Lesson 5:   Voucher Entry in Tally.ERP 9

Lesson Objectives

On completion of this lesson, you will be able to

- ❑ Describe the purpose of the Tally.ERP 9 Accounting Vouchers
- ❑ Create and alter Accounting Vouchers
- ❑ Use vouchers to enter Accounting transactions
- ❑ Describe the use of Non-Accounting Vouchers
- ❑ Describe the purpose of the Tally.ERP 9 Inventory vouchers
- ❑ Create and alter Inventory Vouchers
- ❑ Using vouchers to enter Inventory transactions

In accounting terms, a voucher is a document containing the details of a financial transaction. For example, a purchase invoice, a sales receipt, a petty cash docket, a bank interest statement, and so on. For every such transaction made, a voucher is used to enter the details into the ledgers to update the financial position of the company. This feature of Tally.ERP 9 will be used most often.

Tally.ERP 9 follows the Golden Rule of Accounting :

	Real Accounts	**Personal Accounts**	**Nominal Accounts**
Debit	What Comes in	The Receiver	Expenses and Losses
Credit	What Goes out	The Giver	Incomes and Gains

5.1 Accounting Vouchers

Tally.ERP 9 is pre-programmed with a variety of accounting vouchers, each designed to perform a different job. The standard Accounting Vouchers are:

- ❑ Contra Voucher (F4)
- ❑ Payment Voucher (F5)

- Receipt Voucher (F6)
- Journal Voucher (F7)
- Sales Voucher /Invoice (F8)
- Credit Note Voucher (CTRL+ F8)
- Purchase Voucher (F9)
- Debit Note Voucher (CTRL+ F9)
- Reversing Journals (F10)
- Memo voucher (CTRL+ F10)

- *Optional Voucher: All the available vouchers in Tally.ERP 9 (except non-accounting vouchers) can be marked optional, if required.*
- *Post-dated voucher: All the available vouchers in Tally.ERP 9 can be marked post-dated, if required.*

You can alter these vouchers to suit your company, and also create new ones. Read ahead to understand the function of each voucher type. The following exercises are sample enteries for understanding Voucher entry in Tally.ERP 9, do not make these entries.

5.1.1 Contra Voucher (F4)

For example: withdrawing money from the bank for petty cash.

Contra Voucher			
Description	Records funds transfer between cash and bank accounts		
Voucher Entry	**Account**	**Amount**	**Amount**
	State Bank of India (Bank Accounts)		Credit
	Petty Cash (Cash-in-hand)	Debit	

Use a Contra Voucher to record the entry.

Setup :

In **Voucher entry mode**, press **F12: Contra Configuration** and set the following to **Yes**:

- Skip the Date field in Create Mode (faster entry!)
- Use Cr/Dr instead of To/By during entry
- Warn on Negative Cash Balance
- Show Ledger Current Balances
- Show Balances as on Voucher Date

Go to the **Gateway of Tally > Accounting Vouchers > F4: Contra**.

Figure 5.1 Contra Voucher

❑   Press **Y** or **Enter** to accept the screen.

5.1.2 Payment Voucher (F5)

For example, a company settles a creditor's bill by cheque.

Payment Voucher			
Description	Records all bank and cash payments		
Voucher Entry	**Account**	**Amount**	**Amount**
	Ledger account paid Kaltronic Ltd. (Sundry Creditors)	Debit	
	Bank or cash account State Bank of India (Bank Account)		Credit

Use a Payment Voucher to record the entry.

Go to the **Gateway of Tally > Accounting Vouchers > F5: Payment**.

Accounting Voucher Creation	Indus Enterprises	Ctrl + M ☒
Payment No. 1		1-Apr-2009 Wednesday

Particulars	Debit	Credit
Dr **Kaltronic Ltd**	500.00	
Cur Bal: 500.00 Dr		
On Account 500.00 Dr		
Cr **State Bank of India**		500.00
Cur Bal: 29,500.00 Dr		

Narration:
Ch. No. :

500.00   500.00

Accept ?

Yes or No

Figure 5.2 Payment Voucher

❑ Press **Y** or **Enter** to accept the screen.

Payment in Single Entry Mode

In **Voucher entry mode**, use **F12: Payment Configuration** and set **Use Single Entry mode for Pymt/Rcpt/Contra** to **Yes**.

Payment Voucher			
Description	Records all bank and cash payments		
Voucher Entry	**Account**	**Amount**	**Amount**
	Ledger account paid Conveyance Postage (Indirect Expenses)	Debit	
	Bank or cash account Petty Cash (Bank Account)		Credit

The entry made in the single entry mode appears as shown below:

Figure 5.3 Payment Voucher with Single Entry Mode

□   Press **Y** or **Enter** to accept the screen.

The advantage of a single entry mode is that you can select multiple debits or credits depending on the type of entry. Similarly the transactions can be recorded in single entry mode even in Receipt and Contra vouchers.

Warn on Negative Cash Balance

Tally.ERP 9 displays a warning if the cash balance is NIL when **Warn on Negative Cash Balance** is set to **Yes** in the **F12: Payment Configuration**. For example, a cash ledger account has no balance. A payment of Rs. 4,500 towards Telephone expenses is to be made. In the process of making the payment, Tally.ERP 9 displays a warning at the time of accepting the entry.

The entry made appears as shown below:

Figure 5.4 Payment Voucher with Warning on Negative Cash

In addition to the warning, Tally.ERP 9 also displays the negative balance amount in Red.

5.1.3 Receipt Voucher (F6)

For example, the company receives a bank advice that the interest has been credited to its deposit account.

Receipt Voucher			
Description	Records all receipts into bank or cash accounts		
Voucher Entry	**Account**	**Amount**	**Amount**
	Ledger account receiving Bank Interest (Indirect Incomes)		Credit
	Bank or cash account Deposit Account	Debit	

Use a Receipt Voucher to record the entry.

Ensure in **F12: Payment Configuration**, **Use Single Entry mode for Pymt/Rcpt/Contra** is set to **No**.

Go to the **Gateway of Tally > Accounting Vouchers > F6: Receipt**.

The entry made appears as shown below:

Figure 5.5 Receipt Voucher

❑ Press **Y** or **Enter** to accept the screen.

5.1.4 Journal Voucher (F7)

For example, the company has entered some expenditure on advertising as general office costs, rather than recording the transaction in the separate ledger for advertising.

Journal Voucher			
Description	Records adjustments between ledger accounts		
Voucher Entry	**Account**	**Amount**	**Amount**
	Advertising (Indirect Expenses)	Debit	
	Office Costs (Indirect Expenses)		Credit

Use the Journal Voucher to adjust the two accounts.

Go to the **Gateway of Tally > Accounting Vouchers > F7: Journal**.

