

Handling Stocks of Different Parties in Tally.ERP 9

Did you know that with the Tally.ERP 9's Godown enhancement feature, tracking how much of your stock is lying with third party or how much third party stock is lying with you, is no longer an issue?

In today's business, where manufacturers, buyers or resellers keep multiple stock items belonging to different parties, maintaining stock items and carrying out stock evaluation can become a challenge. Many times a manufacturer has to send stock items for Job Work or receive third party's stocks for servicing and in such situation generating accurate stock report can become more complicated. However, the new enhanced godown feature in Tally.ERP 9 allows users to create Godowns based on the possession type for the stock items, and this function enables users to track which Godown stores third party stocks and also allows tracking which stocks are lying in third party Godowns. Based on the options selected for each Godown, the Stock Valuation gets affected. Hence, this feature helps users get better stock management and more accurate Stock Summary report.

Creating Godown with Different Options

The new Godown enhancement feature in Tally.ERP 9 gives users the option to define Godowns of different types like 'Use for Third Party Stock with Us' and 'Use for Our Stock with Third Party'.

The first option 'Use for Third Party Stock with Us' does not affect company's Books of Accounts as the Godown stores stock items which are third party's assets. Alternatively, the second option 'Use for Our Stock with Third Party' affects company's Books of Accounts as the stock items are owned by the company regardless of which Godown they are lying in.

To make use of these features, we first need to enable 'Multiple Godowns' in Tally.ERP 9.

- Go to 'Gateway of Tally-> F11: Inventory Features'
- Set 'Yes' to 'Maintain Multiple Godowns'

Company: <u>Laptop Solutions</u>			
<u>Inventory Features</u>			
<u>General</u>		<u>Invoicing</u>	
Integrate Accounts and Inventory	? Yes	Allow Invoicing	? Yes
Allow Zero valued entries	? No	Enter Purchases in Invoice Format	? Yes
<u>Storage & Classification</u>		Use Debit/Credit Notes	? No
Maintain Multiple Godowns	? yes.	Use Invoice mode for Credit Notes	? No
Maintain Stock Categories	? No	Use Invoice mode for Debit Notes	? No
		Separate Discount column on Invoices	? No

To create a Godown, go to 'Gateway of Tally-> Inventory Info. -> GoDowns->Create'
The three different types of creating Godowns are shown:

Godown Creation	
Name :	
Under :	Primary
Allow Storage of materials	? Yes
Use for:	
Our Stock with Third Party	? No
Third Party Stock with us	? No

- When this option is set as 'Yes' Godown is used to track company's stock lying with Third Party
- When this option is set to 'Yes' Godown is used to track Third Party's stock lying with us
- When both the options are set to 'No' Godown works as default

Note: Both the options – 'Our Stock with Third Party' and 'Third Party Stock with Us' cannot be set as 'Yes' at the same time.

Allocating Items to Godown

There are two ways to allocate items to Godowns – during Item creation or alteration and while passing transactions.

Item Allocation to Godown during Item Creation

Let's assume a company receives 50 quantity of third party's stocks 'Item A' for servicing and let's allocate these items to company's Godown 'GD-Third Party Stock'.

- Go to 'Gateway of Tally-> Inventory Info-> Stock Items->Create'
- Enter 'Item A' in 'Name'
- Define 'Units of Measurement' as 'nos'
- Enter '50' in 'Opening Balance' and press 'Enter'

Stock Item Creation		Test		Ctrl + M
Name : Item A				
Under : Primary	Tax Information		Behaviour	
Units : nos	Tariff Classification : Not Applicable	Costing Method : Avg. Cost		
Set Standard Rates ? No	Rate of Duty (eg 5) : 0	Market Valuation Method : Avg. Price		
		Ignore Diff. due to Physical Counting ? No		
		Ignore Negative Balances ? No		
		Treat all Sales as New Manufacture ? No		
		Treat all Purchases as Consumed ? No		
		Treat all Rejections inward as Scrap ? No		
Opening Balance		Quantity	Rate per	Value
		50 nos	100.00 nos	5,000.00

- The 'Stock Item Allocation' screen will be displayed on the screen; here you can allocate the 'Item A' to 'GD-Third Party Stock with Us' which is a Godown of type 'Third Party Stock with Us'.

Stock Summary

The Stock Summary in Tally.ERP 9 is a report that shows up-to-date information about the quantity, rate, closing value and location of stocks. The Godown enhancement feature enables Stock Summary report to drill-down and show in-depth details of the stocks lying in third-parties' or company's own Godown.

To view the Stock Summary, go to 'Gateway of Tally->Stock Summary'.

Stock Summary			
Particulars		Closing Balance	
		Quantity	Value
English Text Book			
		200 nos	10,000.00
Exercise Book		50 nos	1,250.00
GK Text Book		60 nos	1,500.00
Instrument Box		100 nos	3,500.00
Item A		50 nos	5,000.00
Item B			8,000.00
Maths Text Book		100 nos	9,500.00
Paper		120 nos	1,800.00
Pen		35 nos	525.00

Note: The default view of the Stock Summary shows items which affect company's Book of Accounts i.e. company's own items lying in its Godown and third-party's godown.

To view Stock Summary based on Godown Types, press 'Ctrl+G' or click 'Godown Types' button to go to the 'Change Stock Details' screen.

Test

Change Stock Details

Show Stock Info of : Our Stock with Us & Third Party

Type of Values

All Types

Our Stock & Third Party Stock with us
Our Stock with Third Party
Our Stock with us
Our Stock with us & Third Party
Third Party Stock with us

- Press 'Enter'
- Press 'F1: Detailed' to view Godown names as well.

This viewing option enables users to have complete details of how much stock is lying in whose godowns, at any point of time as shown:

Stock Summary		Test		Ctrl + M	
Particulars		Test For 1-Apr-2011 Stock details for : All Types Closing Balance			
		Quantity	Rate	Value	
English Text Book		200 nos	50.00	10,000.00	
GD- Our Stock with Third Party		200 nos	50.00	10,000.00	
Exercise Book		50 nos	25.00	1,250.00	
Main Location		50 nos	25.00	1,250.00	
GK Text Book		60 nos	25.00	1,500.00	
GD- Our Stock with Third Party		60 nos	25.00	1,500.00	
Instrument Box		100 nos	35.00	3,500.00	
Main Location		100 nos	35.00	3,500.00	
Item A		50 nos	100.00	5,000.00	
GD- Third Party Stock		50 nos	100.00	5,000.00	
Item B				8,000.00	
GD- Our Stock with Third Party		40 nos	200.00	8,000.00	
Main Location		(-)40 nos			
Maths Text Book		100 nos	95.00	9,500.00	
GD- Our Stock with Third Party		100 nos	95.00	9,500.00	
Paper		120 nos	15.00	1,800.00	
Main Location		120 nos	15.00	1,800.00	
Pen		35 nos	15.00	525.00	
Main Location		35 nos	15.00	525.00	
School Bag		100 nos	300.00	30,000.00	
GD- Third Party Stock		100 nos	300.00	30,000.00	
School Shoe		150 nos	150.00	22,500.00	
GD- Third Party Stock		150 nos	150.00	22,500.00	
					8 more ...

Hence the Godown enhancement feature in Tally.ERP 9 is helpful for instant clarity about stocks managed by a company.