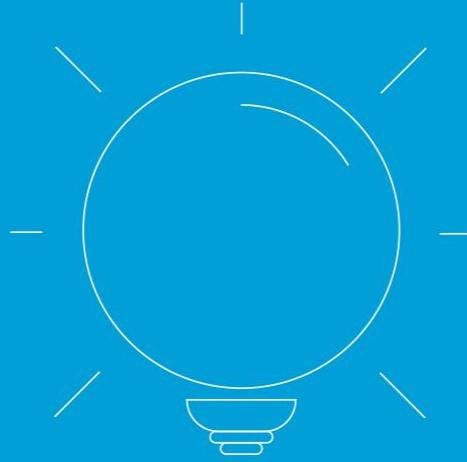


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# ERPNext

## Complete Manual

Version 1 March 1, 2020



# Table of Contents

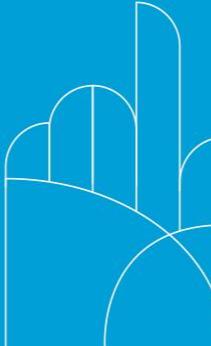
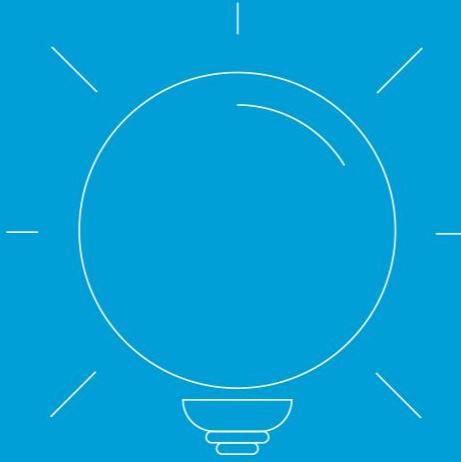
1. Login
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  - k. Attendance

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# ERPNext

## Login

Version 1 March 1, 2020



# Login

1. Using any web browser; Google Chrome, Firefox or Safari, <https://speedmax.hooman.design/>.
2. From the Login Dashboard, encode the Email Address or Username and Password then click the login button. See Image 1.  
*Ask your Administrator or Supervisor for the Login Details especially the Email Address and Username.*
3. Incase you know the Email Address or Username but not the Password, you may recover the Password by clicking the [Forgot Password?](#) option.

The image shows a login interface with three numbered callouts:

- 1**: Points to the "Email address or Username" input field.
- 2**: Points to the "Password" input field, which includes an eye icon for password visibility.
- 3**: Points to the large blue "Login" button.

[Forgot Password?](#)

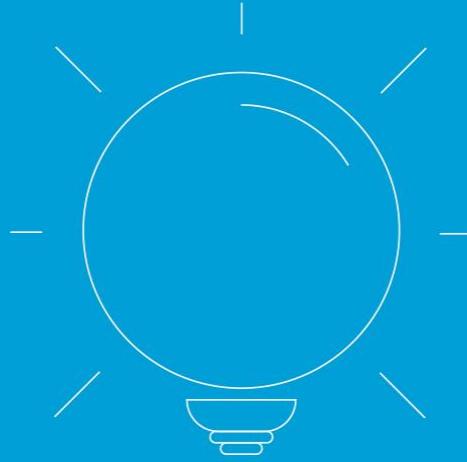
Image 1: Login Dashboard

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# ERPNext

## User Settings

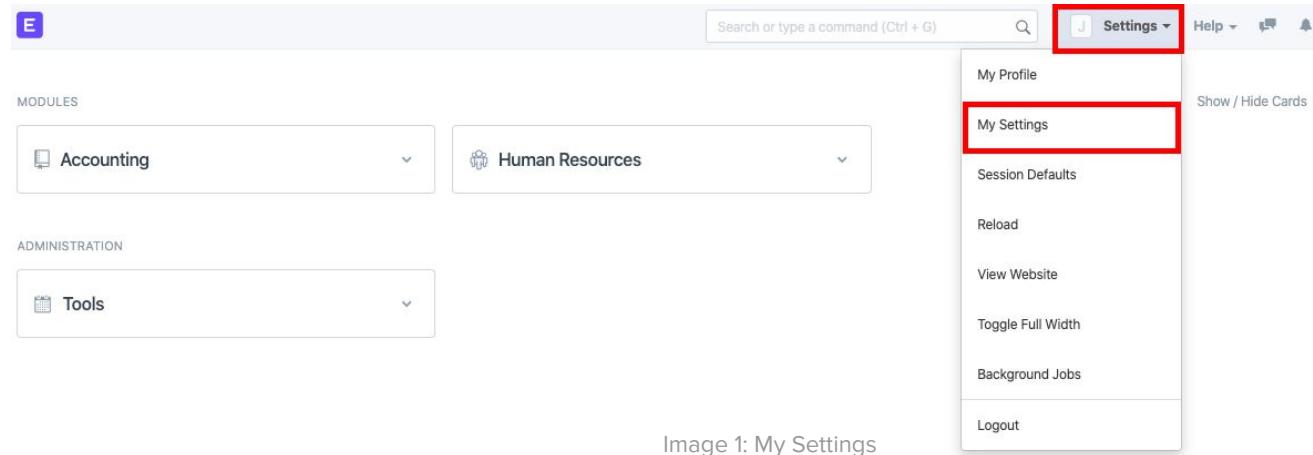
*(Email Address and Password Change)*



# User Settings

Users can login using email address, mobile number or username. But before they can use it, they need to fill in the those fields.

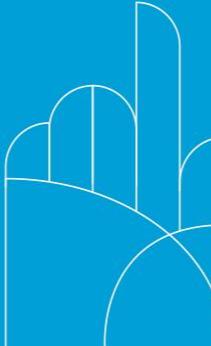
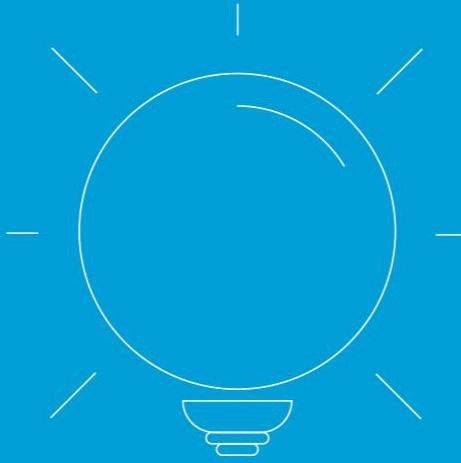
1. From the top right of the ERPNext is the Settings Options, Click the dropdown arrow and click My Settings. See image 1.
2. Then fill-in the fields that you can provide.
3. You can add/upload your image.
4. You can add an username and mobile number for additional login.
5. You can also reset your password.
6. For change of email; kindly ask your [Admin](#).
7. Click **SAVE**.



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# ERPNext

## About the System



# Desktop

The moment a User logs into the system they will be able to see a Home Screen wherein all the Modules will be listed in the form of cards. These cards allow better navigation with shortcut items in the drop-down menu. You can customize this drop-down to add or remove links to various DocType (Document) for that module. See image 1.

These cards can also be reordered by drag and drop function.