The entry made appears as shown below:

Figure 5.6 Journal Voucher
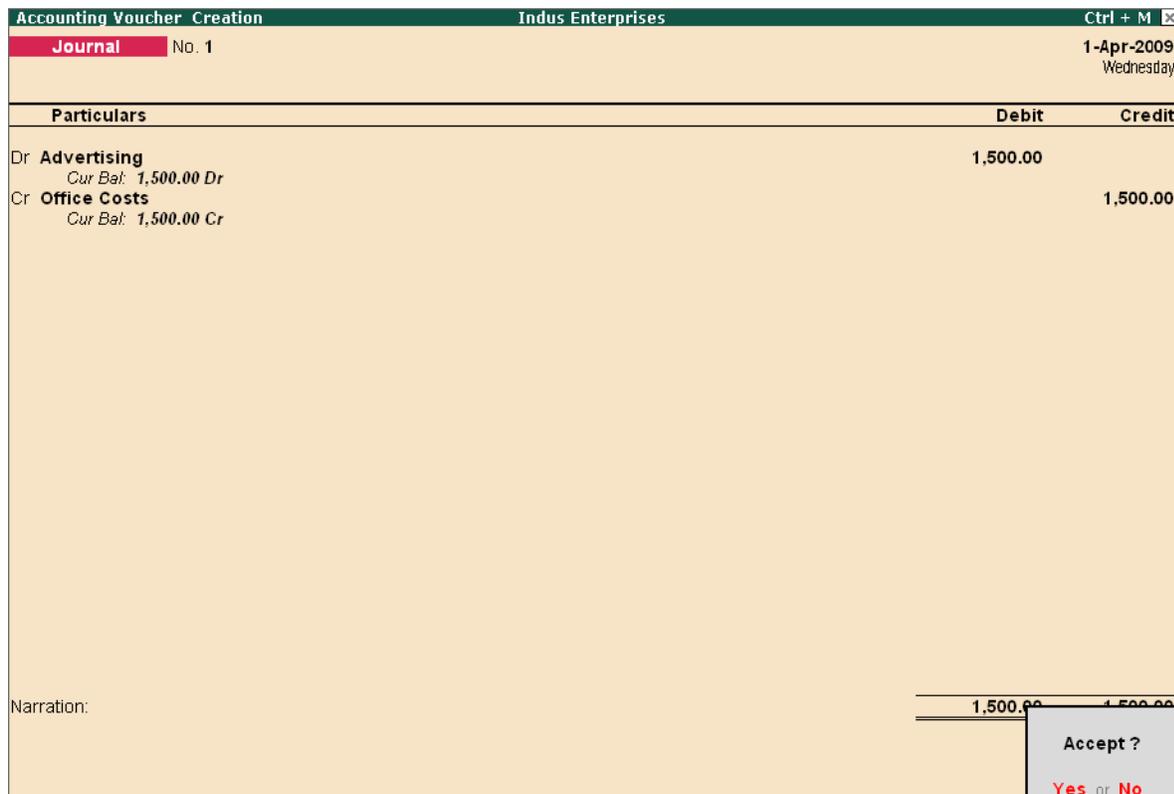
❑ Press **Y** or **Enter** to accept the screen.

5.1.5 Sales Voucher (F8)

For example, a company sells software on credit.

Sales Voucher		
Description	Records all sales	
Voucher Entry	**Account**	**Amount**	**Amount**
	Buyer's ledger account Milton & Co. (Sundry Debtors)	Debit	
	Sales Accounts (Local Sales)		Credit

Use a Sales Voucher for making this entry.

Go to the **Gateway of Tally > Accounting Vouchers > F8: Sales**.

The entry made appears as shown below:

Figure 5.7 Sales Voucher

- Press **Y** or **Enter** to accept the screen.

5.1.6 Credit Note Voucher (Ctrl + F8)

This voucher type is made available when the option **Use Debit/Credit Note** to is set to **Yes** in the **F11: Features (F1: Accounting features)**.

For example: A customer returns stock that was incorrectly supplied.

Credit Note Voucher			
Description	Records credit note entry for sales returns or Customer over-charging		
Voucher entry	**Account**	**Amount**	**Amount**
	Buyer's ledger account Milton & Co (Sundry Debtors)		Credit
	Sales Accounts Local Sales	Debit	

Use a Credit note to record this entry.

Go to the **Gateway of Tally > Accounting Vouchers > F8: Credit Note**.

The entry made appears as shown below:
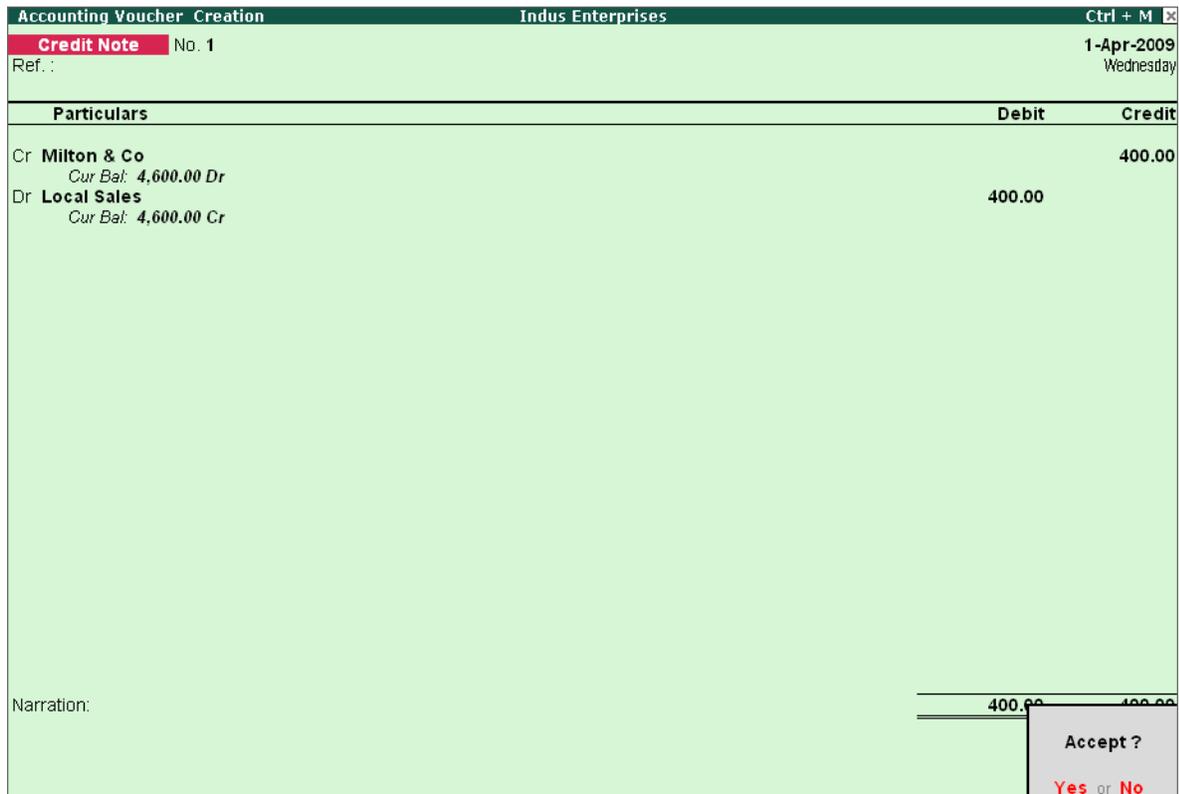
Figure 5.8   Credit Note Voucher

◻   Press **Y** or **Enter** to accept the screen.

5.1.7 Purchase Voucher (F9)

A company buys computer parts on credit.

