Why is Tally the best for advanced Financial Management ?

Tally.ERP 9 provides you the capability to generate numerous advanced and critical Management Information system reports and analytical tools, thereby facilitating better management, effective control and well-informed decisions. Following are the some of salient features, which makes Tally.ERP 9 best for advanced financial management.

☐ Multiple companies

☐ Multi-Currency

☐ Multiple Financial year

☐ Multi-columnar reporting

☐ Memo Vouchers

☐ Post dated Vouchers

☐ User defined Vouchers

☐ Sales and Purchase extracts

☐ Cash Flows

☐ Daily Balance & Transaction Values

☐ Interest calculations

☐ Percentage Based Reporting

3.1 Multiple companies

In Tally.ERP 9 you can create and maintain multiple companies. Not only, can you maintain all the companies / branch companies in Tally.ERP 9, but you can also maintain your personal accounts as well. Tally.ERP 9 allows to handle Companies concurrently i.e. You can load more than one company and work on one or all of the companies loaded simultaneously, by toggling between them, as and when required.

Tally.ERP 9 also allows you to make use of group company feature wherein you can create a group company with member companies and generate consolidated reports for the entire group as well as individual constituent company.

To create **Multiple Companies**,
Go to Gateway of Tally >Create Company,
□ Specify **Company Name** and other related details

□ Once you create a company, create another new company (from **Gateway of Tally > Alt + F3 (Company Info.)** and specify the details as explained

To create **Group Company**,
Go to Gateway of Tally >Company Info. (Alt+ F3) >Create Group Company
□ Specify name of the **Group Company** and other information.

□ Select companies (already created) to be grouped together

A group company is automatically created, once you have created more than one company. Now, you can load and work on any one of the companies.

3.2 Multi-Currency

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.

Tally.ERP 9 allows you create and transact in multiple currencies. Tally.ERP 9 uses the term base currency for the currency in which your account books are kept. Foreign Exchange is used inter- changeably with foreign currency. The base currency is specified while creating the company.

Tally.ERP 9 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. You can generate an invoice for your foreign customers in their currency and also receive payments in the same or different currency. The impact of gain or loss in Forex is reflected immediately. You can also view and print Reports and Ledger Accounts in the currency of the transaction that has been entered or base currency.

To use **Multi-currency** feature,

Step 1 : Enable Multi-Currency Feature
Go to Gateway of Tally > F11: Features > F1: Accounting Features
□ Set **Allow Multi Currency** to **Yes**

Step 2 : Create Multi-Currency
Go to Gateway of Tally > Accounts Info. > Currencies > Create

□ Enter the **Currency Symbol** and other details

Step 3 : Define Rate of Exchange
Go to ***Gateway of Tally > Accounts Info > Currencies > Rate of Exchange.***
□ Specify the **Date** for Rate of Exchange and other details (Standard, Selling and Buying).

You can now enter transactions in the currency of your choice. To view report in **Multi-Currencies**,
□ Select any report (i.e., Balance Sheet, Profit and Loss A/c, Trial Balance or any other report)

□ Select **Alt + C (New Column)**

□ Select the required **currency** (in which you want to view the report)

□ Specify the **Rate of Exchange** for the selected currency and press **Enter**

Profit & Loss A/c	Universal Enterprises		Ctrl + M
Particulars	Universal Enterprises (in Indian Rupees) 1-Apr-2008 to 31-Mar-2009	Universal Enterprises (in US Dollar @ $ 1/Rs. 42.50) 1-Apr-2008 to 31-Mar-2009	
Trading Account :			
Sales Accounts	3,15,70,847.50	$ 742,843.47	
CST Sales	60,30,125.00	$ 141,885.29	
Local Sales	2,46,85,830.00	$ 580,843.06	
Sales @ 20%	2,88,000.00	$ 6,776.47	
Sales - Advertising Services	56,550.00	$ 1,330.59	
Sales AMC for Computers	65,000.00	$ 1,529.41	
Sales - Exports	70,342.50	$ 1,655.12	
Sales Bills to Make	3,75,000.00	$ 8,823.53	
Cost of Sales :	2,28,73,105.77	$ 538,190.72	
Opening Stock			
Add: Purchase Accounts	2,41,98,697.50	$ 569,381.12	
Less: Closing Stock	13,58,831.73	$ 31,972.51	
	2,28,39,866.77	$ 537,408.61	
Direct Expenses	33,240.00	$ 782.12	
Assembling Charges	18,240.00	$ 429.18	
Carriage Inwards	15,000.00	$ 352.94	
Gross Profit :	86,97,741.73	$ 204,652.75	
Income Statement :			
Indirect Incomes			
	86,97,741.73	$ 204,652.75	
Indirect Expenses	24,58,749.81	$ 57,852.94	
Depreciation on Fixed Assets	6,02,622.20	$ 14,179.35	
		13 more ... ↓	

