

**GOVERNMENT  
POLYTECHNIC SONIPAT**

**FINANCE ACCOUNT AND  
AUDITINE (4 SEMESTER)  
COMPUTERISED ACCOUNTING**

# COMPUTERISED ACCOUNTING

- While some firms still do their bookkeeping by hand, most firms generally have too many transactions to sustain a manual accounting system. The more complicated the financial activities of your business are, the more likely it is that you'll need a computerized accounting system to ensure effective financial reporting. **Computerized accounting systems** are software programs that are stored on a company's computer, network server, or remotely accessed via the Internet.
- Computerized accounting systems allow you to set up **income and expense accounts**, such as rental or sales income, salaries, advertising expenses, and material costs. They also can be used to manage bank accounts, pay bills, and prepare budgets. Depending upon the program, some accounting systems also allow you to prepare tax documents, handle payroll, and manage project costing.
- You can generally customize the software to meet the needs of your business. It's important to make sure that your staff are trained and understand how to use the system correctly so that your company can successfully use your accounting program.

# ADVANTAGES OF USING COMPUTERIZED ACCOUNTING SOFTWARE

- - **Automation:** Since all the calculations are handled by the software, computerized accounting eliminates many of the mundane and time-consuming processes associated with manual accounting. For example, once issued, invoices are processed automatically making accounting less time-consuming.
- - **Accuracy:** This accounting system is designed to be accurate to the minutest detail. Once the data is entered into the system, all the calculations, including additions and subtractions, are done automatically by software.
- - **Data Access:** Using accounting software it becomes much easier for different individuals to access accounting data outside of the office, securely. This is particularly true if an online accounting solution is being used.
- - **Reliability:** Because the calculations are so accurate, the financial statements prepared by computers are highly reliable.
- - **Scalable:** When your company grows, the amount of accounting necessary not only increases but becomes more complex. With computerized accounting, everything is kept straightforward because sifting through data using software is easier than sifting through a bunch of papers.

- - **Speed:** Using accounting software, the entire process of preparing accounts becomes faster. Furthermore, statements and reports can be generated instantly at the click of a button. Managers do not have to wait for hours, even days, to lay their hands on an important report.
- - **Security:** The latest data can be saved and stored in offsite locations so it is safe from natural and man-made disasters like earthquakes, fires, floods, arson and terrorist attacks. In case of a disaster, the system can be quickly restored on other computers. This level of precaution is taken by Clever Accounting.
- - **Cost-effective:** Since using computerized accounting is more efficient than paper-based accounting, work will be done faster and time will be saved. When one considers that Clever Accounting, one of the latest online accounting solutions, starts at a low monthly subscription then computerized accounting really becomes a no-brainer.
- - **Visuals:** Viewing your accounts using a computer allows you to take advantage of the option to view your data in different formats. You can view data in tables and using different types of charts.

# Disadvantages of Computerized Accounting

- **Potential Fraud:** With more software data being housed in the cloud, there are more opportunities for hackers to get your business's financial data and use it. This puts assets at risk and creates potential liability if hackers use employer tax identification to open credit cards and business loans. There is also the risk of someone within the business accessing the information, perhaps pilfering money from daily deposits and altering the data in the program. Business owners must diligently protect financial information.
- **Technical Issues:** When dealing with computers, issues can arise. You may be completing year-end data for your accountant and experience a power outage. Computers might acquire a virus and fail. There is also the potential of users incorrectly performing software tasks that they are not familiar with. If a user tries to do one thing but inadvertently does something else, it might take some work to undo the error.
- **Incorrect Information:** Bookkeeping records are only as good as the data put into the system. Business owners that don't take the time to establish account categories properly may enter data and generate reports that are not accurate.

# WHAT IS TALLY?

- Tally is a accounting software. we can use the tally with all types of voucher entry and we can make the balance sheet, overall we can use the tally for all types of account need.

# DIFFERENT TALLY VERSION

## Different Tally Versions

- o Tally 4.5:DOS based Program
- o Tally 5.4: Graphic Interface Version
- o Tally 6.3:Supported printing and VAT implemented
- o Tally 7.2:new statutory compliant features
- o Tally 8.1:A module of POS and Payroll was added
- o Tally 9:Has advanced features like Excise, Payroll, FBT, TDS.
- o Tally 9 ERP: Provides range of reports and advanced features for Auditors.

# FEATURES OF TALLY

## Features of Tally

- Accounting without codes
- Comprehensive coverage
- Outstandings
- Interest Calculations
- Cost/Profit Center
- Number of companies
- Currency
- Budgeting
- Security Control
- Printing of various documents
- Import/Export data

# ORGANIZATION OF ACCOUNT

## Organization of Account

- Creation or selection of Company
- Group of Accounts
- Ledger Accounts
- Voucher Entry
- Display of Trial Balance/Profit and Loss A/c and Balance Sheet

- Gateway of Tally as it the menu that opens up every time you open Tally. I completely agree to that.

