

Recording of Accounts Payable and related Reports in TallyPrime

2.1 How to record accounts payables?

The outstanding payables report in TallyPrime gives you an overview of what your business owes for supplies, inventory, and services. You can get an overview of the amount and the creditors to whom you owe money and how much you owe each creditor and how long the money has been owed. Managing your outstanding payables will help you to know the time-to-time expenses, avoid overseeing the payments that you owe to the creditors, and help you manage the cash-flow in your business.

When a purchase is made on credit

Cr Crompton Electricals (Supplier) 4,83,800

Dr Purchase a/c 4,83,800

When the purchase bill is paid by you

Cr Bank account 4,83,800

Dr Crompton Greaves Consumer Electricals (Supplier) 4,83,800

Similar to the receivables report, TallyPrime gives you the liberty to choose a view based on your choice. With pre-built configurations to customize viewing of reports, TallyPrime allows you to analyse and slice and dice the reports the way you want.

TallyPrime		MANAGE											
SILVER		K: Company	Y: Data	Z: Exchange	G: Go To	O: Import	E: Export	M: E-mail	P: Print	F1: Help			
Ledger Outstandings		Sundaram Pipes, Fittings and Motor Pumps										X	
Ledger : Crompton Greaves Consumer Electricals Ltd												1-Apr-18 to 30-Sep-19	
Date	Ref. No.	Opening Amount	Pending Amount	(< 30 days)	30 to 45 days	45 to 60 days	(> 60 days)	Due on					
5-Jul-19	P/6/19-20	28,41,950.00 Cr	23,41,950.00 Cr			23,41,950.00 Cr		4-Aug-19					
5-Jul-19	Purchase P/6/19-20	28,41,950.00 Cr											
	20 pcs Canned Rotor OWCRD052 (0.375 KW)	35,000.00/pcs											
	20 pcs Canned Rotor OWCRD12 (0.75kW)	42,000.00/pcs											
	50 pcs CFMSMB3D0.50-V24	8,500.00/pcs											
	50 pcs CFMSMB3D0.50-V35	11,000.00/pcs											
28-Jul-19	Payment 31	5,00,000.00 Dr											
6-Aug-19	P/8/19-20	6,72,600.00 Cr	6,72,600.00 Cr	6,72,600.00 Cr				5-Sep-19					
		35,14,550.00 Cr	30,14,550.00 Cr	6,72,600.00 Cr		23,41,950.00 Cr							

2.2 Reporting of Accounts payable in TallyPrime

With various options available you can see your credit period, maintain vouchers bill-wise for a particular party and even settle bills, at a click of a button. When you make a purchase of large amount and unable to pay at a time and have agreed to make partial payments in regular intervals, you can split such purchases into multiple bills. This helps you to track the payment breakup against the bills created and manage your outstanding payables systematically.

Accounts payables in TallyPrime can be viewed using the following path:

Gateway of Tally> Display more reports> Statement of accounts> Outstandings>Payables

TallyPrime MANAGE						
SILVER		K: Company	Y: Data	Z: Exchange	G: Go To	O: Import E: Export M: E-mail P: Print F1: Help
Bills Payable Shivam Traders						
Group : All Items 1-Apr-18 to 15-Jan-19						
Date	Ref. No.	Party's Name		Pending Amount	Due on	Overdue by days
1-Dec-18	CREDIT	Falcon Sales Pvt Ltd		1,038,500.00	31-Dec-18	15
1-Dec-18	Opening Balance		1,038,500.00 Cr			
1-Jan-19	1019	Falcon Sales Pvt Ltd		1,865,176.00	1-Jan-19	14
1-Jan-19	Purchase 1		1,865,176.00 Cr			
	30 Nos Crompton MBNS52		17,200.00/Nos			
	40 Nos Kirloskar KP 4		8,100.00/Nos			
	50 Nos Aquatec CDP 8800		16,400.00/Nos			
				2,903,676.00		

- F2: Period <
- F3: Company <
- F4: Group <
- F5: Bills Receivable <
- F6: Ageing Method <
- F7 <
- F8: Ledger-wise Bills <
- F9 <
- F10 <
- B: Basis of Values <
- H: Change View <
- J: Exception Reports <
- S: Save View <
- F12: Configure <



Recording of Accounts Receivable and related reports in TallyPrime

Management of accounts receivables in Tally-

Tally has provided tools to manage accounts receivables in its software. Let's understand the management of trade receivable in tally with an example.

Suppose Somya Enterprises is a sole proprietorship business, trading in furniture items and having opening stock of ₹50000 as on 1/4/2021.

Start practices of the same in tally with Company creation Following is the process of company creation in tally-

1. On launching Tally Prime, select Create Company option or press **Alt+K** (Company) > **Create**.
2. Provide the Company details.
 - a. Enter the Name, Mailing name, and Address. For more information etc.
 - b. Enter the **State, Country**, and other contact details.
3. Set up financial year details and security options.
4. Specify the Base Currency Information.

You can set up the base currency depending on the currency used in your business to record transactions.

To view all the options related to base currency, press F12 (Configure) > set **Provide Additional Base Currency details** to **Yes**.

5. Accept the Company Creation screen. As always, you can press **Ctrl+A** to save.
Sample image is given below



TallyPrime MANAGE
SILVER K: Company Y: Data Z: Exchange G: Go To O: Import E: Export M: E-mail P: Print F1: Help

Company Creation

Company Data Path : C:\Users\Public\TallyPrime\Data

Company Name : Somya Enterprises Financial year beginning from : 1-Apr-21
Mailing Name : Somya Enterprises Books beginning from : 1-Apr-21
Address : E-48 Lal Bahadur Nagar, Mahiya Nagar,
Jaipur

State : Rajasthan

Country : India
Pincode : 302018
Telephone : 01411234567
Mobile : 9898989898
Fax :
E-mail : somyaenterprises@gmail.com
Website :

Base Currency symbol : ₹
Formal name : INR

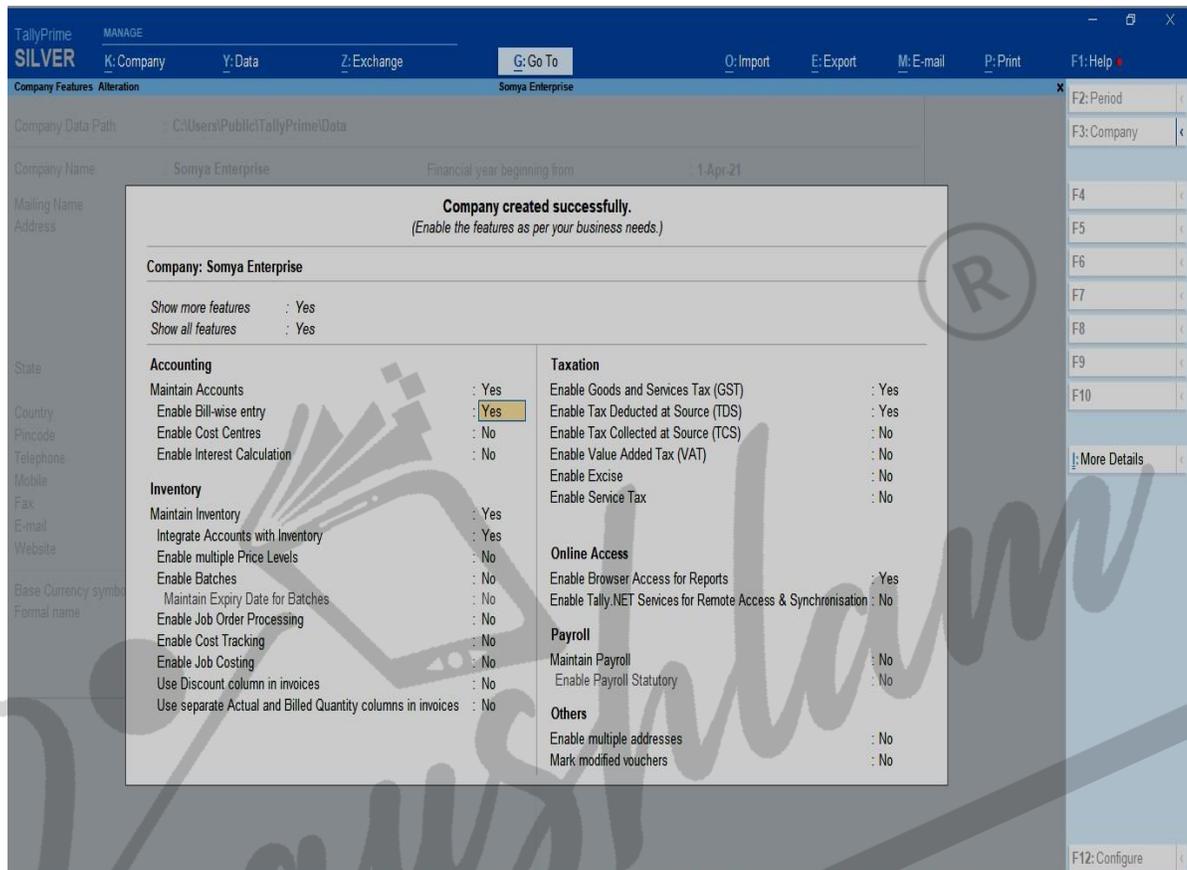
Accept ?
Yes or No

Quit

F2: Period <
F3: Company <
F4 <
F5 <
F6 <
F7 <
F8 <
F9 <
F10 <
R: Group Company <
F12: Configure <



- Saving the company takes you to the **Company Features** screen, which displays that the company is created successfully.



Set up company features

As you create a company in Tally Prime, you can set up the necessary **features**, either now or anytime later, based on your business needs. The basic minimum key features required for you to start recording your business transactions are enabled and displayed by default. To view other features in the **Company Features** screen

- Set the **Show more features** option to **Yes**.

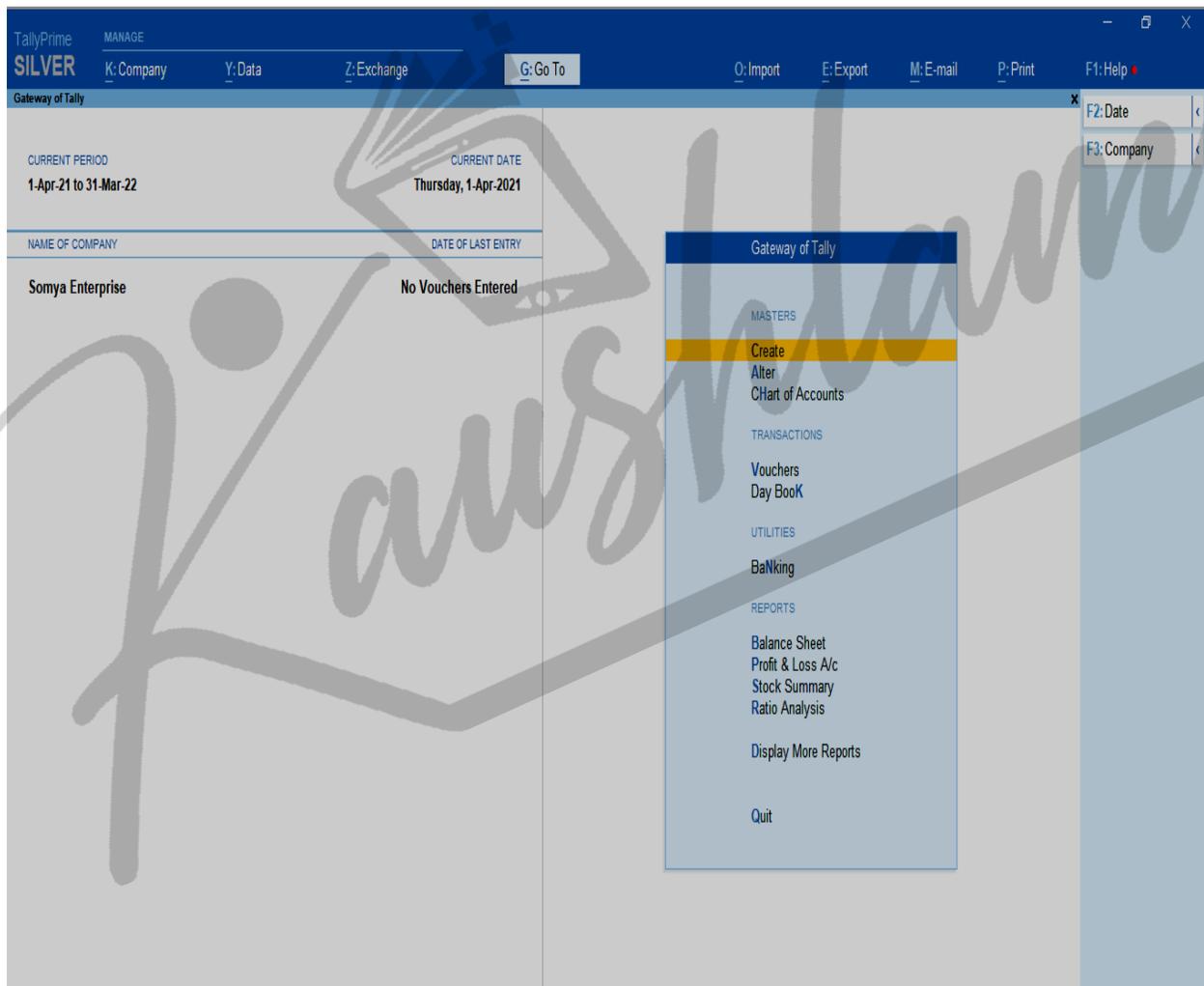
- Set the **Show all features** option to **Yes**.