The screenshot shows the Odoo desktop interface. At the top, there is a header bar with a search bar containing "Search or type a command (Ctrl + G)", a settings icon, a help icon, and a notifications icon showing 0 notifications. Below the header is a "MODULES" section with a "Show / Hide Cards" button. The modules listed are Accounting, Stock, Projects, and Human Resources. Each module has a dropdown menu with sub-items: Accounting has Sales Invoice, Customer, Purchase Invoice, Supplier, Company, and Customize; Stock has Assets, Selling, and CRM; Projects has Support; and Human Resources has Quality. The "Getting Started" and "Quality" items have a checked checkbox icon next to them.

Image 1: Desktop View

# Desktop

The top part shows the following. See imag 2.

1. Home (Desktop) Link
2. Global Search - will help you in searching for a particular Document Type or Document
3. Settings - where you can reset your password
4. Chat button across users
5. Notifications

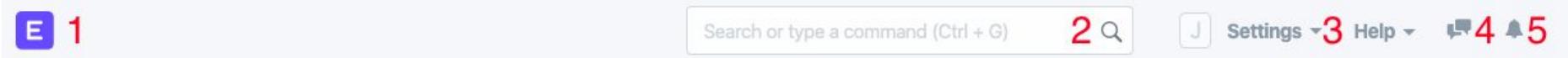


Image 2: Top Bar

# Module Page

Clicking on any module card will take you to the module page. Here the user can navigate through all the doctypes (documents), reports, and settings associated with a particular module.

For example, here is how the Accounting module page looks like. See image 3.

The screenshot shows the Accounting module page with a header containing a search bar, settings, help, and a notifications icon. Below the header is a title 'Accounting'. The page is divided into six cards:

- Accounts Receivable**
  - Sales Invoice
  - Customer
  - Payment Entry
  - Payment Request
  - Accounts Receivable
  - Accounts Receivable Summary
  - Sales Register
  - Item-wise Sales Register
  - Ordered Items To Be Billed
  - Delivered Items To Be Billed
- Accounts Payable**
  - Purchase Invoice
  - Supplier
  - Payment Entry
  - Accounts Payable
  - Accounts Payable Summary
  - Purchase Register
  - Item-wise Purchase Register
  - Purchase Order Items To Be Billed
  - Received Items To Be Billed
- Accounting Masters**
  - Company
  - Chart of Accounts
  - Accounts Settings
  - Fiscal Year
  - Accounting Dimension
  - Finance Book
  - Accounting Period
  - Payment Term
- Banking and Payments**
  - Match Payments with Invoices
  - Update Bank Transaction Dates
  - Invoice Discounting
  - Bank Reconciliation Statement
  - Bank Clearance Summary
  - Bank Guarantee
  - Cheque Print Template
- General Ledger**
  - Journal Entry
  - General Ledger
  - Customer Ledger Summary
  - Supplier Ledger Summary
- Taxes**
  - Sales Taxes and Charges Template
  - Purchase Taxes and Charges Template
  - Item Tax Template
  - Tax Category
  - Tax Rule
  - Tax Withholding Category

Image 3: Doctypes List

# Navigating the Page

Some links of these modules may be marked grey, clicking on these links won't open any new page. They are marked so because there is a dependent document that needs to be created first. For example, you will need to build a Sales Invoice before accessing the sales register. Hovering on any of these links will show a pop-up guiding the user to the dependent document. See image 4.

**Accounts Receivable**

- [Sales Invoice](#)
- [Customer](#)
- [Payment Entry](#)

You need to create these first:

Sales Invoice

- Accounts Receivable Summary
- Sales Register
- Item-wise Sales Register
- Ordered Items To Be Billed
- Delivered Items To Be Billed

**Accounts Payable**

- [Purchase Invoice](#)
- [Supplier](#)
- Payment Entry
- Accounts Payable
- Accounts Payable Summary
- Purchase Register
- Item-wise Purchase Register
- Purchase Order Items To Be Billed
- Received Items To Be Billed

**Accounting Masters**

- Company
- Chart of Accounts
- Accounts Settings
- Fiscal Year
- Accounting Dimension
- Finance Book
- Accounting Period
- Payment Term

Image 4: Dependent DocTypes (Documents)

# Navigating the Page

You shall also notice a color indicator before some of the links. These indicators are used to inform the user if there are any open or urgent documents that need to be looked at. See image 5.

The **red** indicator in the image indicated that there are open or overdue tasks on the list.

Similarly, a **blue** indicator would mean that there are no open tasks.

An **orange** indicator means that the report has not been accessed or no document is created in the corresponding doctype.

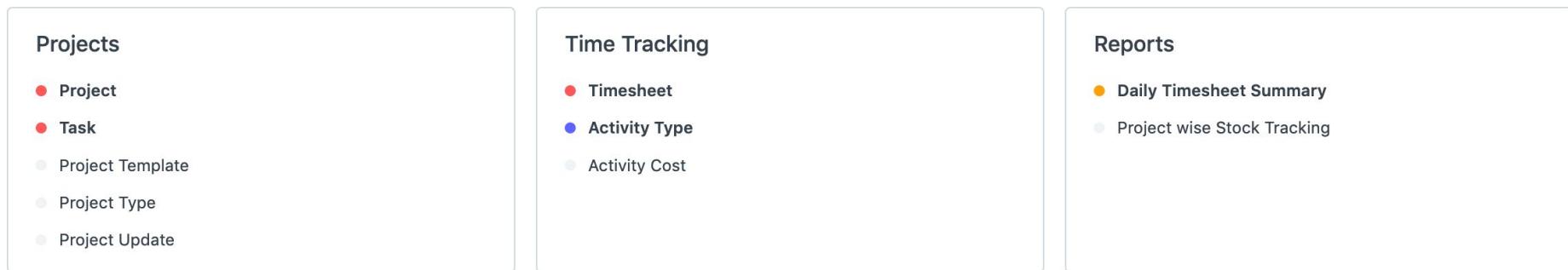


Image 5 : Doctype Color Indicator

## Search Filters

Search Filter is an option that allows you to filter the records based on a particular value of a specific field in a Document.

Each filter option has three fields.

- Field - Select the field of the document based on which you wish to filter the records. All the fields in a form will be selectable in this list.
- Based On - For field, you will be required to put a value of the field. In the 'based on' field, you can define a criteria based on which the system will search the document.
- Value - Here, you will be required to enter the value for which you are running the document search.

So, on a whole, it is an equation for searching the documents allowing you to fetch your desired values of the documents. See image 6.

