATING A STOCK GROUP

Go to Gateway of Tally > Inventory Info > Stock Groups > Create (under Single Stock Group)

The Stock Group Creation screen displays.



Stock Group Creation

Name : **Building Material**
(alias) :

Under : **Primary**

Can Quantities of items be ADDED ? **Yes**

A brief description on each of the fields in the Stock Group Creation screen follows.

Name

Enter the name of the Stock Group to be created. For example, Building Materials.

Under

Specify whether it is a primary group or a sub-group of another group, by selecting from the list. For example, Primary.

Press Alt + C to create a parent group, if you do not have it in the list.

CAN QUANTITIES OF ITEMS BE ADDED?

This field pertains to information on measuring the units of the Stock Items that you would categories under the Stock Group.

The Stock Items categorized under the group should have similar units for them to be added up. You cannot add quantities in Kgs to quantities in Pcs.

Note: You can always go back and reset this option after assessing the units of the items in the group.

Buttons in single mode stock group creation

From the Stock Group Creation screen, you can create any of the Masters listed below with a single click.

Category

Items

Units

Godown

Vch Types

The buttons. Currency and Budget are available only if you opted for the same in F11: Features.

CREATING MULTIPLE STOCK GROUPS

Go to Gateway of Tally > Inventory Info. > Stock Groups > Create (under Multiple Stock Groups)

Multi Stock Group Creation		ABC Company		Ctrl + M	X
Under Group : <input type="checkbox"/> All Items					
S.No.	Name of Stock Group	Under	Items are Addable (Y/N)		
1.	Finished Material	<input type="checkbox"/> Primary	Yes		
2.	Raw Material	<input type="checkbox"/> Primary	Yes		
3.	Aluminium Foll	<input type="checkbox"/> Primary	Yes		
4.					

Select the parent groups under which you want you want the new groups to be created from the List of Groups. The group selected is displayed in the Under Group field.

A brief description on each of the fields in the Multi Stock Group Creation screen follows.

Name of Stock Group

Enter the name of the Stock Group.

Under

If you select any group other than All Items in the Under Group field, then this column is filled in automatically with the selected Group name and the cursor skips this column. This speeds up data entry.

If you select All Items in the Under Group field, the cursor does not skip this field and allows you to enter the parent group of each of them.

Items are Addable? (Y/N)

This pertains to information on the Stock Items that you would create under this Stock Group. The Stock Items created under the group should have similar units to be 'addable'.

Buttons specific to Multi Stock Group Creation screen

F4: Parent

To change the parent entered in the field Under Group when you have sub- groups created under it. the change affects all the sub-groups created under the parent, meaning, they would now belong to the new parent.

F8: Skip Details

If Items are addable is to remain the default, that is, remain the same as specified for the parent Stock Group, and use this button. The cursor skips that column which speeds up data entry.

From the Multi Stock Group Creation screen, you can create any of the Masters listed below with a single click.

- Category
- Items
- Godown

DISPLAYING AND ALTERING STOCK GROUPS

You can display and alter Stock Group in Single mode and Multiple mode.

Displaying Single Stock Group

Go to Gateway of Tally> Inventory Info.> Stock Groups > Display (under Single Stock Group)

Select the Stock Group whose particulars you want to display from the List of Groups. The Stock Group Display screen is displayed. This gives information only on the Stock Group Master and not on any of the balances.

Altering Single Stock Group

Go to Gateway of Tally> Inventory Info.> Stock Groups > Alter (under Single Stock Group)

Select the Stock Group from the List of Groups. The Stock Group Alteration screen displays. Make the necessary changes and accept Yes to save.

You can delete a Stock Group only from the Stock Group Alteration screen. Select a stock group from the list and press ALT+D to delete it.

Note: You cannot delete a Stock Group if it has any sub groups or Stock Items created under it. You need to first delete the sub groups and Stock Items to delete the Stock Group.

Displaying Multiple Stock Groups

Go to Gateway of Tally> Inventory Info.> Stock Groups > Display (under Multiple Stock Group)

Select the Stock Group from the List of Groups. The Multi Stock Group Display screen displays. It displays the entire sub groups of the selected Group. If you select All Items from the List of Groups, all the groups and sub Group created are displayed.

Altering Multiple Stock Groups

Go to Gateway of Tally> Inventory Info.> Stock Groups > Alter (under Multiple Stock Group)

The Multi Stock Group Alteration screen displays. Make the necessary changes and accept Yes to save.

Note: You cannot delete a Stock Group from multiple mode

Stock Categories

The concept of Stock Categories is similar to that of Cost Categories. Refer the section on Cost Categories to understand the similarity/differences.

Note: This option becomes available in the Inventory Info. Menu only if you Set Maintain Stock Categories to Yes in F11: Features.

Stock Categories offers a parallel classification of Stock Items. You can create Stock Categories like Floppy Disks and Floppy Drivers.

Consider the example given in the Stock Groups. You would know how many 3.5 “floppies of Sony and Maxell are in stock. To know the total stock of floppy disks or any alternative item that could be used, Stock Categories would be the best option to use. Create a Stock Category called Floppy Disks and classify both Sony 3.5” diskettes as well as Maxell 3.5” diskettes under the same. Since the items are substitutes of each other, if one is out of stock, you can offer the other of the same category.

Stock Query option available under Statements of Inventory (Gateway of Tally > Display) reveals the strength of Stock Categories.

Note: While configuring F12: Configure and setting F11: Features do not enable features that you do not need.

Go to Gateway of Tally> Inventory Info> Stock Categories

Note: This option is displayed in the Inventory Info. menu only if you set Maintain Cost Categories to Yes in F11: Features.

CREATING A STOCK CATEGORY

You can create Stock Categories and sub categories of Stock Categories to organize your information.

Go to Gateway of Tally> Inventory Info.> Stock Categories >Create (under Single Stock Categories)

The Stock Category Creation screen displays.

Stock Category Creation		
Name	: Tables	
(alias)	:	
Under	: <input type="checkbox"/> Primary	
<table border="1"> <tr> <td> Accept ? Yes or No </td> </tr> </table>		Accept ? Yes or No
Accept ? Yes or No		

A brief description on each of the fields in the Stock Category Creation screen follows.

Name

Enter the name of the Stock Category. Eg: Tablets.

Under

Specify whether it is a primary category or a sub-category of another category. Select Primary from the list, if you do not have a parent group. Use ALT+C to create a parent if you do not have the required category in the list.

Buttons in single mode stock category creation

- Groups
- Items
- Godown
- Budget
- Vch Types
- Units
- Currency

From the Stock Categories Creation screen, you can create any of the Masters listed above with a single click.

CREATING MULTIPLE STOCK CATEGORIES

Go to Gateway of Tally> Inventory Info.> Stock Categories >Create (under Single Stock Categories)

Multi Stock Category Creation		ABC Company	Ctrl + M
Under Category : <input type="checkbox"/> All Items			
S.No.	Name of Category	Under	
1.	Software	<input type="checkbox"/> Primary	
2.	Electrical Equipment	<input type="checkbox"/> Primary	
3.	[REDACTED]		

A brief description on each of the fields in the Multi Stock Category Creation screen follows.

UNDER CATEGORY

Select the parent category under which you want the new categories to be created. If you select any category other than All Items, all the categories being created will be created under the selected category. The column Under is filled in automatically with the selected category and the cursor skips this column, which in turn speeds up data entry.

Selecting All Items gives you the flexibility of specifying the parent of each new category created.

S No.

The serial number of the stock category is auto generated.

Name of the category

Specify the name of the Stock Category.

Under

If you have selected All Items in Under Category, you must specify a parent category in this column.

Buttons specific to Multi Stock Category screen

F4: Parent

To change the parent entered in the field Under Category when you have sub-Categories created under it. The change affects all the sub- Categories created under the parent, meaning, they would now belong to the new parent.

F8: Skip Details

If the field under is to remain the same as specified for the parent Stock category, and use this button. The cursor skips that column which speeds up data entry.

From the Multi Stock Category Creation screen, you can create any of the Masters listed below with a single click.

- Groups
- Items
- Godown

DISPLAYING AND ALTERING STOCK CATEGORIES

You can display and alter Stock Categories from Single and Multiple mode.

Displaying Single Stock Category

Go to Gateway of Tally> Inventory Info.> Stock Categories> Display (under Single Stock Group)

Select the Category for which you want to view the display details from the List of categories.

The Stock Category Display screen displays for you to view the details entered in Stock Category Master.

Altering Single Stock Category

Go to Gateway of Tally> Inventory Info.> Stock Categories> Alter (under Single Stock Categories)

Select the Category for which you want to alter from the List of Categories. The Stock Category Alteration screen displays. Make the necessary changes and accept Yes to save.

Deleting a Stock Category

You can delete a Stock Category only if it does not have any sub categories or Stock Items under it.

Select a Stock Category from the list and press ALT+D to delete it.

Displaying Multiple Stock Categories

Go to Gateway of Tally> Inventory Info.> Stock Categories> Display (Under Multiple Stock Categories)

Select the Category for which you want to view the details or select All Items to view the details of all the Categories created, form the List of Categories.

The Multi Stock Category screen displays. You can view the entire details of the Category and that of sub categories if any, in this screen.

Altering Multiple Stock Categories

Go to Gateway of Tally> Inventory Info.> Stock Categories> Alter (under Multiple Stock Categories)

Select the Category for which you want to alter form the List of Categories. The Multi Stock Category Alteration screen displays. You can make changes in the Masters of the selected Category and also of the sub categories. Select All Item to make changes in any desired Category Master as all the Categories created are displayed in this screen.

Note: You cannot delete a Stock Category from multiple mode.

Delete a Stock Category

You can delete a stock category only if it does not have any children under it. The children could be stock category or stock item or both.

Gateway of Tally > Inventory Info> Stock Categories> Single Alter

Press [Alt] + [D] to delete the stock category

Note: You cannot delete a stock category form multiple mode.

Stock Items

Stock Item refers to goods that you manufacture or trade. It is the primary inventory entity and the lowest level of information on your inventory. You have to create a Stock Item in Tally for each inventory item that you want to account for. In other words, you have to create a stock ledger account for each item and Tally calls it Stock Item.

Go to Gateway of Tally< Inventory Info. > Stock Items

Creating a Stock Item

If you are creating Stock Items for the first time, it is advisable to configure the F12: Configure screen before creation any items. You may configure your groups to enable/disable advanced mode.

Go to Gateway of Tally> Inventory Info> Stock Item> Single Create (under Single Stock Item).

Stock Item Creation		ABC Company	
Name	: Cement		
(alias)	:		
Under	: Building Material		
Units	: kgs		
Opening Balance	: <input type="text"/>	Quantity	Rate per Value

A brief description on each of the fields in the Stock Category Creation screen follows

Name

Specify the name of the Stock Item.

Under

Select the group from the List of Groups. If you do not want to categories it under any particular group that you created, choose Primary.

Press Alt+C to create a parent Group from this field.

Units

Give the units of measurement of the item in this field. You would normally use this unit for trading this item.

Use Alt+C to create a new unit, if you do not have one in the list.

Opening Balance

If you already have stock of this item at the time of creating its account in Tally, specify its balance particulars, i.e., quantity, rate and value.

Buttons in single mode stock item creation

F3: Companies

To switch to another loaded company to create Stock Item.

- Groups
- Category
- Godown
- Budget
- Vch Types
- Units
- Currency

You may choose to create any of the masters listed above with a single click of the buttons.

CREATING MULTIPLE STOCK ITEMS

You can create multiple Stock items at a time using this option.

Go to Gateway to Tally> Inventory Info> Stock Items > Multi Create (under Multiple Stock Items)

Multi Stock Item Creation		ABC Company		Ctrl + M		
Under Group		: <input type="checkbox"/> All Items		For 1-Apr-2006		
S.No.	Name of Item	Under	Units	Opening Qty	Rate per	Amount
1.	HP Laser Jet	Printer	Nos	50 Nos	9,500.00 Nos	4,75,000.00
2.	Molden	Software	Nos	10 Nos	4,500.00 Nos	45,000.00
3.	Modem	Internet Accessries	Nos	35 Nos	2,750.00 Nos	96,250.00
4.						

Under Group

Select the parent group under which you want the new items to be created. If you select any category other than All Items, than all the new items being created, will be created under this Group. Selecting All Items gives you the flexibility of specifying the parent of each new item created.

S No.

The serial number is auto generated.

Name of Item

Specify the name of the stock item. For example, HP Leasrjet

Under

If you select All Items in Under Group field, you must specify a parent group here. Use Alt+C to create a new parent from. If you select a Group in Under Group field, that group displays automatically in this column.

Opening Balance

If you already have stock of this item at the time of creating its account in Tally, specify the balance particulars, i.e., quantity, rate and value.

Buttons in Multi Stock Item Creation screen

F4: Parent

To change the parent entered in the field Under Group when you have items categories under it. The change affects all the items created under the Parent, meaning they would now belong to the new parent.

F8: Skip Details

To avoid the cursor entering the field Opening Qty, use this button. It toggles with Edit Details, which allows you to enter the opening details.

F9: Skip Category

Use this button to avoid the cursor entering the Category field. it toggles with Edit Category, which allows entry of Category details.

From the Multi Stock Group Creation screen, you can create any of the Masters listed below with a single click.

- Groups
- Category (if activated)
- Godown

DISPLAYING AND ALTERING STOCK ITEMS

You can display and alter Stock Items in Single mode and Multiple mode.

Displaying a Single Stock Item

Go to Gateway to Tally< Inventory Info.> Stock Items> Display (under Single Stock Item)

Select the name of the Stock Item from the List of Items. The Stock Item Display screen display. You cannot make any changes in this screen.

DIPALYING MULTIPLE STOCK ITEMS

Go to Gateway to Tally< Inventory Info.> Stock Items> Display (under Multiple Stock Items)

Select a Group from the List of Groups to display all the Stock Items under the selected Group, or select All Items to display all the Stock Items, as the case may be. The Multi Stock item Display screen displays, listing the Stock Items and the corresponding details of the Stock Items.

ALTERING A SINGLE STOCK ITEM

Go to Gateway to Tally< Inventory Info.> Stock Items> Alter (under Single Stock Item)

Select the Stock item you want to alter from the List of Items. The Stock Item Alteration screen displays. Make the necessary changes and accept Yes to save.

You can delete a Stock Item only if you have not used it in any transaction entry.

Press ALT+D from the Stock Item Alteration screen to delete the Stock Item.

Altering Multiple Stock Items

Go to Gateway to Tally< Inventory Info.> Stock Items> Alter (under Single Stock Item)

Select a Group to alter the Stock Item under the selected group. The Multi Stock Item Alteration screen displays. Make the necessary changes and accept Yes to save.

Note: You cannot delete a Stock Item from multiple mod.

Recorder Levels

Reorder Levels signifies the quantity of a Stock Item in hand. After reaching which you must place orders for your supplies. The importance of Reorder Level arises from the desire to have sufficient stocks to service customer orders and, at the same time, not to unnecessarily accumulate stock.

Therefore, the points to be considered while deciding the reorder levels are as follows.

- The lead-time for supplies to deliver the stock

- The delivery time specified by the customer.
- The stock-in-hand to satisfy orders in the meantime.

In simple mode, Tally accepts the quantities that you specify. In advanced mode. It considers the past consumption patterns to suggest reorder levels. You can however, choose to define your own reorder levels. You may also specify the minimum quantity of the item to be ordered, either in simple or advanced mode.

The purpose of specifying reorder levels is to obtain a report that indicates the quantity of a Stock Item that you must order.

SPECIFYING REORDER LEVELS

Go to Gateway of Tally> Inventory Info> Reorder Levels

Select a group of Stock Items from the List of Groups, to specify Reorder Levels for the Stock Items in the Specify Recorder Levels screen.

For each item in stock you can define a Reorder Level and th Minimum Order Quantity. If you click Simple Recorder button, the consumption alternatives will not be available and hence you have to input the quantities.

Note: The Option Reorder Levels is displayed in the Inventory Info. menu only if Allow Purchase Order Processing is enabled in F11: Features.