Features	Description
Accounting	
Maintain Accounts	This option is set to Yes, by default. Setting it to No will disable accounting-related options for your company.
Enable Bill-wise entry	<p>Enable this option to display the option Maintain balances bill by bill created under sundry debtors and creditors.</p> <p>When you enter details of sales and purchases with the bill- wise option activated, Tally Prime prompts you to identify the invoice with an appropriate reference number.</p> <p>The reference number can then be used to allocate payments to the correct invoice to maintain an accurate account of outstanding.</p> <p>Bill-wise details for non-trading accounts are useful when one needs to track either an installment to be paid or a loan amount to be received over a certain period of time.</p>
Inventory	
Maintain Inventory	This option is set to Yes by default. This allows you to to maintain your stock or inventory. Setting this to No will disable Inventory-related features for your company.
Integrate Accounts with Inventory	<p>Set Show more features to Yes.</p> <p>Maintain your stock or inventory along with your books of accounts.</p> <p>Stock records may contain errors caused by wrong</p>

allocation to items. This feature enables finalization of financial books without waiting for the reconciliation of stocks.

You can drill down from the Balance Sheet to view the Stock Register.

Now you are all set to record transaction in tally. After creation of company and setting up features, you will find the gateway of tally screen where you will find all the related options.



Let's continue the example-

On 1st August, 2021, Somya Enterprises sold goods worth ₹50,000 to Sunrise Traders with a credit period of 30 days. From 1st August to the date the bill is paid, 50,000 will be treated as accounts receivables against Sunrise Traders account.

Suppose on 15th Sunrise Traders paid 25,000 to Somya Enterprises. This will be reduced from Sunrise Traders account. Post adjustment, the overall accounts receivable will be 25,000.

Likewise, when you sell on credit to different customers, it will be added to the overall accounts receivable and when you receive from the customers, it will be reduced.

Let's understand the whole process in Tally prime.



1. Record a Credit Sale

A sale transaction without a corresponding receipt entry is a sale on credit – until the party has made the payment. Record a credit sale.

To record sales, you need to create ledgers first.

2. Ledger Creation

1. **Gateway of Tally > Create > type or select Ledger and press Enter.**
Alternatively, press **Alt+G (Go To) > Create Master > type or select Ledger and press Enter.**
2. Enter the Name of the ledger account.
3. Enter the alias of the ledger account, if required. You can access the ledgers using the original name or the alias name.
4. Select a group category from the List of Groups.
You can alter a ledger account to change its group classification at any time.
5. Set the option Maintain balances bill-by-bill to Yes.
If you do not see this option, press F12 (Configure) and set Maintain balances Bill-by-Bill to Yes.
6. Enter the Default credit period which you want to allow for this party.
7. Set the option Check for credit days during voucher entry to Yes to manage the credit limit while recording an invoice.
8. Enter the **Opening Balance if any**. The opening balance is applicable when the ledger is an asset or a liability, and also if it has a balance in the account as on the date of beginning of books.
9. Accept the screen. As always, you can press Ctrl+A to save.

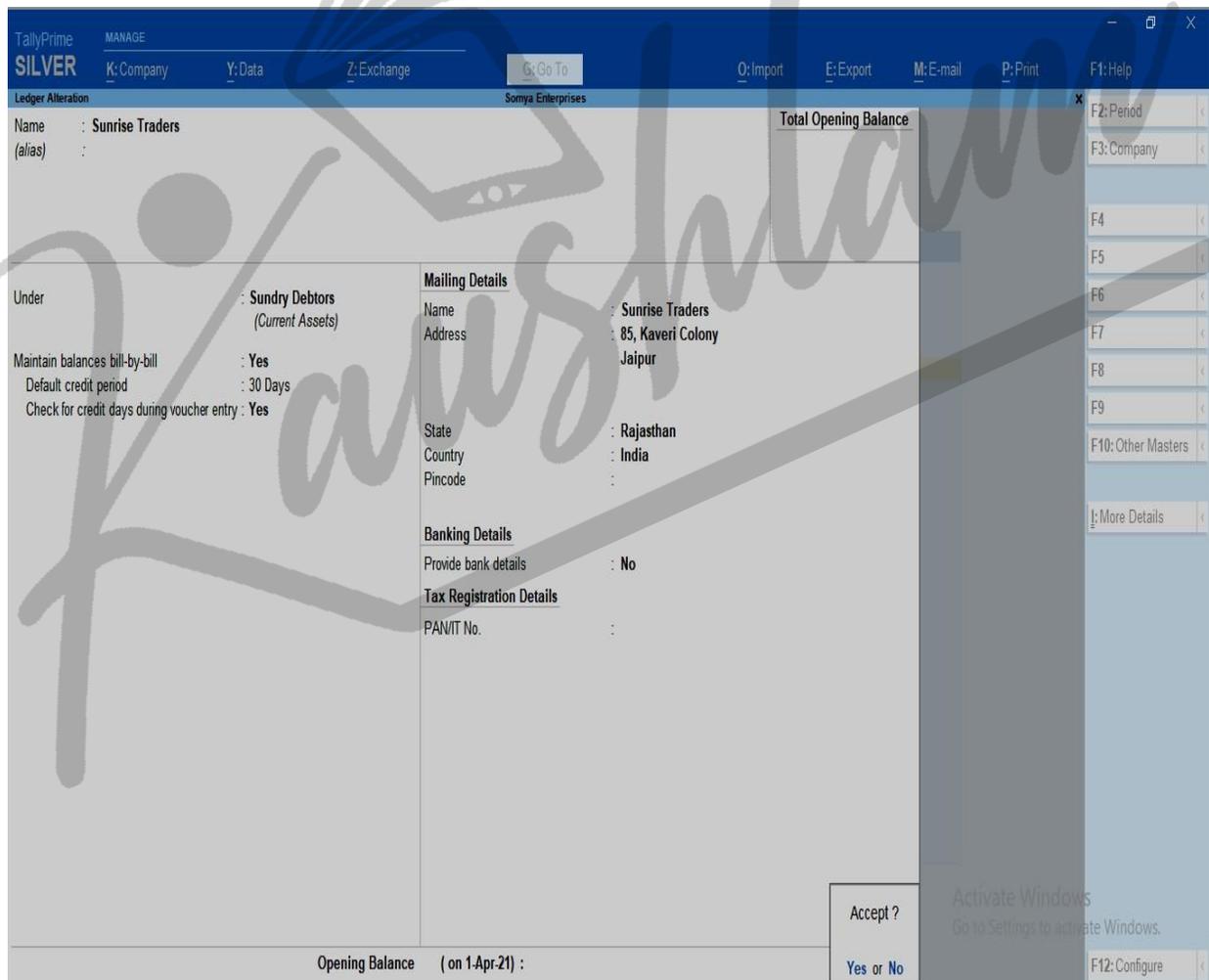
Ledger Creation from Transaction or reporting

User can create ledger during Voucher entry from all the voucher types available in Tally Prime.

1. From Voucher Creation/Alteration screen, press **Alt+C**. from ledger field.
2. Ledger Creation will display and create the ledger and save the screen.

In our example create ledger for

1. sales under the group sales
2. Sunrise traders under the group sundry debtors.



The screenshot shows the 'Ledger Alteration' window in Tally Prime. The window title is 'Ledger Alteration' and the company name is 'Somya Enterprises'. The main form contains the following fields:

- Name : Sunrise Traders
- (alias) :
- Under : Sundry Debtors (Current Assets)
- Mailing Details:
 - Name : Sunrise Traders
 - Address : 85, Kaveri Colony Jaipur
 - State : Rajasthan
 - Country : India
 - Pincode :
- Banking Details:
 - Provide bank details : No
- Tax Registration Details:
 - PAN/IT No. :
- Maintain balances bill-by-bill : Yes
- Default credit period : 30 Days
- Check for credit days during voucher entry : Yes

At the bottom of the window, there is a section for 'Opening Balance (on 1-Apr-21) :'. A dialog box 'Accept ?' with 'Yes or No' options is visible at the bottom right. The window also features a menu bar with options like 'Go To', 'Import', 'Export', 'E-mail', 'Print', and 'Help'. A watermark 'Kaushtam' is visible across the screen.

Accept the screen. As always, you can press **Ctrl+A** to save.

Note-

In the party ledger, the cursor will skip the field Maintain balances bill-by-bill when the option Inventory Values are affected is enabled. Also, if you select a foreign currency in the Currency of ledger field, the option Maintain balances bill-by-bill will not be displayed.

We recommend that you maintain the currency of party ledger in the base currency selected for the company.

When default bill allocation is enabled (Use default Bill-wise details for Bill Allocation set to Yes in the F12 configuration options) of sales invoice, you will not see any difference in the voucher. On saving the sales transaction, the bill gets linked to the party as default bill allocation. The voucher number appears as the bill reference. This bill starts appearing in the outstanding reports of the party.

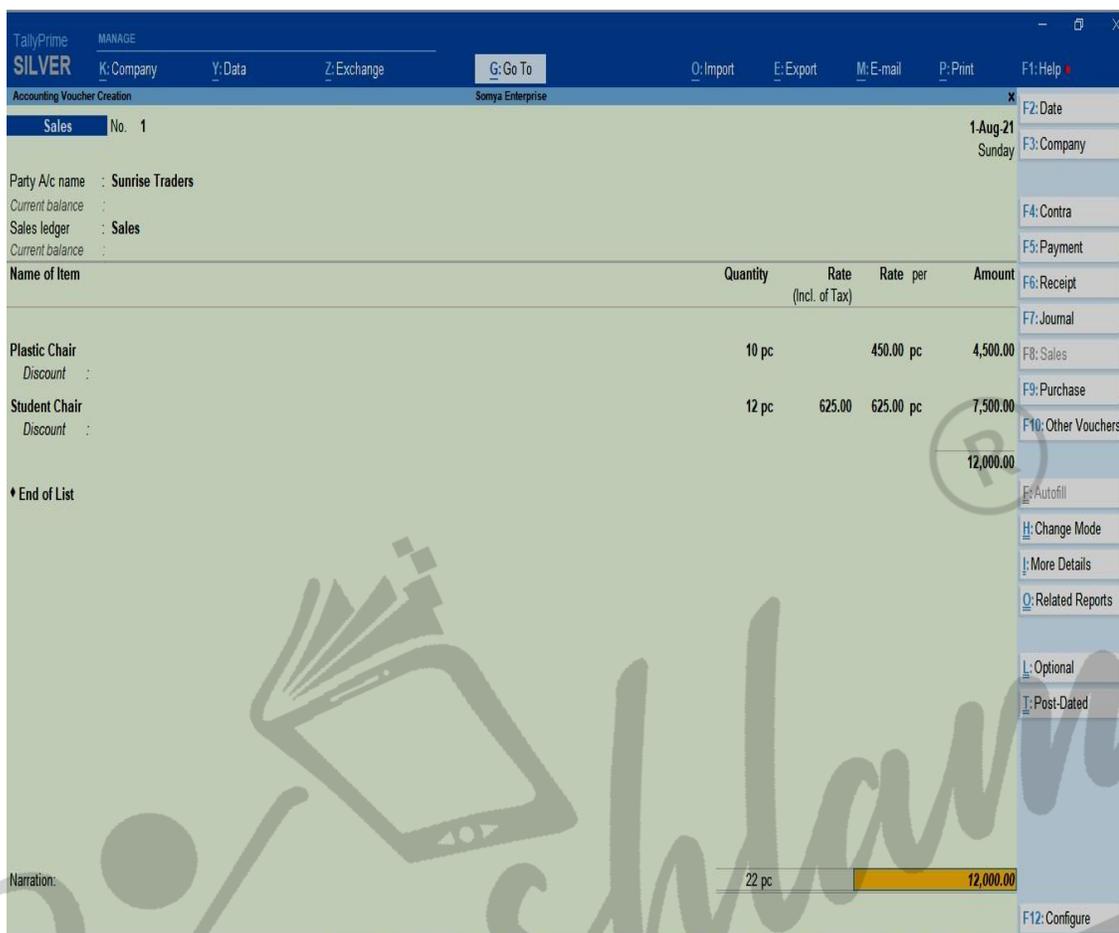
Recording of sales transaction in tally-

For recording sales of goods, you can select cash or bank for cash sales and party ledger for credit sales. You can record sales of goods or items using the Item Invoice mode. Tally Prime provides other modes such as Accounting Invoice mode and As Voucher mode for recording sales of goods or services. You can use the other modes of the voucher interchangeably for recording sales, based on the requirement.