# Search Filters

E > Buying

Search or type a command (Ctrl + G)

A Settings Help

Purchase Order

Menu Refresh New

Reports ▾

Name Title Supplier Company

List Restricted

Calendar ▾

Kanban ▾

Add Filter Clear Filters Last Modified On

FILTER BY

Assigned To ▾

Created By ▾

Add Fields +

TAGS

Tags ▾

Show tags

SAVE FILTER

Filter Name

gr  Equals  Apply Remove

Grand Total	Date	Grand Total	% Received	% Billed	20 of 20
Group same items	12-09-2019	₹ 100.00	<div style="width: 100%;"></div>	<div style="width: 100%;"></div>	I-ORD-2019-00018 3 d
Grand Total (Company Currency)	09-09-2019	₹ 1,000.00	<div style="width: 100%;"></div>	<div style="width: 100%;"></div>	I-ORD-2019-00005-2 12 d
Item Group (Purchase Order Item)	09-09-2019	₹ 1,000.00	<div style="width: 100%;"></div>	<div style="width: 100%;"></div>	I-ORD-2019-00005-1 1 M
<input type="checkbox"/> <b>Supplier 1</b>	<input checked="" type="radio"/> <b>Cancelled</b>	12-09-2019	₹ 1,000.00	<div style="width: 100%;"></div>	-ORD-2019-00005 1 M
<input type="checkbox"/> <b>Eric</b>	<input checked="" type="radio"/> <b>To Bill</b>	08-11-2019	₹ 1,000.00	<div style="width: 100%; background-color: green;"></div>	t-ORD-2019-00017 1 M
<input type="checkbox"/> <b>Mitali</b>	<input checked="" type="radio"/> <b>To Receive</b>	09-10-2019	₹ 7,080.00	<div style="width: 100%; background-color: green;"></div>	I-ORD-2019-00016 2 M
<input type="checkbox"/> <b>Mitali</b>	<input checked="" type="radio"/> <b>To Receive</b>	09-10-2019	₹ 7,080.00	<div style="width: 100%; background-color: green;"></div>	I-ORD-2019-00014 2 M

Image 6 : Search Filters

h.

## Sidebar

In ERPNext, every form comes with certain tools embedded in the system which allows you to collaborate with other users within your account to have quick and transparent operations.

Following are the tools in each document using which you can collaborate with other Users in your ERPNext account.

- Assigned to - If a Document requires some action from a particular user, you can assign that document to that User.

The screenshot shows the sidebar of a Sales Order document for 'Unico Plastics Inc.' with the status 'To Deliver and Bill'. The sidebar includes sections for Comments (0), Assigned To (highlighted with a red box), Attachments, Tags, Reviews, and Shared With. The 'Assigned To' section lists 'Simran Mon...' and 'Akshita K' with 'Assign +' and a close button. Other sidebar sections include DASHBOARD, Color, Customer, Order Type, and Sales.

Image 7 : Assigned To

# Sidebar

- Comments - For a lot of Documents, there can be information that is not a part of the transaction. To record such information, the 'Comments' feature is a great alternative.

The screenshot shows a software interface for managing a Sales Order. At the top, the navigation bar includes 'Selling > Sales Order'. The main title is 'Unico Plastics Inc. • To Deliver and Bill'. On the right, there are buttons for 'Search or type a command (Ctrl + G)', 'Settings', 'Help', and a message center. The document ID is 'SAL-ORD-2019-00014' with a print icon. Below the title, a list of recent activities is displayed:

- New Email
- You submitted this document – 10 minutes ago
- You changed value of Taxes and Charges Calculation from – 10 minutes ago
- You changed values for Actual Qty from 0 to 2 in row #0 – 10 minutes ago
- +10 gained by You via automatic rule On Sales Order Submission – 10 minutes ago
- You To Deliver and Bill – 10 minutes ago

A new comment is being entered in a red-bordered box:

You – 12 minutes ago

@Akshita K Kindly do the needful.

At the bottom, another activity is listed:

Akshita K self assigned this task: Unico Plastics Inc. – 14 minutes ago

Image 8 : Comments

# Sidebar

- Share - You can share a document with a specific user in your ERPNext account. Regardless of their roles or permissions, a User will be able to access a document shared with them.

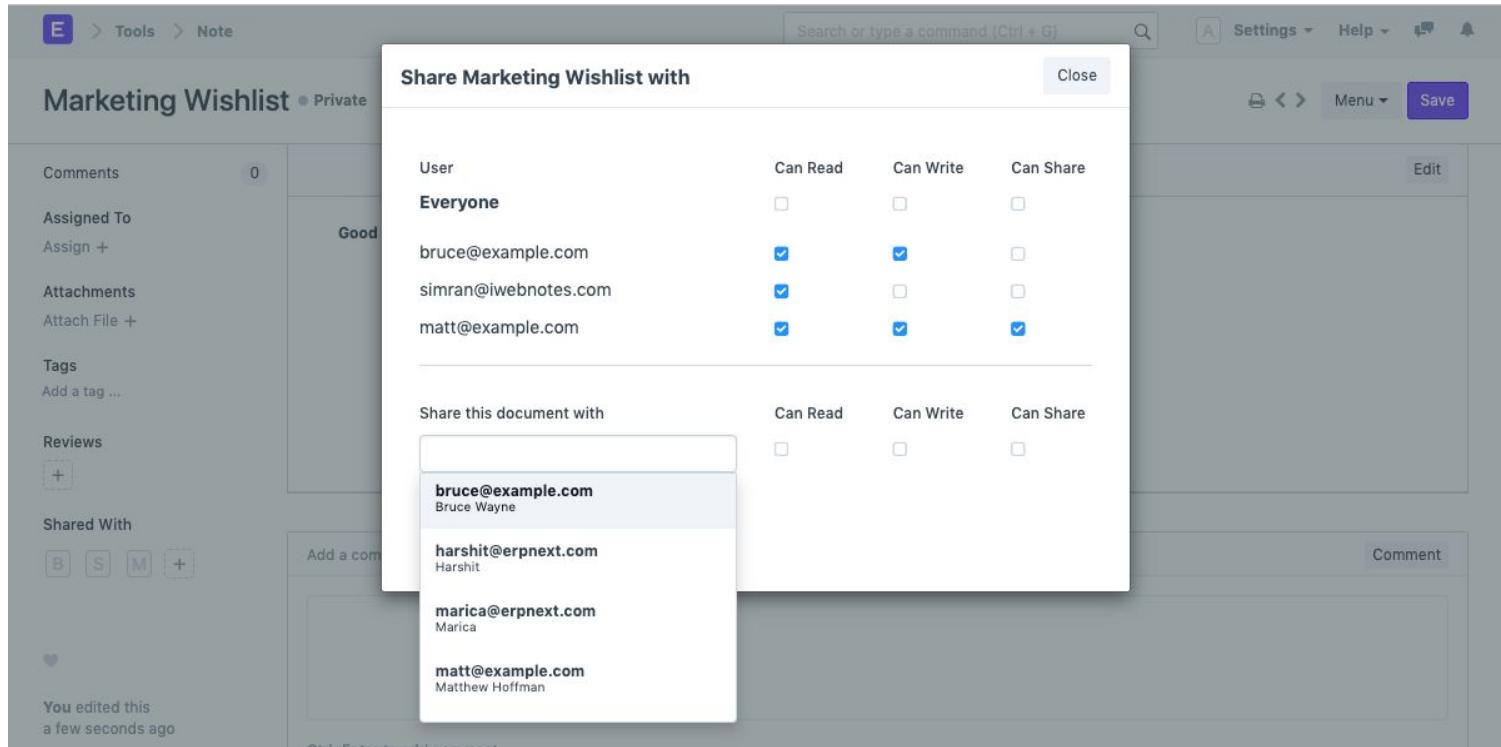


Image 9 : Share

# Sidebar

- Filter By - is an option wherein you can filter your search results while viewing a list or a report.

By default, there are two classification options present in the system, assigned to and created by.