The Reorder level screen appears as follows:

Specify Reorder Levels		ABC Company			Ctrl + M	
Under Group		: Row Material			For 1-Apr-2006	
Name of Item	Reorder Quantity	Advance Parameter for Reorder Level (Consumption for the last)		Minimum Order Quantity	Advance Parameter for Minimum Order (Consumption for the last)	
		Period	Criteria		Period	Criteria
Item A	500 Nos or	15 Days	Higher	450 Nos or	10 Days	Higher
Timber	1,000 Nos or	5 Weeks	Higher	850 Nos or	5 Weeks	Higher

The options that you have while defining Reorder Level and Minimum Order Quantity for individual stock items are as follows.

Reorder Level/Quantity

Enter the level/quantity in this field.

Advance Parameter for Reorder Level (Consumption for the Late)

This field lets Tally calculate the reorder level/order quantity based on the total consumption in the past for a chosen period.

Period

The choices for periods are: Days, Weeks, Months and Years. Note that it is not the average consumption for the period but total consumption. Enter zero (0), if you do not want Tally to calculate the reorder level based on the consumption of the item in the past.

Criteria

Choose whether you want the higher/lower of the two, i.e., input/calculated level/quantity.

Rounding Method

Specify whether the calculated level/quantity must be rounded and also the method of rounding.

Minimum order quantity

You can specify the minimum order quantity required.

ALTERING REORDER LEVELS AND MINIMUM QUANTITIES

There are two ways of altering the Reorder Levels and the Minimum Order Quantities defined earlier.

1. Go to Gateway of Tally> Inventory Info> Reorder Levels

Select the Group of the Stock Items from the List of Groups to display the Specify Reorder Levels screen. Make the necessary changes and accept Yes to save.

OR

2. Go to Gateway of Tally> Display> Statements of Inventory> Reorder Status

Select the Group of the Stock Items for which you want to make changes to display the Inventory Reorder Status screen. Drill down the fields Recorder Level/Minimum Order Quantity to display the Specify Reorder Levels screen. Make the necessary changes and accept Yes to save.

OBTAIN REORDER STATUS AND QUANTITIES TO ORDER

Go to Gateway of Tally> Display> Statements of Inventory> Reorder Status

Select a Group of Stock Items from the List of Groups. The Inventory Reorder Status screen displays.

Name of Item	Closing Stock	Purc Orders Pending	Sale Orders Due	Nett Available	Re-order Level	Short fall
2 more ...						
Aerial						
Cement	10 Bgs			10 Bgs		
Gold 8 - Cd Rom						
Gold B Cd Rom						
IC Chips						
Item A	100 Nos			100 Nos	500 Nos	400 Nos
Maxell Disk 3.5						
MBP 150						
Picture Tubes						
Sound Card						
Television Flatorn						
Timber	450 Nos			450 Nos	1,000 Nos	550 Nos
VDU						

This report gives you the reorder status of Stock Items categorized under the selected Group.

Click the button A: Reorder Only to remove those items for which there are no orders to be placed.

A part form identifying the quantity to be ordered, you can move your cursor on the fields and drill down for more information.

Name of Item

Press Enter on this field for information on suppliers of this Stock Item and the details of their previous supplies.

Closing Stock

Drill down of Item Monthly Summary (Inwards and Outwards) and other details.

Pure Orders Pending

Press Enter on this field for details on the pending purchase orders.

Sales Orders Due

Drill down to know the details on the sales orders, which are due, in other words, free stock available for sale.

Reorder Level

Drill down by pressing [Enter] to display the Reorder Level Specification screen for the Stock Item.

Short fall

Tally calculates this value.

Min Reorder Quantity

Drill down by pressing [Enter] to display the Reorder Level Specification screen for the Stock Item.

LOCATIONS/GODOWNS

Locations/Godowns are places where Stock Items are stored. You can specify names where Stock Items are stored such as warehouse, shelf, and so on. In a business, it always becomes necessary to distinguish between the stock held onsite and in the warehouse. You can do this by creating two separate godowns. Tally had a default Godown named Main Location. You may even alter Tally's default godown. Tally permits creating any number of godowns, which you can group and subgroup to match the structure you need.

Go to Gateway of Tally> Inventory Info.> Locations/Godowns

Note1: The term Locations is displayed in the Inventory Info. menu if International is selected in Use Accounting Terminology of in Gateway of Tally> F12: Configure screen. If India/SAARC is selected, the term Godowns displays.

Note2: You can create Locations/Godowns only if Maintain Multiple Godowns is enabled in F11: Features.

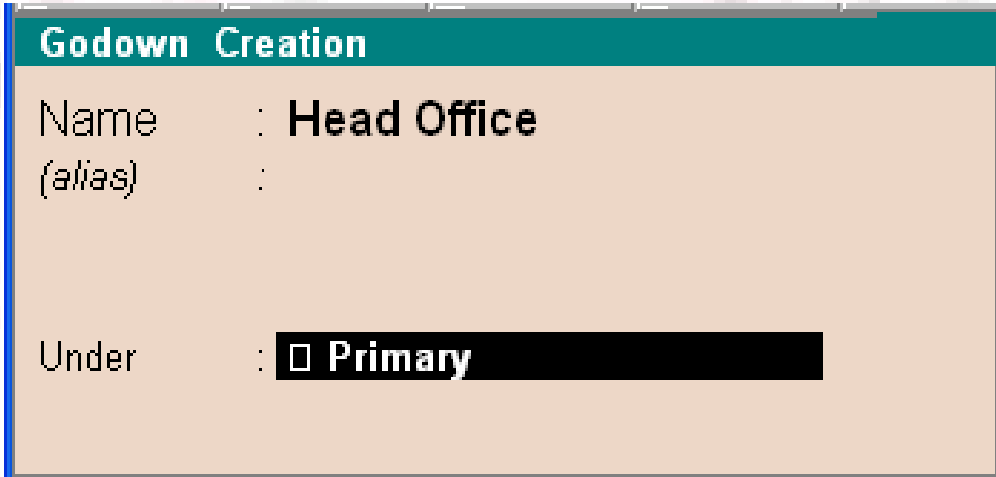
CREATING LOCATIONS/GODOWNS

You can create Locations/Godowns in Single mode and Multiple mode

Creating a Single Location/Godown

Go to Gateway of Tally> Inventory Info.> Locations/Godowns > Create (under Single Godown)

The Location/Godown Creation screen displays:



Godown Creation	
Name	: Head Office
(alias)	:
Under	: <input checked="" type="checkbox"/> Primary

A brief explanation on each of the fields in Location/Godown Creation screen follows.

Name

Specify the name of the Location/Godown.

Alias

Enter an alias name for the Location/Godown name, if required.

Under

Specify the Location/Godown under which the Location/Godown is to be categorized. Use Alt + C to create the parent Location/Godown if it is not in the list. Select Primary, if it is not a sub Location/Godown of any Location/Godown.

Allow Storage of Materials

Tally permits you to create a Location/Godown, where you may not store materials but treat it as a virtual Location/Godown is useful in cases like Head Office, which may have many different stock points under it that store materials. Hence, Head Office acts like a primary Godown. For instance, designate London as a virtual Godown with Wimbledon Warehouse, Harrow Warehouse and Brixton Warehouse as sub-Godowns. These sub-Godowns will allow storage of materials.

CREATING MULTIPLE LOCATIONS/GODOWNS

Go to Gateway of Tally>Inventory Info.> Locations/Godowns> Create (under Multiple Godowns)

The Multi Godown Creation screen displays:

 All Items'. A table with three columns: 'S.No.', 'Name', and 'Under' is displayed. The table has four rows. Row 1: S.No. 1, Name Warehouse, Under Main Location. Row 2: S.No. 2, Name Warehouse 1, Under Main Location. Row 3: S.No. 3, Name Warehouse 2, Under Primary. Row 4: S.No. 4, Name is redacted with a black box, Under is redacted with a black box. The row with S.No. 4 is highlighted in cyan."/>

S.No.	Name	Under
1.	Warehouse	Main Location
2.	Warehouse 1	Main Location
3.	Warehouse 2	<input type="checkbox"/> Primary
4.		

Under

Select the parent group under which you want the new Godown to be created. If you select any Godown other than All Items, than all the new Godown being created, will be created under this Godown. Selecting All Items gives you the flexibility of specifying the parent of each new Godown created.

S No

The serial number is auto generated.

Name

Specify the name of the Godown.

Under

If you select All Items in Under field at the top, you must specify a parent Godown here. Use All + C to create a new parent from this field. If you select a Godown in Under field, that Godown displays automatically in this column.

DISPLAYING AND ALTERING STOCK LOCATIONS

You can display/alter the Godown in single and multiple modes. It is similar to Displaying/Altering Stock Groups in single and multiple modes.

To display a single stock Location/Godown

Go to Gateway of Tally>Inventory Info.> Locations/Godowns> Display (under Single Location/Godown)

To display a Multiple stock Location/Godowns at a time

Go to Gateway of Tally>Inventory Info.> Locations/Godowns> Display (under Multiple Location/Godowns)

To alter a single stock Location/Godown

Go to Gateway of Tally>Inventory Info.> Locations/Godowns> Alter (under Single Location/Godown)

To alter a Multiple stock Location/Godowns at a time

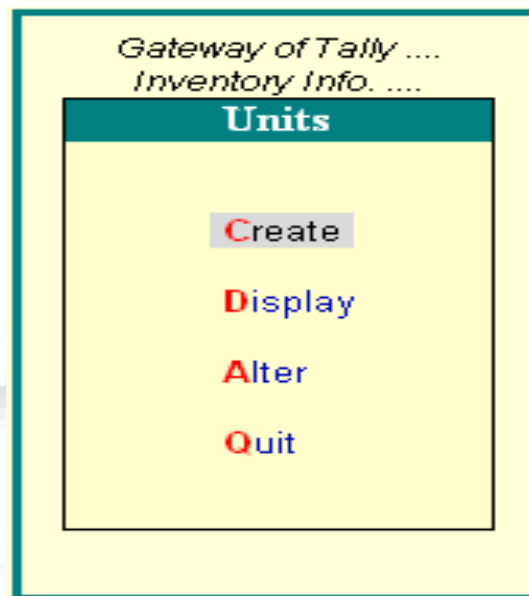
Go to Gateway of Tally>Inventory Info.> Locations/Godowns> Alter (under Multiple Location/Godowns)

You can delete a stock location via Single Location Alter by pressing [Alt] + [D]. However, you cannot delete a stock location with sub-locations. The lower levels must be deleted first.

UNITS OF MEASURE

Stock items are purchased or sold on the basis of quantity. The quantity is measured by Units. Hence, it is necessary to create Units of Measure. You need to create Units of Measure for all the Stock Items. You can have simple units such as numbers, meters, kilograms, and pieces or compound units like box, where, say, one box equals ten pieces.

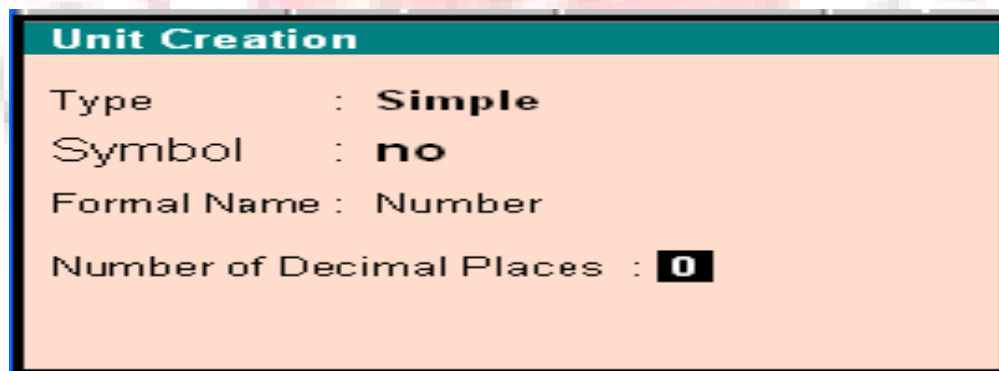
Go to Gateway of Tally > Inventory Info.> Units of Measure



CREATING A UNIT OF MEASURE

Go to Gateway of Tally > Inventory Info.> Units of Measure > Create

The Unit Creation screen displays



A brief explanation on each of fields in Unit Creation screen follows.

Type

Symbols are of two types: Simple and Compound.

Simple units are considered as specified by you; Tally just checks for duplication. Tally defaults to Simple, and if you want to change to Compound, use [Backspace] to go back and select Compound from the Types of Units list.

Symbol

Define the symbol of the unit, e.g., Nos. This symbol is used in all displays and printouts.

Formal Name

Specify the formal name of the symbol, e.g. Numbers. This explains the symbol, which is also used during the consolidation of data of different companies, where the symbols might be the same but are assigned to different units. The formal name will be used to match them.

Number of decimal places

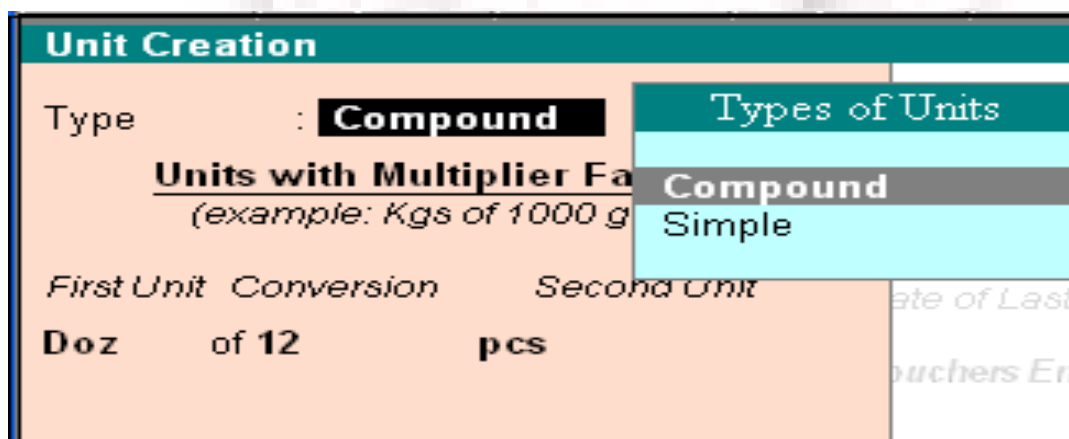
If you want to use the unit in fractions, say for a kilogram you may have to use grams as well, specify the number of decimal places. For kilogram, you would give three decimal places to accommodate up to 999 grams. You do not normally want a decimal place for units like numbers; you can specify 0 in such cases.

Note: You can specify 0 to 4 decimal places. The Unit of Measure cannot be translated or transliterated but will appear in the Language created.

Compound Units

A Compound Units is a relation between two Simple Units. Hence, before you create a Compound unit, ensure that you have already created two Simple Units. For example, there are two Simple Units Nos (Numbers) and Doz (Dozen). Now define the relation between Nos and Doz, as one dozen equals twelve numbers.

Note: Use the Up arrow or Backspace key to highlight the Type field. Select Compound from the popup menu.



The screenshot shows a software interface for creating units. The main window is titled "Unit Creation" and has a light orange background. A dropdown menu is open over the "Type" field, which currently displays "Compound". The dropdown menu is titled "Types of Units" and lists two options: "Compound" (highlighted in dark grey) and "Simple" (highlighted in light blue). Below the dropdown, the form shows the following fields: "Units with Multiplier Factor" with the value "12" and the unit "pcs", and "First Unit Conversion" with the value "Doz". The "Second Unit" field is partially visible and contains "ate of Last".

Select Compound from the Types of Units in the Type field. Select Doz in the First Unit from the Units list. Enter 12 in the Conversion field and select Nos in the Second Unit field. Accept Yes to save.

DISPLAYING AND ALTERING UNITS OF MEASURE

To display Units of Measure.

Go to Gateway of Tally > Inventory Info.> Units of Measure> Display

Select the Unit of Measure you would like to view from the Units list. You can select a compound unit or a simple unit from the list. The unit Display screen displays. In display mode it is not possible to make any changes.

To alter Units of Measure

Go to Gateway of Tally > Inventory Info.> Units of Measure> Alter

Select the Unit of Measure you want to alter from the Units list. The Unit Alteration screen displays. Make the necessary changes and accept Yes to save.

