INSTITUTE OF HUMAN RESOURCES DEVELOPMENT

TC 86/1949(2), NH Bypass Junction, Chakkai, Thiruvananthapuram- 24

No. FinC2/8538/2017/HRD **Dated: 08.04.2021**

CIRCULAR

Sub: - IHRD - Tally.ERP9 2020-21 – Guidelines issued-reg.

Ref: - This office circular of even no. dt. 28.04.2020

The following guidelines are issued for streamlining tally data of each IHRD institution. The guidelines are to be strictly followed by the Heads of Institutions and staff assigned for dealing with the Tally.ERP9 based accounting system.

1. **To include all Institutional bank accounts**

   The HOI shall ensure the inclusion of all bank accounts maintained for the institution except NSS & PTA accounts, in the tally accounts. It has been noticed on audit that some of the institutions have not shown transactions under E-grantz account, SBI Collect account, Treasury accounts etc in the tally accounts even though they are recorded in the cashbook. Hence it is directed to include such transactions in the cashbook as well as in tally accounts. The institutions which have not added any of the above bank accounts in tally, shall take steps to add the bank account(s) to their tally accounts with effect from 01.04.2021 onwards. Approval of HO shall be obtained by explaining the details of the bank accounts.

2. **Accounting of amount received in bank accounts**

   All amounts received in the institutional accounts shall be receipted and accounted. Receipt may be issued as and when the amount is received in the respective banks. **Contra** entries may be posted for transferring the amount from other bank to institutional SB account.

3. **Creation of new Tally Ledger head "Inter Unit Transfer Fund" under "Current Liabilities"**

   The current liability ledger head **"Bridge Loan Received"** and current assets ledger head **"Bridge Loan Paid"** shall cease to operate with effect from 01.04.2021. Instead, the transactions shall be accounted by creating a new ledger head "**Inter Unit Transfer Fund**" under *Current Liabilities*. Fund received from and paid shall be posted in this head.

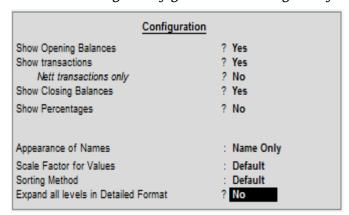| Ledger Name	Under	Ledger Description
Inter Unit Transfer fund	Current Liabilities	Amount received/ paid from/to HO or other institutions

4. **Posting of funds from HO**

   If the fund is transferred from consolidated account, post it under "Inter Unit Transfer Fund" and if the fund is transferred from Non Plan- Salary/Non Salary account, post it as "Grant- Non Plan- Salary"/ "Grant- Non Plan- Non Salary" accordingly. Proceedings from HO along with the fund may be verified before posting the ledger head.

5. **Checking of Grant-in-Aid received**

   At the close of the financial year, total amount received during the financial year under different Grant heads like **Grant- Plan Fund, Grant- Non Plan - Salary, Grant- Non Plan- Non Salary** shall be verified with respective proceedings.

   To check the balance of different Grants, follow the steps given below:

   Gateway Tally→ Balance Sheet→ Branch/Divisions → Grant-in-Aid → Press **Enter** *key, details of Grants are available. For getting the current year details, Press* **F12** *and change configuration settings as follows:*

Configuration	
Show Opening Balances	? Yes
Show transactions	? Yes
Nett transactions only	? No
Show Closing Balances	? Yes
Show Percentages	? No
Appearance of Names	: Name Only
Scale Factor for Values	: Default
Sorting Method	: Default
Expand all levels in Detailed Format	? No

   [Show Opening Balances & Show transactions to be changed to YES]

   Note: - The journal entry for making Plan fund accounts 'zero' may be avoided. This will be adjusted while finalizing the accounts by IHRD HQ/Auditors.
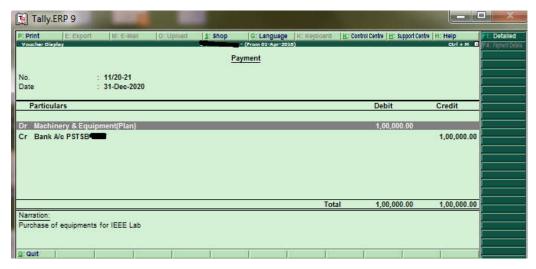
6. **Posting under the head 'Other Receipts' & 'Other Income'**

   Care shall be taken while posting entries under the heads 'Other Receipts' and 'Other Income'. "Other Receipts" head is used when a fund is received for a specific purpose, for which there is no specific head. The expenditure in this regard shall also be met from the head "Other Receipts". On the other hand, "Other Income" head is used for posting income from other sources not included in any other ledger heads.

7. **In transactions without any actual cash flow, 'Cash' account shall not be debited/ credited in the tally entries. Bank accounts shall be directly debited/ credited in such cases.**

8. **During the posting of plan fund expenditure, GST Paid is not to be shown separately. Utilization of plan fund may be shown in the respective expense heads including GST.**
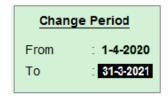
Example:

9. **Checking of closing balance**

Before entering accounts for 2021-22, you are directed to verify whether the closing balance of your institution as per tally data and cash book are same as on 31/03/2021. If Tally includes bank accounts which are not included in cash book, these accounts may be verified with respective bank statements.
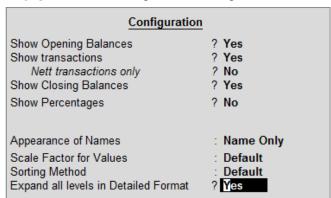
Checking of closing balance with institutions cashbook, tally data and bank statements must be done on every end of the month.

[To check the closing balance, follow the steps given below:

   Gateway Tally→ Display → Accounts Book → Cash/ Bank Book(s)

*Select F2 or click **Period** and enter the required period.*

*Now select F12 or **Configure** and change the settings as below:*

*The options **Show Opening Balances, Show transactions & Expand all levels in Detailed Format** to be changed to **YES**. You will get the details all bank accounts in tally including those with '0' closing balance]*

If there is difference in the balance as per cash book and bank statement, reconciliation of that account may be done and authenticated by the head of the institution.

10. Starting of Tally Accounts for 2021-22

All Institution heads are requested to complete the data entries in Tally.ERP9 up to 31.03.2021 by **24.04.2021** and forward to mail-id "*ihrd.acc@gmail.com*". Before changing the financial year, it shall be ensured that all the entries for the previous year are entered properly.

If all required entries for the previous financial year are complete, go to "Gateway of Tally" and press "Period" or "Alt+F2". Change the period to 01-04-2021 to 31-03-2022. Then you can start entering data for the new financial year.

11. Negative Ledger entries

All ledgers having negative balances may be verified thoroughly.

[*To check negative balances follow the steps: - Gateway of Tally→ Display→ EXception Reports→ Negative Ledgers*]

It will display list of ledger heads with possible errors in the entries. Appropriate corrections may be made before starting 2021-22 account.

Sd/-
DIRECTOR

Copy to:

1. All Heads of Institutions.
2. Sri. Basil Gomez, System Analyst, Tally Administrator
3. Office copy

Approved for issue
Sd/-
Financial Consultant/ Advisor