# GATEWAY OF TALLY

The screenshot shows the 'Gateway of Tally' window. The top bar displays 'Gateway of Tally' and 'Ctrl + M'. The main area is divided into two sections. The left section shows the 'Current Period' as '1-4-2009 to 31-3-2010' and the 'Current Date' as 'Wednesday, 1 Apr, 2009'. Below this is a 'List of Selected Companies' table with two columns: 'Name of Company' and 'Date of Last Entry'. The table contains one entry: 'www.Tally9Book.Com' with 'No Vouchers Entered' in the date column. A callout '1' points to the company name. The right section is a menu titled 'Gateway of Tally' with the following options: 'Masters' (with sub-options 'Accounts Info' and 'Inventory Info'), 'Transactions' (with sub-options 'Accounting Vouchers' and 'Inventory Vouchers'), 'Import' (with sub-option 'Import of Data'), and 'Reports' (with sub-options 'Balance Sheet', 'Profit & Loss A/c', 'Stock Summary', and 'Ratio Analysis'). Below these are 'Display' and 'Quit'. Callouts '2', '3', and '4' point to the 'Masters', 'Transactions', and 'Reports' sections respectively.

Gateway of Tally

Ctrl + M

Current Period  
1-4-2009 to 31-3-2010

Current Date  
Wednesday, 1 Apr, 2009

List of Selected Companies

| Name of Company    | Date of Last Entry  |
|--------------------|---------------------|
| www.Tally9Book.Com | No Vouchers Entered |