As per your business practice, you can print all the invoices with the necessary details.

1. Open the sales voucher screen.
 - a. **Gateway of Tally > Vouchers > F8 (Sales)**. Alternatively, press **Alt+G (Go To) > Create Voucher > press F8 (Sales)**.
 - b. Ensure that the voucher mode is set to **Item Invoice** mode by pressing **Ctrl+H (Change Mode)**, or you can also confirm the same if you see **Name of Item** on the voucher screen.
 - c. If you want to enter the **Reference No.** and **Date** for the invoice, press **F12 (Configure)**, and set Provide **Reference No. and Date** to **Yes**. If you do not see this option, set **Show more configurations** to **Yes**.
2. Specify the buyer details.

- a. **Party A/c name:** Select **Cash** or **Bank** for cash sales. For credit sales, select the party name.
- b. **Party Details:** If you need **Dispatch, Order, or Buyer** details to be part of your invoice, provides the relevant details.
If you do not see the **Party Details** screen, press **F12** (Configure), and set **Provide Dispatch, Order, and Export details** to **Yes**.
 - **Dispatch & Order Details:** You can print these details in the invoice for the buyer's reference. If you already have a Delivery Note or a Sales Order, the Delivery Note Number and the Order Number are pre-filled.
 - **Buyer's Details:** In the case of cash sales, specify the buyer's details as needed in the printed invoice.
- c. As always, you can press **Ctrl+A** to save and proceed.
3. Select the accounting ledger to allocate the stock items.
 - a. For **Item Invoice**, select the **Sales** ledger.
If you do not see this field on the screen, press **F12** (Configure) and set **Select common Ledger Account for Item Allocation** to **Yes**.
Set this option is **No**, to allocate sale of each item to different accounting ledgers, if needed.
4. Provide stock item details.
As in other transactions, you can create the item or ledger on the fly by pressing **Alt+C**.
 - a. For **Item Invoice**, select the stock item, enter the **Quantity**.
The **Rate** will be auto-filled, if available for the stock item. However, you may choose to enter the **Rate** or **Amount**.
5. Select additional ledgers, like transportation charges, insurance, or discount, if any.
6. Provide **Narration**, if needed, and accept the screen. As always, you can press **Ctrl+A** to save.



TallyPrime MANAGE
SILVER K: Company Y: Data Z: Exchange G: Go To O: Import E: Export M: E-mail P: Print F1: Help

Accounting Voucher Creation Somya Enterprise

Sales No. 1 1-Aug-21 Sunday

Party A/c name : Sunrise Traders
Current balance :
Sales ledger : Sales
Current balance :

Name of Item	Quantity	Rate (Incl. of Tax)	Rate per	Amount
Plastic Chair Discount :	10 pc		450.00 pc	4,500.00
Student Chair Discount :	12 pc	625.00	625.00 pc	7,500.00
				12,000.00

◆ End of List

Narration: 22 pc 12,000.00

F2: Date
F3: Company
F4: Contra
F5: Payment
F6: Receipt
F7: Journal
F8: Sales
F9: Purchase
F10: Other Vouchers
F11: Autofill
F12: Change Mode
F13: More Details
F14: Related Reports
F15: Optional
F16: Post-Dated
F17: Configure

Change Bill Allocation

If you receive advance payments from your customers and have accounted as receipts, you will need to settle these advance receipts when you record the sales transaction. In Tally

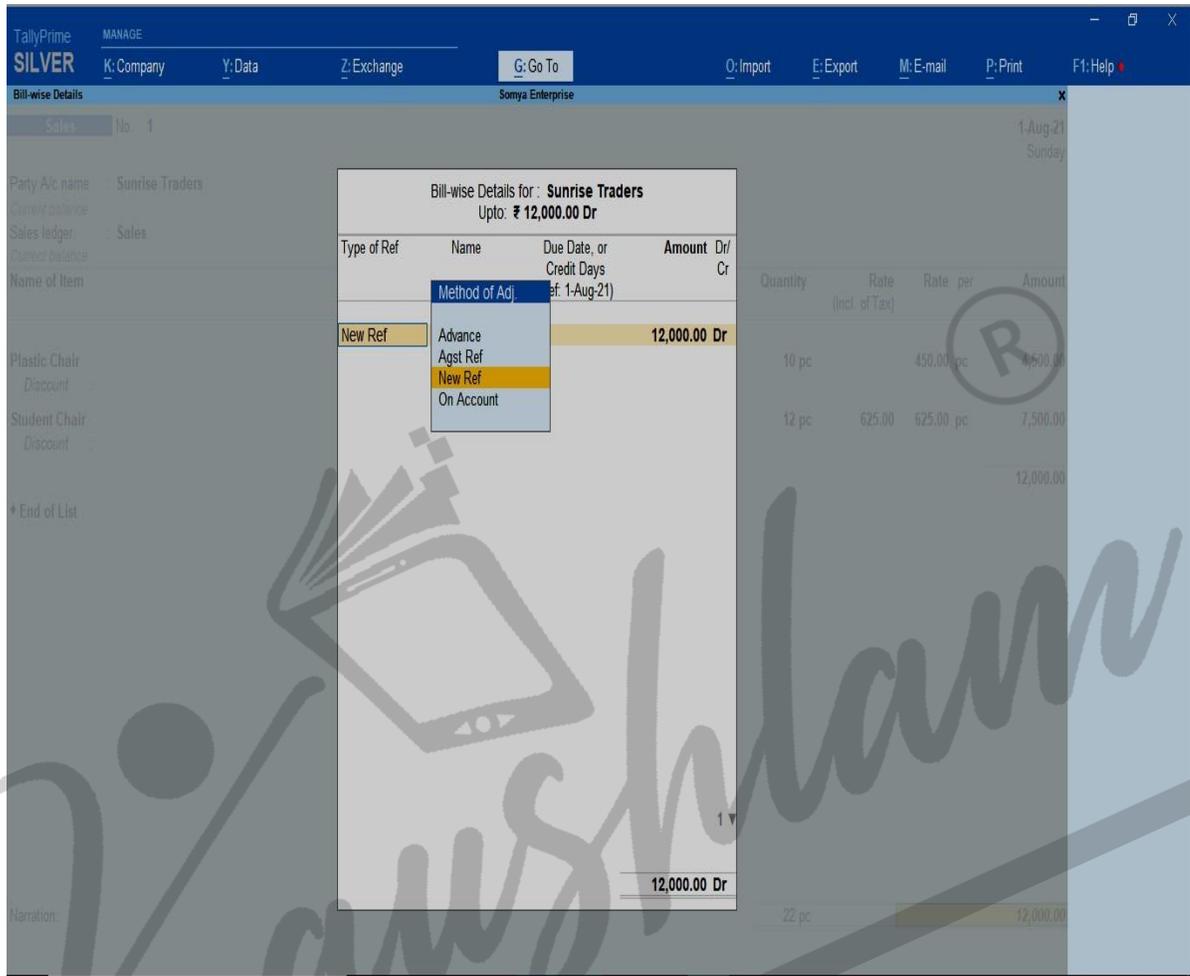
Prime, you can allocate your sales bills against your receipt entries. You can also configure your sales invoice to decide the bill allocations (including method of adjustment, bill no., etc.)

1. Configure the invoice to change the bill allocation.

- Ensure the option Maintain balances bill-by-bill is set to Yes.
- In the sales voucher, press F12 (Configure) > set Use default Bill-wise details for Bill Allocation to No.

Henceforth, you can select the bill references in the Bill-wise Details screen, until you change the option in F12 (Configure) of the invoice.

- c. In the invoice total field, place the cursor and press Enter to view the Bill- wise Details screen.



2. Specify the bill-wise details.

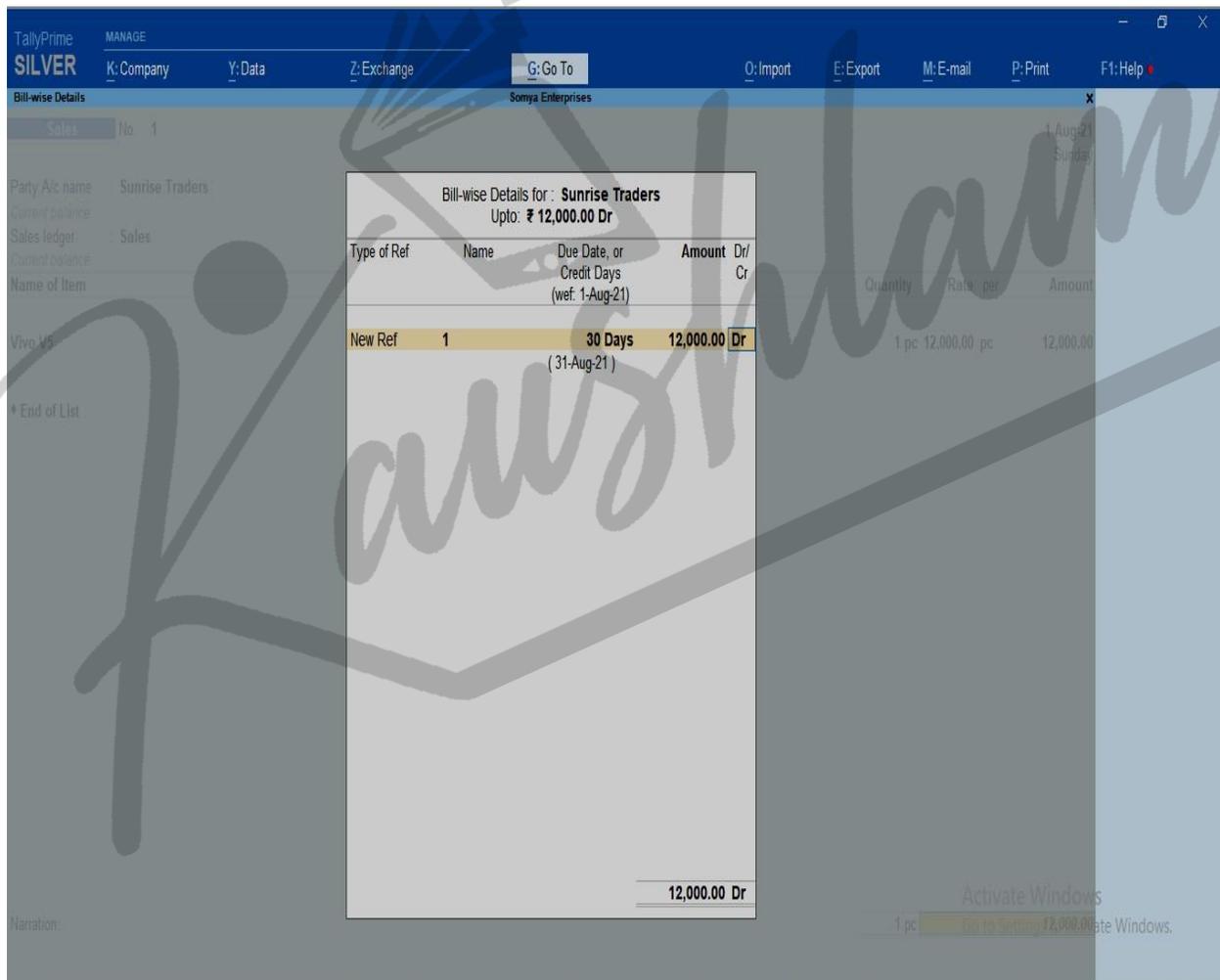
- a. In Type of Ref, select the method of adjustment.
- **Advance** – This is not applicable for sales. This is applicable whenever some advance amount is received from party.
 - **Agst Ref** – Select when you need to adjust the transaction against a bill (advance received, credit note, etc.).
 - **New Ref** – Select when you are recording a fresh transaction, to generate a new bill for the party.