Purchase Voucher			
Description	Records all purchases		
Voucher Entry	**Account**	**Amount**	**Amount**
	Supplier's ledger account Beltron Ltd (Sundry Creditor)		Credit
	Purchase Accounts (Local Purchases)	Debit	

Use a Purchase Voucher to record this entry.

Go to the **Gateway of Tally > Accounting Vouchers > F9: Purchase**.

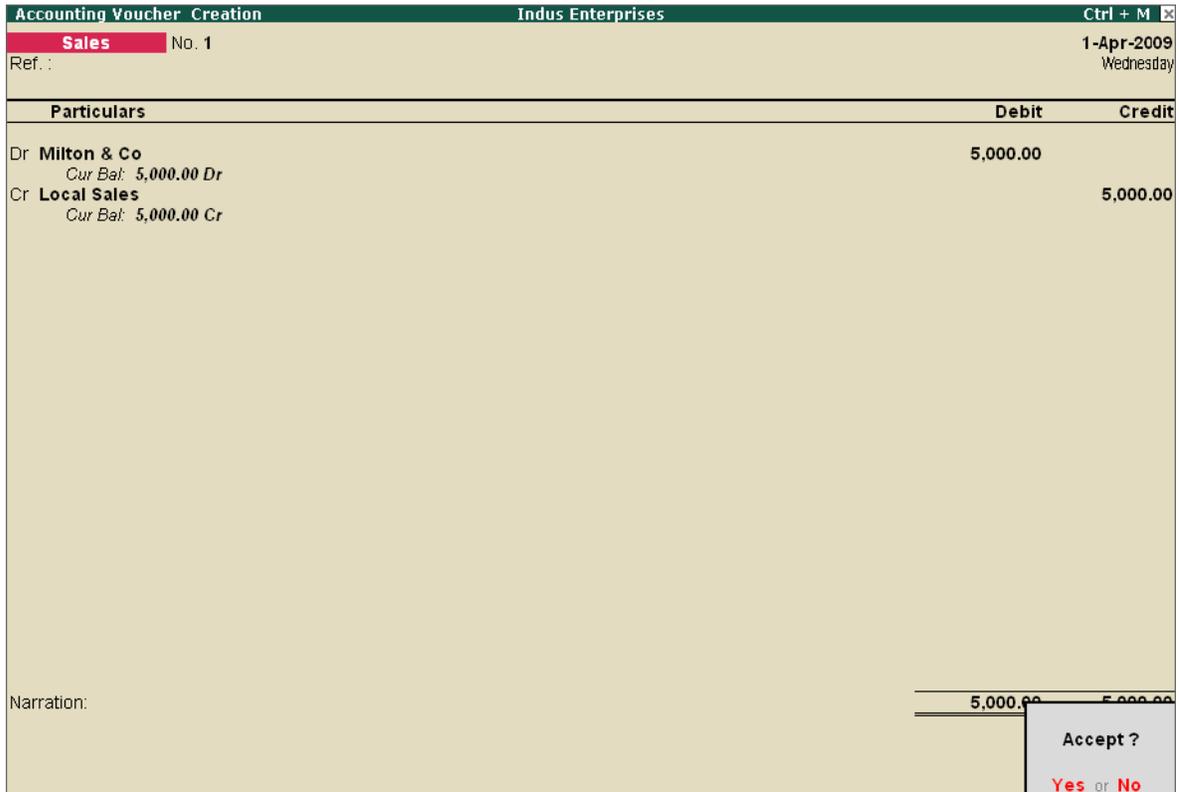The entry made appears as shown below:

Figure 5.9 Purchase Voucher

❑ Press **Y** or **Enter** to accept the screen.

5.1.8 Debit Note Voucher (Ctrl + F9)

This voucher type is made available when the option **Use Debit/Credit Notes** is set to **Yes** in the **F11: Features (F1: Accounting Features)**.

For example, a company returns damaged goods to a supplier.

Debit Note Voucher	
Description	Records debit note entry for purchase returns or over-charging by a supplier

Voucher Entry	Account	Amount	Amount
	Supplier's ledger account Beltron Ltd (Sundry Creditor)	Debit	
	Purchase Accounts (Local Purchases)		Credit

Use a Debit Note to record this entry.

Go to the **Gateway of Tally > Accounting Vouchers > F9: Debit Note**.

The entry made appears as shown below:
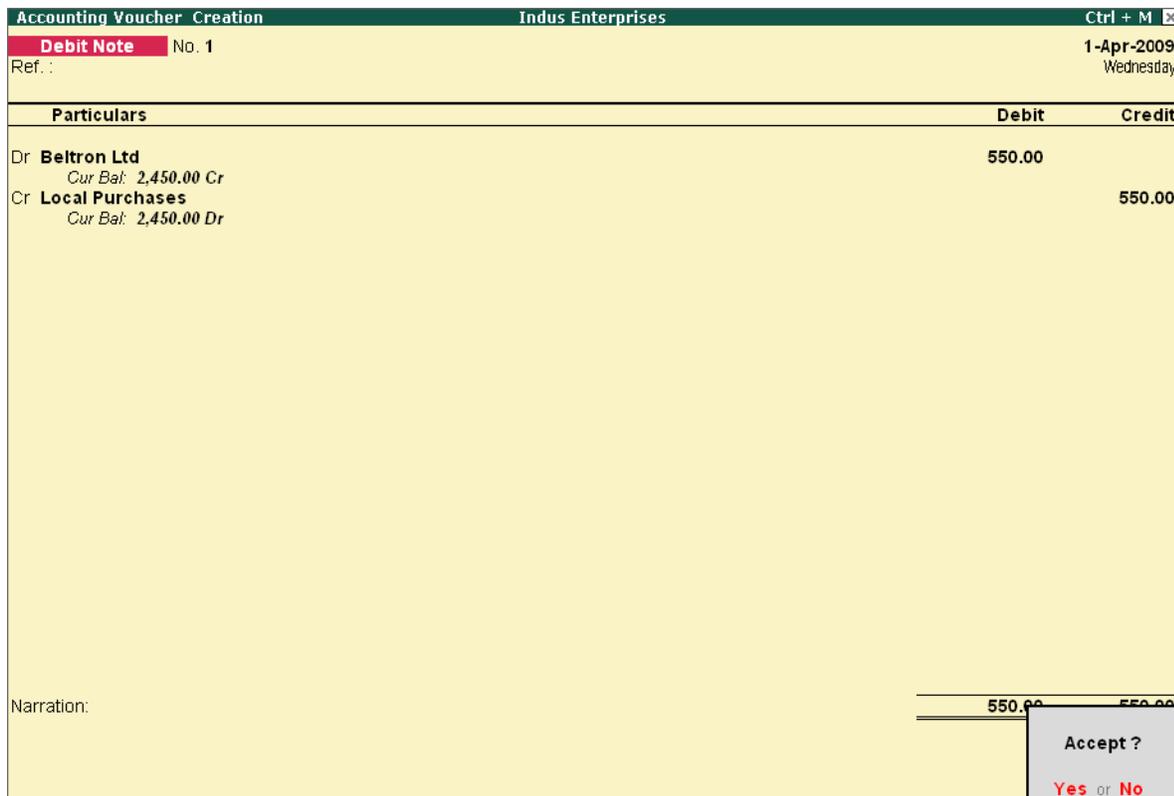
Figure 5.10 Debit Note Voucher

❑ Press **Y** or **Enter** to accept the screen.