You can delete a Unit of Measure from this screen by pressing Alt + D. However, you cannot delete a Unit of Measure that is part of a compound measure. You must delete the compound measure first.

Price List

Price Lists are useful for orders and invoices. An up-to-date price list helps in decision making even at the lower levels of the organization and quickens the sales process. Tally assists in creating quantity based pricing with complex discount structure. Price Lists are available only for inventory items and hence the feature is available only for inventory and invoicing are activated for the company.

You can have one or more price lists. You require more than one price list, when you have different price structures/levels for different purposes, usually, different groups of customers requiring different discounts or dealing in different products.

PRICE LEVELS

In Tally, you can assign specific price lists called Price Levels to customers, so that only the relevant prices are used during entry of orders and invoices.

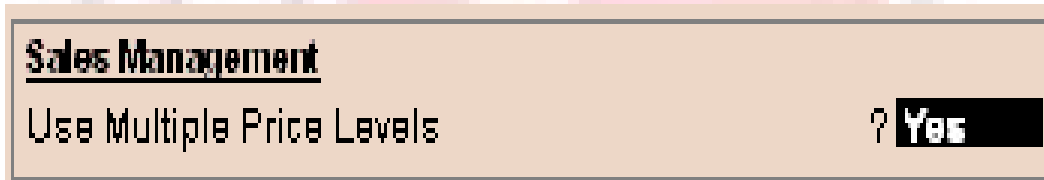
Before you begin to create Price Lists, you should decide whether you want different price levels. You might want different price levels for various purposes, such as different types of customers like wholesale customers, retail customers, and export customers and so on. Each customer type could have a different discount structure.

Creating Price Levels

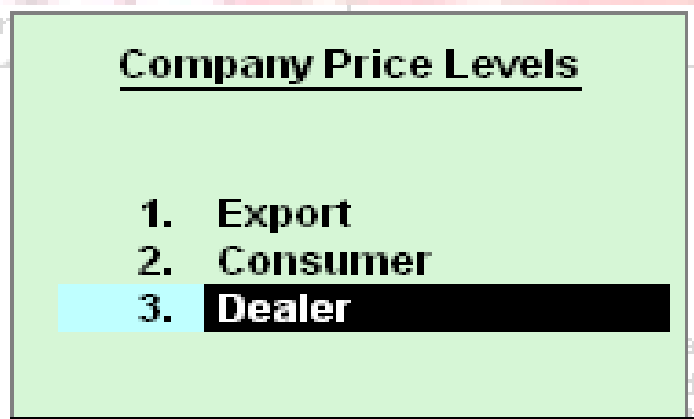
Ensure that you have set the company for Accounts with Inventory.

Set the following fields to Yes in F11: Features > F2: Inventory screen.

1. Allow Invoicing (If you do not set this field to Yes, the options for Price Lists will not be available.)
2. Set Use Multiple Price Levels to Yes.



3. Type out the price levels, one by one, in the Company Price Levels screen.



4. Press CTRL + A to accept the screen and return to the Company Operations. Alteration screen (F11: Features). Set the other options as required and accept yes to save.

ALTER PRICE LEVEL NAMES

Follow the same procedure to alter the name of a price level. You can simply overwrite the names you specified previously and save the changes.

ASSIGNING LEDGER ACCOUNTS TO PRICE LEVELS

Creating Price Lists in Tally provides an option in party (debtor and creditor) ledger accounts, with the help to which you can assign/tag a specific Price Level to the account. You can assign only one Price Level to an account.

You can choose the Price Level that you want to assign to the Ledger by selecting the Price Level from the Price Levels list in the Pricing Level Applicable field. Select Not Applicable if you do not want to assign any Price Levels to the Ledger.

If you want assign Price Levels to ledgers created earlier, alter the ledger account, tab down to Pricing Level Applicable field and select the applicable Price level form the list.

The screenshot shows the 'Ledger Creation' window for 'ABC Company'. The window is divided into several sections. At the top, the title bar reads 'Ledger Creation ABC Company'. Below this, there are fields for 'Name : CP Limited' and '(alias) :'. To the right, there is a 'Total Op. Bal.' field. The main area is divided into 'Under' and 'Pricing Level Applicable' sections. The 'Under' section shows ': Kenyan Customer (African Customer)'. The 'Pricing Level Applicable' section has a dropdown menu open, showing options: 'Not Applicable', 'Consumer', 'Dealer', and 'Export'. The 'Consumer' option is selected. Below the dropdown, there are fields for 'Sales Tax No.' and 'Opening Balance (on 1-Apr-2006) :'. The window also has a 'Details' section on the right with 'Limited' and 'ation' visible.

Tab down to Pricing Level Applicable and select Export. Set the other options required. Accept Yes to save.

The Pricing Level can be changed to reflect the current circumstances. For this, simply alter the ledger account and ledger account and select a different Pricing Level option.

CREATING AND USING PRICE LISTS

The Price List option appears in the Inventory Info. menu only if you have already created Price Levels.

Go to Gateway of Tally > Inventory Info.>Price List

Select a group from the List of Groups.

Under Group

This is the Stock group of the Stock Items for which you want to define the Price Lists.

Price Level

Select a Price Level to assign to the Stock Group.

Applicable From

Specify the date from which the Price List is applicable

The columns you see are as follows.

Sl. No

This column has auto-generated serial numbers to track the number of items in the Price List.

Name of Item

This column has the name of the Stock Item. You can define the Price List for each item.

Quantities – From & Less Than

These fields are repeated for an item and begin with a blank for 0 items and end with a blank for any number of items. This is useful for quantity based pricing and discounts. You can create a staggered quantity price structure, if required.

If you do not require quantity based pricing, leave From and Less Than fields blank.

Rate & Discount (if any)

For each quantity band, give a specific price or maintain the same price for all bands, but define different discounts. You can use different methods for different items.

Historical Details (Rate and Disc %)

If you have a different Price List on a date before the Applicable From date, Tally displays it here.

Cost Price

In this column, the Cost Price (based on the Costing Method set for it) of the item is displayed to help decide the prices.

Price Levels in Voucher Entry – Invoicing

The price levels that you define automate the invoice pricing and help to avoid errors. You can configure the entry so as to prevent the usage of a different price list than the one that is set.

To configure for preventing changes made to the price level settings in a voucher

Go to Gateway of Tally> F12: Configure> Invoice/Orders Entry

<u>Configure Invoices / Delivery Notes / Orders</u>	
Accept Supplementary Details <i>(Address Details, Despatch Details etc.)</i>	? Yes
Use Common Ledger A/c for Item Allocation	? Yes
Use Defaults for Bill Allocations	? Yes
Use Excise Format	? No
Use Additional Description(s) for Item Name	? No
Allow separate Buyer and Consignee names	? Yes
<u>Exporters' Options</u>	
Specify Export Shipping details	? No
Specify Marks & Nos./Container No.	? No
Specify No. and Kind of Packages	? No
<u>Other Options</u>	
Calculate Tax on current Sub-Total <i>(else calculations are on Inventory Total only)</i>	? No
Complete Accounting Allocations in Order/Delivery Note	? Yes
Show turnover achieved with Customer	? No
Allow modification of ALL fields during entry	? No
Warn on Negative Stock Balance	? Yes
Honor Expiry Dates usage for Batches	? Yes

Set Allow modification of ALL fields during entry to No to prevent changes made to prices. If you set it to Yes, you can override the price already defined.

Consider the following example

1. Go to Gateway of Tally> Accounting Vouchers> F8: Sales

2. Select As Invoice

Accounting Voucher Creation		ABC Company		Ctrl + M	X
Sales	No. 1			1-Apr-2006	
Ref.: SL01					Saturday
Party's A/c Name : Customer					
Current Balance : 12,480.00 Dr					
Sales Ledger : Sales					
Name of Item	Quantitv		Rate per	Amount	
Cement	10 Bgs	10 Bgs	240.00 Bgs	2,400.00	

During voucher creation, there is an additional field Price Level and it is already set for the selected party on the basis of assignment made earlier (the cursor skips the field). if you had not assigned any Price Level for the ledger earlier, the cursor moves to this field, allowing you to make a choice. On selecting the stock item and the quantity, the price is filled in automatically and the cursor skips the Rate and Amount fields also.

Chapter 9

Voucher Entry

A Voucher is a document that contains details of a financial transaction. For every transaction, you can use appropriate Tally Voucher to enter the details into the ledgers and update the financial position of the company.

Mainly there are two types of Voucher Entry:

- Accounting Vouchers
- Inventory Vouchers

You can set the configuration for entry to allow only those features, which you require while entering vouchers.

In the Voucher entry configuration, Selectively set only those features to Yes. (This is further explained under advanced usage).

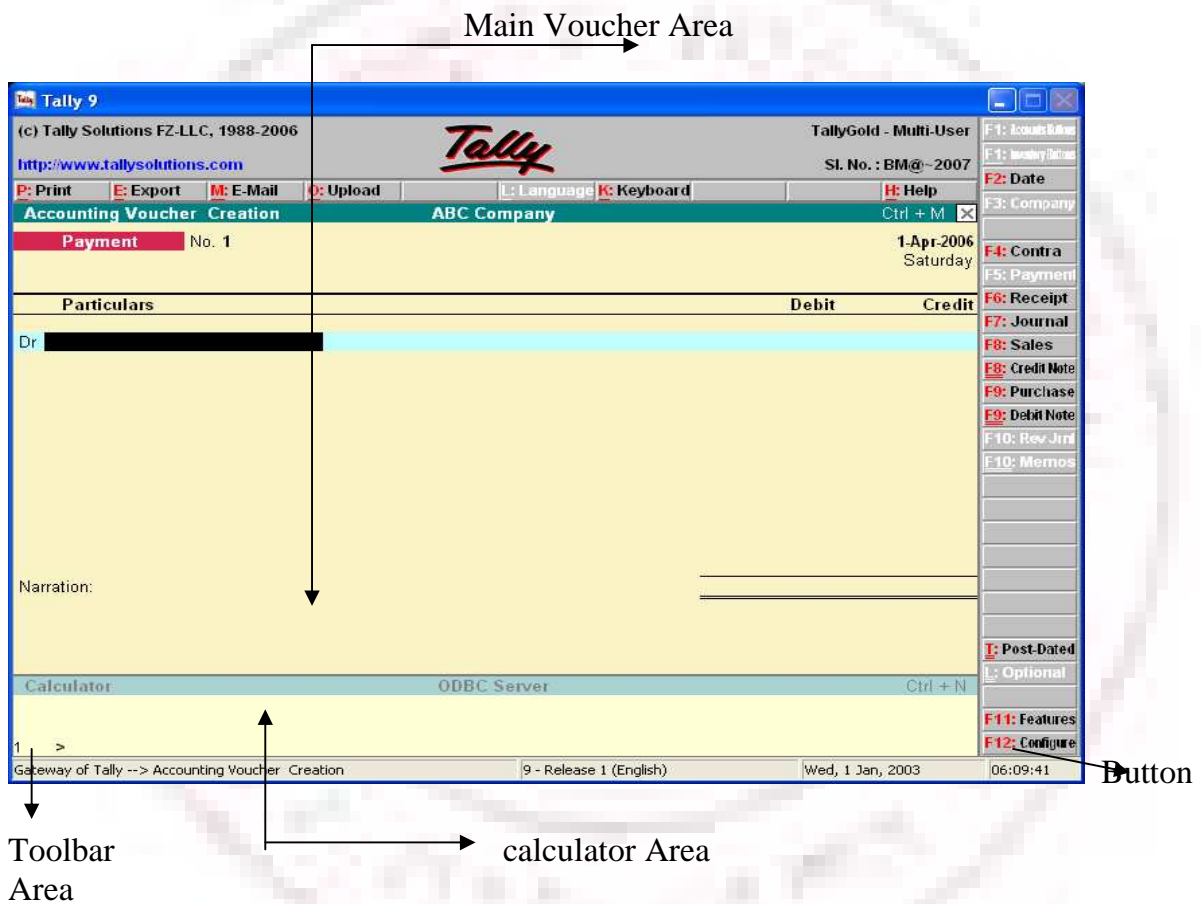
Go to Gateway of Tally> F12: Configure> Voucher Entry

ABC Company	
<u>Accounting Vouchers</u>	
Skip Date field in Create Mode (faster entry!)	? Yes
Use Single Entry mode for Pymt/Rcpt/Contra	? No
Show Inventory Details	? Yes
Show Table of Bill Details for Selection	? Yes
Show Bill-wise Details	? No
Show Ledger Current Balances	? Yes
Show Balances as on Voucher Date	? Yes
Use Payment/Receipt as Contra	? No
Allow Cash Accounts in Journals	? Yes
Use Cr/Dr instead of To/By during entry	? Yes
Warn on Negative Cash Balance	? Yes
Pre-Allocate Bills for Payment/Receipt	? Yes
Allow Expenses/Fixed Assets in Purchase Vouchers	? Yes
Allow Income Accounts in Sales Vouchers	? Yes
<u>Inventory Vouchers</u>	
Use Ref. Number in Stock Journal	? Yes
Warn on Negative Stock Balance	? Yes
Honor Expiry Dates usage for Batches	? Yes
Show Balances as on Voucher Date	? Yes

VOUCHER CREATION SCREEN

This screen is divided into three parts

- Main Voucher Entry Area
- Button Bar Area
- Calculator Area



Main Voucher Entry Area

The Main Voucher Entry Area is where you enter all your transaction. This area provides fields for Date, Ledger Name and Amount as well as additional pop-up screen that are dependent on your voucher configuration and the nature of transaction you make.

Button Bar Area

The Button Bare Area displays buttons that provide quick interaction with Tally. Buttons that are relevant to current task are enabled and the other buttons are disabled.

Calculator Area

The Calculator area provides the calculator functions where you can enter any number of mathematical formulae for complex calculations.

Mouse conventions

Command	Action
Click	Press the left mouse button
Double-click	Press and release the left mouse button twice, without moving the mouse pointer off the item
Choose	Position the mouse pointer on the items and click the left mouse button.
Select	Position the mouse pointer on the item and double-click the left mouse button.
press	Use the keys on the keyboard in the combination shown

Switching between Screen Areas

The Main Voucher Entry Area is the active area by default on the Voucher Creation screen. Press Ctrl+N to navigate to the Calculator Area and press Ctrl+M to toggle back to Main Voucher entry Area. A green bar highlights the active area of the screen.

Note: Press Alt+C to use calculator when at amount field.

SPECIAL KEYS FOR VOUCHER NARRATION FIELD

ALT+R: Recalls the Last narration saved for the first ledger in the voucher, irrespective of the voucher type.

CTRL+R: Recalls the Last narration saved for a specific voucher type, irrespective of the ledger.

Checking the accuracy of the vouchers

To check the accuracy of the vouchers that you have entered:

1. Go to Gateway of the vouchers that you have entered:

2. Select F2: Period from Button Bar and enter the period for which you want to view Vouchers.

Note: It defaults to the current date only but you may display all the transactions for a particular period.

3. Select F1: Detailed

You can check the vouchers for correctness. To correct a mistake, position the cursor on the item where you have found the error and press Enter. Tally displays the voucher details for alteration. The alteration facility is subject to security and access rights. All alterations are available for audit.

TYPES OF VOUCHERS

Tally is pre-programmed with a variety of accounting vouchers, each designed to perform a different job.

The standard vouchers are:

1. Payment Voucher
2. Receipt Voucher
3. Contra Voucher
4. Sales Voucher
 - Sales Orders
 - Sales Vouchers/Invoices
 - Delivery Notes
 - Rejection In
5. Purchase Voucher
 - Purchase Orders
 - Purchase Voucher
 - Goods Receipt Notes

- Rejection Out

6. Journal Voucher

- Credit Notes
- Debit Note
- Journal
- Memo Voucher
- Reversing Journal
- Stock Journal
- Physical Stock

You can alter these vouchers to suit your requirement and also create new vouchers.

For example, if you wish to distinguish between cash and bank payment you can create vouchers to do this.

The function of each voucher type is explained.