- **On Account** – Select when you want to save the sales invoice without any bill reference.

NOTE

In **Name**, the sales voucher number appears. You can change this to any value and use the name to track the bill. If you configure appropriate voucher numbering, you can use the voucher number itself.

If you want to adjust some amount against an advance, and split the remaining bill value by providing different credit days, you can do it in Tally Prime. You can break the amount of a single sales invoice into multiple bills by entering different bill references and due date/credit days.



The screenshot shows the Tally Prime interface with a 'Bill-wise Details' window open for 'Sunrise Traders'. The window title is 'Bill-wise Details for : Sunrise Traders Upto: ₹ 12,000.00 Dr'. The main table displays the following data:

Type of Ref	Name	Due Date, or Credit Days (wef: 1-Aug-21)	Amount	Dr/ Cr	Quantity	Rate per	Amount
New Ref	1	30 Days (31-Aug-21)	12,000.00	Dr	1 pc	12,000.00 pc	12,000.00
			12,000.00	Dr			

The background shows the Tally Prime 'SILVER' interface with various menu options like 'Go To', 'Import', 'Export', 'E-mail', 'Print', and 'Help'. A watermark 'KauShlam' is visible across the screenshot.

- b. Press Enter to accept.

- c. Accept the invoice. As always, you can press Ctrl+A to save.

While recording transactions with party ledgers, the bill -wise details will appear for selection. You can select the required bills to set-off/clear the bill references.

Manage Credit Period

Based on your business requirements and customer relationship, you may need to provide different credit period to different parties. In Tally Prime you can enter the required credit period for each customer in the party ledger, and change it, if needed, while recording the transaction.

When the party master is enabled to Maintain balances bill -by-bill, the following options appear in the party master:

- **Default credit period** – Set the credit days. The credit period may be given for Sundry Debtors and Sundry Creditors. The number of credit days or period can be defined in various ways:

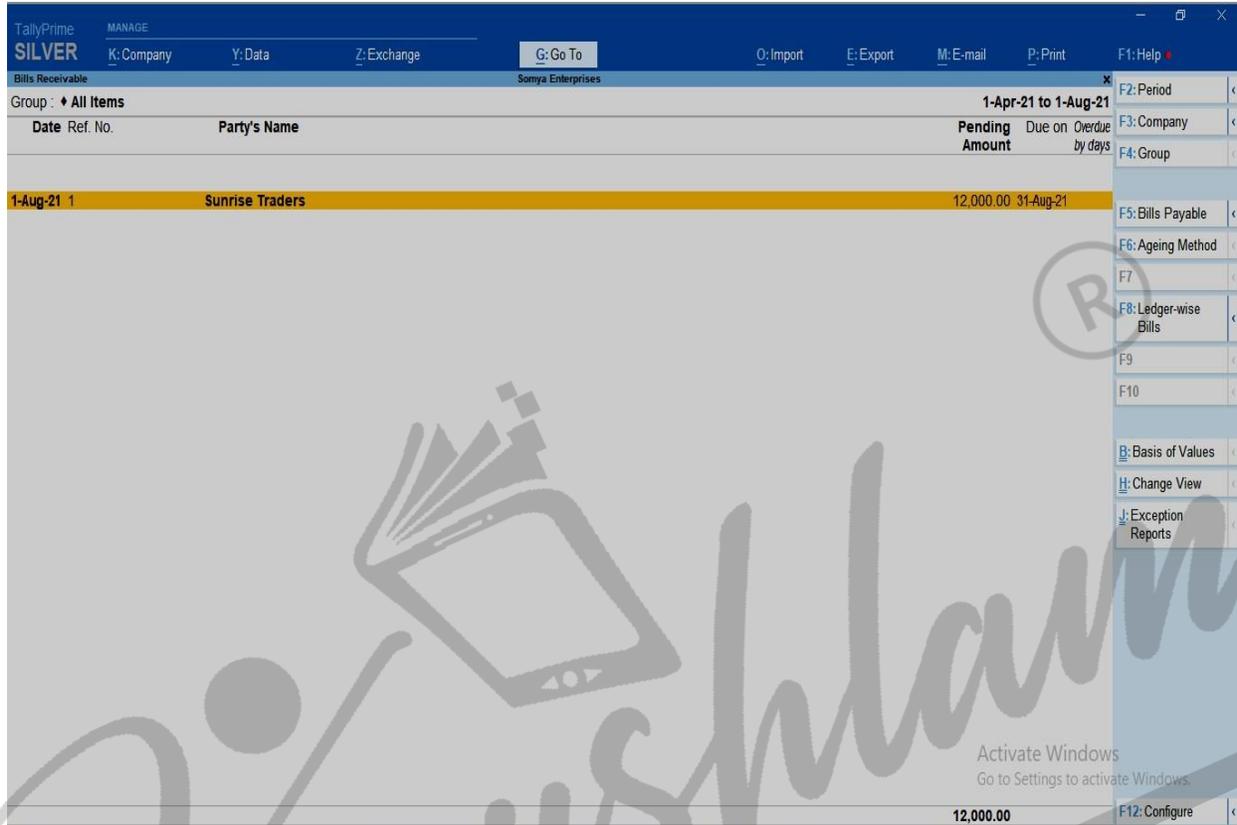
	Suffix	Example
Days	None	4 is considered as 4 days.
Weeks	W	4 W is considered as 4 weeks.
Months	M	4 M is considered as 4 months.
Year	Y	4 Y is considered as 4 years.

While recording transactions, the credit period will appear in the Bill -wise Details screen as Due Date or Credit Days. You can change the details as needed.

- **Check for credit days during voucher entry** — Set it to **yes** to get warned about exceeding credit period or pending outstanding bills for a party during transactions. The warning message appears.

View and Manage outstanding Receivables-

Now if you want to know your Debtors and their due amount with due date press Alt+G (Go To) > Receivable and payable Reports > Bills Receivable



1-Apr-21 to 1-Aug-21			
Date	Ref. No.	Party's Name	Pending Amount
1-Aug-21	1	Sunrise Traders	12,000.00
			Due on 31-Aug-21
			Overdue by days
			12,000.00

If part payment of ₹ 5000 received on 15/8/21 then, report will show 7000 due from sunrise traders.

Make the entry in receipt voucher for 5000 under agst reference because this payment is received against the previous due invoice. See the image

TallyPrime MANAGE
SILVER K: Company Y: Data Z: Exchange G: Go To O: Import E: Export M: E-mail P: Print F1: Help

Bill-wise Details Somya Enterprises

Receipt No. 1 15-Aug-21
 Sunday

Account Axis Bank A/c 259846.....
 Current balance 5,000.00 Dr

Particulars

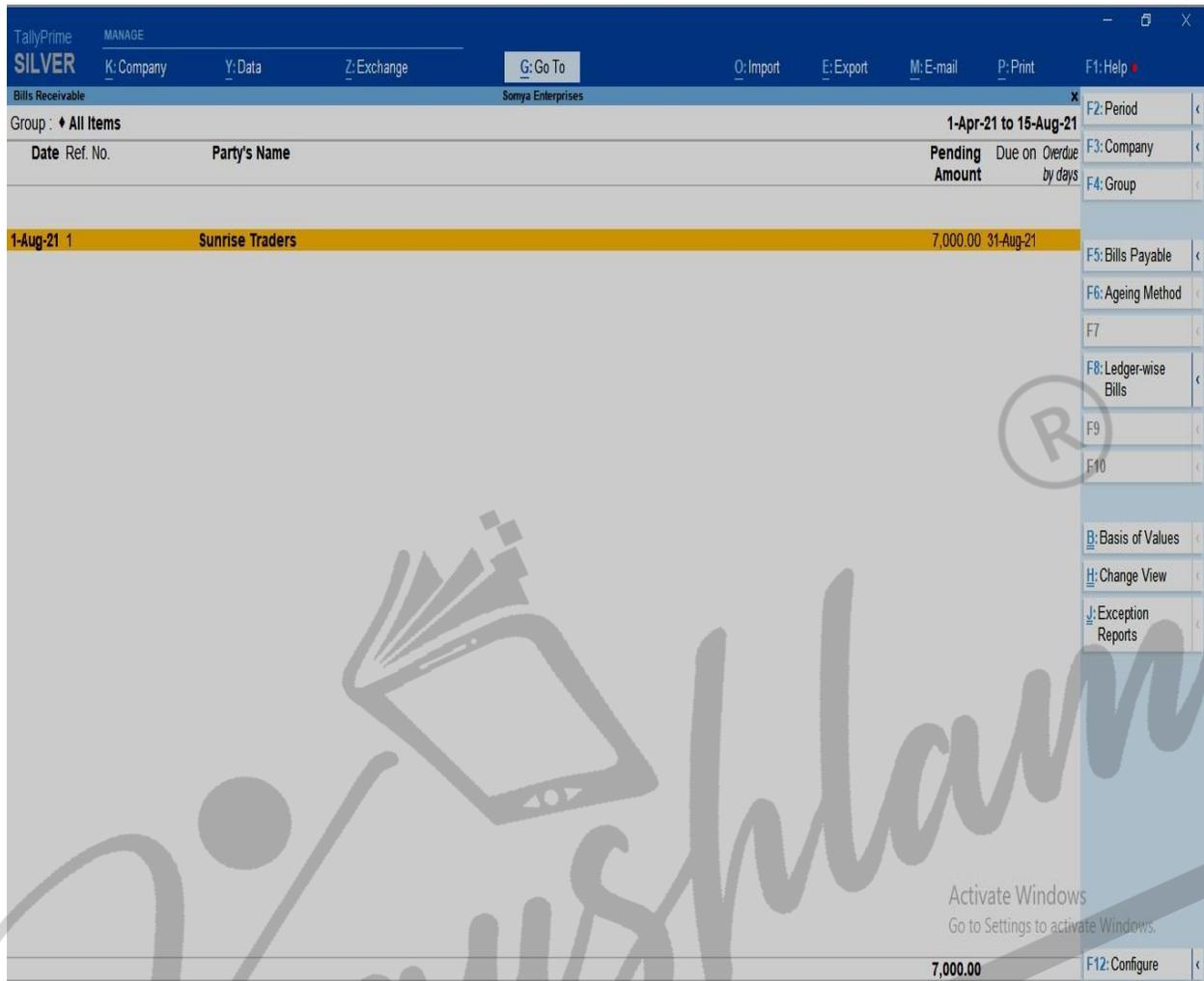
Sunrise Traders
 Cur Bal: 7,000.00 Dr

Bill-wise Details for : Sunrise Traders				
Upto : ₹ 5,000.00 Cr				
Type of Ref	Name	Due Date, or Credit Days (wef. 15-Aug-21)	Amount	Dr/ Cr
Agst Ref	1	30 Days (31-Aug-21)	5,000.00	Cr
			5,000.00	Cr

Narration: 5,000.00 Cr

5,000.00
 Activate Windows
 Go to Settings to activate Windows.