5.1.9 Reversing Journal Voucher (F10)

Reversing Journals are special journals that are automatically reversed after the date of the journal. They exist only for a day and are effective on the date of the reversing journal. This voucher type is available only if the feature **Use Reversing Journals & Optional Vouchers** is set to **Yes** in the **F11: Features (F1: Accounting Features)**.

The entry made for this, is as follows:

Reversing Journal Voucher			
Description	Records the voucher entries in a Reversing Journal Register, without affecting the ledger accounts and financial statements		
Voucher entry	Account	Amount	Amount
	Ledger account	Debit	
	Ledger account		Credit

Go to the **Gateway of Tally > Accounting Vouchers > F10: Reversing Journal.**

Reversing Journals are useful in Scenario Management.

5.1.10 Memo Voucher (Ctrl + F10)

Memo Voucher is a non-accounting voucher and the entries made using it will not affect your accounts. In other words, Tally.ERP 9 does not post these entries to ledgers but stores them in a separate **Memo Register**. You can alter and convert a Memo voucher into a regular voucher when you decide to bring the entry into your books.

Memo vouchers are used for the following purposes :

1. Making suspense payments

For example, the company gives an employee cash to buy office supplies, the exact nature and cost of which are unknown. You could have entered a voucher stating 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 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 known.

2. Vouchers not verified at the time of entry

Sometimes it so happens that you do not understand the details of a voucher you are entering. In such cases, enter it as a Memo voucher and amend it when you get the details.

3. Items given on approval

Usually, entries are made into the books only after a sales transaction is completed. Items given **on approval**, can be tracked by using a Memo voucher. It can either be converted into a proper Sales voucher or be deleted depending on the outcome.

Memo Voucher			
Description	Records the voucher entries in a memo register, without affecting the ledger accounts and financial statements		
Voucher Entry	**Account**	**Amount**	**Amount**
	Ledger account	Debit	
	Ledger account		Credit

5.1.11 Optional Voucher

This is another **non-accounting** voucher which is available only if the feature **Use Reversing Journals & Optional Vouchers** is set to **Yes** in the **F11: Features (F1: Accounting Features)**. It differs from the Memo voucher in two respects:

- It is not a voucher type, since all the other voucher types can be marked as Optional during a voucher entry.

- You have the option to bring this voucher into your accounts **temporarily** and see its effect on financial reports. Any voucher type (except non-accounting voucher) can be designated as an Optional voucher.

Optional Voucher			
Description	Records voucher entries temporarily, to help visualise the effect on reports, without affecting the ledgers		
Voucher Entry	**Account**	**Amount**	**Amount**
	Ledger account	Debit	
	Ledger account		Credit

5.1.12 Post-dated Vouchers

Post-dated Vouchers are ignored by Tally.ERP 9 until the date in question. This is useful for entering transactions that take place on a regular basis. For example, if you pay for something by instalments, you can set-up the payments in advance, and Tally.ERP 9 will only enter them in the ledgers as and when they fall due. A voucher is marked as Post-dated while creating or altering it.

5.1.13 Creating a New Voucher Type

National Traders wants to record bank and petty cash payments differently and needs two new voucher types to replace the pre-defined Payment voucher. Inorder to do this:

Create a **Bank Payment** voucher

Go to the **Gateway of Tally** > **Accounts Info. > Voucher Types > Create**.

1. **Name**: **Bank Payment**
2. **Type of Voucher**: **Payment** (Specify the default Tally.ERP 9 voucher, whose functions the new voucher should copy).
3. **Abbr.: Bank Pymt** (Specify the abbreviation to denote this new voucher in reports)
4. **Method of Voucher Numbering**: **Automatic**

You can choose one of the following methods for numbering from the pop-up:

Method of Numbering	Purpose
Automatic	For Tally.ERP 9 to do it for you.
Manual	You do it. You can also specify if you wish to prevent duplicates.
None	To disable numbering for this voucher type.

5. **Use Advance Configuration**: **No**
6. **Use EFFECTIVE Dates for Vouchers**: **No**
7. **Make 'Optional' as default**: **No** (This is to set the voucher type as an Optional voucher, by default)
8. **Use Common Narration**: **Yes**
9. **Narrations for each entry**: **No**
10. **Print after saving Voucher**: **No**
11. **Name of Class**: **Skip**.

> □ *The voucher date is taken from the current date mentioned at the Gateway of Tally.ERP 9. However, the **effective date** for the voucher may be different. For example, entering a post-dated cheque.*
>
> □ *Tally.ERP 9 displays the narration field which applies to the whole voucher. By setting **Use Common Narration** option to **No**, we can have separate narration fields for each line on the voucher. Reversing Journals are used for Scenario Management.*
>
> □ *The **Name of Class** field enables creation of Voucher Classes for the respective voucher types. (The Voucher class is a template to customise voucher data entry).*

A **Bank Payment Voucher Type** Creation screen appears as shown below:

Figure 5.11 Voucher Type Creation Screen — Bank Payment

12. Press **Y** or **Enter** to accept the screen.

5.1.14 Displaying and Altering a Voucher Type

Observe the menu, you will notice that you can also display and alter voucher types. Selecting these options brings up a **List of Voucher Types**, from which you can select the one you want to view or work on. Apart from the heading, the *Voucher Type Display/Alter* screens are identical to the *Creation* screen.

Practice Exercise

Create a Petty Cash Payment Voucher Type

Ensure that the details in the Voucher Type Creation screen are as shown below:

Figure 5.12 Voucher Type Creation — Petty Cash

❑   Press **Y** or **Enter** to accept the screen.

The above exercises are sample enteries for understanding Voucher entry in Tally.ERP 9, do not make these entries.

5.1.15 Recording Accounting Transactions

Let us record the following business transactions of National Traders for the month of April 2009 :

National Traders Business Transactions	
Date	**Transaction Details**
1-4-09	Paid Rs 500 to Challenger Systems by cheque
1-4-09	Bought office supplies for Rs 150 with Petty Cash
2-4-09	Wages of Rs 600 paid to employees by cheque
5-4-09	Banked a cheque for Rs 5000 received from Data Link Technologies
6-4-09	Sold 1 IBM Pentium IV to Spectrum Computers for Rs 24,785.
6-4-09	Withdrew Rs 200 from Bank Account for Petty Cash
7-4-09	Bought 1 Laserjet 1500 from Silver Plus computers on credit for Rs 8,100

The basic steps to be followed while entering each voucher are:

- Check if the date is correct and use **F2: Date** to change it if necessary.
- Select the voucher type from the button bar and make a further selection from the supplementary list that Tally.ERP 9 displays, if necessary.
- Enter the appropriate reference for the **Purchase** and **Sales** vouchers.
- Select the ledgers and enter the amounts.
- Type the narration and check whether all the data is correct before accepting.