CONTRA ENTRY (F4)

According to accounting rules, Contra Entry is a transaction indicating transfer of funds from:

- Cash account to Bank account
- Bank account to Cash account
- Bank account to Bank account

To view the Contra Voucher Entry Screen:

1. Go to Gateway of Tally > Accounting Vouchers
2. Select F4: Contra from the button bar or press F4

Note:

1. Use the buttons on the right-hand side of the screen to Explore the Potential of Tally.
2. Press [Enter] wherever the cursor is placed to know the Depth of Tally!

CONTRA ENTRY – SINGLE ENTRY MODE

Contra Voucher creation screen appears in Single Entry Mode by default. You are prompted to choose the account, which will receive the amount (the ledger that has to be debited).

To view Contra Voucher creation screen in Single Entry mode

Go to Gateway of Tally> Accounting Voucher > Select F4: Contra

For example, to transfer funds from Cash Account to Bank Account:

1. Debit the Bank Account
2. Credit the Cash Account

The entry appears as shown.

Accounting Voucher Creation		ABC Company	Ctrl + M
Contra	No. 1		1-Apr-2006 Saturday
Account : State Bank of India Cur Bal: 20,000.00 Dr			
Particulars		Amount	
Cash		20,000.00	
Cur Bal: 20,000.00 Cr			
Narration:		20,000.00	
Transfer of Funds From Cash Account to Bank Account			
			Accept ? Yes or No

The ledger selected in Account State Bank of India is the destination ledger and it is debited

Advantages of Single Entry Mode:

1. Faster data entry.
2. Selection of:
 - Multiple Ledgers (to be credited) with a Single Ledger (to be Debited) OR
 - Multiple Ledgers (to be debited) with a Single Ledger (to be Credited)

CONTRA ENTRY – DOUBLE ENTRY MODE

To select multiple Debit and Credit ledgers in the Double entry mode, set Use Single Entry Mode for Payment/Receipt/Contra to No in F12: Configure.

Entering in Double Entry Mode

1. Go to Gateway of Tally > Accounting Vouchers
2. Select F4: Contra from the Button Bar or press F4.

The entry displayed in Single Mode appears as follows in Double entry mode:

Here cash is transferred from Cash account to Bank account.

Accounting Voucher Creation		ABC Company		Ctrl + M
Contra No. 1				1-Apr-2006 Saturday
Particulars	Debit	Credit		
To Cash		20,000.00		
By State Bank of India	20,000.00			
Narration: Transfer of Funds From Cash Account to Bank Account		20,000.00	20,000.00	
				Accept ? Yes or No

Use F2: Date to change the date of the voucher.

If you require Dr/Cr instead of To/By -> as explained in the Configuration section, activate the required feature in F12: Configure.

Particulars	Debit	Credit
Cr Cash <i>Cur Bal: 18,000.00 Cr</i>		2,000.00
Dr State Bank of India <i>Cur Bal: 18,000.00 Dr</i>	2,000.00	
Narration:		
	2,000.00	2,000.00

1. In the above example, we have changed the date to 2nd April 2001 and we have Dr/Cr instead of To/By.

2. As the Contra voucher is active, the Buttons of the other voucher types of Payment, Receipt, Journal, Sales and Purchase are visible

PAYMENT ENTRY (F5)

To view the Payment Voucher entry screen:

1. Go to Gateway of Tally > Accounting Vouchers
2. Select F5: Payment from the Button Bar or press F5

By Default, the Payment Entry screen appears in Single Entry Mode (The option Use Single Entry mode for Pymt/Rcpt/Contra is set to Yes in F12: Configure).

For example, the company settles expenses of conveyance, staff welfare, postage and stationery through cash all in one voucher. The entry appears as shown below.

Accounting Voucher Alteration (Secondary)		ABC Company	Ctrl + M
Payment	No. 1		1-Apr-2006 Saturday
Account: Cash Cur Bal: 23,000.00 Cr			
Particulars	Amount		
Conveyance Cur Bal: 800.00 Dr	800.00		
Staff Welfare Cur Bal: 1,000.00 Dr	1,000.00		
Postage Cur Bal: 400.00 Dr	400.00		
Stationery Cur Bal: 800.00 Dr	800.00		
Narration: Payment of Vconveyance, Staff Welfare, Postage and Stationery			3,000.00
			Accept ? Yes or No

You are prompted to choose the cash or bank ledger, which will pay the amount (the credit ledger).

PAYMENT ENTRY – DOUBLE MODE

If you want the payment entries to be entered in double entry mode, then set Use Single Entry Mode for Payment/Receipt/Contra to No in F12: Configure

To enter the payment entry in Double Entry Mode,

Go to Gateway of Tally > Accounting Vouchers > F5: Payment

A Payment entry entered in double entry mode appears as shown,

Accounting Voucher Creation		ABC Company	Ctrl + M
Payment	No. 1		1-Apr-2006 Saturday
Particulars	Debit	Credit	
By Conveyance Cur Bal: 800.00 Dr	800.00		
By Staff Welfare Cur Bal: 1,000.00 Dr	1,000.00		
By Postage Cur Bal: 800.00 Dr	800.00		
By Stationery Cur Bal: 400.00 Dr	400.00		
To Cash Cur Bal: 23,000.00 Cr		3,000.00	
Narration: Payment of Conveyance, Staff Welfare, Postagr and stationery		3,000.00	3,000.00
		Accept ? Yes or No	

Advantages of Double Entry Mode

- You can select any number of ledgers of ledgers to be debited and credited in the payment voucher.
- You can view on the screen whether a ledger is debited or credited thus allowing you to cross- verify.

PAYMENT ENTRY – SINGLE NARRATION

If you want the narration details for every ledger you debit or credit (Single narration), you can configure Tally's Narration details accordingly.

To do so,

1. Go to Gateway of Tally > Accounting Information > Voucher Types > Alter
2. Select the required Voucher Type.
3. Enable the option Narrations for each Entry and accept the details.
4. Return to Accounting Vouchers on Gateway of Tally and enter a payment voucher as required.

Give below is an example of a Payment transaction with narrations for each entry:

The screenshot shows the 'Accounting Voucher Creation' window for 'ABC Company'. The voucher type is 'Payment' with number '1', dated '31-Mar-2007' (Saturday). The account is 'Cash' with a current balance of '750.00 Cr'. The voucher contains two entries: 'Conveyance' (500.00) and 'Postage' (500.00), both with current balances of '500.00 Dr'. The total amount is '1,000.00'. The narration is 'Postage and Conveyance Expenses'. A dialog box at the bottom right asks 'Accept?' with 'Yes' or 'No' options.

Particulars	Amount
Conveyance <i>Cur Bal: 500.00 Dr</i>	500.00
Postage <i>Cur Bal: 500.00 Dr</i>	500.00
Total	1,000.00

Narration:
Postage and Conveyance Expenses

Accept?
Yes or No

The entry consists of both common narration and narrations for each entry. In case of multiple debit/credit entries, you can give single line narrations separately for every ledger account selected.

PAYMAENT / RECEIPT AS CONTRA

The Contra Voucher is used to indicate transfer of funds from

- Bank account to Cash account
- Bank account to Bank account
- Cash account to Bank account

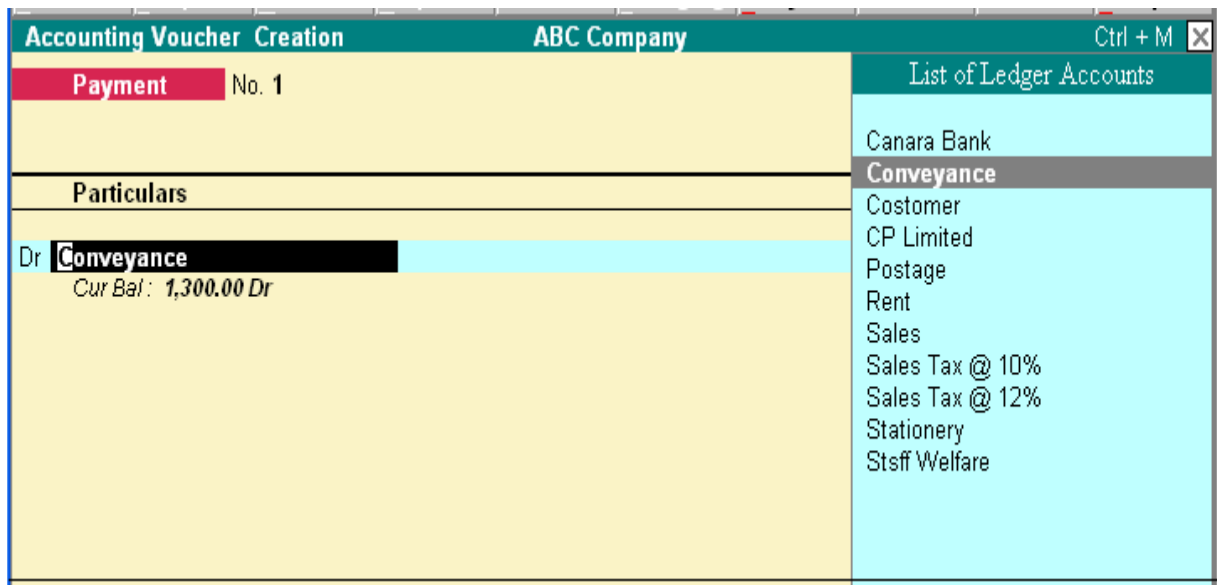
However, for users who wish to use the Payment and Receipt vouchers for this nature of transaction, Tally has the flexibility of defining Payment and Receipt behaviour as per Contra voucher.

1. Go to Gateway of Tally > Accounting Vouchers
2. Select F5: Payment from the Button Bar or press F5.
3. Activate the option Use Payment/Receipt as Contra to Yes in F12: Configuration screen.
4. Accept the screen and save.

The Screen appears as shown.

Accounting Voucher Creation		ABC Company	Ctrl + M
Payment No. 1		List of Ledger Accounts	
Particulars		Canara Bank	
Dr	Canara Bank	Conveyance	
	Cur Bal:	Customer	
		CP Limited	
		Postage	
		Rent	
		Sales	
		Sales Tax @ 10%	
		Sales Tax @ 12%	
		Stationery	
		Staff Welfare	

If Use Payment/ Receipt as Contra option is set to No in F12: Configure screen, the each and bank accounts will not be displayed.



WARN ON NEGATIVE CASH BALANCE

You can configure Tally to prompt you with a warning when the Cash ledger reaches a negative balance.

To activate Warning on Negative Cash Balance:

1. Go to Gateway of Tally > Accounting Vouchers
2. Activate the option Warn on Negative Cash Balance to Yes on the F12: Configure screen.
3. Accept the screen to save.

Example:

Let us assume a cash balance of Rs. 54000 and you need to make a payment of Rs. 55000 towards advertising expenses. This results in a negative balance.

The entry is displayed as:

Accounting Voucher Creation (Secondary)		ABC Company		Ctrl + M
Payment No. 2		31-Mar-2007 Saturday		
Particulars	Debit	Credit		
Dr Advertising Expenses <i>Cur Bal : 55,000.00 Dr</i>	55,000.00			
Cr Cash <i>Cur Bal : 55,000.00 Cr</i>		55,000.00		
Narration:		55,000.00	55,000.00	
				Accept ? Yes or No

Tally prompts you with a box that displays the warning and also the credit cash balance in RED colour. This will help you decide whether to proceed with the entry or not.

CHEQUE PRINTING

You can choose to print cheques directly from Tally. Cheques will be printed while printing a Payment Voucher.

Enabling Cheque Printing

1. Go to Gateway of Tally > F11: Features > Accounting Features
 2. Set Enable Cheque Printing and Set/Alter Cheque Printing Configuration to Yes.
- Company Operations Alteration screen appears as shown.

<u>Other Features</u>	
Enable Cheque Printing	? Yes
Set/Alter Cheque Printing Configuration	? Yes

Once the option Set/Alter Cheque Printing Configuration is activated to Yes, you will get the following screen.

Company Cheque Details	
Company Name on Cheque :	ABC Company
Names of Banks :	Canara Bank

Bank Accounts	
<input type="checkbox"/>	End of List
<input checked="" type="checkbox"/>	Canara Bank
<input type="checkbox"/>	State Bank of India

Company Name on Cheque:

To print the company name on the cheque for signature purposes, mention the name of the Company (for example, ABC Company). If you do not want Tally to print the name, you can leave it blank. Many banks give cheques with your company name printed.

Name of Banks

Select the Bank from the Bank accounts list

You will have to fill in the dimensions of the cheque. Tally accepts user defined cheque dimensions. Take the bank's cheque book and measure the dimensions of a cheque leaf carefully in millimeters and fill in the above form. You may need to correct it after trying out a couple of cheques so that the positioning is accurate. The placing of the cheque in the printer also determines the printing. To avoid mistakes trial could be made on photocopies of a cheque before using an actual cheque leaf.

Cheque Printing Configuration	
<i>(All Dimensions in mm only)</i>	
Width of Cheque	: 158
Height of Cheque	: 76
Distance of Date Line from Top Edge	: 23
Starting Location of Date from Left Edge	: 116
Distance of Party's Name Line from Top Edge	: 31
Starting Location of Name from Left Edge	: 10
Width of Name area	: 94
Distance of 2nd Amt-in-words Line from Top Edge	: 50
Height (gap) of Amt-in-words Line	: 5
Starting Location of Amt-in-words from Left Edge	: 10
Width of Amt-in-words area	: 99
Distance of Amt-in-figures Line from Top Edge	: 25
Starting Location of Amt-in-figures from Left Edge	: 110
Width of Amt-in-figures area	: 41
Distance of Company Signature Bottom Line from Top Edge	: 59
Starting Location of Signature from Left Edge	: 120
* Width of Signature area	: 35
* Height of Signature area	: 14
<i>(* mandatory to save configuration)</i>	
Salutation of 1st Signatory (if 2 signatories)	: Directory
Salutation of 2nd or Single Signatory	: Secretary

Note: Salutation fields are for signatures and naturally follow the Company name (for example, Director)

Note: All dimensions must be more than 0 for cheques to be successfully printed.

**For ABC & Company
Director**

If your cheque has two signatories, both can specified. Both could be the same salutation or different. For example, one could be Director, the other could be Secretary.

Give details of whatever you are using currently. Many banks will pre-print both the company name and the salutation in which case you can leave them blank.

You are now ready to print the cheque. Remember that this option is available only for the banks for which you have Ledger account.

PRINTING CHEQUES

After making the desired setting to print the cheque,

Go to Gateway of Tally > Voucher Entry > F5: Payment

Note: Cheque Printing option is available only forms Payment Voucher.

Name on the Cheque

You debit the party and give the bill reference details if any. Credit the bank for which the cheque dimensions were set up. In this example it is the State Bank of India. The name of the Debited party account appears next to the field Name on the cheque by default. You can change the name on the cheque if necessary.

Cross Cheque using

This is filled in by the most common words used- Account payee. You may change it if required.

Accounting Voucher Creation		ABC Company		Ctrl + M
Payment No. 1		1-Apr-2006 Saturday		
Particulars	Debit	Credit		
By ABB Enterprises New Ref 1	1,250.00 Dr	1,250.00		
To State Bank of India		1,250.00		
Name on Cheque : ABB Enterprises				
Cross cheque using ? A/c Payee				
Narration:				
Ch. No. : 068172				
		1,250.00		1,250.00
				Accept ? Yes or No

Enter the Cheque Number (Ch. No.) and save the save the Voucher. Then, you will get the Cheque Printing sub-screen appears as shown below:

Cheque Printing			
Printer	: (Ne00:)	Paper Type	: Letter
No. of Copies	: 1		
Print Language	: English		(Printing Dimensions)
Method	: Neat Mode	Paper Size	: (8.50" x 10.98") or (216 mm x 279 mm)
Page Range	: All	Print Area	: (8.50" x 10.98") or (216 mm x 279 mm)
Report Titles			
Cheque Printing			
			Print ? Yes or No

Select Yes to print the cheque.

RECEIPT ENTRY (F6)

Transactions accounting for money received are entered into Tally through the receipt voucher.