The screenshot shows a software application interface with a sidebar on the left and a main content area on the right. The sidebar contains various navigation options like Reports, List, Calendar, Kanban, and a section for 'FILTER BY' which includes 'Assigned To' and 'Created By'. These last two items are highlighted with a red rectangular box. Below this is an 'Add Fields +' button. Further down are 'TAGS' and 'Tags' sections, followed by a 'SHOW FILTER' section with a 'Filter Name' input field. The main content area is titled 'Internal Issue' and displays a list of issues. At the top of this list are search and filter fields: 'Name', 'Subject', 'Issue Type', and an 'Add Filter' button. To the right of these are 'Last Modified On' and a download icon. The issue list itself has columns for 'Subject', 'Status', 'Issue Type', and 'Last Modified On'. Each row represents an issue with a checkbox, subject, status (e.g., Open, Closed), type (e.g., Bug, Invalid), ID (e.g., FR-ISS-163240), timestamp, and a small user icon. A large blue 'h.' logo is in the bottom right corner.

Name	Subject	Issue Type	Last Modified On
<input type="checkbox"/> <span>Nothing shows up when clicked on "Appointme</span>	Open	Bug	FR-ISS-163240 16 h
<input type="checkbox"/> <span>Job applicant does not take same email id</span>	Closed		FR-ISS-130243 20 h
<input type="checkbox"/> <span>For the share transfer entry currently no role h:</span>	Closed		FR-ISS-146216 20 h
<input type="checkbox"/> <span>Accounts Payable to be fetched</span>	Closed		FR-ISS-146768 21 h
<input type="checkbox"/> <span>Exchange Rate Issue for Sales Invoice Creation</span>	Invalid		FR-ISS-160073 21 h
<input type="checkbox"/> <span>Row rename issue in General Ledger</span>	Closed	Incorrect Configuration	FR-ISS-146208 21 h
<input type="checkbox"/> <span>Assignment Rule</span>	Invalid	Bug	FR-ISS-146736 1 d
<input type="checkbox"/> <span>Fix SSID on 6th Floor</span>	Closed		FR-ISS-144352 1 d
<input type="checkbox"/> <span>Billing hours can be more than Total Hours in Time</span>	Invalid		FR-ISS-144022 1 d

Image 10 : Filter By

# Sidebar

Apart from the two default Filter By options, as per your requirement, you can also add other Filter By fields for any document list or report.

The screenshot shows the Frappe CRM Lead list page. On the left, there is a sidebar with various filters and tags. The main area displays a list of leads with columns for Name, Person Name, Organization Name, Lead Owner, Status, and Last Modified On. Each lead entry includes a checkbox, a heart icon, and the lead's name. The status column shows colors corresponding to the lead's stage: Opportunity (blue), Lead (grey), Converted (green), and Invitations (light blue). The last modified date is shown in parentheses next to each lead entry. A search bar at the top right allows users to search for specific terms.

Name	Person Name	Organization Name	Lead Owner	Status	Last Modified On
No-reply			Administrator	Opportunity	LEAD-2019-00004 20 h
Harshit	abc	simran@iwebnotes....	Administrator	Lead	LEAD-2019-00059 20 h
Naresh	xyz	harshit@erpnext.com	Administrator	Converted	LEAD-2019-00058 4 d
Michelle	Frappe Technologies	Administrator	Administrator	Converted	LEAD-2019-00053 7 d
Ken Seq	ERP NEXT	Guest	Administrator	Lead	LEAD-2019-00047 7 d
Invitations		Administrator	Administrator	Opportunity	-LEAD-2019-00015 7 d
Damien		Administrator	Administrator	Converted	LEAD-2019-00055 7 d
dhalijd		Administrator	Administrator	Converted	LEAD-2019-00056 7 d
Simran		Administrator	Administrator	Lead	-LEAD-2019-00057 7 d

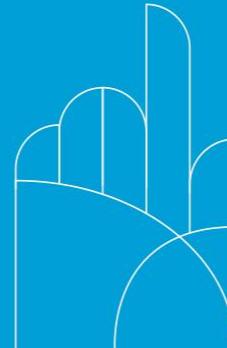
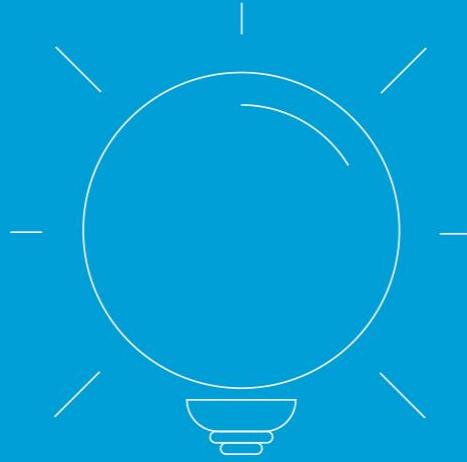
Image 11 : Additional Filter By

# ERPNext: Operations' Process Flow

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# ERPNext: CRM

## Setup



# CRM Setup

**Customer relationship management (CRM)** is a technology for managing all your company's relationships and interactions with customers and potential customers. The goal is simple: Improve business relationships. A CRM system helps companies stay connected to customers, streamline processes, and improve profitability.

Before using the CRM, you have to setup the following to smoothly use the other documents:

1. **Lead Source** - is a source from which the leads are generated. It is important to track the source from which you are getting the leads. This will help in measuring the effectiveness of marketing campaigns and allocate the budgets accordingly. **Typical lead sources** are contact forms on your website, marketing campaigns, events, references, ads on social media etc.
  
2. **Opportunity Type** - indicates the broad category of opportunity like Sales, Support, Maintenance, Partnership etc. Adding the appropriate opportunity type helps in assigning the opportunity to the right sales executive.
  
3. **Sales Stage** - indicates the level at which an opportunity is in the sales cycle. Generally high value deals go through a number of stages before the sale is concluded. You will have to nurture high value opportunities over a period of time before you can successfully close a sale. You can create the sales stages and in each opportunity you can select the stage it is in and update it as you nurture the opportunity.



# CRM Setup

Before using the CRM, you have to setup the following to smoothly use the other documents:

4. **Sales Person** - is a person who sells your products/services. Sales Persons are created in hierarchical manner in the system. You can create sales persons and add other sales persons under the main sales persons.

To access the Sales Person list, go to:

[Home > Selling > Sales > Sales Person](#) or [Home > CRM > Settings > Sales Person](#)

## 1. How to Create a Sales Person

New

- a. Go to the Sales Person list and click on New button.
- b. Enter the Sales Person Name.
- c. Select the Employee for the Sales Person.
- d. Tick 'Group Node' checkbox, if you would like to add more Sales Person under this Sales Person.
- e. Click on '**CREATE NEW**'.

# Sales Person

E

Search or type a command (Ctrl + G)

B

Basawaraj ▾

Help ▾



99+

Menu ▾

New

## Sales Person Tree

Expand All  


- 📁 Sales Team
  - 👤 Holli Kovacs
  - 👤 Oliva Buzzell

# CRM Setup

Before using the CRM, you have to setup the following to smoothly use the other documents:

5. **Customer Group** - is an aggregation of customers that are similar in some way. Customer groups allow you to organize your customers. Typically Customers are grouped by market segment based on the domain in which a business operates. Customer Groups are created in hierarchical manner in the system. You can create a main customer group and add sub customer groups under it.