Now see the report same as above for receivables-

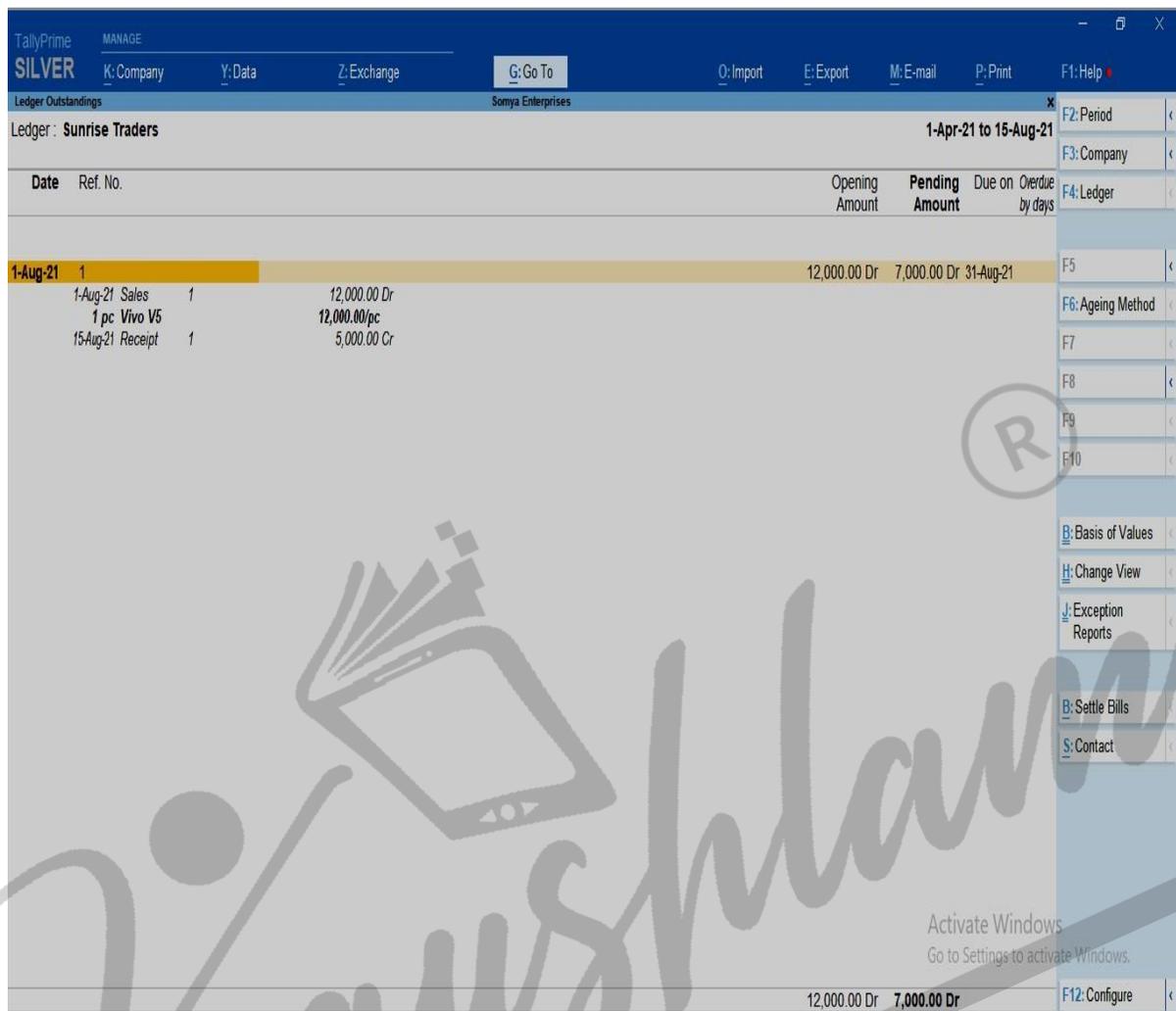


Date	Ref. No.	Party's Name	Pending Amount	Due on	Overdue by days
1-Aug-21	1	Sunrise Traders	7,000.00	31-Aug-21	
			7,000.00		

Ledger View

In this report, you can see the details of sales you have made to Sundry debtors along with the receipts recorded on receiving the payments.

- Alt+G (Go To) > type Ledger Vouchers > select the party. Alternatively, Gateway of Tally > Display More Reports > Account Books > Ledger > select the party. A sample image is as shown.



Date	Ref. No.	Opening Amount	Pending Amount	Due on Overdue by days
1-Aug-21	1	12,000.00 Dr	7,000.00 Dr	31-Aug-21
1-Aug-21	Sales 1	12,000.00 Dr		
	1 pc Vivo V5	12,000.00 Dr		
15-Aug-21	Receipt 1		5,000.00 Cr	
		12,000.00 Dr	7,000.00 Dr	

Now if you want to see any overdue receivables i.e. outstanding after due date, you can find the same in Exception reports. It will help in managing trade receivables to remind them for overdue payment. You can find it in tally as

Gateway of Tally> Display More Reports >Exception reports>Overdue Receivables Alternatively,

Alt+G (Go To)> Receivables & payables reports> Overdue Receivables

To

O: Import E: Export M: E-mail P: Print F1: Help

F2: Date
F3: Company

Gateway of Tally
Display More Reports

Exception Reports

MASTERS

- Ledgers Without E-mAil IDs

REGISTERS

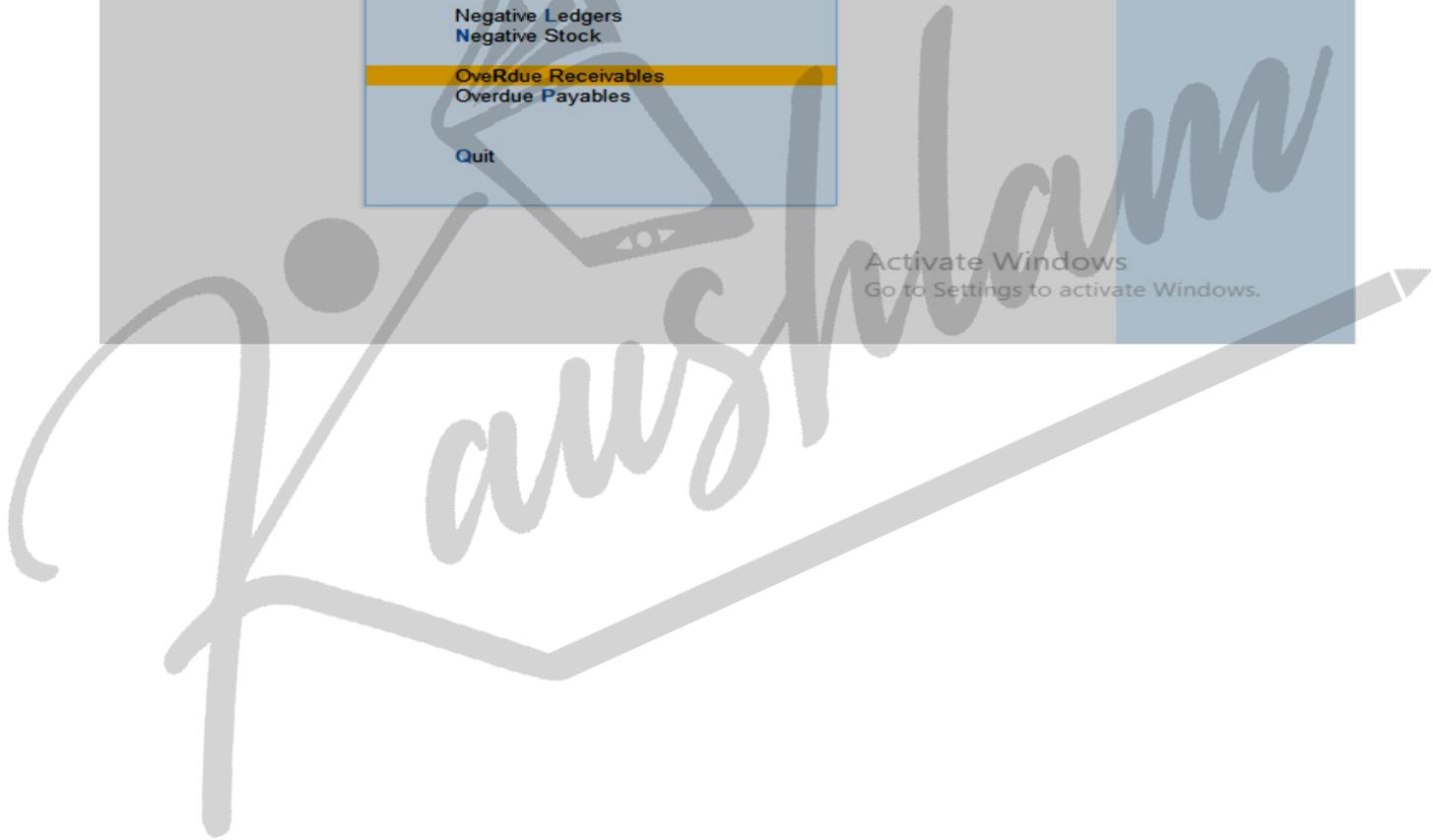
- Optional Vouchers
- Cancelled Vouchers
- PoS-t-Dated Vouchers

REPORTS

- Negative Ledgers
- Negative Stock
- Overdue Receivables**
- Overdue Payables

Quit

Activate Windows
Go to Settings to activate Windows.



TallyPrime MANAGE
SILVER K: Company Y: Data Z: Exchange G: Go To O: Import E: Export M: E-mail P: Print F1: Help

Overdue Bills Receivable Somya Enterprises

Group : ♦ All Items 1-Apr-21 to 2-Sep-21

Date	Ref. No.	Party's Name	Pending Amount	Due on Overdue by days
1-Aug-21	1	Sunrise Traders	7,000.00	31-Aug-21 2
1-Aug-21	Sales 1		12,000.00 Dr	
	1 pc Vivo V5		12,000.00/pc	
15-Aug-21	Receipt 1		5,000.00 Cr	

7,000.00

Activate Windows
Go to Settings to activate Windows.

F2: Period
F3: Company
F4: Group
F5: Bills Payable
F6: Ageing Method
F7
F8: Ledger-wise Bills
F9
F10
B: Basis of Values
H: Change View
J: Exception Reports
F12: Configure

Management of Trade Payables in tally-

How to record accounts payables?

Let's take an example where trade credit is created-

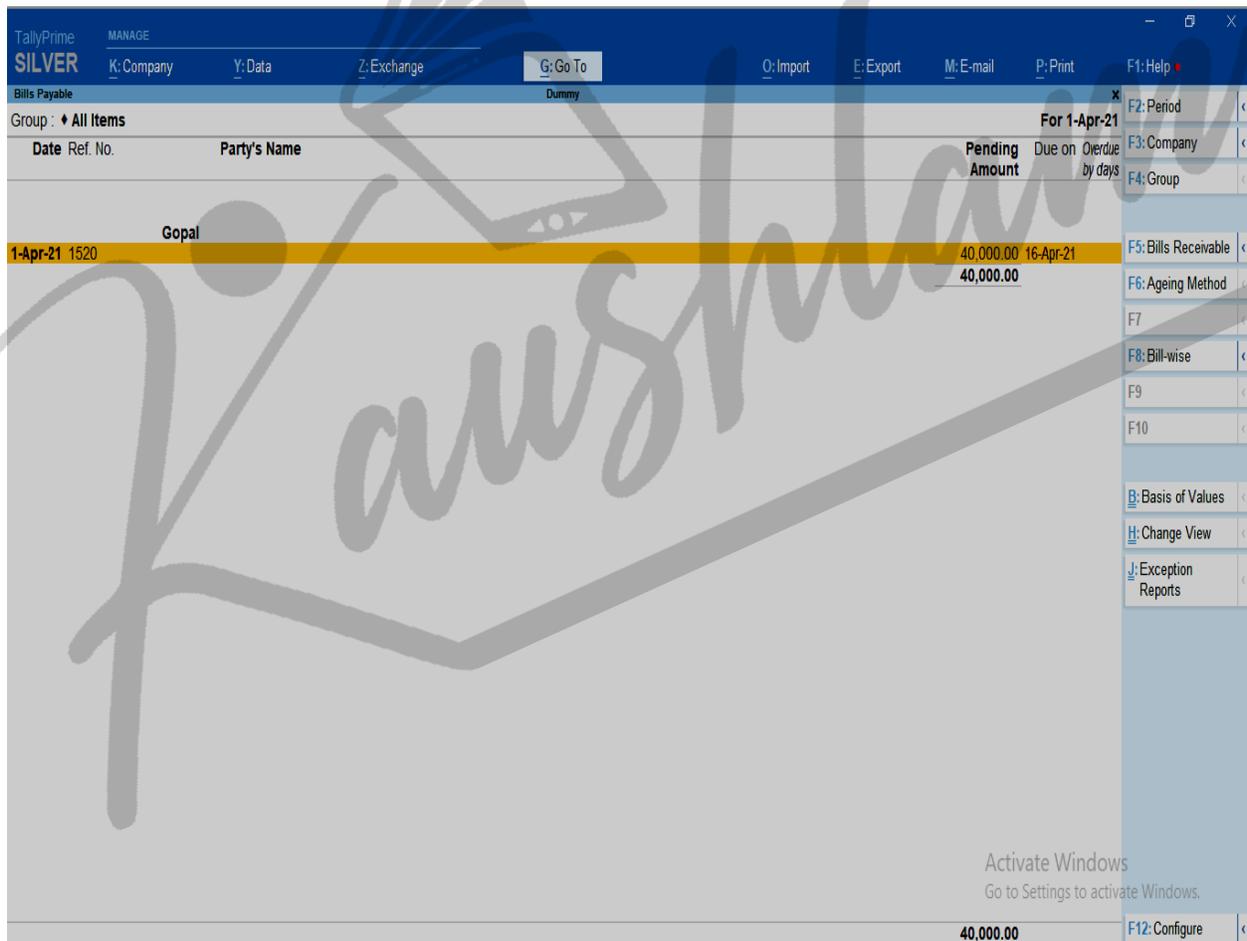
Example- Purchased Goods from Gopal on credit worth ₹40000. Entry will be- Purchase A/c Dr. 40000

To Gopal a/c 40000

When the purchase bill is paid

Gopal A/C Dr. 40000
To Bank A/c 40000

Similar to the receivables report, you can view trade payable report



The screenshot shows the TallyPrime interface for a 'Bills Payable' report. The report is for the period 'For 1-Apr-21' and is filtered by 'Party's Name' as 'Gopal'. The report shows a single entry on 1-Apr-21 with a reference number 1520, a pending amount of 40,000.00, and a due date of 16-Apr-21. The report also shows a total pending amount of 40,000.00 at the bottom. The interface includes a menu bar with options like 'Go To', 'Import', 'Export', 'E-mail', 'Print', and 'Help'. A right-hand pane contains various filters and options such as 'Period', 'Company', 'Group', 'Bills Receivable', 'Ageing Method', 'Bill-wise', and 'Exception Reports'.