To view the Receipt Entry screen:

1. Go to Gateway of Tally > Accounting Vouchers
2. Select F6: Receipt from the button bar or press F6

Similar to Payment and Contra Vouchers, the Single Entry Mode appears for Receipt Entry as well.

For example, if your company receives money from a customer for an earlier transaction:

- Credit the customer account and debit the Cash account, if you receive cash or
-
- Debit the Bank account where you need to deposit the money, if you receive cheque.

The entry in double-entry mode is displayed as shown below:

Accounting Voucher Creation		ABC Company		Ctrl + M
Receipt No. 1		1-Apr-2006 Saturday		
Particulars	Debit	Credit		
Cr Interest <i>Cur Bal : 2,500.00 Cr</i>		2,500.00		
Dr State Bank of India <i>Cur Bal : 2,500.00 Dr</i>	2,500.00			
Narration: Bank Interest creation		2,500.00	2,500.00	
				Accept ? Yes or No

JOURNAL ENTRY (F7)

Journal entries are used to adjust the debit and credit amounts without involving the cash or bank accounts. Hence, they are referred to as adjustment entries. To go to the Journal Entry Screen:

1. Go to Gateway of Tally > Accounting Vouchers
2. Click on F7: Journal on th Button Bar or press F7 key

For example, there may be entries made for interest accrued or interest to be paid. If a party is involved in such a transaction the entry will be:

1. Debit the Party
2. Credit the Interest Account

The entry appears as shown below:

Accounting Voucher Creation		ABC Company		Ctrl + M
Journal No. 1				1-Apr-2006 Saturday
Particulars		Debit	Credit	
Dr: Party		2,700.00		
<i>Cur Bal: 2,700.00 Dr</i>				
Cr: Interest Account			2,700.00	
<i>Cur Bal: 2,700.00 Cr</i>				
Narration:		2,700.00	2,700.00	
				Accept ? Yes or No

Note: Journal entries are usually used for finalization of accounts.

CASH ACCOUNTS IN JOURNALS

Journals are adjustment entries, which do not involve Cash account and Bank account. However in many cases companies use journal to account for day-to-day transactions where Cash or Bank accounts are required.

1. Set Allow Cash Accounts in Journals to Yes in F12: Configuration.
2. Go to Gateway of Tally > Accounting Vouchers> Select F7: Journal
3. Press the spacebar at the Debit or Credit fields.

Accounting Voucher Creation		ABC Company		Ctrl + M
Journal No. 1				List of Ledger Accounts
Particulars				
Dr: Canara Bank				
<i>Cur Bal:</i>				
		ABB Enterprises Advertising Expenses Canara Bank Conveyance CP Limited Customer Interest Interest Account Party Postage Profit & Loss A/c Rent Sales Tax @ 10% Sales Tax @ 12% Staff Welfare State Bank of India Stationery		

Note: All Cash accounts and Bank accounts are displayed in the List of Ledger Accounts. Accordingly the journal entry has to be made.

SALES ENTRY (F8)

Sales vouchers are used when the company sells some goods to customers.

To view the Sales Voucher Creation Screen:

Go to Gateway of Tally > Accounting Vouchers > Select F8: Sales.

For example, the company sells some software on credit. In this case, the company has to account for Sales Tax separately, if tax has been collected on the transaction.

The screen appears as shown below:

Particulars	Debit	Credit
Dr Kings and Sons Cur Bal : 5,400.00 Dr	5,400.00	
Cr Software Sales Cur Bal : 5,400.00 Cr Primary Cost Category Bangalore 5,400.00 Cr		5,400.00
Narration: Sold Software to kings & Sons		
	5,400.00	5,400.00

When a sales transaction is made, a document detailing the transaction (item name, text etc) has to be given to the buyer or debtor of purchase by him. This document is called “Invoice” or “Bill” or “Cash Memo”. Tally provides the options creating Invoices.

ENABLING INVOICING

1. Set Allow Invoicing to Yes in F11: Features
2. The Sale Voucher Creation Screen appears as Invoice by default.

3. Go to Gateway of Tally > Accounting Vouchers > select F8: Sales

Sales entries can be made in the Voucher as well as Invoice Formats.

Invoicing and sales invoicing are almost the same as sales voucher entry. The advantage of using the invoice format for sales entry is that it allows automatic calculations of taxes and duties (ledger accounts classified under the group 'Duties & Taxes').

To enable automatic calculations of taxes and duties:

1. Set Calculate Tax on Current Sub-total to Yes in F12: Configure on the sales invoice screen

2. Accept the screen to save the voucher.

The default Sales Invoice screen appears as shown below.

The screenshot shows the 'Accounting Voucher Creation' window for 'ABC Company'. The voucher is a 'Sales' voucher, No. 1. The 'Party's A/c Name' is 'Customer'. The 'Current Balance' and 'Sales Ledger' fields are empty. The main area is a table with columns 'Name of Item' and 'Quantity'. The 'Narration' field is empty. A 'List of Ledger Accounts' window is open on the right, showing 'Sales' selected.

When you start entering the voucher, Tally prompts for the Sales Ledger to be allocated.

Any number of stock items or account ledgers can be selected one after another to enable faster data entry. To activate this:

1. Set Use Common Ledger A/c for Item Allocation to Yes in F12: Configure on the invoice entry screen.

2. Accept the screen to save the voucher.

TYPES OF INVOICE

There are two types of Invoices:

Sales Item Invoice – allows you to select Items for invoicing

Sales Account Invoice – allows you to select Ledger for invoicing

SALES ITEM INVOICE

Invoicing is generally used for sale of stock where the details of the items sold are listed. Selecting the Item Invoice allows you to select the stock items that need to be invoiced. Trading and manufacturing organizations commonly use this format.

On the Sales invoice screen, click on the button Item Invoice which is displayed on the Button Bar on the right side of the screen and the Sales Item Invoice appears as the own below:

The screenshot shows the 'Accounting Voucher Creation' window for 'ABC Company'. The window title is 'Accounting Voucher Creation' and the company name is 'ABC Company'. The voucher type is 'Sales' and the number is 'No. 1'. The reference field is empty. The party's account name is 'Customer', the current balance is 'Sales', and the sales ledger is 'Sales'. The main area is a table with columns 'Name of Item' and 'Quantity'. The table contains two rows: 'Item One' and 'Item Two'. The 'Item Two' row is highlighted. On the right side, there is a 'List of Items' panel with a search box and a list of items: 'End of List', 'Item One', and 'Item Two'. The 'Item Two' item is selected in the list. The bottom of the window has a 'Narration' field.

Tally's Item Invoice mode displays the list of stock items, which can be invoiced as required.

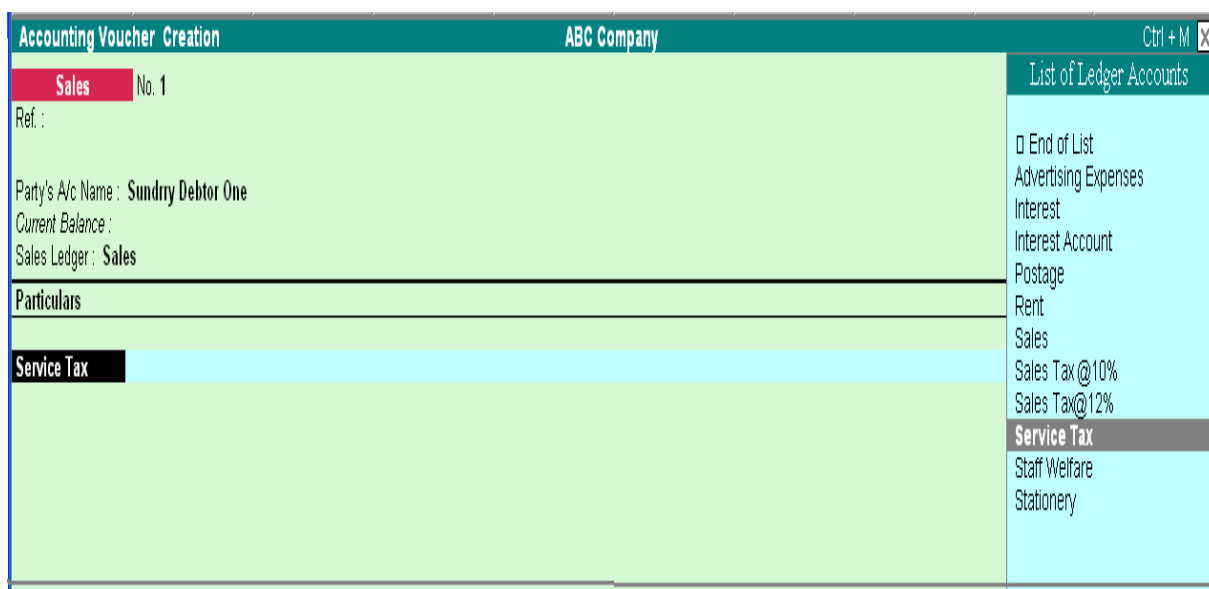
Note: The Item Invoice button toggle with Account Invoice.

SALES ACCOUNT INVOICE

Sales Account Invoice is generally used by professionals such as doctors and consultants who require to invoice for certain services provided such as consultancy charges, professional fees.

Trading and manufacturing organizations also use the Account Invoice for invoicing service changes.

On the Sales entry screen, click on Acct Invoice button which is displayed on the Button Bar on the right-hand side of the screen to display the Sales Account Invoice screen as shown.



Tally's Account Invoice mode displays the list of ledger accounts, which can be invoiced as required. This is unlike Item Invoice where Tally displays the list of stock items.

Note: The Acct Invoice button toggles with Item Invoice.

SALES AND PURCHASE VOUCHER ENTRY

In Accounts-with-Inventory Companies where Tracking Numbers is NOT activated

You do not get the voucher types Receipt Note and Delivery note in the Sales and Purchase Voucher sub-menus.

In addition to the above particulars that are applicable for all types of vouchers, sales and purchase vouchers have special inventory considerations for accounts-with inventory companies.

Sales and Purchase ledger accounts must have the option Are Inventory Values Affected set to Yes for this section. Unless this option is set to Yes in the Ledger creation screen, it is not possible to make a Sales entry or a Purchase details.

Similarly, sales and Purchase accounts affect inventory. Hence, when you enter a Sales or a Purchase Voucher, an Inventory Allocations for sub-screen pops up as soon as you enter the ledger requiring you to give inventory item details.

The inventory details that you mention in an accounting voucher (like Sales and Purchase Voucher), affects stocks by immediately updating them, only if Tracking Numbers are not activated in [F11]: Features.

The information that you need to give in the inventory allocation sub-screen depends upon the features enables for the company.

UNCONVENTIONAL VOUCHERS

Unconventional Vouchers are the special vouchers that are used to record provisional or non-accounting transactions. Use unconventional vouchers to remove unnecessary entries from the main books of accounts and make information available. These vouchers enable valuable reports in terms of provisional accounts and forecasting.

MEMO VOUCER

This is a non-accounting voucher and the entries made using memo voucher will not affect your accounts. In other words, Tally does not post these entries to ledgers but stores them in a separate Memorandum Register.

Uses of Memo Vouchers

Making suspense payments

Consider a company gives its employee cash to buy office supplies, the exact nature and cost of which are unknown. For this transaction you can enter a voucher for the petty cash advance, a voucher to record the actual expenditure details when they are known, and another voucher to record the return of surplus cash.

However, a simpler way of doing it is to enter a Memo voucher when the cash is advanced, and then turn it into a Payment voucher for the actual amount spent, when the details are known.

Consider the following Example.

The Company pays its employed Rs. 500 as petty cash advance for Office Expenses.

The following entry has to be passed.

1. Enter Date
2. Debit office supplies

Accounting Voucher Creation		ABC Company		Ctrl + M
Memorandum No. 1		31-Mar-2007 Saturday		
Particulars	Debit	Credit		
Dr Office Supplies <i>Cur Bal: 500.00 Dr</i>	500.00			
Cr Cash <i>Cur Bal: 23,500.00 Dr</i>		500.00		
Narration: Payment towards purchase of office supplies		500.00	500.00	
				Accept ? Yes or No

Vouchers not verified at the time of entry

If you do not understand the details of a voucher you are entering, you can enter it as a Memo voucher and amend it later when the details are available.

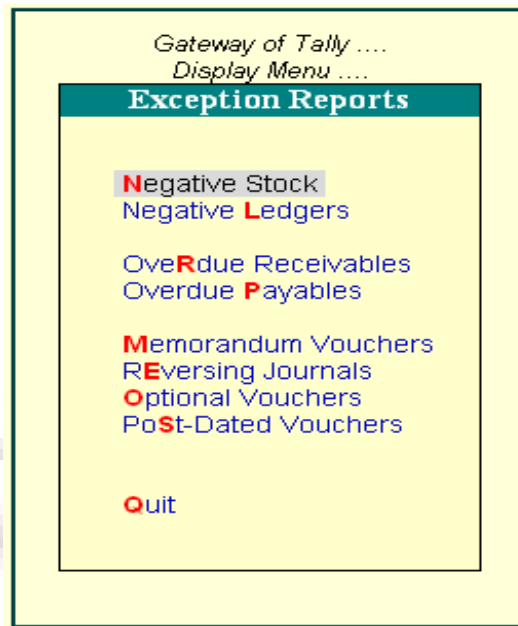
Items given on approval

Generally completed sales are entered into books. Items are given on approval, use a Memo voucher to track and convert it into a proper Sales voucher. You can delete the memo voucher if the sale is not made.

MEMORANDUM VOUCHER REGISTER

To view all the memorandum vouchers:

Go to Gateway to Tally > Display> Exception Reports > Memorandum Vouchers.



Note: You can also view memorandum vouchers from the Day Book.

You can alter and convert a Memo voucher into a regular voucher when you decide to consider the entry into your books. Use Scenarios to see the effect of Memo entries on reports and statements.

OPTIONAL VOUCHER

This is also a non-accounting voucher. Unlike a Memo voucher, this is not a separate voucher type. You can mark an existing voucher (for example, a payment voucher or a receipt voucher) as Optional. Press CTRL + L or click on Optional from the Button Bar. This button toggles with Regular. By marking a voucher Optional, the voucher does not get posted anywhere but remains in the Optional Register

You can make a voucher type default to Optional if you need to create a new voucher type or alter an existing voucher type.

Go to Gateway of Tally> Accounts Info > Voucher Types> select a Voucher Type> Set Make Optional as default to Yes.

Enabling Optional Vouchers

1. Go to Gateway of Tally
2. Select F11: Features> Accounting Features to display Company Operations Alteration screen

3. Set Use Rev. Journals & Optional Vouchers? to Yes.

4. Accept the screen to save.

Use of Optional Vouchers

- If you do not want a transaction that is incomplete to affect the accounts, you can mark this as an Optional Voucher. Once the transaction is complete, modify the voucher and post it as Regular Voucher. For example, Performs sales invoice. In fact, an optional sales invoice prints as a Performa Invoice.

- Optional Vouchers allow you to see the impact of transactions without actually posting them.

- Optional Vouchers can be used to forecast future sales. For example, create a New Voucher Type – Sales Forecast. Record future sales projections using this voucher type

Let us consider the following example.

On 30th June you want to view the Balance Sheet as of today but June rent is not due for payment until the first week of July. This liability is not reflected in the Balance Sheet. To overcome this, enter an Optional Voucher dated 30th June. The above entry is made as shown below

1. Enter Date
2. Select Optional from the button bar
3. Debit Rent account

Accounting Voucher Creation		ABC Company		Ctrl + M
Payment No. 1				1-Apr-2006 Saturday
Particulars	Debit	Credit		
Dr Rent Account <i>Cur Bal : 75,000.00 Dr</i>	75,000.00			
Cr State Bank of India <i>Cur Bal : 75,000.00 Cr</i>		75,000.00		
Narration:		75,000.00	75,000.00	
Ch. No. :				
		Accept ? Yes or No		

When you view the Balance Sheet, generate a report with the Optional Voucher included. The Optional Voucher should be already defined as a Scenario. The voucher affects the report temporarily. Once you quit the report, Tally does not retain the Scenario details. The next time you view the balance sheet, it will not include the effect of the Optional Voucher unless you include it.