You can define a price a list which will be automatically applied to all customers belonging to that group. You can also get trend analysis for each group. Individual, Commercial and Government customer groups are created by default. You can add your own customer groups based on your requirement like retail, wholesale etc.

To access the Customer Group, go to:

[Home > CRM > Settings > Customer Group](#)

# Customer Group

## 1. How to Create a Customer Group

New

- a. On the Customer Group Tree click the New button or
- b. Click on a parent customer group like 'All Customer Groups'.
- c. Click on 'Add Child'.
- d. Enter 'Customer Group Name'.
- e. Tick 'Group Node' if you would like to add sub customer groups under this.
- f. Click on '**CREATE NEW**'.

## 2. Assign Credit Limit, Default Price List, and Default Payment Terms Template

You can assign the credit limit, Price List, and Payment Terms and they will be automatically applied when a customer belonging to the customer group is selected in sales transactions like Sales Order and Sales Invoice.

# CRM Setup

Before using the CRM, you have to setup the following to smoothly use the other documents:

6. **Email Group** - is a list of subscriber email IDs to which you send newsletters. You can **manage subscribers** by grouping them into different groups. You can **group existing and potential customers** into different groups based on their territory or products they are interested in. You can group the email ID of **all employees** so that you can share information with them.

To access the Email Group, go to:

[Home > Settings > Email > Email Group](#)

## 1. How to Create an Email Group

New

- a. Go to the Email Group list and click on New.
- b. Enter 'Title'.
- c. Click on '**SAVE**'
- d. Click on Action > Add Subscribers.
- e. Enter Email Addresses.
- f. Click on '**ADD**'

# Email Group

Internal

Menu ▾

Save

The screenshot shows a software interface for managing email groups. At the top right are 'Menu ▾' and 'Save' buttons. Below is a main area with a 'Total Subscribers' count of '2'. To the right is a modal menu with three options: 'Import Subscribers', 'Add Subscribers', and 'New Newsletter'.

## 2. Import Email IDs from Transactions

You can import email IDs from existing transactions.

- a. Click on Action > Import Subscribers and select a transaction like Lead.
- b. Click on Import and all the email IDs mentioned in the email IDs will be imported.

## 3. Import Emails in Bulk not in any Transactions

- a. Click View > View Subscribers
- b. On the [Email Group Member List](#), Click Menu > Import
- c. From the [Import DocType/Document List](#) > Click New
- d. Download the Template then fill up the file.
- e. After creating the file, follow the steps on how to attach for Data Import.
- f. Click Start Import.

# CRM Setup

Before using the CRM, you have to setup the following to smoothly use the other documents:

7. **Contract** - is a legally binding agreement between a Supplier and a Customer over the sale or products or services. A contract is legally enforceable because it meets the requirements and approval of the law. An agreement typically involves the exchange of goods, services, money, or promises of any of those.

To access the Contract, go to:

[Home > Sales Pipeline > Contract](#)

## 1. How to Create a Contract

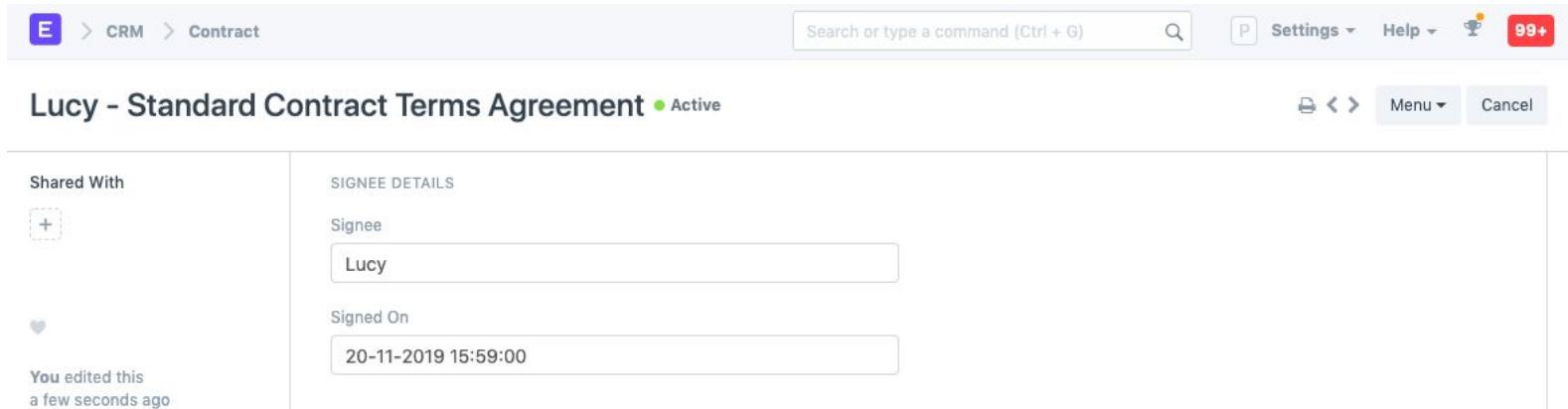
New

- a. Go to the Contract list and click on New button.
- b. Choose the Customer or Supplier or Employee.
- c. **Contract Period:** The Start and End date within which the Contract is valid.
- d. Party User: The employee from your Company who is in contact with the Customer/ Supplier/ Employee.

# Contract

## 1. How to Create a Contract

- e. **Signed Details (Checkbox):** This section will appear when the 'Signed' checkbox is ticked to indicate that the Customer has signed and accepted the Contract.



The screenshot shows a software interface for managing contracts. At the top, there's a navigation bar with icons for Home, CRM, and Contract, followed by a search bar and settings menu. The main title is "Lucy - Standard Contract Terms Agreement" with a status of "Active". Below the title, there are two sections: "Shared With" and "Signee Details". The "Shared With" section includes a plus sign icon for adding users. The "Signee Details" section contains fields for "Signee" (with "Lucy" entered) and "Signed On" (with the date "20-11-2019 15:59:00"). A note on the left says "You edited this a few seconds ago".

- Signee: Enter the name of the person that has signed the Contract.
- Signed On: The date on which the Contract was signed.

- f. **Enter the Contract Terms.** A template can also be created for easily fetching the terms

# Contract

## 1. How to Create a Contract

g. **Fulfillment Details (Checkbox):** If the Contract requires some fulfilment from your end, the details can be recorded in the Fulfilment Terms table.

The screenshot shows a software interface for managing contracts. At the top, there is a navigation bar with icons for Home, CRM, and Contract. To the right of the navigation are search, settings, help, and notification buttons. The main title is "Lucy - Standard Contract Terms Agreement" with an "Active" status indicator. Below the title are buttons for Print, Back, Forward, Menu, and Cancel. The central area is titled "FULFILMENT DETAILS". It contains a checkbox labeled "Requires Fulfilment" which is checked. Underneath is a "Fulfilment Deadline" field containing the date "06-11-2019". Below these are "Fulfilment Terms" with a table. The table has columns: Fulfilled (checkbox), Requirement (text input), and Notes (text input). There is one row present: "1" in the Fulfilled column, "Installation" in the Requirement column, and "Proper installation and setup" in the Notes column. A "Add Row" button is at the bottom of the table. The entire interface is set against a light gray background.