Date	Ref. No.	Party's Name	Pending Amount	Due on	Overdue by days
1-Apr-21	1520	Gopal	40,000.00	16-Apr-21	
			40,000.00		

With various options available you can see your credit period, maintain vouchers bill-wise for a particular party and even settle bills, at a click of a button.

When you make a purchase of large amount and unable to pay at a time and have agreed to make partial payments in regular intervals, you can split such purchases into multiple bills. This helps you to track the payment breakup against the bills created and manage your outstanding payables systematically.

Reporting of trade payable is same as we have studied in case of Trade receivable. The difference in tally reporting is that we have to see report in Bills payable or trade payable instead of Trade receivable or Bills receivable.

Management of Credit period in Tally

Based on your business requirements and customer relationship, you may need to provide different credit period to different parties. In TallyPrime you can enter the required credit period for each customer in the party ledger, and change it, if needed, while recording the transaction.

When the party master is enabled to Maintain balances bill-by-bill, the following options appear in the party master:

- **Default credit period** – Set the credit days. The credit period may be given for **Sundry Debtors** and **Sundry Creditors**. The number of credit days or period can be defined in various ways:

	Suffix	Example
Days	None	5 is considered as 5 days.
Weeks	W	5 W is considered as 5 weeks.
Months	M	5 M is considered as 5 months.
Year	Y	5 Y is considered as 5 years.

While recording transactions, the credit period will appear in the Bill-wise Details screen as Due Date or Credit Days. You can change the details as needed.

- **Check for credit days during voucher entry** – Set it to **Yes** to get warned about exceeding credit period or pending outstanding bills for a party during transactions. The warning message appears as shown below:



Once you set the terms of credit in party ledger, the same gets applied in transactions.

Settle dues for credit sales made without bill-wise

When your party makes a payment against a sale that you have recorded earlier, you can pass a receipt entry to settle the due amount. It is important to ensure that you receive the payments from your parties and settle your accounts time to time.

Scenario 1: Sale made for say Rs 50,000. Customer pays only Rs. 30,000 first and the remaining Rs. 20,000 later. This is the simplest case.

Scenario 2: Sale made for say Rs. 50,000. Customer pays Rs. 30,000 first, pays another Rs. 50,000. At a later date asks for goods worth Rs. 30,000. This is the complex case (without Bill-wise).

For example, Customer A owes you a total of Rs. 1,00,000 from the sales made on credit, and later has made a payment of Rs. 40,000. You can now make a receipt entry against that party on the day you receive the payment. As an when Customer A makes a payment of the remaining Rs. 60,000, you can pass another receipt entry to settle to entire outstanding receivables from that party. If you often transact with a customer, say Customer B, and you received an advance payment of Rs. 1,20,000. As and when you make a sale to the party, the corresponding amount gets knocked off from the total outstanding from the credit balance against Customer A.

Bill-wise entry for Purchase return and sales Return

Record Debit Note for Purchase Returns and Increase in Purchase Value

Debit Note is a document issued to a party stating that you are debiting their Account in your Books of Accounts for the stated reason or vice versa. It is commonly used in case of Purchase Returns, Escalation/De-escalation in price, any other expenses incurred by you on behalf of the party etc.

Record Purchase Returns

Debit Note can be entered in voucher or invoice mode.

1. Gateway of Tally > Vouchers > press F10 (Other Vouchers) > type or select Debit Note > and press Enter.
Alternatively, press Alt+G (Go To) > Create Voucher > press F10 (Other Vouchers) > type or select Debit Note > and press Enter.
2. Press Ctrl+H (Change Mode) to select the required voucher mode (Item Invoice, in this case).
 - a. Party A/c Name: Select the party name.
 - b. Party Details: Provide the Supplier details. You can also provide the Receipt or Order details as per your invoice requirements. You can also enter the Original Invoice No. and Date, against which this purchase return is being recorded. If you do not see the Party Details screen with options for Original Invoice No. and Date, press F12 (Configure), and set Provide Dispatch, Order, and Export/Import details to Yes.
 - c. As always, you can press Ctrl+A to save and proceed.
3. Select the Purchase ledger to allocate the stock items.
4. Provide the stock item details.

As in other transactions, you can create the item on the fly by pressing Alt+C.

- a. Select the stock item

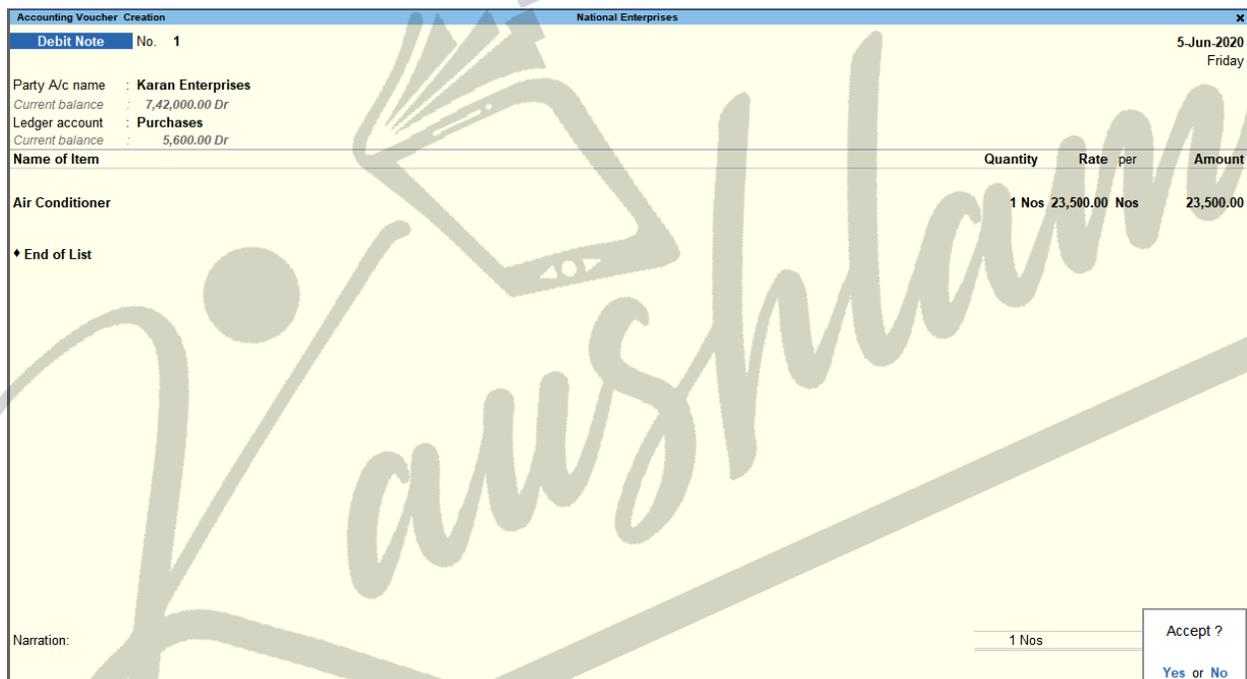
b. Enter the Quantity. The Rate will be auto-filled, based on the rate entered in the previous transaction. However, you may choose to enter the Rate. The Amount appears automatically.

5. Select the bill-wise details.

a. Press F12 (Configure) > set Use default Bill-wise details for Bill Allocation to No. Henceforth, you can select the bill references in the Bill-wise Details screen, until you change the option in F12 (Configure) of the invoice.

b. Select Agst Ref, as the payment has not been received against the purchase. . Provide Narration, if needed. What you see on the screen can vary based on your choices. Press F12 (Configure) to change the options and F11 (Features) to enable or disable features.

6. Provide narration if needed.



The screenshot shows the 'Accounting Voucher Creation' window for 'National Enterprises'. It displays a 'Debit Note' for 'No. 1' dated '5-Jun-2020 Friday'. The party is 'Karan Enterprises' with a current balance of '7,42,000.00 Dr'. The ledger account is 'Purchases' with a current balance of '5,600.00 Dr'. A table lists one item: 'Air Conditioner' with a quantity of '1 Nos', a rate of '23,500.00 Nos', and an amount of '23,500.00'. The narration field contains '1 Nos'. An 'Accept?' dialog box is visible at the bottom right with 'Yes or No' options.

Name of Item	Quantity	Rate per	Amount
Air Conditioner	1 Nos	23,500.00 Nos	23,500.00

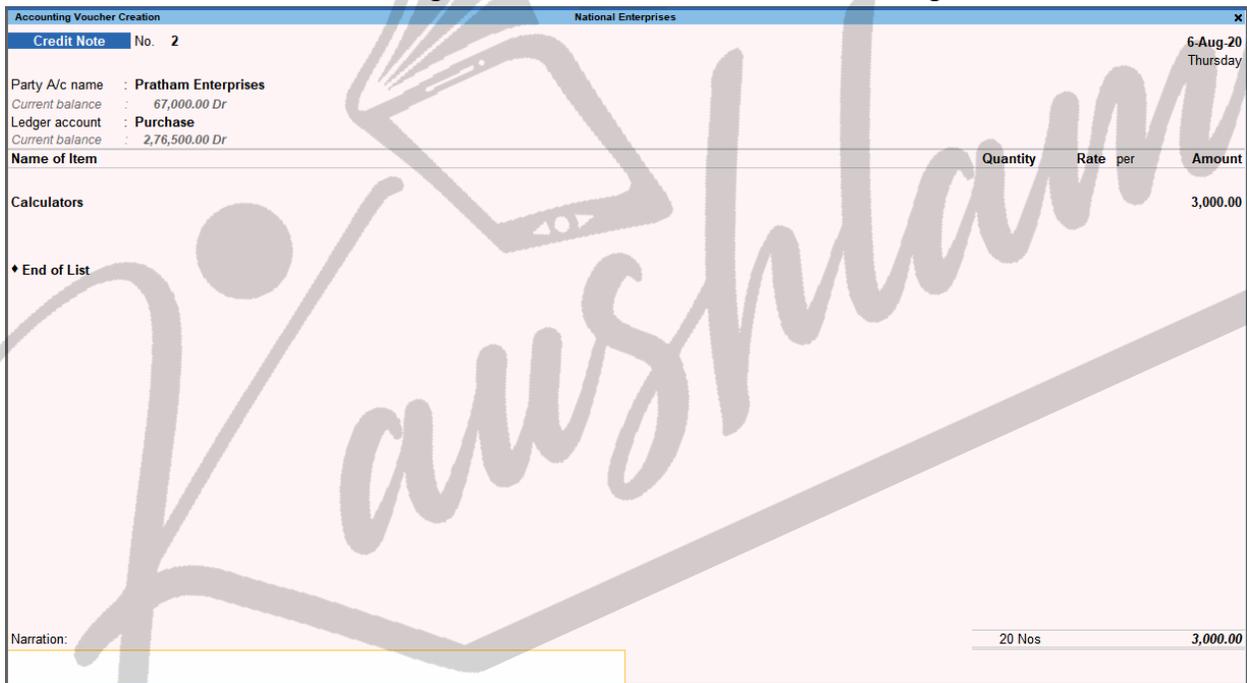
7. Accept the screen. As always, you can press Ctrl+A to save.