Note: Use Scenarios to see the effect of Optional voucher entries on reports and statements.

OPTIONAL VOUCHERS REGISTER

You can view all optional vouchers in the Optional Voucher Register

Go to Gateway of Tally> Display> Exception Reports> Optional Vouchers

Note: You can view them from the Day Book as well.

REVERSING JOURNALS

Reversing Journals are special journals that are automatically reversed after a specified date. They exist only till that date and are effective only when they are included in reports like the Balance Sheet. These are used in interim reporting in the course of the financial year where accruals are to be reported. These accruals are usually short term and are cleared in the subsequent period. However, to get a proper perspective, decision makers require the reports with full impact of all aspects and transaction.

Activating Reversing Journals

To activating Reversing Journals

1. Go to Gateway of Tally
2. Select F11: Features> Accounting Features to display Company Operations Alteration screen.
3. Set Yes in Use Rev. Journals & Optional Vouchers?
4. Accept the screen to save.

An example is – the provision for depreciation. Depreciation is usually provided for at the end of the year. However, including it for monthly reporting would give a more accurate status.

Let us take another example:

On 30th June you want to view the Balance Sheet as of today but June salaries are not paid until the first week of July. There is, therefore, a large liability, which would not be reflected in the Balance Sheet. To overcome this you enter a Reversing Journal Voucher dated 30th June, which would look like this:

Accounting Voucher Creation		ABC Company		Ctrl + M
Reversing Journal No. 1				20-Jun-2006 Tuesday
Particulars	Debit	Credit		
Dr Salaries <i>Cur Bal : 5,000.00 Dr</i>	5,000.00			
Cr Provisions <i>Cur Bal : 5,000.00 Cr</i>		5,000.00		
Applicable Upto : 20-Jun-2006				
Narration: Salaries for the month of July		5,000.00	5,000.00	
Accept ? Yes or No				

When you view the Balance Sheet, Tally displays the report with the reversing journals included. The voucher affects the report only for that day, 30th June.

Application up to

This is the date up to which the Reversing Journal is available for inclusion in a scenario report. The Reversing Journal can be created as of a particular date and made Applicable up to a different date. For example the depreciation entry could be dated October 1, 2005 and applicable up to October 31, 2005. The journal will be available for inclusion in a scenario for any day from October 1, 2000 till October 31, 2000. It will not exist before 1st Oct and will be reversed automatically after 31st Oct and consequently unavailable.

REVERSING JOURNAL REGISTER

All vouchers are maintained in a Reversing Journal Register. These are not posted to any books of accounts and cannot be included in regular reports. They can only be seen through a scenario.

Go to Gateway of Tally> Display> Exception Reports> Reversing Journals

POST-DATED VOUCHERS

While entering vouchers, you can mark them as post dated. Tally will not update the vouchers in ledgers until the specified date is approached. This is useful to enter transactions that take place on a regular basis. For example, if you pay for something by installments, you can set up the payments in advance, and Tally will only enter them in the ledgers as they fall due.

Mark vouchers Post Dated by using CTRL+T or click on Post dated button from the Button Bar. This button toggles with Current.

Post-dated Vouchers Register

All Post-dated vouchers are maintained in a Post-dated voucher Register.

Go to Gateway of Tally> Display> Exception Reports> Post-Dated Vouchers.

Difference in the treatment of Post-dated Vouchers and other Unconventional vouchers

The major difference between post dated vouchers and other Unconventional vouchers is that post dated Vouchers affect regular books of accounts on the date of the voucher. Post-dated vouchers are not available for selection in Scenarios.

CREATING ACCOUNTING VOUCHERS IN TALLY

To view the Accounting Vouchers screen:

Go to Gateway of Tally> Accounting Vouchers

Note: The Voucher Entry screen display depends on the Voucher Configuration. To go to the next voucher screen you can simply switch the vouchers using the buttons from the Button Bar or by using the Function keys.

Consider a simple payment voucher screen.

Accounting Voucher Creation		ABC Company		Ctrl + M
Payment No. 1		1-Apr-2006 Saturday		
Particulars		Debit	Credit	
By King and Sons <i>Cur Bal: 500.00 Dr</i> On Account		500.00		
To Cash <i>Cur Bal: 1,000.00 Dr</i>	500.00 Dr		500.00	
Narration:			500.00	500.00
			Accept ? Yes or No	

Type of Voucher

You need to check whether you are using the right voucher for the transaction. You change the voucher type by selecting the new type from the Button Bar.

In some cases, Sales, Purchases and Journal, as well as where you have created your own voucher types. For example, under Payment, Tally will display a List of Vouchers for the type you select, from which you make a further choice.

Voucher Number

If you have set Method of Voucher Numbering to Automatic in Voucher Type screen, Tally will automatically enter the voucher number and if you have set Method of Voucher Numbering to Manual, Tally allows you to enter the voucher number manually.

Reference

You can enter a reference such as Purchase Order Number or Invoice Number in the Ref: Field.

Note: Reference is not available for receipt and payment vouchers.

Date of Voucher

The date of the voucher you enter is displayed at the top-right of the Voucher Creation screen. The date is taken initially from the Current Date in the Gateway of Tally. However, you can change the date to ensure vouchers are entered with the appropriate date using the F2: Date button.

Note: You change the date using the F2: Date button from the button bar.

NARRATIONS

You can type any comment that is appropriate for the transaction in Narrations. You can configure Tally's Narration details as per the type of narration for the transaction. The types of Narrations are:

• Common Narration – Common narration details for the entire Voucher at the end.

• Single Narration – Narration details for every debit or credit transactions made.

Enabling Narrations

Common Narration is enabled by default in Tally.

To activate Narrations on the voucher screen

1. Go to Gateway of Tally> Accounts Information> Voucher Type> Alter
2. Select the required Voucher
3. set the option Narrations for each Entry to Yes
4. Accept the details.
5. Return to Accounting Vouchers on Gateway of Tally and make a payment voucher entry as required.

Following examples demonstrate a Payment transition that has both common narration and narrations for each entry. The advantage of this being that you can give single line narration separately for every ledger account selected in case of multiple debit/credit entries.

Accounting Voucher Creation		ABC Company	Ctrl + M
Payment	No. 1		1-Apr-2006 Saturday
Account : Cash Cur Bal : 25,000.00 Cr			
Particulars	Amount		
Conveyance			500.00
Cur Bal : 1,300.00 Dr			
On Account		500.00 Dr	
Narration : Conveyance paid to employse A			
Postage			500.00
Cur Bal : 1,300.00 Dr			
Narration : Postage expenses for the month of April			
Narration: Postage and Conveyance Expenses			1,000.00
			Accept ? Yes or No

PARITCULRS TO/BY OR DR/CR

To/By or Dr/Cr

By default Tally displays To/By which can be changed to Dr/Cr.

1. Set Use Cr/Dr instead of To/By which can be changed to Dr/Cr.
2. Accept to Save

Each voucher line displays a prompt of Dr/By for debit entries or Cr/To for credits.

Note: Depending on the voucher type, Tally selects either Dr or Cr/ To or By. Thereafter, you can change the prompt (if required) by typing over it with a D or C / T or B.

PARTICULARS – LEDGER NAME AND AMOUNT

Ledger name and amount

After To/By or Dr/Cr, you enter the ledger names that are already created and the debit and credit amounts. To select a ledger, type the first letter of its name and Tally displays a List of Ledger Accounts. The ledgers starting with the typed letter are highlights. Only ledgers suitable for the voucher type are displayed. As you continue typing, the highlights reduce until a match is found.

The first ledger name prompt depends upon the voucher type.

For example, in a Payment Voucher you have to first debit a personal account like a creditor or a nominal account like Rent. Hence you are not allowed to enter Cash or Bank as that would determine money received.

Note: In special case where in you have activated the option Allow Payment/Receipt as Control in the Voucher Configuration you are permitted to do so.

Likewise, in a Sales Voucher, you must first debit a personal account name like a customer and not a nominal account name.

When you select the ledger, the current balance is displayed (only if F12: Configure is configured). When you enter the amount, the revised current balance is shown. After selecting the next ledger, Tally suggests the balancing amount as the value to enter, which may be accepted or typed over. You cannot complete the voucher entry until the debit is equal to the credit.

VOUCHER CLASSES

Voucher Class is a method of automating accounting allocations during Invoice entry. It is a table for predefining the entries to make invoice entry a simple task. This is particularly useful in sales invoicing where the nominal ledger accounts, to be credited for each item of sale is defined once. During voucher entry, the accounting credits for items sold are done automatically. Additional accounting entries like Tax, Freight and other charges can also be predefined to be brought up during actual invoicing.

This will have restriction on a data entry operator to alter or modify the vouchers. the total control tests with senior management to set the class parameters. It also reduces chances of errors during voucher entry. You can still continue to use Tally as before without classes if you do not require it.

Classes can also be used to automate the rounding off the values. The rounding – off method can be preset when defining a class for a line or for the entire voucher or invoice.

Voucher Class Permits:

1. Automation of entries to predefined ledger accounts.
2. Automatic rounding off to preset value limits.

INVENTORY VOUCHERS

INVENTORU Vouchers perform the same function in the inventory system just as accounting vouchers do in the accounting system. Inventory Vouchers are also means of

entering transaction. Inventory vouchers record the receipt and issue of goods/stock, the transfer of stock between locations and physical stock adjustments.

If you have not integrated accounts with inventory, inventory vouchers will not have any impact on the Balance Sheet stock figures. They will maintain the stock balances separately.

To view Inventory Vouchers:

Go to Gateway of Tally > Inventory Vouchers

Configuration on Tally

Set the option Integrate Accounts and Inventory to Yes in F11: Features.

You can trace an entire transaction from the beginning i.e., goods transfer stage to the financial accounting irrespective of integration status.

For example, the purchase of stock can be tracked from the purchase voucher through the receipt note, through invoice from the supplier and also through eventual payment.

TYPES OF INVENTORY VOUCHERS

Tally is pre-programmed with Inventory Vouchers of Various natures, each designed to perform a different task. The following table displays the standard Accounting Vouchers provided in Tally and their corresponding activation key combination and buttons. You can either use the key combination given in the table below or the buttons on the Button Bar.

Key Combination	Buttons	Voucher Type
ALT+F9	F9: Rcpt Note	Receipt Note Voucher
ALT+F8	F8: Dely Note	Delivery Note
ALT+F6	F6: Rej.Out	Rejections Out
CTRL+F6	F6: Rej.In	Rejections In
ALT+F7	F7: Stk Jrnl	Stock Journal Voucher
ALT+10	F10: Phys Stk	Physical Stock
ALT+F5	F5: Sales Order	Sales Order
ALT+F4	F4: Purc. Order	Purchase Order

Set the option Use Tracking Numbers to Yes in F11: Company Features to activate Goods In Receipt Note and Goods Out Delivery Note vouchers. Tally will assume that goods are received along with Purchase Vouchers and Goods are delivered along with Sales Vouchers/Invoices. Activating Tracking Numbers denote that you may receive goods that are not accompanied by a Supplier's invoice, i.e. the invoice will arrive separately and that you may not deliver the goods along with the invoice but will invoice it later.

Note: In a voucher you are allowed to select Not Applicable when the Tracking Number sub-screen appears. This would update inventory immediately between delivery notes for stock delivered from different locations you can create vouchers to do this.

RECEIPT NOTE VOUCHER

This voucher type is used for recording goods received.

To view the Receipt Note Voucher:

1. Go to Gateway of Tally > Inventory Vouchers
2. Press the button Alt+F9 or Select the button F9: Rcpt Note from the button bar.

For example, consider the company receives new stock items from a supplier. If a Purchase Order exists for that Supplier, select the Order Number from the List of Orders pop up menu to bring up the order particulars automatically.

Receipt Note	
Description	Records receipt of new stock from suppliers
Details Recorded	Reference, Ledger Account, Supplier's Name, Address and Dispatch Details (If Accept supplementary Details option is set to Yes in F12: configure), Name of Stock Item, Tracking Details, Godown, Quantity, Rate (Optional), Amount (Optional), Narration.

REJECTIONS-IN VOUCHER (SALES RETURNS)

A Rejections In Voucher is used to record goods that are rejected and returned back by the customer:

To view the Rejections In Voucher

1. Go to Gateway of Tally > Inventory Vouchers
2. Press the Ctrl + F6

Rejections In Voucher	
Description	Records receipt of goods from customers.
Details Recorded	Ledger Account, Customer's Name, Address (If Accept supplementary Details option is set to Yes in F12: configure), Name of Stock Item, Tracking Details, Order details, Godown, batch details, Quantity, Rate (Optional), Amount (Optional), Narration.

DELIVERY NOTE VOUCHER

The delivery Note Voucher is used for recording goods delivered to a customer.

To view the Delivery Note Voucher

1. Go to Gateway of Tally > Inventory Vouchers
2. Press the Alt + F8 or select the button F8: Dely Note from the button bar.

For Example, the company delivers goods from Stock to a customer. If a Sales Order exists for that customer, selecting the appropriate Order Number from the List of Orders pop-up menu will automatically bring up the relevant particulars

Delivery Note	
Description	Records the delivery of goods to customers
Details Recorded	Reference, Ledger Account, Customer's Name, Address and Despatch Details (If Accept supplementary Details option is set to Yes in F12: configure), Name of Stock Item, Tracking Details, Godown, Quantity, Rate (Optional), Amount (Optional), Narration.

REJECTIONS-IN VOUCHER (PURCHASE RETURNS)

The Rejections out Voucher record goods that are rejected and returned to supplier.

To view the Rejections out Voucher

1. Go to Gateway of Tally > Inventory Vouchers
2. Press the Ctrl + F6 or Select the button F6: Raj. Out from the Button Bar

For example, the company returns items that had previously been taken into stock from the supplier.

Rejections Out Voucher	
Description	Records return of goods to suppliers
Details Recorded	Ledger Account, Supplier's Name, Address and Dispatch Details (If Accept supplementary Details option is set to Yes in F12: configure), Name of Stock Item, Tracking Details, Godown, Quantity, Rate (Optional), Amount (Optional), Narration

STOCK JOURNAL VOUCHER

Stock Journal Voucher is used to record stock transfers from one location to another.

To view the Stock Journal Voucher:

1. Go to Gateway of Tally > Inventory Vouchers
2. Press the buttons Alt + F7 or Select the button F7: Stk Jrnl from the Button Bar

For example, the company transfers items of stock from the warehouse to the shop.

Stock Journal Voucher	
Description	Records the transfer of stock from one Location to another

Details Recorded	Reference, Name of Source and Destination Locations, Name of Stock Item, Godown. Batch, Quantity, Rate, Amount, Narration
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PHYSICAL STOCK VOUCHER

Physical Stock Voucher is used for recording actual stock physically verified or counted.

To view the Physical Stock Voucher

1. Go to Gateway of Tally > Inventory Vouchers
2. Select the button F10: Phys Stk form Button Bar or Press Alt + F10

For example, Physical Stock is the stock found on conducting a stock check. It is not unusual that the company finds a discrepancy between actual stock and computer stock figure. Physical vouchers will be useful for recording purposes only if you have configured inventory vouchers to ignore physical stock differences. If you have configured the vouchers so that physical stock difference is not ignored, then all transactions subsequent to the physical stock voucher will use the balance as mentioned in that voucher.

Physical Stock Voucher	
Description	Records the physical stock count as the new stock balance
Details Recorded	Stock Item, Locations, Batch details and Quantity.

ENTERING PURE INVENTORY VOUCHERS IN TALLY

Selecting and Entering the Voucher

There are five kinds on inventory vouchers:

- Receipt Notes and Delivery Notes

- Reception - in and Rejections – Out
- Sales Order and Purchase Order
- Stock journal
- Physical stock

Note: Vouchers involving pop-up screens depend upon configuration settings and it will be assumed that these settings have been activated.

The basic procedure to enter voucher is:

1. Go to Gateway of Tally > Inventory Vouchers
2. Change the date if necessary.
3. Select the Voucher type form the Button Bar

ENABLEING F11: FEATURES

- Set Use Tracking Numbers to Yes to activate Delivery Note and Receipt Note vouchers.
- Set Use Rejection Notes to Yes to activate Rejections In and Rejections Out vouchers.
- Set Allow Purchase Order Processing and Allow Sales Order Processing to yes to activate Purchase Order and Sales Order vouchers.