Fulfilled	Requirement	Notes
<input type="checkbox"/>	1 Installation	Proper installation and setup

- Requirement: Enter a requirement that needs to be fulfilled. For example, 'installation'.
- Notes: Any notes about the requirement can be entered here.

# Contract

## 1. How to Create a Contract

h. **References:** If the Contract can be linked to a transaction in ERPNext. Select the transaction type and the specific transaction. The documents that can be linked are:

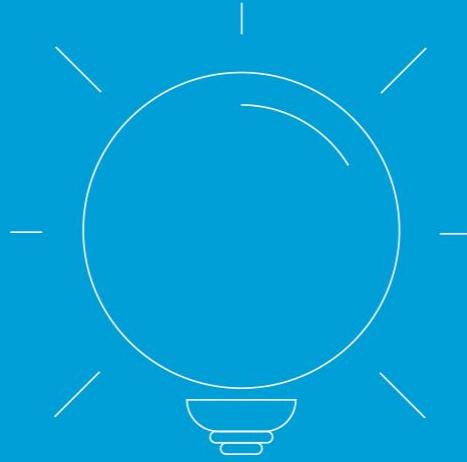
- Quotation
- Project
- Sales Order
- Purchase Order
- Sales Invoice
- Purchase Invoice

i. Click **SAVE**.

The screenshot shows the ERPNext software interface for creating a new contract. The top navigation bar includes the ERP logo, CRM, Contract, a search bar, Settings, Help, and a notification badge (99+). The main title is "Lucy - Standard Contract Terms Agreement" with an "Active" status indicator. Below the title, there's a "REFERENCES" section with a "Document Type" dropdown set to "Quotation" and a "Document Name" field containing "SAL-QTN-2019-00011".

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# ERPNext: CRM Lead



# Lead

A **lead** is a potential customer who might be interested in your products or services.

When you send out the word that you are around and have something valuable to offer, people will come in to check out your products or services. **These are your Leads.**

They are called Leads because they may lead you to a sale. Sales executives usually work on leads by calling them, building a relationship and sending information about products or services. It is important to track all this conversation to enable another person who may have to follow-up on that contact. The new person is then able to know the history of that particular Lead.

To access the Lead list, go to:  
Home (Desktop) > CRM > Sales  
Pipeline > Lead, See Image 1.

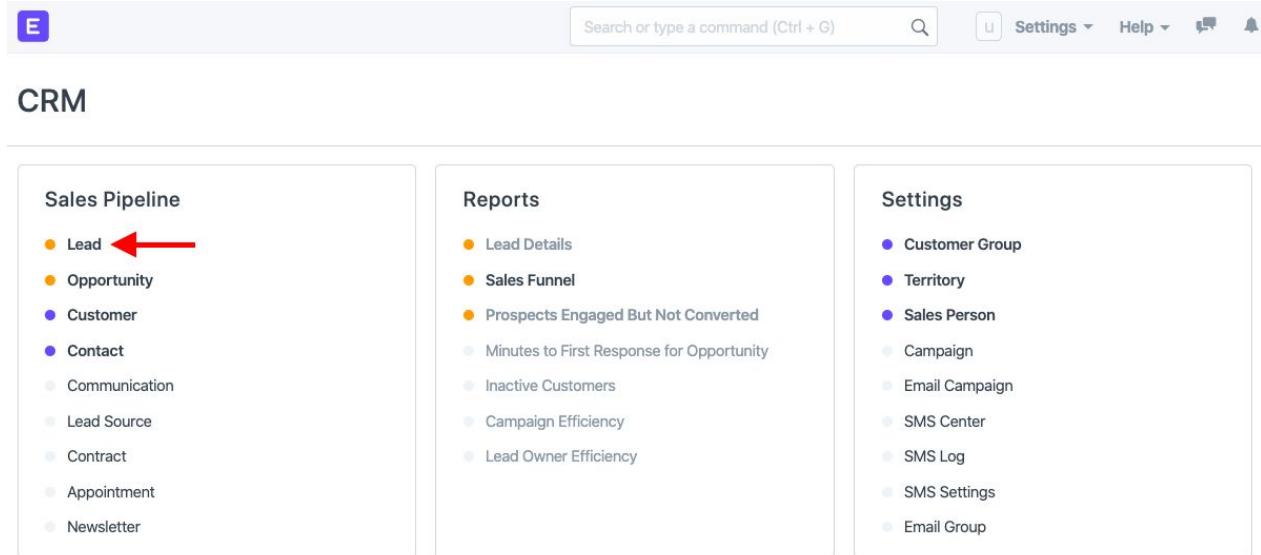


Image 1: Lead List

# Lead Creation

## 1. How to create a Lead

New

- a. Go to the Lead list and click on New button.
- b. If the person represents an organization, check the 'Lead is an Organization' checkbox. Notice that when you check, the 'Company Name' field becomes mandatory. Enter the Company Name.
- c. If the person is an individual, leave the checkbox unchecked and enter Person Name and Gender.
- d. Enter the 'Email Address'.
- e. Status is the important field in the Lead. You can set the status manually and also it will be updated automatically based on your actions against the lead.
  - i. Lead: This is the default status assigned when a Lead is created and it indicates an action is needed against this Lead.
  - ii. Open: Sales executive needs to contact the Lead.
  - iii. Replied: A sales executive has provided the information needed and response from Lead is awaited.
  - iv. Opportunity: If an Opportunity is created against the Lead, the status is set to Opportunity. It indicates that the Lead is qualified and may lead to sales.

## Lead Creation

- v. Quotation: If a quotation is created against a Lead, then the status is set to Quotation.
- vi. Lost Quotation: If the quotation given to the lead has been marked as lost, then the status is set to 'Lost Quotation'.
- vii. Interested: The lead is interested in the products or services.
- viii. Converted: If the quotation given to the Lead has resulted in confirmation of an order and if the Sales Order has been created against the quotation, then the status is set to Converted.
- ix. Do Not Contact: Lead is not interested and no further communication is needed.
  - a. You can set the Lead Source in Source field.
  - b. Enter email ID for communication.
  - c. You can also record the details of the conversation in the NOTES section.  
  
\*Further details like Lead Type, Market Segment, Industry can be added in the 'MORE INFORMATION' section.
- d. You can also attach files/images by clicking on 'Attach File' button.
- e. Click on 'Save'.



## Lead Creation

A Lead can be converted to a Customer by selecting “Customer” from the **Make dropdown**. Once the Customer is created, the Lead becomes “Converted” and any further Opportunities from the same source can be created against this Customer.

The screenshot shows a CRM application interface. At the top, there is a navigation bar with icons for Home (E), CRM, Lead, a search bar containing "Search or type a command (Ctrl + G)", and user information (Administrator, Help, 20+). Below the navigation bar, the main area displays a Lead record for "Leo Mikulić". The lead's name is in bold, followed by a status indicator "Lead". To the right of the name are buttons for "LEAD-00010" (with a print icon), "Menu", and "Save". On the far right, there is a "Make" button with a dropdown arrow, which is highlighted with a mouse cursor. On the left side of the lead record, there is a large placeholder box with the letters "LM". Below the lead record, there are sections for "Comments" (0) and "Assigned To". The "Person Name" field contains "Leo Mikulić" and the "Status" field contains "Lead".