Account for Increase in Purchase Value

You may want to account for an increase in purchase value. For this you can record a transaction in credit note by selecting the purchase ledger in invoice mode as well.

1. Gateway of Tally > Vouchers > press F10 (Other Vouchers) > type or select Credit Note > and press Enter. Alternatively, press Alt+G (Go To) > Create Voucher > press F10 (Other Vouchers) > type or select Credit Note > and press Enter.

2. Press Ctrl+H (Change Mode) to select the required voucher mode (Item Invoice, in this case).
3. Select the Party A/c Name and provide the supplier details. You can also enter the Original Invoice No. and Date, against which this transaction is being recorded. If you do not see the Party Details screen with options for Original Invoice No. and Date, press F12 (Configure), and set Provide Receipt, Order, and Export/Import details to Yes.
4. In the Ledger Account field, press Enter on Show More > select the purchase ledger to allocate the stock items.
5. Provide the stock item details and enter the amount. . Select the bill-wise details against which this transaction is being recorded. What you see on the screen can vary based on your choices. Press F12 (Configure) to change the options and F11 (Features) to enable or disable features.
6. Select the bill-wise details against which this transaction is being recorded.



Accounting Voucher Creation National Enterprises

Credit Note No. 2 6-Aug-20 Thursday

Party A/c name : Pratham Enterprises
 Current balance : 67,000.00 Dr
 Ledger account : Purchase
 Current balance : 2,76,500.00 Dr

Name of Item	Quantity	Rate per	Amount
Calculators			3,000.00
◆ End of List			

Narration: 20 Nos 3,000.00

What you see on the screen can vary based on your choices. Press F12 (Configure) to change the options and F11 (Features) to enable or disable features.

7. Accept the screen. As always, you can press Ctrl+A to save

Record Credit Note for Sales Returns and Increase in Sale Value

In case you have sold goods and some or all of the goods have been returned by your customer, you will need to account for such sales returns. Once you accept the goods that are returned, before or after receiving the payment for the same, you can record the transaction using the credit note feature of TallyPrime.

Sales Returns Transaction

When you accept sales return, record such returns by issuing credit notes.

In this section

- Sales returns before receiving the payment
- Sales returns after receiving the payment

Sales returns before receiving the payment

If you are recording the sales returns before receiving the payment, you can select the reference as Agst Ref while linking the credit note to the sales invoice.

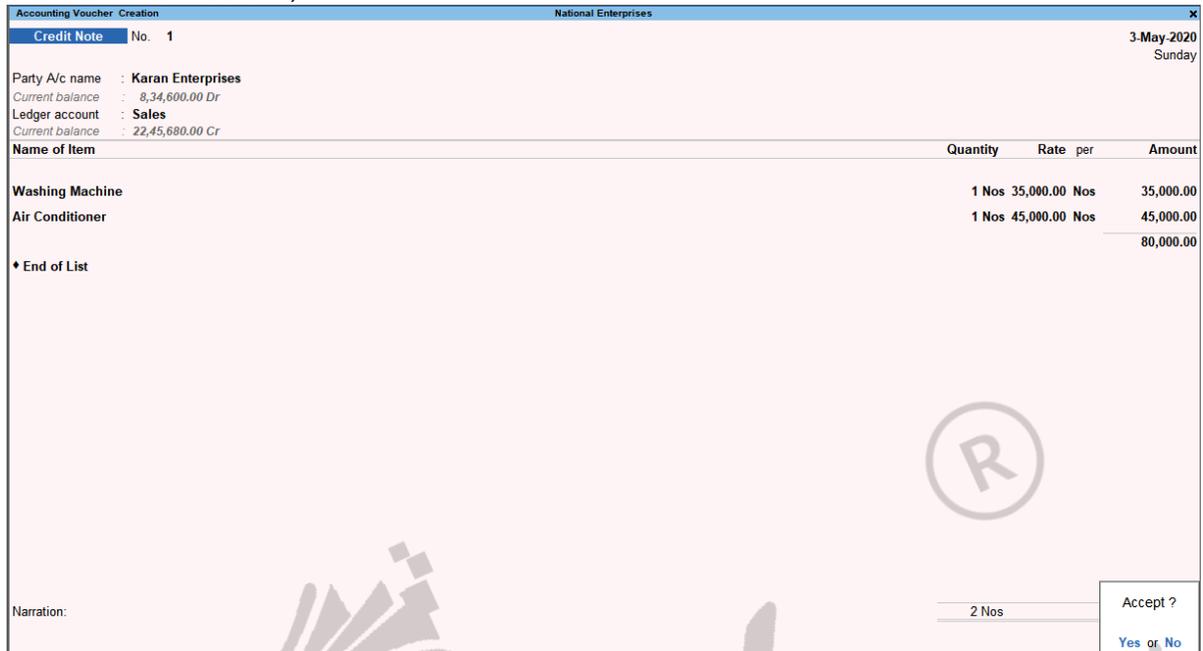
1. Open the credit note voucher screen and specify the buyer details.
 - a. **Gateway of Tally > Vouchers > F10** (Other Vouchers) > type or select **Credit Note** > and press **Enter**.
Alternatively, press **Alt+G** (Go To) > **Create Voucher > F10** (Other Vouchers) > type or select **Credit Note**.
 - b. Press **Ctrl+H** (Change Mode) and select the invoice mode as per your business needs.
 - c. **Party A/c Name:** Select the party name.
 - d. **Party Details:** Provide the Buyer details. You can also provide the Receipt or Order details as per your invoice requirements. You can also enter the **Original Invoice No.** and **Date** against which this sales return is being recorded.

If you do not see the **Party Details** screen with options for **Original Invoice No.** and **Date**, press **F12** (Configure), and set **Provide Receipt, Order, and Export/Import details** to **Yes**.

- e. As always, you can press **Ctrl+A** to save and proceed.
2. Select the **Sales ledger** to allocate the stock items.
3. Provide the stock item details.
As in other transactions, you can create the item on the fly by pressing **Alt+C**.
 - a. Select the stock item.
 - b. Enter the **Quantity**. The **Rate** will be auto-filled, based on the rate entered in the previous transaction. However, you may choose to enter the **Rate**. The **Amount** appears automatically.
4. Select the bill-wise details.
 - a. Press **F12** (Configure) > set **Use default Bill-wise details for Bill Allocation** to **No**.
Henceforth, you can select the bill references in the **Bill-wise Details** screen, until you change the option in **F12** (Configure) of the invoice.
 - b. Select **Agst Ref**, as the payment has not been received against the sales.

Bill-wise Details		National Enterprises					
Credit Note No. 1							
Party A/c name	: Karan Enterprises	Bill-wise Details for : Karan Enterprises					
Current balance	: 7,54,000.00 Dr	Upto: ₹ 80,000.00 Cr					
Ledger account	: Sales	Type of Ref	Name	Due Date, or	Amount Dr/		
Current balance	: 21,25,680.00 Cr						
Name of Item		Pending Bills					
Washing Machine				Name	Date	Balance	Final Balance
Air Conditioner		Agst Ref	KR/01	3/1/KE-1	1-May-2020	1,00,000.00 Dr	1,00,000.00 Dr
				3/2/KE-1	1-May-2020	60,000.00 Dr	60,000.00 Dr
				3/KE-1	1-May-2020	1,80,000.00 Dr	1,68,000.00 Dr
				4	1-May-2020	37,000.00 Dr	37,000.00 Dr
				KR/01	24-Apr-2020	5,49,600.00 Dr	5,49,600.00 Dr

5. Provide **Narration**, if needed.



Accounting Voucher Creation National Enterprises

Credit Note No. 1 3-May-2020 Sunday

Party A/c name : Karan Enterprises
 Current balance : 8,34,600.00 Dr
 Ledger account : Sales
 Current balance : 22,45,680.00 Cr

Name of Item	Quantity	Rate per	Amount
Washing Machine	1 Nos	35,000.00 Nos	35,000.00
Air Conditioner	1 Nos	45,000.00 Nos	45,000.00
			80,000.00

◆ End of List

Narration: _____

2 Nos

Accept ?
Yes or No

*What you see on the screen can vary based on your choices. Press **F12** (Configure) to change the options and **F11** (Features) to enable or disable features.*

6. Accept the screen. As always, you can press **Ctrl+A** to save.

Sales returns after receiving the payment

If you are recording the sales returns after receiving the amount, you can select the reference as New Ref while recording the credit note. When you provide the reference of the sales invoice, the credit note will be linked to it. Hence, when you raise a sales invoice on a later date, you can record it against this credit note.

1. Open the credit note voucher screen and specify the buyer details.
 - a. **Gateway of Tally > Vouchers** > press **F10** (Other Vouchers) type or select **Credit Note** > and press **Enter**.
Alternatively, press **Alt+G** (Go To) > **Create Voucher** > **F10** (Other Vouchers) > type or select **Credit Note**.
 - b. Press **Ctrl+H** (Change Mode) and select the invoice mode as per your business needs.
 - c. **Party A/c Name**: Select the party name.

d. **Party Details:** Provide the Buyer details. You can also provide the Receipt or Order details as per your invoice requirements. You can also enter the **Original Invoice No.** and **Date**, against which this sales return is being recorded.

If you do not see the **Party Details** screen with options for **Original Invoice No.** and **Date**, press **F12** (Configure), and set **Provide Receipt, Order, and Export/Import details** to **Yes**.

2. Select the **Sales ledger** to allocate the stock items.

3. Provide the stock item details.

As in other transactions, you can create the item on the fly by pressing **Alt+C**.

a. Select the stock item.

b. Enter the **Quantity**. The **Rate** will be auto-filled, based on the rate entered in the previous transaction. However, you may choose to enter the Rate. The Amount appears automatically.

4. Select the bill-wise details.

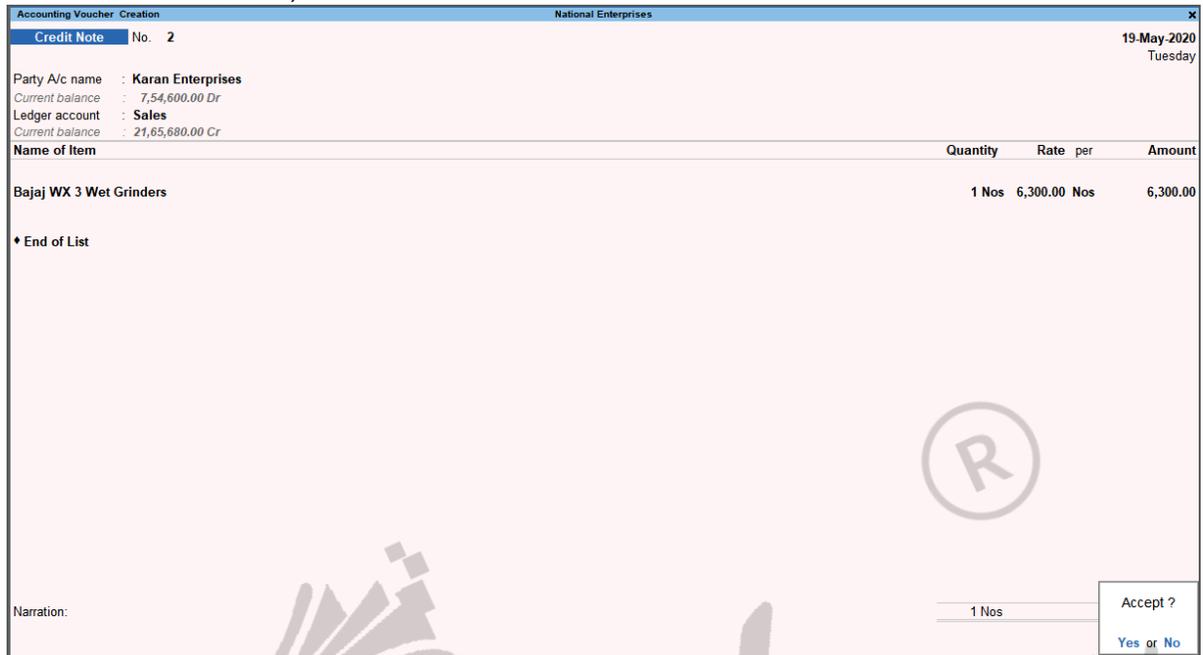
a. Press **F12** (Configure) > set **Use default Bill-wise details for Bill Allocation** to **No**.