Profit & Loss Account in Multi-Currency

3.3 Multiple financial year

In Tally.ERP 9 , you can have any number of financial years for one company. At the time of creating the company, it is necessary for you to mention the beginning of the financial year. There- after, you can maintain accounts for any number of periods. For example, assume you have created a Company starting from 1st of April 2008. Now, if you wish to change to the next financial year, you have to select **F2: Period(Alt+F2)**, from **Gateway of Tally** and specify the date range as 1-4-2009 to 31-3-2010 and continue with the transactions for the next financial year.

Once you have information for multiple years in a single company you can easily toggle between different financial periods, by selecting **F2: Period(Alt+F2)** option or can view reports for a period which could span across multiple financial years, for e.g. you can view a report consisting of transactions for the second half of the previous financial year and first half the current financial year.

3.4 Multi-columnar reporting

In Tally.ERP 9, you can compare information using multi-columnar reports. You can view / compare information for multiple periods (year, month, quarter or any specified period), multiple currencies and so on for the same company or compare information for two or more companies in the same screen without toggling between different periods / companies. This flexibility and ease in comparison of information will help you to do meaningful analysis and bring out any exceptions immediately.

To view a **Multi-Columnar Report**

▢ Select any report (**e.g. Balance Sheet**)

▢ Select **(Alt + N) Auto Column**

▢ Select any option (company, year, month, quarter etc) and press **Enter**

Tally.ERP 9 now displays comparisons based on the option selected.

Data Comparison across Multiple Periods

3.5 Memo Vouchers

Memo Vouchers are non-accounting vouchers and entries passed using such vouchers do not affect the books of accounts. Memo vouchers are used when you have to make suspense payments or make a transaction for which you do not have complete information. In Tally.ERP 9, such vouchers are not posted to ledgers but stored in a separate register. However, you may modify or convert memo vouchers to regular vouchers, when you decide to bring them into your books.

To enter a **Memo Voucher**,
Go to Gateway of Tally >Accounting Vouchers
□ Press **Ctrl+F10 (F10:Memos)**

□ Complete the transaction and save

Memo Vouchers can be effectively used in creating Scenarios. Entries made through these vouchers become a part of a scenario management and you can view reports on the scenarios by including memo vouchers.
To view the **Memorandum Register**,
Go to Gateway of Tally > Display > Exception Reports > Memorandum Vouchers
□ Select a **month** or Click **F2: Period** to specify a date range for viewing the report for differ- ent periods.

Date	Particulars	Vch Type	Vch No.	Debit Amount	Credit Amount
27-8-2008	NSC	Memorandum	1	15,000.00	
31-8-2008	Assembling Charges	Memorandum	2	150.00	

Memorandum Vouchers Register

3.6 Post dated Vouchers

Tally.ERP 9 provides the capability to enter vouchers in advance for future transactions, that are definite in nature. The vouchers marked as **Post dated** does not affect the books of accounts till the date specified in the voucher. This facility is extremely useful when the user has issued or received post-dated cheques and does not need to modify the voucher to reflect the transaction on a particular date.
To enter a **Post dated Voucher**,
Go to Gateway of Tally >Accounting Vouchers > select **F5: Payment**
□ Click **Ctrl + T (Post Dated)**

□ Complete the transaction and save

To view **Post dated vouchers**,
Go to Gateway of Tally >Display > Exception Reports > Post-Dated Vouchers

□ Select a **month** or Click **F2: Period** to specify a date range for viewing the report for differ- ent periods.