# Auto Lead Creation

## System Managers Only

Leads come from many different sources. It is important that all leads are recorded, assigned to sales executives and followed up.

### **1. Create Leads From Emails**

You may have an email address like 'sales@yourcompany.com' which is probably displayed on your website. People may send emails asking information about your products and services. You can enable [Email Account](#) to pull these emails and create a lead for each email. *Read more on the Email Account Manual.*

### **2. Create Leads From Webforms**

You can also map the Lead form to a [Web Form](#) and publish it on your website. When visitors of your website fill the form, it will be automatically added as a Lead. *Read more on the Web Form Manual.*

### **3. Create Leads From Incomplete Orders in E-Commerce Module**

You can publish an e-commerce website and allow users to place an order for your products. If a user selects items but doesn't complete the process you can pursue that user as a lead.

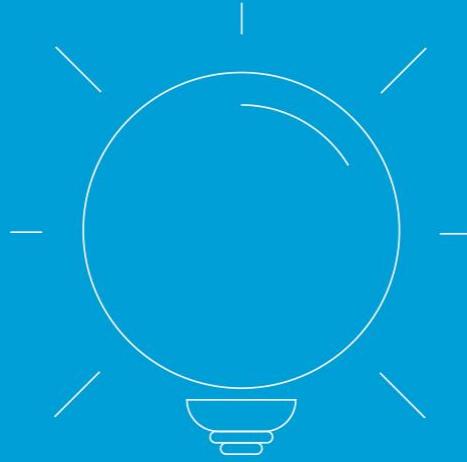
### **4. Create Leads By Importing Spreadsheet**

If you have a spreadsheet with details of the leads, you can use the Data Import feature to import the leads.



hooman.

# ERPNext: CRM Opportunity



# Opportunity

**Opportunity** is a qualified lead.

When you get a hint that lead is looking for a product/service that you offer, you can convert that lead into an opportunity. You can also create an opportunity against an existing customer. Multiple Opportunities can be collected against a lead or a customer.

To access the Opportunity list, go to: **CRM**  
Home > CRM > Sales Pipeline > Opportunity, see image 1.

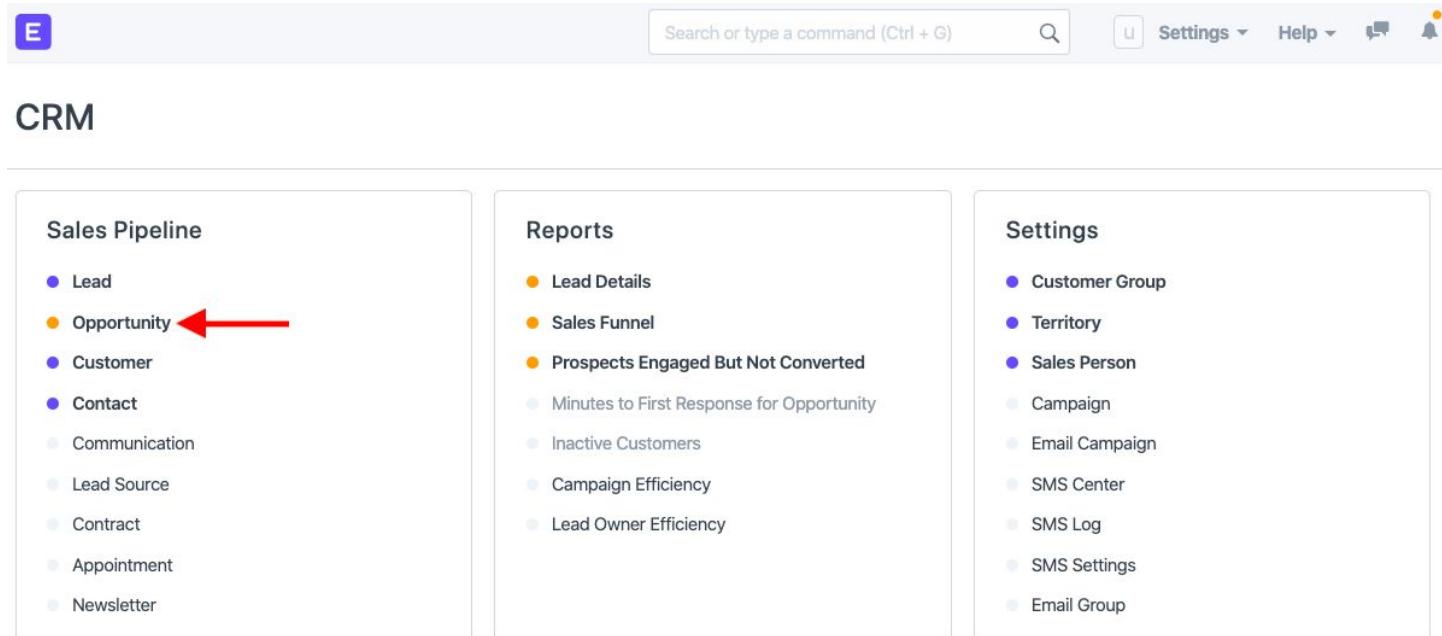


Image 1: Opportunity List

# Opportunity Creation

## 1. How to Create an Opportunity

- a. Go to the Opportunity list and click on New.
- b. In 'Opportunity From', select Lead if opportunity is from a lead or select Customer if opportunity is from a customer.
- c. You can also go to an "Open" Lead and select "Opportunity" from the **Make dropdown** as shown below. See image 2.

The screenshot shows a CRM interface for a lead named 'Totte Jakobsson'. The top navigation bar includes 'E' (Entity) > CRM > Lead, a search bar, and user information (Administrator, Help, 20+ notifications). Below the navigation is a lead detail view with fields like Person Name (Totte Jakobsson), Organization Name (Garden Master), and Status (Lead). On the right, a 'Make' dropdown menu is open, showing options: Customer, Opportunity (which is circled in red), and Quotation. The 'Opportunity' option is highlighted with a red circle.

Image 2: Make Dropdown Opportunity

## Opportunity Creation

- d. Select Opportunity Type. This indicates the broad category of opportunity like Sales, Support, Maintenance etc.
- e. You can add more details like Opportunity Amount, Probability (of conversion), Currency in 'SALES' section.
- f. You can capture the details of the products/services needed by clicking on 'With Items' checkbox and adding the item and quantity details in 'ITEMS' section.
- g. Enter the Source of the opportunity in the SOURCE section.
- h. Click on 'Save'.

### **2. Auto-close Opportunities**

Opportunity will auto closed after 30 days from the date of creation.

### **3. Create a Quotation**

You can create a Client Quotation or Supplier Quotation (Only if Items are indicated on the Opportunity) from the **Make dropdown**. Relevant field values will be copied over. See image 3.

# Opportunity Creation

Best Practice: Leads and Opportunities are often referred as your “Sales Pipeline” this is what you need to track if you want to be able to predict how much business you are going to get in the future. It’s always a good idea to be able to track what is coming in order to adjust your resources.