Create the following **Accounting Vouchers** in the books of National Traders :

Date	Voucher Type	Ledgers to be Selected	Debit	Credit
1-4-09	**F5:Payment**	Dr - Challenger Systems	500.00	
	Bank Payment	Cr - Bank Account		500.00
1-4-09	**F5: Payment**	Dr - Office Costs	150.00	
	Petty Cash	Cr - Petty Cash		150.00
2-4-09	**F5: Payment**	Dr - Wages	600.00	
	Bank Payment	Cr - Bank Account		600.00
5-4-09	**F6: Receipt**	Cr - Data Link Technologies		5000.00
		Dr - Bank Account	5000.00	
6-4-09	**F8: Sales**	Dr - Spectrum Computers	24,785.00	
		Cr - Computer Sales		24,785.00
6-4-09	**F4: Contra**	Cr - Bank Account		200.00
		Dr - Petty Cash	200.00	
7-4-09	**F9:Purchase**	Cr - Silverplus Computers		8,100.00
		Dr - Printer Purchases	8,100.00	

*In the **Purchase/Sales Ledger** Masters, set **Inventory Values are affected** to **No** and proceed with the above transactions. Enable the option to **Yes** in the **Inventory Transactions** section.*

*A **Voucher Entry screen** comprises of the following :*

Type of voucher

*It is essential to check if you are using the right voucher for the transaction. You can change the voucher type by selecting a new type from the button bar, if required. For example on the selection of a payment voucher, Tally.ERP 9 automatically displays the **List of Voucher** types you have created. You can select the voucher type required.*

Voucher number

Tally.ERP 9 automatically sets the voucher number for you. You can change the voucher number manually, if required.

Reference

You can enter a reference of your choice. A Purchase order number or an Invoice Number can be entered as a reference.

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 Gateway of Tally - Current Date and you may need to change it frequently to ensure that the vouchers are dated as you want.

Effective date

*A voucher type can be configured to allow for an **Effective date**. The line below the **Date of voucher** displays the date when the voucher will be effective.*

Particulars

*This is where you enter the ledger names and the debit and credit amounts. Each line displays a prompt of **Dr** or **By** for debit entries and **Cr** or **To** for credit entries.*

*Depending on the voucher type, Tally.ERP 9 selects either 'Dr' or 'Cr' for the first prompt, which you cannot change. Thereafter, you can change the prompt (if necessary) by typing over it with a **D** or a **C**. To select a ledger, type the first letter of its name. Tally.ERP 9 then displays a **List of Ledger Accounts** beginning with the letter highlighted. Only ledgers suitable for the voucher type are displayed. As you continue typing, the highlights reduce until a match is found.The current balance is displayed when you select the ledger, (if this option has been configured). The revised current balance is shown after the amount is entered. On selecting the next ledger, Tally.ERP 9 suggests the balancing amount as the value to be entered, which may be accepted or typed over. The voucher entry cannot be completed until the debits equal the credits.*

Narration

Here you type whatever appropriately describes the transaction. Remember, you can have a separate narration for each line of particulars, if you configure the voucher type in that way.

*For Payment Vouchers, where a bank account has been credited, Tally.ERP 9 pre-sets the narration to **Ch.No.** expecting a cheque number to be entered. This can be over written if required.*

❑ *Once the narration is complete, press **Enter** to bring up the Accept? box.*

❑ *Once you accept the data, Tally.ERP 9 presents another data entry screen.*

5.1.16 Trial Balance for April 2009

Go to the **Gateway of Tally > Display > Trial Balance**.

After making the above emtries, the Trial Balance of National Traders will appear as shown :

Particulars	National Traders 1-Apr-2009 to 7-Apr-2009 Closing Balance	
	Debit	Credit
Capital Account		2,50,000.00
Loans (Liability)		50,000.00
Current Liabilities		1,81,980.00
Fixed Assets	1,00,000.00	12,500.00
Current Assets	4,42,485.00	
Sales Accounts		24,785.00
Purchase Accounts	8,100.00	
Direct Expenses	600.00	
Indirect Expenses	150.00	
Profit & Loss A/c		32,070.00
Grand Total	**5,51,335.00**	**5,51,335.00**

Figure 5.13 Trial Balance From April 1, 2009 to April 7, 2009

Enter further transactions for National Traders.

Business Transactions for the months of May and June 2009 are as follows:

Date	Transaction Details
**National Traders Business Transactions**
Date	**Transaction Details**
10-5-09	Bank Advice received for bank interest of Rs.500 credited to the deposit account.
11-5-09	Electricity bill (Office costs) for Rs.400 received from Horizon Enterprises. *(Note: Use a Journal Voucher)*
13-5-09	Sold 1 HP Laserjet 1010 Series for Rs 9,500 to a cash customer, retaining the money as Petty Cash.
19-5-09	Salaries of Rs 2,500. Amount paid through Bank Account.
24-5-09	Sold 1 HCL Pentium IV for Rs. 21,500 to Supreme Computers.
30-5-09	Purchased 5 USB Pen Drives 64MB @ Rs. 1,250 each from Challenger Systems on credit.
01-6-09	Paid freight charges of Rs 200 from petty Cash
01-6-09	Paid Challenger Systems Rs. 11,500 by cheque
09-6-09	Transferred Rs 6,000 from Bank Account to Deposit Account.
15-6-09	Cheque for Rs 15,000 received from Spectrum Computers
22-6-09	Purchased 4 IBM Pentium IVs for Rs. 17,100 each from a new supplier and paid by cheque
22-6-09	Sold 2 IBM Pentium IVs for Rs. 24,785 to a customer who paid by cheque

*In the **Purchase/Sales Ledger** Masters, set **Inventory Values are affected** to **No** and proceed with the above transactions. Enable the option to **Yes** in the **Inventory Transactions** section.*

5.1.17 Trial Balance for June 2009

Go to the **Gateway of Tally > Display > Trial Balance**

Trial Balance	National Traders		Ctrl + M ☒
Particulars		**National Traders**	
		1-Apr-2009 to 30-Jun-2009	
		Closing Balance	
		Debit	Credit
Capital Account			2,50,000.00
Loans (Liability)			50,000.00
Current Liabilities			1,88,630.00
Fixed Assets		1,00,000.00	12,500.00
Current Assets		4,52,455.00	
Sales Accounts			1,05,355.00
Purchase Accounts		82,750.00	
Direct Expenses		800.00	
Indirect Incomes			500.00
Indirect Expenses		3,050.00	
Profit & Loss A/c			32,070.00
Grand Total		**6,39,055.00**	**6,39,055.00**

Figure 5.14 Trial Balance From April 1, 2009 to June 30, 2009

5.2 Inventory Vouchers

Tally.ERP 9 inventory vouchers perform the same function in the inventory system as accounting vouchers do. They are the means by which you enter transactions relating to the Inventory. The vouchers record transactions relating to the issue and receipt of stock, the transfer of stock between godowns, and physical stock adjustments. The following inventory vouchers are available in Tally.ERP 9 :

- ❑ Purchase Order (Alt+F4)
- ❑ Sales Order (Alt+F5)
- ❑ Rejections Out (Alt+F6)
- ❑ Rejections In (Ctrl+ F6)
- ❑ Stock Journal (Alt+F7)
- ❑ Delivery Note (Alt+F8)
- ❑ Receipt Note (Alt+F9)
- ❑ Physical Stock (Alt+F10)

5.2.1 Purchase Order

A Purchase order entry has to be made in the books of the company to assist them in checking whether the goods have been received or not. The Purchase Order number can be used as a reference. For example, the company wishes to place an order with the supplier for some goods.