Henceforth, you can select the bill references in the **Bill-wise Details** screen, until you change the option in **F12** (Configure) of the invoice.

b. Select **New Ref**, as the payment has been received against the sales.

Bill-wise Details		National Enterprises		
Credit Note No. 2				
Party A/c name	: Karan Enterprises			
Current balance	: 7,54,600.00 Cr			
Ledger account	: Sales			
Current balance	: 21,65,680.00 Cr			
Name of Item				
Bajaj WX 3 Wet Grinders				
♦ End of List				
		Bill-wise Details for : Karan Enterprises Upto: ₹ 6,300.00 Cr		
Type of Ref	Name	Due Date, or Credit Days	Amount	Dr/ Cr
	Method of Adj.	: 19-May-2020)		
New Ref	Advance		6,300.00	Cr
	Agst Ref			
	New Ref			
	On Account			

5. Provide **Narration**, if needed.



The screenshot shows the 'Accounting Voucher Creation' window for 'National Enterprises'. The window title is 'Accounting Voucher Creation' and it has a close button 'x' in the top right corner. The window is divided into several sections:

- Header:** 'Credit Note' No. 2, dated '19-May-2020 Tuesday'.
- Party A/c name:** Karan Enterprises
- Current balance:** 7,54,600.00 Dr
- Ledger account:** Sales
- Current balance:** 21,65,680.00 Cr

Name of Item	Quantity	Rate per	Amount
Bajaj WX 3 Wet Grinders	1 Nos	6,300.00 Nos	6,300.00
• End of List			

At the bottom left, there is a 'Narration:' field. At the bottom right, there is a '1 Nos' field and an 'Accept?' button with 'Yes or No' options.

What you see on the screen can vary based on your choices. Press **F12** (Configure) to change the options and **F11** (Features) to enable or disable features.

6. Accept the credit note screen. As always, you can press **Ctrl+A** to save.

Ageing Analysis, Sending reminder letters and Confirmation letter using TallyPrime

Ageing analysis of bills outstanding is done to identify the bills for which amount is due for a long period of time. These bills can be classified as bad debts or provisions can be created for such losses in the books of accounts depending on the results of ageing analysis.

Age-wise Analysis for Bills Receivable /Payable report

1. Go to Gateway of Tally > **Display** > **Statements of Accounts** > **Outstandings** > **Bills Receivable** .
2. Click **F6: Age-wise** button and select one of the two Methods of Ageing: **Ageing by Bill Date** or **Ageing by Due Date**. Set the age periods required for the report.

Send E-mails to Parties for Outstanding Bills Reminder Letters

To manage the bills or ledgers outstanding with your parties, you can send reminder letters or the report details to the parties, as needed. Sending reminder letters helps in clearing due payments from parties so that you can update your books on time.

You can send reminder letters or the reports by using the E-mail feature in TallyPrime.

In this section

- Reminder letters for current report
- Multi-accounting printing

Reminder letters for current report

Let's consider the **Bills Receivable** report for e-mailing reminder letters for overdue payments.

1. From the **Bills Receivable** report, press **Ctrl+M** (E-mail). Alternatively, press **Alt+M** (E-mail) > **Current**.
2. Set up your **E-mail** details.
 - a. **E-mail from**: Select an e-mail profile.
To create an e-mail profile, select **Create** under **List of Profiles**.
 - b. **E-mail to**: Select **New Address**, **Multiple Addresses**, or **All Ledgers**, as needed.

- Select **All Ledgers** to send mass e-mail to all parties in the report.
- c. Enter the **Subject** of the e-mail and **E-mail message (if any)** and press **Enter**. You can select a predefined message template by pressing **Alt+S**.

E-mail

E-mail from : ██████████@gmail.com

E-mail to : **All Ledgers**

Subject : Bills Receivable - Reminder Letter

E-mail message (if any) : **Reminder letter to clear dues more than 30 days!**

(Press Alt+S to select a predefined message template)

30,000.00 22-Sep-2020
61.60 30-Sep-2020

List of E-mail Addresses

Email	Ledger Name
♦ Multiple Address	
♦ New Address	
All Ledgers	
████████@gmail.com	Kotak Mahindra - A/c
████████@gmail.com	Kotak Mahindra - A/c

3. Configure E-mail for Reminder Letters.
 - a. Press **C** (Configure) > set **Report Type** as **Reminder Letter**.

Note: The **Report Type** is **Bills Outstanding** by default.

- b. In the **Company Ageing Alteration** screen, select the age of the outstanding amount for which you want to send the reminder letter.
- c. Configure other options as needed for the Reminder Letters.

National Enterprises

E-mail Configuration

List of Configurations

Show Less

Report Details	
Report Type	Reminder Letter
Age-wise	Default
Reminder Letter information	...
Show Due On	Yes
Show Overdue Days	Yes
Show Bills in Foreign Exchange	No
Include Post-dated Vouchers	No
Company Details	
Show Bank details	No
Bank Name	
Show Company Name	Yes
Show Company Address	Yes
Type of Address	♦ Primary
Show Phone No.	No
Show Website	No
Show CIN	Yes
Party Details	
Show Contact details	No
Footer Information	
Designation of Signing Authority	

4. Save the configurations and press **M** (E-mail).

E-mail

Report Type	: Reminder Letter
Show Due On	: Yes
Show Bank details	: No
Include Post-dated Vouchers	: No
E-mail from	: nationalenterprises@gmail.com
E-mail to	: All Ledgers
Subject	: Bills Receivable
File Format	: HTML (Web-Publishing)
E-mail report as	: For direct viewing in mail
File Name	: Bills.html



Based on the configurations you have set, the reminder letter for the dues will be sent to the parties.

Scenario 1: If you have selected one or more bills in the report for multiple parties, the reminder letters will be sent for all the bills:

- **E-mail to** is set to **All Ledgers** – Reminder letters will be sent to all parties for all their corresponding bills details.
- **E-mail to** is set to **New Address** or **Multiple Address** – Reminder letters of all parties with their respective bills will be sent to e-mail IDs entered in **E-mail to**. In this case, for each party, the bills appears in a new page.

Scenario 2: If you have not selected any bills in the report, the reminder letter will be sent for all the bills:

- **E-mail to** is set to **All Ledgers** – Reminder letters will be sent for all the bills to the respective parties.
- **E-mail to** is set to **New Address** or **Multiple Address** – Reminder letters for the specified period in the report will be sent to the e-mails provided. In this case, for each party the bill details will be displayed on a new page.

Reminder Letters using multi-account printing

You can also send reminder letters to one or more parties by selecting from the **Multi Account Reports**. For Multi Account Reports, Reminder Letters can be sent for the following reports:

- All Ledger Accounts
- Group of Accounts
- Bills Receivable
- Group Outstanding
- Group of Account Outstandings

Steps to send reminder letters in case of Multi-account printing are the same as explained above for current report.

Send outstanding report details

To ensure timely payments from your parties against the outstandings, you can send the outstanding report details to parties.

For example, from the Bills Receivables report:

1. Press **Ctrl+M** (E-mail) > **C** (Configure).
2. Specify other details as needed.
 - Provide the E-mail from ID.
 - Under E-mail to, select one or more e-mail IDs. Select All Ledgers if you need to send the report details to all parties displayed in the report.
3. Press **M** (E-mail) from the E-mail screen to send the report details, as per the **E-mail to** details provided.

E-mail Confirmation of Accounts

Similar to sending reminder letters, you can also send the Confirmation of Accounts to one or multiple parties for multi-account reports.

1. Press **Alt+M** (E-mail) > select **Others**.

2. Select the report name under **Multi-Account Reports**.

National Enterprises	
Print Report	
[Yellow Bar]	
List of Reports	
Expand All Show More	
Multi Account Reports	
All Ledger Accounts	
One Ledger Account	
Group of Accounts	
Sales Vouchers	
Day Book	
Multi-Voucher	
Bills Receivable	
Bills Payable	
VAT Reports	

You can send the Confirmation of Accounts for the following:

- o All Ledger Accounts
 - o Group of Accounts
3. Set up e-mail details.
- a. **E-mail from:** Select a e-mail profile from the **List of Profiles**. If you have not created a profile yet, select **Create** under **List of Profiles** and create a profile.
 - b. In the **E-mail to** field
 - Select **New Address** to enter a new e-mail ID.
 - Select **Multiple Address** to select more than one address.
 - Select **All Ledgers** to send mass e-mail to all parties in the report.
 - c. Enter the **Subject** of the e-mail and **E-mail message (if any)**. You can select a predefined message template by pressing **Alt+S**.

Note: You can also send the Ledger Accounts or default reports to parties using this mass e-mail feature in TallyPrime.

Press **C** (Configure) to configure for Confirmation of Accounts.

- Under **Report Type**, select **Confirmation of Accounts**.

a. Configure other options as needed.

National Enterprises	
E-mail Configuration	
Report Type	
List of Configurations	
Show More	
Report Details	
Period	1-Apr-2020 to 31-Mar-2021
Report Type	Confirmation of Accounts
Show Narrations	No
Format of Report	Condensed
Show Mode of Payment	No
Show additional Bank details	No
Type of Voucher entries	All Vouchers
Show Forex transactions only	No
Company Details	
Show GSTIN/UIN	No
Show Tax Registration No	No
Show PAN/Income Tax No	No
Show Company Name	Yes
Show Company Address	Yes

Save the configurations and press **M** (E-mail).

E-mail	
Period	: 1-Apr-2020 to 31-Mar-2021
Report Type	: Confirmation of Accounts
Show Narrations	: No
Format of Report	: Condensed
Show Mode of Payment	: No
Show additional Bank details	: No
E-mail from	: samir.mishra77@gmail.com
E-mail to	: All Ledgers
Subject	: outstanding report
File Format	: HTML (Web-Publishing)
E-mail report as	: As Attachment
File Name	: Accounting Voucher.html
<input type="button" value="C: Configure"/> <input type="button" value="M: E-mail"/>	

Based on the configurations you have set, the Confirmation of Accounts will be sent to the parties.

Print Reminder Letters | Bills Outstanding

1. From the Bills Receivable report, press **Ctrl+P** (Print). Alternatively, press **Alt+P** (Print) > **Current**.
2. Press **C** (Configure) to view the List of Configurations.

3. Under **Report Type**, select **Reminder Letter**.

Report Details		Report Type
Report Type	: Reminder Letter	Bills Outstanding
		Reminder Letter

Note: By default, Bills Outstanding is selected. You can also print the entire Outstanding Report.

4. In the **Company Ageing Alteration** screen, select the age of the outstanding amount for which you want to send the reminder letter.
5. Configure the reminder letter as per your needs.
- o **Reminder Letter information** – You can enter the bill or amount details for reference.
 - o Enable **Show Due on** and **Show Over Due Days**, as needed.
 - o You can also include **Post-dated Vouchers** to be printed in the reminder letter.
 - o Set the **Number of Copies** that you want to print.
6. Save the configurations and press **P** (Print).

Print	
Report Type	: Reminder Letter
Show Due On	: Yes
Show Bank details	: No
Include Post-dated Vouchers	: No
Printer	: Brother DCP-T710W Printer (Copy 2)
Paper Size	: Letter (8.50" x 10.98") or (216 mm x 279 mm)
Print area	: (8.31" x 10.83") or (211 mm x 275 mm)
Number of Copies	: 3

Based on the configurations you have set, the reminder letter for the dues will be printed.

Similarly, you can print the Bills Outstanding report. Under Report Type, retain Bills Outstandings, configure other necessary details from printing and print the report.

Print Confirmation of Accounts – Similar to e-mailing, you can also print confirmation of accounts as follows:

1. Press **Alt+M** (E-mail) > select **others**.
2. Select the report name under **Multi-Account Reports**.
You can send the Confirmation of Accounts for the following:
 - All Ledger Accounts
 - Group of Accounts
3. Press **C** (Configure) to view the **List of Configurations**.
4. Under **Report Type**, select **Confirmation of Accounts**.
5. Set up other configurations as needed for printing.
6. Save the configurations and press **P** (Print).
Based on the configurations you have set, the confirmation of accounts will be printed.