A typical Receipt Note inventory voucher screen appears as shown below:

Inventory Voucher Creation		ABC Company		Ctrl + M
Receipt Note No. 1				1-Apr-2006
Ref.: RN_01				Saturday
Party's Ac Name : King and Sons				
Current Balance :				
Purchase Ledger : Purchase				
Name of Item	Quantity	Rate per	Amount	
Item A	100 Nos	10.00 Nos	1,000.00	
<input type="checkbox"/> End of List				
Narration:				
			100 Nos	Accept ?
				Yes or No

The screen is divided into three sections:

1. The Type, Reference and Date of the Voucher.
2. Party's Particulars and Ledger Account.
3. Inventory Item Details.

You can change the voucher type by selecting the required type from the Button Bar.

Note: In some cases such as Receipt Notes (where you have opted for Use rejection notes in F11) you will see a pop-up screen from which you select the right voucher.

Type of Voucher

Select the Voucher required from the Button bar.

Prior to making a voucher entry, ensure that you are using the right voucher. You can change the voucher type by selecting the new type from the Button Bar. In some cases, like receipt notes (where you have opted for Use Rejection notes in F11: Features) you will see a pop-up screen from which you can select the appropriate voucher.

Voucher number

Voucher numbering by default is automatic. It can be entered manually by setting it in Voucher Types.

Reference number

This is optional. You can enter a reference such as Purchase Order Number or Supplier's Delivery Note Number.

Date of voucher

The date of the voucher you are entering is displayed at the top-right of the Voucher Creation screen. By default, this will be the Current Date. You can change the date to the transaction date.

Note: you can change the date using the F2: Date button on the Button Bar.

Ledger Account

There are no To/By or Dr/Cr in inventory vouchers.

To select a ledger, type the first letter of its name and Tally will display a List of Ledger Accounts. As you continue typing. The highlights reduce until a match is found. Here you usually need a supplier's ledger account.

Supplier's name and address

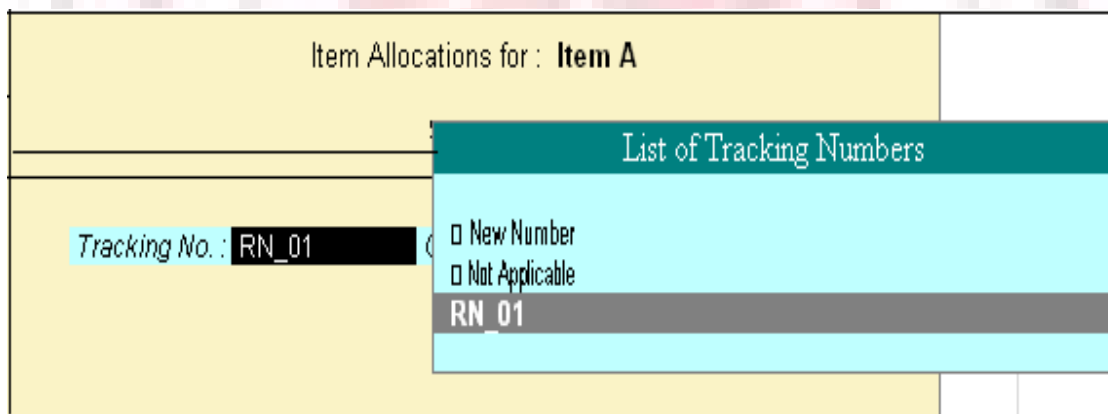
Enter details of the supplier's name and address. This can be different from the ledger name or can be the same. This information is useful when printing out the Goods Receipt Note.

Name of the Item

From the pop-up list of Stock Item, select the Stock Item that is being received. If it is not in the list, create it using ALT+C.

Tracking Number

Set Use Tracking Numbers to Yes in F11: Features> Inventory Features



The Tracking number is used to link the Receipt Note with the Supplier's Invoice that will be received later. (Supplier's Invoice is recorded through the Purchase Voucher). Hence, select the number which helps maintain the link. Tally gives the Receipt note number and the Reference number as default. However' you may opt to give your own number, in which case select NEW Number. if you not wish to give a tracking number at all select Note Applicable.

Tracking numbers link the different accounting vouchers with the inventory vouchers as follows:

1. Receipt Note/Goods In vouchers are linked to Purchase Vouchers
2. Goods Out/Delivery Note are linked to Sales Voucher/Invoice.

3. Rejections-In is linked to Credit Note

4. Rejections-Out is linked to Debit Note

New Number

Enter a new number that is not in the list. You can use this number to reconcile, while making a Purchase Voucher entry.

Not Applicable

You can select Not applicable if you do not want tracking number. this may be resorted in cases where you want to update stocks immediately with this entry and no goods inward entry is needed.

If you select Not Applicable in an inventory voucher it will update stocks and you need not make a separate accounting/invoice entry.

Uses of the option Not Applicable

- If you need to raise a sales voucher/invoice that accompanies the goods and do not want to pas Goods Out entry, Not Applicable will update stocks without the Goods Out entry.
- When you record a purchase voucher and wish to update inventory without a separate Goods In entry, select Not Applicable for the tracking number.
- The same applies to Debit Notes-Rejection Out and Credit Note-Rejection In.
- When you send out samples for approval, where you do not want to raise an invoice.
- When you receive samples, but no invoice will be forthcoming.

CREATING A STOCK JOURNAL

A Stock Journal is used to transfer materials or stock from one location to another location. Stocks can also be shown as consumed. It can only be produced without consumption and production. Hence, it is not like other journals where debits and credits match.

You can specify quantities that are moved, their rates and amounts. If standard rates are entered in the Stock Item masters, they will appear. In the target location, you can specify additional costs incurred without actually affecting accounting at all. Only the stock

value goes up. Hence, it is technically correct where an expense incurred on production or inward has been accounting for in th cost of that item.

To create a Stock Journal Voucher

1. Go to Gateway of Tally > Inventory Vouchers
2. Select the button F7: Stk Jrnl form the button bar or press Alt+F7

Source (Consumption)				Destination (Production)			
Name of Item	Godown Quantity	Rate	Amount	Name of Item	Godown Quantity	Rate	Amount
MBP 150	Head Office		1,347.00	Maxell Disk 3.5	Warehouse		1,347.00
Gold 8 - Cd Rom	Head Office		459.00	Gold 8 - Cd Rom	Warehouse		459.00
			1,806.00				

Narration:

Accept ?
Yes or No

The Stock Journal Screen has three parts-

1. The part at the top accepts general information.
2. The left-hand side accepts the Source Godown or Consumption Part.
3. The right-hand side accepts the Destination Godown or the Production Part.

You must furnish the common information required in the field that appears at the top. You may elect to give information for only the left or the right part or both.

COMMON INFORMATION

Reference, date and voucher number

Reference field will be displayed if this is option is activated for the voucher. Give a reference number, if required. Voucher number depends upon the settings in Voucher Type.

Source (consumption)

Select the name of the Stock Item and the Godown from which it moves or where it is consumed as well as the Quantity, rate and amount. If the rate is specified in the Stock Item master it will be displayed when you indicate the Item name.

Note: the effect of entry in this part is to reduce stock of the Items specified.

Destination (Production)

Mention the name of the item and the Godown to which the item is moved. It is not necessary that the item names should match the names in the source part. This is because a totally new Item could be produced out of the materials consumed. You can specify the rate of the Item, Quantity and amount. If the rate is specified in the Stock Item master, it will be brought up when you indicate the Item name.

Note: The effect of entry in the Destination Part is of increasing the stock of the Items specified in this part.

Additional cost details

This is another interesting facility available for the Destination Godown (Production). You can specify what additional costs were incurred in moving goods to the Godown or for producing them. Though these costs are strictly accounting heads, they do not get posted in the relevant nominal ledger accounts but add to the cost of the Item. In the target Godown, you can specify additional costs incurred without actually affecting accounting. Only the stock value goes up. Hence, it is technically correct where and expense incurred on production or inward has been accounted for in the cost of that item.

After entering the amount for and Item, the following Additional Cost Details entry box pops up.

You may specify additional costs for transferring or producing the item. The typically additional costs are wages, power, and freight and so on. Ensure that you have ledger accounts opened for the additional cost. Moreover, additional costs entered for the ledgers, do not reflect in the relevant ledger with the amount but only add to cost of the item.

Percentage (%-age)

You can specify the additional cost in percentage of the cost of the item, in which case enter the number, for example, 2 for 2% of the cost of the item. You may, alternatively, skip the percentage field and input an amount directly.

Actuals

This displays the total additional cost for the item and the effective cost per unit of item/product produced.

HILL OF MATERIALS

A Bill of Materials is a list of constituent items along with quantity details that can be allotted towards manufacturing a certain product, by-product or likewise. This facilitates immediate reduction in stock of the item automatically. This process of listing the items that make up another item is made possible in Tally by enabling the Bill of Materials Facility.

Enabling Bill of Materials

This is useful for manufacturing organizations and can be set up through F12: Configure. The Bill of Materials option now appears in the Stock Item Creation screen only after entering a unit of measure in Units field.

1. Go to Gateway of Tally > F12: Configure
2. Select Accts/Inv Info from the Configuration Menu
3. Set Allow Component List Details (Bill of Materials) to Yes

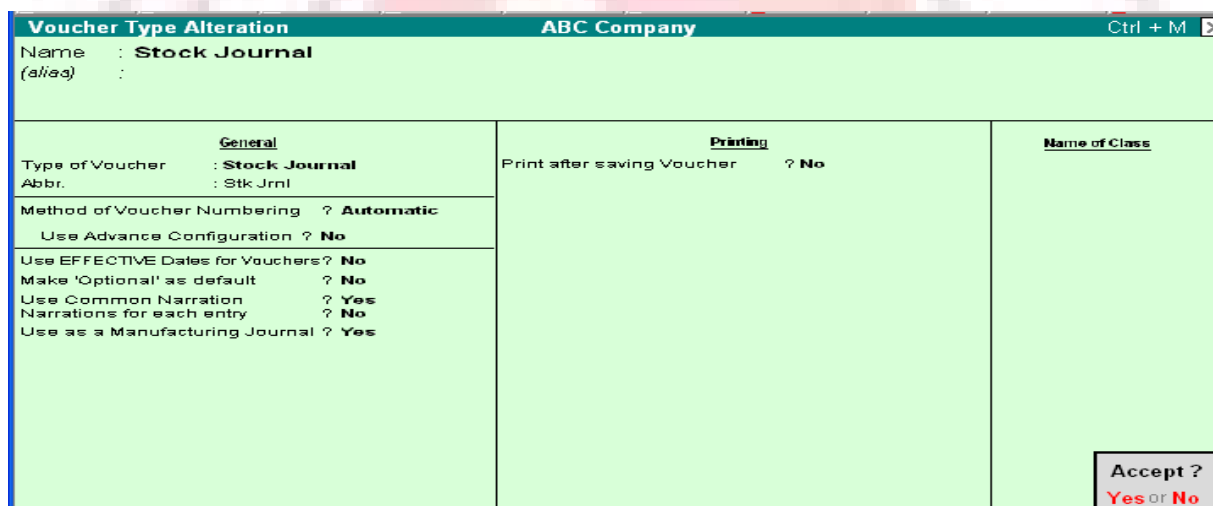
<u>Master Configuration</u>	
Allow ALIASES along with Names	? Yes
Allow Language ALIASES along with Names	? No
<u>Accounts Masters</u>	
Allow ADVANCED entries in Masters	? Yes
Add NOTES for Ledger Accounts	? Yes
Use ADDRESSES for Ledger Accounts	? Yes
Use CONTACT DETAILS for Ledger Accounts	? Yes
<u>Inventory Masters</u>	
Allow ADVANCED entries in Masters	? Yes
Use PART NUMBERS for Stock Items	? Yes
Use Description for Stock Items	? Yes
Use REMARKS for Stock Items	? Yes
Specify Default Ledger Allocation for Invoicing	? Yes
Use ALTERNATE UNITS for Stock Items	? Yes
Allow Std. Rates for Stock Items	? Yes
Allow Component list details (Bill of Materials)	? Yes
Use ADDRESSES for Godowns	? No

A Bill of Material should be available while manufacturing an item. This is done through a stock journal. It is advisable to create a new voucher type, say, Mfg Journal which is based on Stock Journal

Stock Journal as Manufacturing Journal

Stock Journal vouchers have an options Use as a Manufacturing Journal, in the Voucher Type Creation screen which has to be set to Yes.

1. Go to Gateway of Tally
2. Select Accounts Info. > Voucher Types > Alter
3. Select the Stock Journal Voucher from the Voucher Types
4. Set the option Use as a Manufacturing Journal to Yes



When you use a Stock Journal as a Manufacturing Journal, the Stock Journal voucher entry screen will be modified to accept Name and Quantity of the product being manufactured, its list of components and additional costs of manufacture associated with it. for and end-product item, if you have specified a bill of material that contains the list of components, this list will be brought up automatically and filled in for the quantity of the end product

CREATING A BILL OF MATERIAL

Bill of Material (BoM) is created only for those4 items that are being assembled in-house. For trading items, you do not need a BoM. Therefore, you need to specify a BoM at the time of creating a Stock Item or when altering its master.

Let us create a new Stock Item Television Flatiron and specify its BoM.

Go to Gateway of Tally> Inventory Info. > Stock Items > Create

The Stock Item Creation screen is displayed below.

Stock Item Creation		ABC Company	
Name	: Television Flatiron		
(alias)	:		
Set/Modify Default Ledgers for Invoicing		? No	
Under	: Home Electronics	Behaviour	
Units	: Nos	Costing Method	: Avg. Cost
Alternate Units	: <input type="checkbox"/> Not Applicable	Market Valuation Method	: Avg. Price
Maintain in Batches	? No	Ignore Diff. due to Physical Counting	? No
Set Components (BoM)	? Yes	Ignore Negative Balances	? No
Set Standard Rates	? No	Treat all Sales as New Manufacture	? No
		Treat all Purchases as Consumed	? No
		Treat all Rejections inward as Scrap	? No
		Quantity	Rate per
Opening Balance		:	Value

Some information like Batches, Alt. units etc. depend upon the company features, configuration and invoicing set-up. For details on fields other than Set Components (BoM) refer to the Stock Item Creation section under Inventory Information.

The different for India/SAARC would be in the field Rate of VAT and MRP/Marginal.

Stock Item Creation		ABC Company	
Name	: Television Flatiron	Part No.	:
(alias)	:		
Description	:		
Remarks	:		
Set/Modify Default Ledgers for Invoicing		? No	
Under	: Home Electronics	Behaviour	
Category	: <input type="checkbox"/> Not Applicable	Costing Method	: Avg. Cost
Units	: Nos	Market Valuation Method	: Avg. Price
Alternate Units	: <input type="checkbox"/> Not Applicable	Ignore Diff. due to Physical Counting	? No
Maintain in Batches	? No	Ignore Negative Balances	? No
Set Components (BoM)	? No	Treat all Sales as New Manufacture	? No
		Treat all Purchases as Consumed	? No
		Treat all Rejections inward as Scrap	? No
		Quantity	Rate per
Opening Balance		:	Value
			Accept ?
			Yes or No

- Set the option Allow Component list details (Bill of Materials) to Yes in F12: Configure.
- A pop-up list for the components appears which has to be entered as shown below.

Components of Unit of manufacture		: Television Flatom
		: 1 Nos
Item	Godown	Quantity
VDU	Main Location	1 Nos
Picture Tubes	Main Location	1 Nos
IC Chips	Main Location	1 Nos
Sound Card	Main Location	1 Nos
Aerial	Main Location	1 Nos

Unit of Manufacture

Specify the appropriate number of the finished product items that will be made. While manufacturing and recording through stock/manufacturing journal, record the item in multiples of this unit of manufacture. The components are multiplied by the same factor automatically. You are allowed to alter the components to reflect actual consumption, if there is a change from BoM.