Purchase Order	
Description	Records placing an order for stock items to suppliers.
Details recorded	Supplier's Ledger account, Name and address, Order details, name of stock item, *Due on*, Godown, Quantity, Rate, Amount, Narration.

5.2.2 Sales Order

A Sales Order entry has to be made to record this. The Sales Order number can be used as a reference. For example, a customer places an order with the company for purchasing some goods.

Sales Order	
Description	Records order details for stock items received from customers.
Details recorded	Customer's Ledger account, Name and address, Order details, name of stock item, *Due on*, Godown, Quantity, Rate, Amount, Narration.

5.2.3 Rejections Out

A Rejections Out entry is passed to record the rejected goods. This is a pure inventory voucher. For example: We have purchased some goods and have rejected a part of it.

Rejections Out (Purchase Returns)	
Description	Records rejected stock details returned to suppliers.
Details recorded	Ledger Account, Suppliers name and address, stock item, Tracking details, Order details, Godown, Quantity, Rate, Amount, Narration.

5.2.4 Rejections In

A Rejections In entry is passed to record the rejected goods. The Rejections In entry is a pure inventory voucher. For example a customer has rejected goods that was sold earlier.

Rejections In (Sales Returns)	
Description	Records rejected stock details received from customers
Details recorded	Ledger account, Customer's name and address, stock item, tracking details, order details, Godown, Quantity, Rate, Amount, Narration.

5.2.5 Stock Journal

To record the consumption of goods there is no need for entries on both sides of the voucher. Such entries can be entered in a stock journal voucher. For example: the company transfers items of stock from the warehouse to the shop.

Stock Journal	
Description	Essentially records the transfer of stock from one Godown to another.
Details recorded	Names of from and to godowns, name of stock item, quantity, rate, amount, narration.

5.2.6 Delivery Note

Goods that are being delivered to a customer are recorded in a Delivery Note voucher.

Delivery Note	
Description	Records delivery of new stock to customers
Details recorded	Reference, ledger account, supplier's (if supplementary details are set to yes in F12: Delivery Note Configuration) then, name and address, Order & dispatch details, name of stock item, Tracking details, Order details, Godown, Quantity, Rate(optional), Amount(optional), narration.

5.2.7 Receipt Note

Goods that are received from the supplier are recorded in a Receipt Note (Goods Receipt Note – GRN) voucher.

Receipt Note	
Description	Records receipt of new stock from suppliers
Details recorded	Reference, ledger account, (If supplementary details are set to yes in F12: Receipt Note Configuration) then, Order details, Supplier's name and address, name of stock item, Tracking details, Order details, Godown, Quantity, Rate (optional), Amount (optional), narration.

5.2.8 Physical Stock Voucher

Tally.ERP 9 considers the stock available based on the entry made in a physical stock voucher. For example, on conducting a stock-check, the company finds a discrepancy between the actual stock and the recorded stock figure.

Physical Stock Voucher	
Description	Records the physical stock count as the new stock balance
Details recorded	Name of stock item, Godown, Physical stock quantity.

5.2.9 Pure Inventory Transactions

Pure inventory Transactions (vouchers) are those that do not affect financial records. They affect only the stocks. There will be a rise or fall in the stock when such vouchers are entered.

The different pure inventory vouchers are:

- Rejections Out (Alt+F6)
- Rejections In (Ctrl+F6)
- Stock Journal (Alt+F7)
- Delivery Note (Alt+F8)
- Receipt Note (Alt+F9)
- Physical Stock (Alt+F10)

Setup :

- To enable **Delivery Note** and **Receipt Note**, set **Yes** to **Use Tracking Numbers** and **Use Rejection Notes** in **F11: Features (F2: Inventory Features)**.
- Go to the **Gateway of Tally > F12: Configuration > Invoice/Orders Entry** – Set **Complete Accounting Allocations in Order/Delivery Note** to **Yes**.
- Make sure that **Inventory Values are affected?** is set to **Yes** in all ledger accounts under the groups Sales Accounts and Purchase Accounts.

An entry made in a purchase voucher can update the stocks. It is not necessary to make a separate entry in a Goods Receipt Note. This holds true for the goods delivered and recorded in the Sales Voucher itself.

We shall now learn how to enter pure inventory vouchers.

5.2.10 Recording Inventory Transactions

The inventory transactions of National Traders for April 2009 are:

National Traders Inventory Transactions	
Date	**Transaction Details**
6-4-09	Delivered 1 HCL PIV from On-Site to Spectrum Computers.
7-4-09	Received delivery of 2 HP Laserjet 1010 Series from Silver Plus Computers and stored in On-Site Godown.
9-4-09	Transferred 2 HCL PIV from On Site to Warehouse.
13-4-09	Returned 1 HP Laserjet 1010 Series (Faulty) to Silver Plus Computers.
15-4-09	Supreme Computers returned 1 HCL Pentium IV which was ordered incorrectly
16-4-09	Stock check reveals physical stock of 3 Boxes of CD ROM Disks 100s in On-Site Godown.

> □ *In the **Purchase/Sales Ledger** Masters, set **Inventory Values are affected** to **Yes** and proceed with the above transactions.*
>
> □ ***Tracking numbers** must be activated and disabled after the exercise is completed. (Tracking numbers will be discussed later.)*

Go to the **Gateway of Tally > Inventory Vouchers**.

The basic steps to enter the vouchers are:

□ Change the date if necessary.

□ Select the voucher type from the button bar menu.

□ Type the details and check whether they are correct before accepting.

□ Accept the default rates of items that appear according to the standard cost and standard selling price given in the workbook.

Practice Exercise

Create the following transactions in the books of **National Traders.**

Field	Details to be entered
Voucher 1	
Voucher type	Alt +F8: **Delivery Note**
Current date	6-4-2009
Ref:	ABC/DN/00654
Ledger account	Spectrum Computers
Order details	Accept the default
Name of item	HCL PIV
Tracking Number	Not Applicable
Godown	On-Site
Quantity	1
Rate	21,500 / Nos
Amount	21,500
In Accounting Details Screen	Computer Sales
Narration	Computer delivery
Accept? Yes or No	Yes

Voucher 2	
Voucher type	**Alt +F9: Receipt Note**
Current date	7-4-2009
Ref:	USC/12089/Del
Ledger Account	Silver Plus Computers
Order Details	Accept the default
Name of item	HP Laserjet 1010 Series
Tracking Number	Not Applicable
Godown	On-site
Quantity	2
Rate	8,200 / Nos
Amount	16,400
In Accounting Details Screen	Printer Purchase
Narration	Printer received
Accept? Yes or No	Yes
Voucher 3	
Voucher type	**Alt +F7: Stock Journal**
Current date	9-4-2009
Source (Consumption)	
Name of item	HCL PIV
Godown	On-site
Quantity	2
Rate	17,500 / Nos
Amount	35,000
Destination (Production)	
Name of item	HCL PIV
Godown	Warehouse
Quantity	2
Rate	17,500 / Nos
Amount	35,000
Narration	Transfer of stock
Accept? Yes or No	Yes
Voucher 4	
Voucher type	**Alt +F6: Rejection Out**
Current date	13-4-2009

Supplier's Name and Address	Silver Plus Computers
Name of item	HP Laserjet 1010 Series
Tracking Number	Not Applicable
Godown	On-site
Quantity	1
Rate	8,200 / Nos
Amount	8,200
Narration	Rejected goods out
Accept? Yes or No	Yes
Voucher 5	
Voucher type	**Ctrl+F6: Rejection In**
Current date	15-4-2009
Ledger account	Supreme Computers
Customer's Name and Address	Supreme Computers
Name of item	HCL PIV
Tracking Number	Not Applicable
Godown	On-site
Quantity	1 Nos
Rate	21,500 / Nos
Amount	21,500
Narration	Rejected goods in
Accept? Yes or No	Yes
Voucher 6	
Current date	16-4-2009
Voucher type	**Alt +F10: Physical stock**
Name of item	CD ROM Disks 100s
Godown	On-site
Quantity	3 Box
Narration	Stock check adjustment
Accept? Yes or No	Yes

5.2.11 Stock Summary for April 2009

Go to the **Gateway of Tally > Stock Summary**.

