Lesson 2: Enabling Job Work in Tally.ERP 9

Lesson Objectives

On completion of this lesson, you will learn to

- ◻ Create Company in Tally.ERP 9
- ◻ Enable Job Order Process

2.1 Enabling Job Work in Tally.ERP 9

It takes a one-time configuration in Tally.ERP 9 for Job Work to be activated. Follow the steps given below to enable Job Work in Tally.ERP 9 for a new company, Pigeon Home Appliances Pvt. Ltd.

1. Create Company
2. Enable Job Work

Pigeon Home Appliances Pvt.Ltd., is a Company – Resident, which is engaged in Manufacture of Home Appliances. During manufacture of home appliances when ever the company cannot carry out all the manufacturing processes, it gets the work done from Out side i.e. from Job Workers.

Step 1: Create Company

Go to **Gateway of Tally** > **Alt + F3: Company Info.** > **Create Company**

In the **Company Creation** screen,

- ◻ Specify **Pigeon Home Appliances Pvt. Ltd.** as the **Company Name** and **Address details**
- ◻ Select **India** in the **Statutory Compliance for** field
- ◻ Specify the **State, Pin code & Accounts with Inventory** details

The Completed **Company Creation** screen appears as shown

Company Creation		Ctrl + M

Directory : C:\Tally.ERP9
N a m e : Pigeon Home Appliances Pvt. Ltd.

Mailing & Contact Details

Mailing Name : Pigeon Home Appliances Pvt. Ltd.
Address : # 6, 6th Cross,
Sampangiram Nagar
Wilson Garden
Bangalore

Statutory compliance for : India
State : Karnataka
PIN Code : 560027
Telephone No. : 080-41499222
Mobile No. : 9586847120
E-Mail :

Auto Backup Details

Enable Auto Backup : Yes

Company Details

Currency Symbol : ₹
Maintain : Accounts with Inventory
Financial Year from : 1-4-2010
Books beginning from : 1-4-2010

Security Control

TallyVault Password (if any) :
   Repeat Password :
(WARNING: forgetting your TallyVault password will render your data unusable!!)

Use Security Control ? No
(Enable Security to avail Tally.NET Features)

Base Currency Information

Base Currency Symbol : ₹
Formal Name : INR
Number of Decimal Places : 2
Is Symbol SUFFIXED to Amounts ? No
Symbol for Decimal Portion : paise

Show Amounts in Millions ? No
Put a SPACE between Amount and Symbol ? Yes
Decimal Places for Printing Amounts in W

Accept ?

Yes or No

Figure 2.1 Completed Company Creation Screen

Notes

*For complete details on **Company Creation** refer **Tally.ERP 9 Help**, topic **Creating Company in Tally.ERP 9***

2. Enabling Job Work in Tally.ERP 9

You can enable **Job Work** in Tally.ERP 9, in **F11: Features** screen.

Go to **Gateway of Tally > F11: Features > Inventory Features**
- Set **Allow Job Order Processing** to **Yes**
- On enabling Allow Job Order Processing option, **Use Material In/Out** will set to **Yes** automatically
- Set the option **Track Stock Item Cost** to **Yes**

Company: **Pigeon Home Appliances Pvt. Ltd.**			
Inventory Features			
General		**Invoicing**	
Integrate Accounts and Inventory	? Yes	Allow Invoicing	? Yes
Allow Zero valued entries	? No	Enter Purchases in Invoice Format	? Yes
		Use Debit/Credit Notes	? No
Storage & Classification		Use Invoice mode for Credit Notes	? No
Maintain Multiple Godowns	? Yes	Use Invoice mode for Debit Notes	? No
Maintain Stock Categories	? No	Separate Discount column on Invoices	? No
Maintain Batch-wise Details	? No		
(set Expiry Dates for Batches)	? No	**Purchase Management**	
Use different Actual & Billed Qty	? No	Track additional costs of Purchase	? No
Order Processing		**Sales Management**	
Allow Purchase Order Processing	? No	Use Multiple Price Levels	? No
Allow Sales Order Processing	? No	**Other Features**	
Allow Job Order Processing	? Yes	Use Tracking Numbers (Delivery/Receipt Notes)	? No
(Note : Enables Maintain Multiple Godowns		Use Rejection Inward/Outward Notes	? No
and Use Material In/Out)		Use Material In/Out	? Yes
		Track Stock Item Cost	? Yes
			Accept ?
F1: Accounts F2: Inventory F3: Statutory			**Yes** or **No**

Figure 2.2 Inventory Features Screen

Observe on enabling **Job Order Processing** option, **Maintain Multiple Godown** and **Use Material In/Out** option gets enabled automatically.

□ ***Allow Job Order Processing***: *On enabling this feature, in* ***Gateway of Tally*** *under the head* ***Transactions*** *a new option* ***Order Vouchers*** *will be displayed and 2 order vouchers,* ***Job Work In Order*** *and* ***Job Work Out Order*** *will get enabled.*

□ ***Use Material In/Out***: *Set this option to* ***Yes,*** *to create Material In/Out entries.*

On enabling this option ***Two*** *Inventory Vouchers -* ***Material In*** *and* ***Material Out*** *will be available to record the material transfers.*

Use Material In/Out *option is associated with* ***Job order Processing***. *Hence the option gets enabled automatically when Allow Job Order Processing feature is enabled and cursor will not move to* ***Use Material In/Out*** *option to change the settings.*

□ ***Track Stock Item Cost***: *Set this option to Yes, if you want to track the cost of stock item from purchase till sale. On enabling this option in Stock Item Master Enable Cost tracking field will be displayed.*

Even though the option ***Use Material In/Out*** *is associated with Job order Processing Tally.ERP 9 gives the flexibility to enable only Use Material In/ Out feature without enabling Allow Job Order Processing.*

Use Material In/Out *feature can be enabled where the user wants to use* ***Material Transfer vouchers*** *for any other purpose than* ***Job Work***.