Note: Under certain circumstances, it is better to give a larger unit of manufacture, for example, per 1000 Pcs of nails, as raw material consumed for 1 piece of nail is insignificant.

Item, Godown (Location) and Quantity

Enter the component name and quantity. If there are multiples Godowns or Locations, specify the storage location for the item.

Enter the options for all appropriate fields for the stock item and accept the screen.

MANUFACTURING JOURNAL ENTEY

1. Go to Gateway of Tally > Inventory Vouchers
2. Select the button F7: Stk. Jrnl or press Alt +F7

If you are creating a new voucher type Manufacturing Journal, a pop-up menu is displayed with the options default Stock Journal and Manufacturing Journal.

Select Manufacturing Journal and the following; screen will be displayed.

Inventory Voucher Creation				ABC Company		Ctrl + M
Manufacture Journal No. 1				1-Apr-2006		
Ref. :				Saturday		
Manufacture of Materials						
Name of Product : Television Flatorn				Godown: Head Office Television	Qty	5 Nos
Batch Name :				Mfg Dt.:	Expiry :	
Components (Consumption)				Cost of Components :		
Name of Item	Godown	Quantity	Rate	Amount		
					2,110.83/Nos	10,554.15
VDU	Head Office Television	25 Nos	5.00/Nos	125.00		
Picture Tubes	Head Office Television	5 Nos	50.83/Nos	254.15		
IC Chips	Head Office Television	5 Nos	1,250.00/Nos	6,250.00		
Sound Card	Head Office Television	5 Nos	335.00/Nos	1,675.00		
Aerial	Head Office Television					
1 more ...						
					Total Addl. cost	:
					Effective Cost	:
						10,554.15
					Effective Rate	:
						2,110.83/Nos
Narration:						

INPUT FIELDS

Reference Number

Enter a reference number, if required.

Name of Product

Enter the name of the Stock Item to be manufactured.

Location

Enter the location where the Item is manufactured. This location will show the stock.

Quantity

Enter the quantity of the item to be manufactured.

Component (Consumption)

The component list for manufacturing the product and the proportionate quantity of each component (based on the quantity specified for the product in BOM) is produced. For each component, the default location is given as specified in the BoM. The entire component list can be altered, components added or removed and locations amended.

Note: Any change made during this entry will not affect the original Bill of Material for this product. If you want to make permanent change to the Bill of Material, alter the Stock Item master information of the product.

Cost of components

The base cost of the components are automatically added and displayed on the screen.

Additional cost components

Specify additional costs for producing an item. These are typically wages, power, and freight. Creating ledger accounts for the additional costs is a must. Moreover, additional costs entered for the ledgers are not reflected in the relevant ledger with the amount, but these additional costs only add to the cost of the item.

% age

Additional costs can be entered in terms of percentage of cost of components. For example, 2 for 2% of the cost of components. You can also skip the percentage field and enter an amount directly.

Total additional cost

This field displays the total additional cost for an Item.

Effective cost

This is the sum of the total cost of components and additional costs.

Effective rate

Effective cost per unit of item/product produced.

PURCHASE AND SALES ORDERS

Order Processing

Order processing is the placing of orders with suppliers for purchase to be made from the or receive orders from customers for the purpose of selling. In Tally, Order Processing is linked to Inventories. This allows tracking of the order position for a Stock Item. Using this you can track arrival of goods ordered and also whether the ordered Stock Item are delivered on time etc.

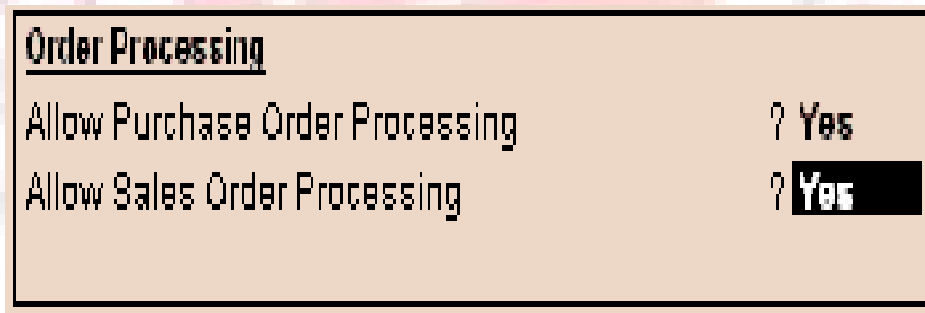
You can create Purchase and Sales Orders in Tally. Purchase Orders (PO) can be created, printer and sent to suppliers. Goods received are linked with the POs and Invoices. Outstanding Purchase Orders should be monitored. Stock Summary displays order position of any item. The Purchase Order Book lists out all the Purchase Orders Placed.

Likewise, Sales Orders received are recorded in Sales Order Entry screen. These details will be available during Delivery Note and Invoicing. The order position in the Stock Summary can be viewed. The Sales Order Book lists all Sales Order received.

Enabling Purchase and Sales Orders

To enable Sales Order and Purchase Order vouchers, activate the following in F11: Features.

1. Set Allow Purchase Order Processing and Allow Sales Order Processing to Yes.
2. Enable Use Tracking Numbers



CREATING A PURCHASE ORDER

Purchase Order details depend on configuration settings.

To create a Purchase Order:

Go to Gateway of Tally > Inventory Vouchers> F4: Purc. Order

Name of Item		Quantity		Rate per	Amount
		Actual	Billed		
Item A		10 Nos	10 Nos	100.00 Nos	1,000.00
<input type="checkbox"/> End of List					
Narration:		10 Nos	10 Nos		1,000.00

Party's A/c Name

Select the Supplier's name form the List of Ledger Accounts. Use Alt + C to create a new account.

Order No

Enter the purchase order number. Configure the voucher type through Accounts Info > Voucher Types to set prefixes and suffixes for Purchase Orders. This particular Order No. field is an additional field to record order number if it is different from the voucher number. The voucher number is automatically displayed here; it is also possible to change this number if needed.

Name of the Item

Select the Stock Item that needs to be purchased from the List of Stock Items. The Item Allocations sub-screen is displayed. Enter the details as show below.

Item Allocations for : Item A For Order Number : po			
Godown	Quantity	Rate per	Amount
Due on 10-Apr-2006 Head Office Television	10 Nos	100.00 Nos	1,000.00
Due on			

Due on

Enter the due date for delivery to the item. This monitors outstanding deliveries. The order can be split for delivery on different dates. If the order is split, give the due date of the first lot to be delivered. After selecting the respective Godown and entering the Quantity, Rate and Amount, specify the due date for the second lot. If the whole lot is delivered at a time, Press Enter in the Due on field to return to the Voucher Creation screen.

The cursor returns to the Item field once again. Now enter another item. If no other item is required, press Enter in the blank field to navigate to the next field. Press the space bar to display the List of Ledger Accounts.

You can also specify other expenses like freight, tax to be charged if any in the Purchase Order. The Tax and Expense has to exist as a ledger account or it may be created using Alt + C.

Location

This field should be entered with required details if multiple-location feature is enabled, otherwise it does not appear.

Quantity, Rate and Amount

Enter the quantity of the item required and its rate. The amount is calculated, but it can be modified to enable rounding off.

Additional Cost Details

Enter any additional cost incurred on the item here. This can be either entered as a percentage of the item cost or a fixed amount. If not, select End of List. Additional costs increase the value of the item, but they do not appear independently in the nominal ledger account or expense.

Next Item

The cursor comes to the Item field once again and you can enter another item to order. If no other item is required, press enter on the blank field to take the cursor to the tax/expense field.

Expense/Tax

Once the item details have been entered, specify tax to be charged and other expenses like freight, if any. The tax or expense has to exist as a ledger account if they do not exist, create it using Alt + C. Here, consider tax @ 17.5% that is charged on the item values.

The order entry screen appears as shown below.

Inventory Voucher Creation		ABC Company		Ctrl + M	
Purchase Order No. 1				1-Apr-2006 Saturday	
Party's A/c Name : Indian Software Ltd		Order No. : po			
Current Balance :					
VAT/Tax Class: Purchases @ 4%					
Name of Item	Quantity		Rate per	Amount	
	Actual	Billed			
Item A	10 Nos	10 Nos	100.00 Nos	1,000.00	
Vat @ 17.5%			17.50 %	1,750.00	
Narration:		10 Nos	10 Nos		2,750.00

Narration

ALTERING A PURCHASE ORDER

To alter a Purchase Order

- Go to Gateway of Tally > Display > Day Book

OR

- Go to Gateway of Tally > Display > Inventory Books > Purchase Order Book

Make the necessary alterations and save.

DELETE A PURCHASE ORDER

To delete a Purchase Order Press Alt + D in the Purchase Order alteration screen

This field is optional. Enter necessary particulars about the order.

CREATING SALES ORDERS

Sales order entry is exactly like the Purchase Order Entry. Sales Order details will also depend on configuration settings.

To create a Sales Order:

Go to Gateway of Tally > Inventory Voucher> F5: Sales Order

Inventory Voucher Creation		ABC Company	Ctrl + M
Sales Order No. 1		List of Items	
Party's A/c Name : Sun Manufacturing Co. Current Balance : 5,200.00 Dr		<input type="checkbox"/> End of List Aerial 0 Nos Cement 10 Bgs Gold 8 - Cd Rom Gold B Cd Rom IC Chips 0 Nos Item A 100 Nos Maxell Disk 3.5 MBP 150 Picture Tubes 0 Nos Sound Card 0 Nos Television Flatom 0 Nos Timber 450 Nos VDU 0 Nos	
Name of Item	Qu		
	Actual		
A.			

Party's A/c Name

Select the Customer's name. press Alt + C to create a new account.

Order No

The voucher number is automatically displayed. You can change this number if required. Enter the sales order number.

Name of the Item

Select the Item for which th order is to be placed from the List of Stock Items. Here, the Item Allocations sub-screen is displayed.

Enter the details as shown below:

Item Allocations for : Item A					
For Order Number : S1					
Godown	Quantity		Rate	per	Amount
	Actual	Billed			
<i>Due on</i> 1-Apr-2006					
Head Office Television	10 Nos	10 Nos	10,000.00	Nos	1,00,000.00
<i>Due on</i> [Redacted]					

Due on

Enter the due date for delivery to the item. This monitors outstanding deliveries. The order can be split for delivery on different dates. If the order is split, give the due date of the first lot to be delivered. After selecting the respective Godown and entering the Quantity, Rate and Amount, specify the due date for the second lot. If the whole lot is delivered at a time, Press Enter in the Due on field to return to the Voucher Creation screen.

The cursor returns to the Item field once again. Now enter another item. If no other item is required, press Enter in the blank field to navigate to the next field. Press the space bar to display the List of Ledger Accounts.

You can also specify other expenses like freight, tax to be charged if any in the Purchase Order. The Tax and Expense has to exist as a ledger account or it may be created using Alt + C.

Location

In case multiple location features are active this field has to be mentioned. Otherwise it does not appear.

Quantity, Rate and Amount

Enter the quantity of the item required and its rate. The amount is calculated, but it can be modified to round it off.

Additional Cost Details

There are no additional cost details for sales orders. They exist only for Purchases as the values are added to the cost price. In case of sales, additional cost needs to be entered below the line along with tax.

Next Item

After completion of entering the first item, the cursor comes to Item field once again and you can enter another item to order. If there is no other item, press Enter in the blank field to take the cursor to the tax/expense field.

Expense/Tax

Once the item details have been entered, specify tax to be charged and other expenses like freight, if any. The tax or expense has to exist as a ledger account if they do not exist, create it using Alt + C. Here, consider tax @ 17.5% that is charged on the item values.

The Sales order entry screen appears as shown below.

Inventory Voucher Creation		ABC Company		Ctrl + M	
Sales Order No. 1				1-Apr-2006 Saturday	
Party's A/c Name : Sun Manufacturing Co. Current Balance : 5,200.00 Dr		Order No. : 1			
Name of Item	Quantity		Rate per	Amount	
	Actual	Billed			
Item A	10 Nos	10 Nos	10,000.00 Nos	1,00,000.00	
Vat @ 17.5%			17.50 %	17,500.00	
Narration:		10 Nos	10 Nos		
				Accept ? Yes or No	

Narration

This field is optional. You can give some particulars about the order.

INVOICE ENTRY

Invoicing or sales invoicing is almost similar to sales voucher entry. You will use the same voucher but select As Invoice option to turn it into a sales invoice. Purchase invoices are recorded through normal Purchase Voucher entry and it does not have the provision of being converted into an invoice format for entry purposes, similarly, you can print the Purchase voucher as a Purchase Invoice or even a Purchase Order.

The advantage of using the invoice format for sales and purchase voucher entry is that it enables automatic calculations of taxes and duties. This is possible for only those groups for which used for Calculation is enabled under the group Duties and Taxes. This is also possible for other groups for which the field Used for Calculation is enabled in the Group Creation screen.

In recording both sales and purchase invoice details, you can adjust accounting and inventory balances and account for Taxes simultaneously.

The default invoice formats has various configuration options. Use them to print your invoices as per requirements. It is not necessary to create new invoice formats. It is recommended that you configure the default invoice as per requirements. You can also design a new invoice using Tally's Definition Language (TDL) Report Designer. TDL is quite an advanced language with which you can create new reports and screens. You can even modify existing reports and screens.

Settings for creating Sales and Purchase Invoice

1. Ensure that Allow Invoicing is set to Yes in F11: Features to create sales invoice. This brings up another option. Set Separate Discount Column invoices to Yes if you want a separate column for discounts in invoices.
2. To create purchase invoices, ensure that Allow Invoices is set to Yes and also Enter Purchases in Invoice Format is set to Yes in F11: Features. If you want a separate column for discounts in invoices, follow the procedure described above.
3. Go to Gateway of Tally > Accounting Vouchers. Select either sales or purchase voucher. If you set Show Inventory Details to Yes in F12: Configure, all inventory details will be displayed on voucher screen.
4. While creating Ledgers under the group Sales and Purchase Accounts, ensure that the option Inventory values are affected is set to Yes.
5. If you want tax accounts (under the group Duties & Taxes) to use automatic calculation, ensure that the Percentage of Calculation is entered (For example, 17.5) and the appropriate Method of Calculation is selected from the pop-up menu in the Ledger Creation screen. If it is to use Tax based on Item Rate, then the Stock Item must have the rate specified. For more details refer Ledgers.

PRINTING INVOICES AND VOUCHERS

To print any voucher or invoice, press ALT+P or click on the button Print. You can configure the voucher type to print automatically after saving the voucher.

Voucher Printing	
Printer : (Ne00)	Paper Type : Letter
No. of Copies : 1	
Print Language : English	(Printing Dimensions)
Method : Neat Mode	Paper Size : (8.50" x 10.98") or (216 mm x 279 mm)
Page Range : All	Print Area : (8.50" x 10.98") or (216 mm x 279 mm)
<u>Report Titles</u>	
INVOICE	
<i>Without Page Numbers</i>	
Print ? Yes or No	

Note: You can configure the printing options by selecting the appropriate buttons. You can give additional information. Change titles. Print additional pages, change printer settings.

The buttons Pre-Printer and Quick Format toggles for Plain Paper and Neat Format respectively. These are print specifications that you set. Pre-printed is for per- printed stationery. Quick Format does not give fonts or other niceties but is ideal for fast printing. Select copies and give the number of copies to be printed. By default this is set to one copy. You can set the number of copies in Invoice Printing Configuration.

Go to Gateway of Tally> F12: Configure> Printing

View invoice as voucher and vice-versa

Once you create the invoice, you can view it as a voucher by simply displaying it and clicking on the toggle button [As invoice] / [As Voucher] or pressing CTRL+V. The same can be done with a sales voucher to be brought up as an invoice

Display/Alter a Voucher/Invoice

You can display a voucher or alter it (subject to authority), by simply drilling down any display screen.

For example, from the Balance Sheet, press Enter on the group Sundry Debtors, then on the particular ledger, which brings up its monthly summary. Continue the selection process till you see the list of vouchers and then the voucher itself. You may alter a voucher by going through the ledger display screen or the Day Book.

Note: If you do not have the authority to alter a voucher, the voucher would be brought up for display only.