Voucher Register		Universal Enterprises				Ctrl + M ☒
List of All Post Dated Vouchers					1-Apr-2008 to 31-Mar-2009	
Date	Particulars		Vch Type	Vch No.	Debit Amount	Credit Amount
					Inwards Qty	Outwards Qty
21-1-2009	Zen Enterprises		Payment	295	10,000.00	
29-1-2009	Global Traders		Receipt	100		12,500.00

Post Dated Vouchers Register

3.7 User defined Vouchers

Tally.ERP 9 provides 18 predefined vouchers and also allows you to create new Accounting as well as Inventory vouchers types, as per your requirements. For example, you can further classify payment vouchers by creating vouchers by the name **Bank Payment** and **Cash Payment** Vouchers. You can also set the voucher numbering as per your needs, which can be either automatic numbering or manual numbering or have no numbering at all. Further, you can also assign **Prefix** and **Suffix** for voucher numbers and choose to restart numbering either from beginning of the year or month and so on.
To create a new **Voucher Type**,
Go to Gateway of Tally > Accounts Info. > Voucher Types > Create
□ Enter the voucher name, type, specify the method of numbering, activate or deactivate the other functions as per needs.

3.8 Sales and Purchase extracts

In Tally.ERP 9, you can generate extract of the report on Sales and Purchase Registers. The extract report provides you consolidated figures for both debit and credit balances for all groups and ledgers. With this report you get the complete Sales / Purchase Turnover figures for any period.
To generate **Extract of Purchase Register**,
Go to Gateway of Tally > Display > Accounts Books > Purchase Register
□ Select any **month**

□ Click **F6: Extract**

Purchase Extract Report

3.9 Cash Flows

Tally.ERP 9 provides you with a cash flow statement to track the movement of cash flow i.e. cash inflows as well as cash outflows (both cash & bank included) of your business. The report also displays a net flow for any period.

To View **Cash Flow Summary**,

*Go to **Gateway of Tally > Display > Cash/Funds Flow > Cash Flow***

□ Select a **month**

Cash Flow Summary	Universal Enterprises		Ctrl + M
I n f l o w	Universal Enterprises 1-Jan-2009 to 31-Jan -2009	**O u t f l o w**	Universal Enterprises 1-Jan-2009 to 31-Jan -2009
Loans (Liability)	30,000.00	**Loans (Liability)**	17,621.27
Unsecured Loans	30,000.00	Unsecured Loans	17,621.27
Current Liabilities	496.00	**Current Liabilities**	9,12,435.90
Duties & Taxes	496.00	Duties & Taxes	88,090.00
Current Assets	41,83,548.01	Sundry Creditors	7,07,052.61
Sundry Debtors	41,83,548.01	EDLI Admin Charges @ 0.01%	2.90
Sales Accounts	12,400.00	EDLI Contribution @ 0.5%	10.00
Local Sales	12,400.00	Employee's ESI Contribution @ 1.75%	258.00
		Employee's PF Contribution @ 12%	3,480.00
		ESI Payable	699.00
		Interest on Car Loan A/c	1,982.39
		PF Admin Charges @ 1.10%	319.00
		PF Payable	3,480.00
		Professional Tax	670.00
		Salary Payable	1,06,392.00
		Direct Expenses	1,520.00
		Assembling Charges	1,520.00
		Indirect Expenses	10,227.75
		Operating Expenses	10,227.75
	1 more ... ↓		1 more ... ↓
Total	42,26,444.01	**Total**	9,41,804.92
	Nett Inflow	32,84,639.09	

Cash Flow Summary

3.10 Daily Balance & Transaction Values

You can view cash/ bank books and ledgers on a day-wise basis to get information on the total transaction value and closing balances. You can also view daily average details as well as high and low details for the month in the same report.