Example: *Material Transfer vouchers used for transfer of stock to* ***Consignment Agent, Branch*** *etc.*

Company: **Pigeon Home Appliances Pvt. Ltd.**				
Inventory Features				
General			**Invoicing**	
Integrate Accounts and Inventory	? Yes		Allow Invoicing	? Yes
Allow Zero valued entries	? No		Enter Purchases in Invoice Format	? Yes
			Use Debit/Credit Notes	? No
Storage & Classification			Use Invoice mode for Credit Notes	? No
Maintain Multiple Godowns	? Yes		Use Invoice mode for Debit Notes	? No
Maintain Stock Categories	? No		Separate Discount column on Invoices	? No
Maintain Batch-wise Details	? No			
(set Expiry Dates for Batches)	? No		**Purchase Management**	
Use different Actual & Billed Qty	? No		Track additional costs of Purchase	? No
Order Processing			**Sales Management**	
Allow Purchase Order Processing	? No		Use Multiple Price Levels	? No
Allow Sales Order Processing	? No			
Allow Job Order Processing	? No		**Other Features**	
(Note : Enables Maintain Multiple Godowns			Use Tracking Numbers (Delivery/Receipt Notes)	? Yes
and Use Material In/Out)			Use Rejection Inward/Outward Notes	? No
			Use Material In/Out	? Yes
			Use Cost Tracking for Stock Item	? No
F1: Accounts		F2: Inventory	**F3:** Statutory	

For a company in which **Job Order Processing** is enabled the **Gateway of Tally Menu** appears as shown
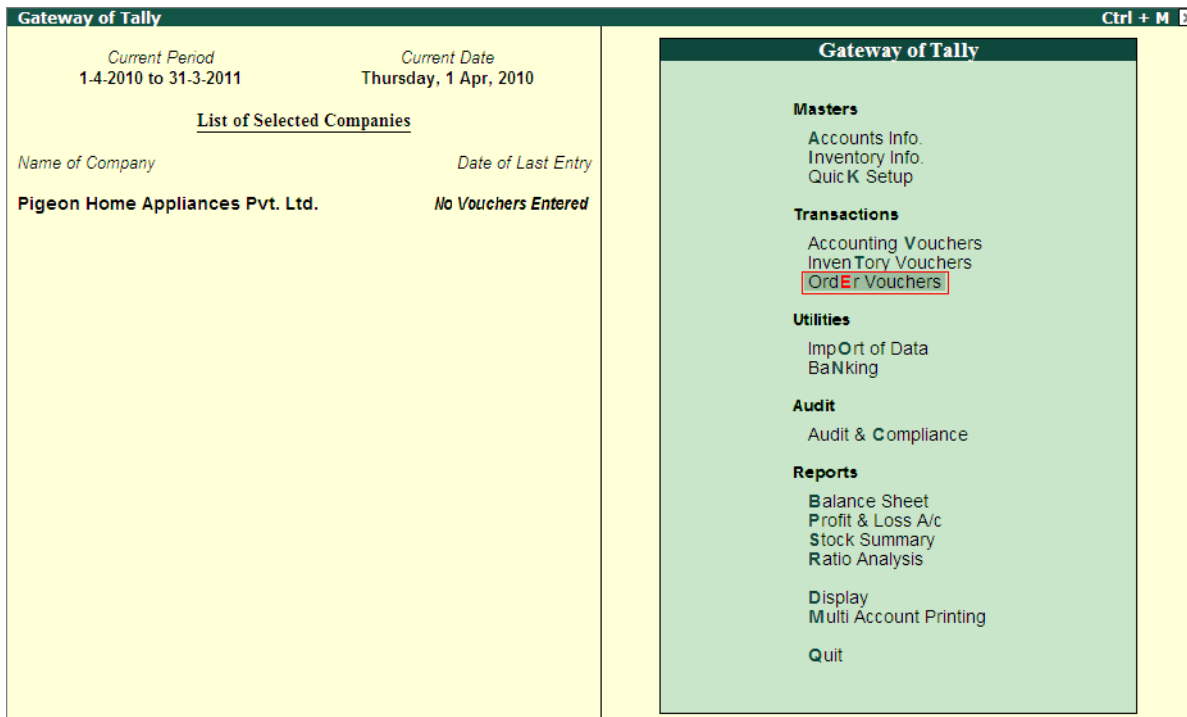

Figure 2.3 Gateway of Tally

*Many manufacturing industries fall under the purview of **Excise**. In this scenario we are assuming that **Pigeon Home Appliances Pvt. Ltd**. is manufacturing the goods on which **excise is not applicable**. Hence **Excise** feature is not enabled.*

*If a company is manufacturing the excisable goods then **excise feature** has to be enabled under **F11: Features > Statutory & Taxation**. For industries falling under Excise, there are few rules and regulations relating to Job Work which will be discussed later.*