1

Gateway of Tally

**Masters**  
Accounts Info  
Inventory Info.

2

**Transactions**  
Accounting Vouchers  
Inventory Vouchers

3

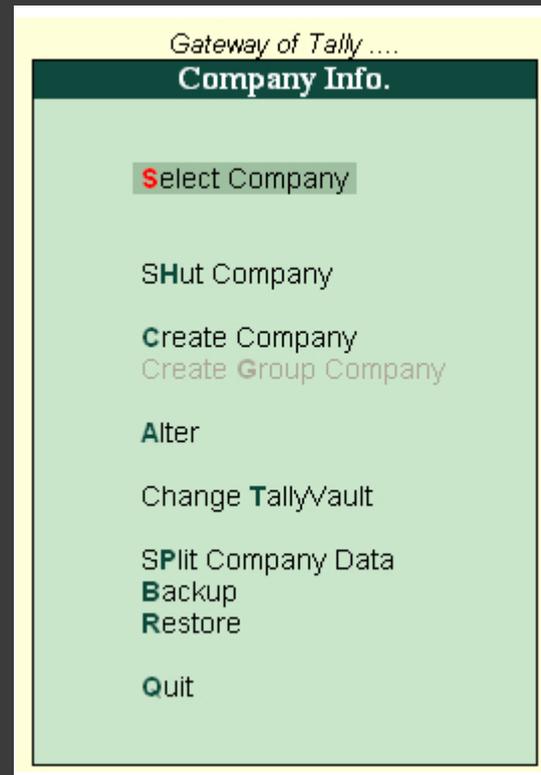
**Import**  
Import of Data

**Reports**  
Balance Sheet  
Profit & Loss A/c  
Stock Summary  
Ratio Analysis

4

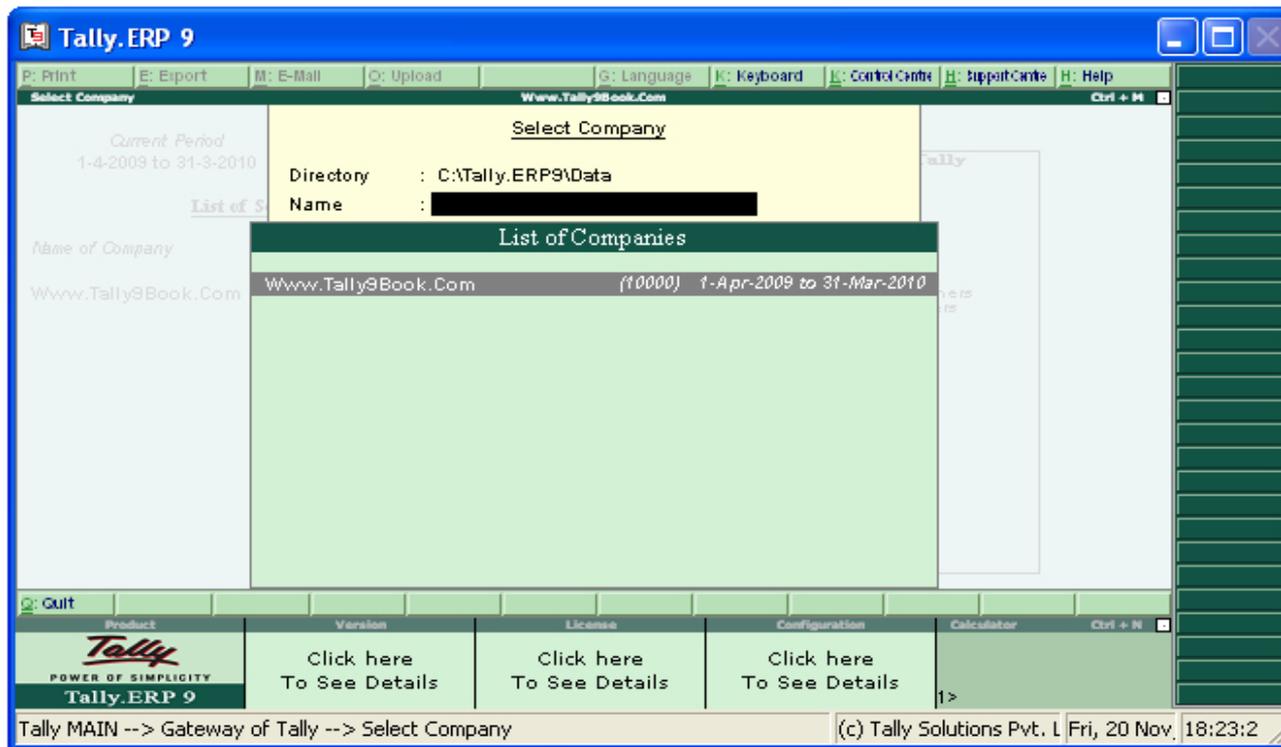
Display  
Quit

# COMPANY INFO



# SELECT A COMPANY

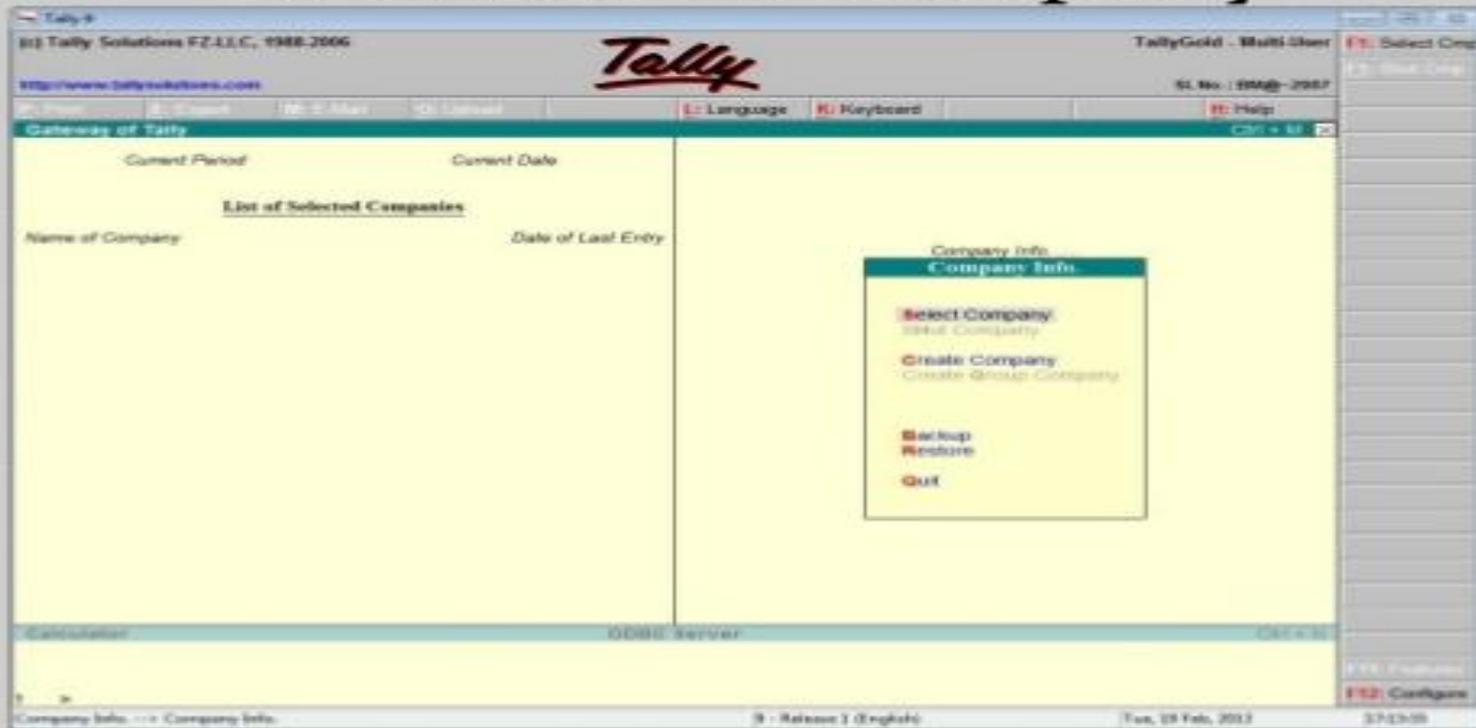
To **Select a Company** click **F1 : "Select Company"** button ( or use **F1 function key**). By default it will show the list of existing companies with their names, company number and financial period. The screen appears as shown here :