Figure 5.15 Stock Summary from April 1, 2009 to April 30, 2009

Enter further inventory transactions for National Traders.

The sample inventory transactions of the company for the months of May and June 2009 are as follows:

National Traders Inventory Transactions		
Date	**No**	**Transaction Details**
9-5-09	1	Delivered 2 Nos of HCL PIV from warehouse to Spectrum Computers (Ref: ABC/DN/00654 *Hint: Select Computer Sales.*
17-5-09	2	Received 5 Boxes of CDROM Disks 100s from Silver Plus Computers (Ref: USC/13049/Del).
18-5-09	3	Returned 1 Box of CDROM Disks 100s (damaged) to Silver Plus Computers.

1-6-09	4	Received 5 Nos of Wireless Keyboards from Silver Plus Comptuers (Ref:USC/13420/Del).
15-6-09	5	Delivered 2 Nos IBM pentium IV from On-site to Supreme Computers (Ref: ABC/DN/00721) *Hint: Select Computer Sales*
24-6-09	6	Stock check reveals physical stock HP Laserjet 1010 Series as 5 Nos.
29-6-09	7	Spectrum Computers returned 1 Nos HCL PIV.
30-6-09	8	Transferred 2 Nos of IBM PIV from warehouse to onsite.

Notes

□ *Accept the default rates that appear for each item, as specified in the* ***Standard Cost*** *and* ***Standard Selling Price*** *of the Stock Item.*

□ *If the godown has not been specified in the table above, select* ***On - Site****.*

5.2.12 Stock Summary for June 2009

Go to the **Gateway of Tally > Stock Summary**.

Figure 5.16 Stock Summary from April 1, 2009 to June 30, 2009

The **Total Stock value** should be **2,35,350** made up of **Computers - 1,03,800**, **Peripherals - 41,950** and **Printers - 89,600**.

5.2.13 Entering Inventory Details in Accounting Vouchers

Assume that the inventories have to be updated at the same time as entering the accounting vouchers. This is particularly useful for organisations that send and receive goods with a bill or invoice only. In other words, they do not want to update stocks with only a delivery note neither do they want to with a Goods Receipt Note. Tally.ERP 9 permits stock movement along with invoice. Therefore, you need to select the stock items that come in or move out at the time of purchase or sales voucher entry.

Apart from the Sales and Purchase Vouchers that record the inventory movements, the following vouchers are used to record the stock movements.

- ❑ Debit Note for Goods rejected and returned to supplier.
- ❑ Credit Note for Goods rejected and returned by customer.

Debit Notes and Credit Notes are used to record the return of goods and the corresponding reversal of sales and purchases.

Given below are examples of Purchase, Sales, Debit Note and Credit Note vouchers with inventory details :

Purchase voucher

For example: the company receives new stock from a supplier.

Purchase Voucher	
Description	Records receipt of new stock with invoice from suppliers.
Details recorded	Reference, ledger account, supplier's name and address, name of stock item, godown, quantity, rate, amount, purchase ledger, other ledgers (if required), narration.

Sales voucher

For example: the company delivers goods from its stock to a customer.

Sales Voucher	
Description	Records the delivery of goods and invoice to customers.
Details recorded	Reference, ledger account, customer's name and address, name of stock item, godown, quantity, rate, amount, sales ledger, sales tax ledger (if required), narration.

Debit Note

For example: the company rejects and returns goods to the supplier.

Debit Note	
Description	Records the delivery of goods and debit note to supplier.
Details recorded	Reference, ledger account, supplier's name and address, name of stock item, godown, quantity, rate, amount, purchase ledger, other ledgers (if required), narration.

Credit Note

For example: the company receives rejected goods from a customer.

Credit Note	
Description	Records receipt of rejected goods with advice from customer. Company issues credit note.
Details recorded	Reference, ledger account, customer's name and address, name of stock item, godown, quantity, rate, amount, sales ledger, sales tax ledger (if required), narration.

Tally.ERP 9 permits the entries of these vouchers in Voucher Mode as well as in invoice mode. In this section, you will learn how to enter them in Voucher Mode.

Set up :

- Set **Yes** to **Use Debit/Credit Notes** in **F11: Features (F1: Accounting Features)**. Do not activate the invoice mode.
- Make sure that **Inventory Values are affected?** is set to **Yes** in all ledger accounts under the groups Sales Accounts and Purchase Accounts.
- Set **Use Tracking Numbers** to **No** in **F11: Features (F2: Inventory Features)**.

Go to the **Gateway of Tally > Accounting Vouchers**.

- Ensure that in **F11: Features (F1: Accounting Features) Allow Invoicing** is set to **No**.

Create the following **Accounting Vouchers** with **Inventory details**.

i. Sales voucher

- Select **F8: Sales** from the button bar and enter.

Field	Details
Date	1-7-2009
Ref:	Blank
Dr	Supreme Computers
Debit Amount	21,500
Cr	Computer Sales
Inventory Allocation	Name of Item - **HCL PIV** Godown - **On-site** Quantity - **1** Rate -**21,500**
Credit Amount	21500
Narration	Sales made
Accept? Yes or No	Yes

ii. Purchase voucher

- Select **F9: Purchase** from the button bar and enter:

Fields	Details
Date	1-7-2009
Ref:	Blank
Cr	Silver Plus Computers
Credit Amount	1,500
Dr	Purchases
Inventory Allocation	Name of Item - **Wireless Mouse** Godown - **On-site** Quantity - **6** Rate -**250**
Debit Amount	1,500
Narration	Purchases made
Accept? Yes or No	Yes

iii. Payment voucher

- Select **F5: Payment** from the button bar, **Petty Cash**, and enter:

Fields	Details
Date	1-7-2009
Dr	Office Costs
Debit Amount	85
Cr	Petty Cash
Credit Amount	85
Narration	Office cost paid
Accept? Yes or No	Yes

*Ensure that in the **F12: Payment Configuration**, Use Single Entry mode for Pymt/Rcpt/Contra is set to **No**.*

5.3 Invoicing

Tally.ERP 9 has an in-built system to create and print sales invoices. You will now record sales and purchase invoice details, adjust accounting and inventory balances.

To enable the option of invoicing, set **Yes** to **Allow Invoicing**, **Enter Purchases in Invoice Format** and **Separate Discount Column in invoices** in **F11: Features (Accounting Features/ Inventory Features)**.