To View **Daily Break Up of Cash/Bank Books** or **Ledger**,
Go to Gateway of Tally > Display > Accounts Books > Cash/Bank Books or Ledger

□ Select the ledger account (Bank/Cash or any other ledger)

□ From the **Ledger Monthly Summary** report, select a particular **month** and press **Enter**

□ In the **Ledger Vouchers** screen
▪ Click **F6: Dly Brk-up**

▪ Click **F12: Configure**, set **Show Average Details** and **Show High/Low Details** to **Yes**

Daily Breakup of Ledger	Universal Enterprises			Ctrl + M
Particulars		Cash **Universal Enterprises** 1-Oct-2008 to 31-Oct-2008		
		Transactions		**Closing**
		Debit	Credit	**Balance**
↑ ... 12 more				
12-Oct				6,47,906.00 Dr
13-Oct			1,501.00	6,46,405.00 Dr
14-Oct				6,46,405.00 Dr
15-Oct		25,000.00		6,71,405.00 Dr
16-Oct				6,71,405.00 Dr
17-Oct				6,71,405.00 Dr
18-Oct		50,000.00		7,21,405.00 Dr
19-Oct			31,890.00	6,89,515.00 Dr
20-Oct				6,89,515.00 Dr
21-Oct			2,569.00	6,86,946.00 Dr
22-Oct				6,86,946.00 Dr
23-Oct				6,86,946.00 Dr
24-Oct				6,86,946.00 Dr
25-Oct				6,86,946.00 Dr
26-Oct			25,118.00	6,61,828.00 Dr
27-Oct				6,61,828.00 Dr
28-Oct				6,61,828.00 Dr
29-Oct				6,61,828.00 Dr
30-Oct		1,00,000.00	460.00	7,61,368.00 Dr
31-Oct				7,61,368.00 Dr
Grand Total		1,85,000.00	97,622.00	**7,61,368.00 Dr**
Average		5,967.74	3,149.10	6,75,284.06 Dr
Highest		(dt. 30-Oct-2008)	(dt. 30-Oct-2008)	(dt. 30-Oct-2008)
Balance		1,00,000.00	31,890.00	7,61,368.00 Dr
Lowest		(dt. 7-Oct-2008)	(dt. 5-Oct-2008)	(dt. 13-Oct-2008)
Balance		10,000.00	399.00	6,46,405.00 Dr

Daily Breakup of Ledger

Tally.ERP 9 displays a screen showing the **Average** as well as **High and Low details** for the selected ledger. From the above report, you can also drill down to voucher level for any kind of verification/alteration.

3.11 Interest Calculations

Tally.ERP 9 provides a powerful capability to calculate interest on outstanding balance amounts and oustanding bills/invoices/ transactions (Receivables and payables) or on any delayed payments so on.

You can view the impact of interest accumulated against each ledger and also against each trans- action. Although, Tally.ERP 9 provides exhaustive information on interest implications, the interest amounts are not brought into books. You may choose to book the interest calculated as per your requirements. Interest is calculated either on simple or compound basis and accounted into the books, by using debit notes for interest receivables and credit notes for interest payable.

The **Activate Interest Calculation** field is displayed in the **Ledger Creation** screen only, if **Activate Interest Calculations** is set to **Yes** in **F11: Accounting Features**. Set this field to **Yes** for each specific ledger account for which interest is to be calculated.

Step 1: Enable Interest Calculation

□ In **F11: Accounting Features**, set parameter **Activate Interest Calculation** (use advanced parameters) to **Yes**

Step 2: Enable Ledger for Interest Calculation

*Go to **Gateway of Tally > Accounts Info->Ledger-> Alter.***

□ Select a ledger for which interest calculation has to be activated.

□ Set **Activate Interest Calculation** to **Yes** (Set this field to **Yes** for each specific ledger account for which interest is to be calculated.

□ Specify information regarding **Rate of interest (%)** and **Style** as per requirements

Interest Calculation Parameters

Tally.ERP 9 automatically calculates interest for ledgers for which interest calculations option is activated.

To view **Interest Calculation Report**,
*Go to **Gateway of Tally > Display > Statements of Accounts > Interest Calculations > Receivables / Payables/Ledger***

3.12 Percentage Based Reporting

In Tally.ERP 9, you can generate percentage based reporting for financial statements like Balance Sheet, Profit & Loss, Cash Flow, Sales register etc. For example, to view percentages for all groups in the Balance Sheet, set **Show Percentages** to **Yes** in **F12:Configure**.