**Alternately : Gateway of Tally → Alt + F3 → Select Company** ( or press **S** hot key)

# CREATION OF COMPANY

## Creation of Company



# Introduction to Voucher Entry in Tally.ERP 9

- A voucher is a document that contains details of a financial transaction and is required for recording the same into the books of accounts. For every transaction, you can use the appropriate Tally voucher to enter the details into the ledgers and update the financial position of the company.
- The voucher entry menu options are available under **Transactions** in the **Gateway of Tally**. The **Payroll** and **Order Vouchers** are available as separate options which can be enabled based on the requirements.
- The **Payroll Vouchers** can be enabled from **F1: Accounting Features**, whereas the **Order Vouchers** can be activated from **F2: Inventory Features**

# Payroll in Tally.ERP 9 refer to following things

- Create and maintain the employee database viz. name, address, contact details, persona details like blood group etc., family details, bank account details, statutory details like PAN, PF account nos, ESI account nos. etc., EXPAT details like passport, Visa and work permit details.
- Employee group or department wise categorisation.
- Attendance, overtime, leave or production details can be recorded.
- Multiple salary structures can be created for different group of employees. For example, department wise salary structures and salary processing.
- Support Salary revision and arrears calculation both as prospective and retrospective change.
- Tracking of loans and advance paid to employees and defining multiple criteria for recovery of such advances. The loan / advances can be recovered in complete or a number of instalments from employee's salary.
- Complete support to implement Provident Fund and Employee Insurance Schemes along with Professional Tax calculation.
- Supports Gratuity as per the specified criteria.

# Tally Payroll

- Tally Payroll is integrated with Accounting to give the user the benefits of simplified Payroll processing and accounting.
- Tally Payroll enables users to set up and implement salary structures, ranging from simple to complex, as per the organisation's requirements. Yes can also align and automate payroll processes and directly integrate them with main stream accounting applications. Payroll data can be viewed as part of the existing and configurable cost centre reports for business analysis.
- Tally Payroll also supports configurable formats for payslip printing; flexible salary/wage, attendance, leave and overtime registers; gratuity and Expat reports.

# Attendance Voucher

- **Attendance Voucher – Manual Entry**
- Go to Gateway of Tally > Payroll Vouchers > Ctrl+F5: Attendance
- Click on F2: Date or press F2 to change the date
- Select the Employee from the List of Employees
- Select the Attendance/Production Type from the List
- Enter the Value
- Select End of List from the List of Employees
- Press Enter to Accept and save

# Attendance Voucher using Auto Fill

- Go to Gateway of Tally > Payroll Vouchers > Ctrl+F5: Attendance
- Click on F2: Date or press F2 to enter the date
- Click on A: Attd Auto Fill button or press Alt+A
- Enter/Alter the Voucher Date, if required
- Select the appropriate Employee Category
- Select the Employee/Group from the List of Group/Employees
- Select the Attendance/Production Type from the list
- Enter the required number of days in the Default Value to Fill field (e.g. 0 days for absent and 26 days for present etc.)
- In the Sort by field, select the Sorting Method based on which the Employee details will appear in the Voucher - Employee Name or Employee Number Only.
- Enter the Value against the Employee Name.
- Accept to save the Attendance Voucher.

# User Defined Pay Heads

- **User Defined Pay Heads**
- Go to Gateway of Tally > Payroll Vouchers > Ctrl + F4: Payroll
- Press F2 to change the Voucher Date
- Click A: Payroll Auto Fill or press Alt+A
- Select the User defined in Process for field
- Enter the From and To date
- Select the appropriate Employee Category
- Select the Employee/Group from the List of Employees / Group
- Select the appropriate Payroll Ledger from the List of Ledger Accounts
- Set Use Mode of Payment/Transaction Type to Yes. This will open a new option called Mode of Payment/Transaction Type. Setting this option to Yes will allow user to filter employees based on Banking details defined in employee's master.
- Select the appropriate Use Mode of Payment/Transaction Type
- Set the option Set Employee-wise Bank Allocations to Yes
- Enter the User Defined Pay Head Values, e.g. Variable Pay, Salary Advance Deductions if any etc.
- Enter the required Narrations if any. The Payroll Voucher shows the Pay period by default in the Narration field.
- Press Enter to save the voucher.