- Ensure that the **Inventory values are affected?** is set to **Yes** in Purchases Ledger.
- Ensure that the **Inventory values are affected?** is set to **Yes** in Parts Sales, Software Sales and Computer Sales.

Make the following entry of Sales in Voucher Mode.

Go to the **Gateway of Tally > Accounting Vouchers > F8: Sales**.

- Ensure the button above the **Post-Dated** option reads **As Invoice**. This button enables you to toggle between the voucher and invoice format for data entry. The button visible is the format **NOT** in use.

❑ Enter the following data as on **1-7-2009** to record the sale of 2 Nos of USB Pen Drives 64 MB to Supreme Computers. (at the standard price) and update the accounting and stock records:

Field	Details
Ref:	
Dr	Supreme Computers.
Debit Amount	3,200
Cr	Component Sales
Name of item	USB Pen Drives 64 MB
Godown	On-site
Quantity	2 Nos
Rate	1,600 (accept)
Per	Nos (accept)
Amount	3,200.00
Narration	—
Accept? Yes or No	Yes

Make the following entry of Sales in Invoice Mode:

1. **Date**: **2-7-2009**.
2. **Voucher Type**: **Sales**
3. Click on the Toggle Button **As Invoice** (so it reads **As Voucher**)
4. Click on the Toggle Button **Item invoice** (so it reads **Acct Invoice**)
5. Enter the following to record the sale of two nos of USB Pen Drives 64 MB to Supreme Computers. (at the standard price) and update the accounting and stock records:

Fields	Details
Ref:	
Party's A/c Name	Supreme Computers.
Despatch Details	Accept the default
Address	Ctrl+A to accept all
Name of item	USB Pen Drives 64 MB
In Item Allocation for: USB Pen Drives 64 MB Screen	
Godown	On-site
Quantity	2 Nos
Rate	1,600 (accept)
Per	Nos (accept)
Discount	10%

Amount	2,880.00 (accept – then keep pressing **Enter** until the accounting details screen appears)
Particulars (Accounting allocation sub-form)	Component Sales
Amount	2,880.00 (accept)
Narration	—
Accept? Yes or No	Yes

5.3.1 Item Invoice and Account Invoice

Tally.ERP 9 gives you an option called **Account Invoice** where you can select the ledgers instead of the stock items. An **Item Invoice** on the other hand, allows you to select stock items instead of ledgers.

Businesses that require an invoice raised with the item details, can select the Item Invoice option. Businesses that want to raise invoices for services rendered, can do so by selecting the Account Invoice.

At this point, it is understood that you already know how to enter an Item Invoice, by selecting items and entering their quantity, rate, discount, etc.

5.3.2 Walk-through to create an Item Invoice

1. Ensure that you are at the **Gateway of Tally** of **Indus Enterprises.**
2. Ensure **Allow Invoicing** option in **F11: Features (F1: Acounting Features)** is set to **Yes**.
3. Go to the **Gateway of Tally > Accounting Vouchers > F8: Sales**.
4. The invoice screen must display the columns - **Name of Item, Quantity, Rate, per, Amount**, etc.
5. **Party's A/c Name**: **Customer One** (create one, if it is not displayed in the list of ledgers).
6. Press **Enter** till you reach the 'Name of Item' field and press the spacebar to view the List of Stock Items.
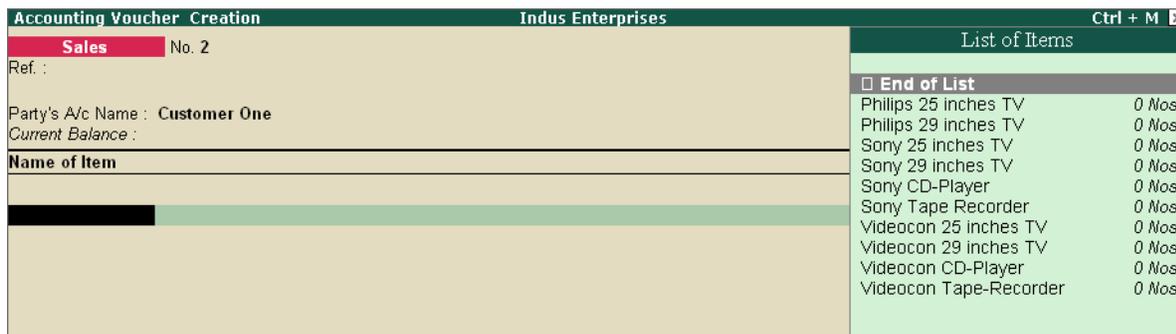7. The different stock items with their balances are displayed as follows:.

Figure 5.17 Sales Voucher In Item Invoice Mode

You already know how to enter an item invoice. Now, let us go to the **Gateway of Tally** to learn how Account Invoices are entered.

5.3.3 Walk-through to create an Account Invoice

Go to the **Gateway of Tally > Accounting Vouchers > F8: Sales**.

1. The invoice screen must display the following columns: **Name of Item, Quantity, Rate, per and Amount**.
2. Click on the **Acct Invoice** button. You will notice that Tally.ERP 9 now displays the columns as **Particulars, Rate, per and Amount**.
3. Select the **Party's A/c Name** as **Customer One**.
4. Press **Enter** till you reach the **Particulars** field. Press the Space Bar and Tally.ERP 9 displays the List of Ledgers.
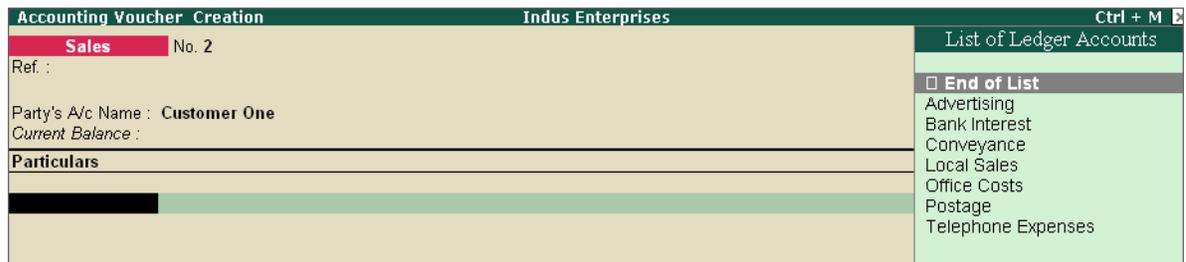

Figure 5.18 Sales Voucher In Accounting Invoice Mode

5. Select the **Consulting Fees** (create one if it is not displayed under Direct Income).
6. Specify the amount as **Rs. 45000** and press **Enter**.

Points to Remember

◻ A voucher is a document containing the details of a financial transaction.

◻ As per accounting rules, any transaction indicating the transfer of funds from cash account to bank account; bank account to cash account and bank account to bank account is referred to as a Contra Entry.

◻ Reversing Journals are special journals that are automatically reversed after the date of the journal.

◻ A Memo Register is a non-accounting voucher and the entries made using it will not affect your accounts.

◻ An Optional voucher is not a voucher type. All other voucher types (except non-accounting vouchers) can be marked Optional during voucher entry.

◻ Inventory vouchers perform the same function in the inventory system as accounting vouchers in Tally.ERP 9.

◻ Tally.ERP 9 allows to create and print sales invoices.