The screenshot shows a software interface for creating a new sales opportunity. The top navigation bar includes the title "SAM • Open", a document ID "OPTY-00003", a "Menu" dropdown, and a "Save" button. On the left, a sidebar contains sections for "Comments" (1), "ASSIGNED TO" (with an "Assign +" button), "ATTACHMENTS" (with an "Attach File +" button), "TAGS" (with an "Add a tag..." button), and "SHARED WITH" (with a plus icon). Below the sidebar, a "Related Documents" section lists "Quotation" and "Supplier Quotation". A dropdown menu titled "Make" is open, showing options "Supplier Quotation" and "Quotation", with "Supplier Quotation" currently selected. The main form area contains fields for "Opportunity From" (set to "Customer"), "Opportunity Type" (set to "Sales"), "Status" (set to "Open"), and "Customer / Lead Name" (set to "SAM"). There is also a checkbox "With Items" which is checked. At the bottom, a note states "Rohit edited this a month ago".

Image 3: Make Dropdown Opportunity Quotations

# Opportunity Creation

## 4. Capture the Reasons for Losing Opportunities

You can capture the reasons of a lost opportunity. This will help you to analyse the trends over a long period of time and identify the insights needed for improvements at various areas in the organisation.

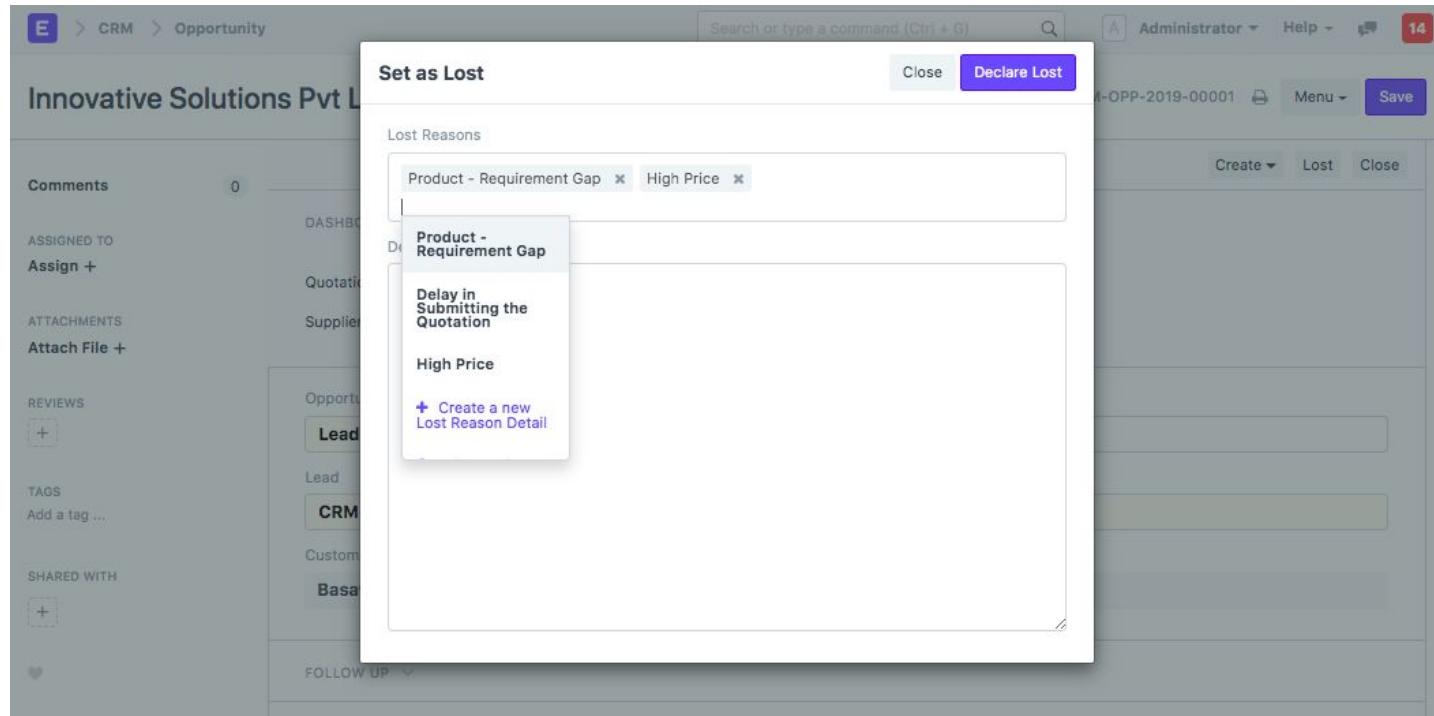
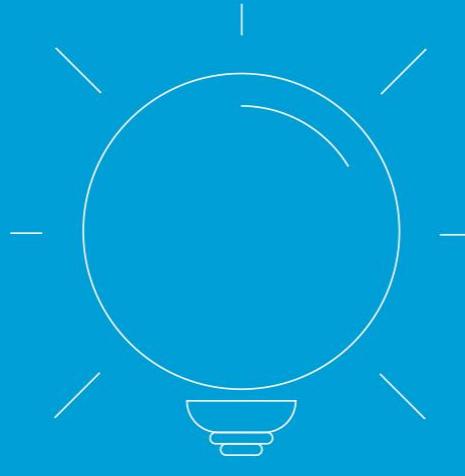


Image 4: Lost Opportunity

hooman.

# ERPNext: CRM Customer



# Customer

A **customer**, who is sometimes known as a client, buyer, or purchaser is the one who receives goods, services, products, or ideas, from a seller for a monetary consideration.

To access the Customer list, go to:

[Home > CRM > Sales Pipeline](#)    or    [Home > Selling > Customers](#).

## 1. How to create a Customer

New

- a. Go to the Customer list and click on New.
- b. Enter Full Name of the customer.
- c. Select Individual if the customer represents an individual or Company if the customer represents a company in Type field.
- d. Select a Customer Group. Individual, Private, Non-Profit and Government are available by default. You can create additional groups if you need.
- e. Select the Territory or area of the customer.
- f. If the customer is being created against a lead, you can select the same in From Lead field.
- g. Click SAVE.

\*Disable- To disallow sales orders and sales invoices against a customer

\*Internal Customer - If the customer represents one of your own companies then check 'Is Internal Customer'. Only for sister companies that are also added in the system.



# Customer

## 2. Default Currency and Price List

You can set the **default currency** to be used for this customer in [sales orders](#) and [sales invoices](#) by selecting the appropriate currency in Billing Currency.

Similarly, you can set the default price list to be used for this customer in sales orders and sales invoices by selecting the appropriate currency in Default Price List.

## 3. Credit Limit and Payment Terms

Credit Limit is the maximum amount of credit you are willing to offer to a Customer. You can set the credit limit by entering the amount in 'Credit Limit' field.

A Payment Term helps to set a schedule according to which payments will be made. You can select the default Payment Terms to be applied in sales orders and sales invoices in 'Default Payment Terms Template' field.

## 4. Sales Team and Sales Partner

If you have one or more Sales Person to manage the sales to the customer, you can add them in SALES TEAM section. If multiple sales person are involved you can split the contribution among them. Make sure that the sum of all sales persons contribution equals to 100%.



# Customer

A Sales Partner is a third party distributor / dealer / commission agent / affiliate / reseller who facilitates your products/services sales, for a commission. If you sell your products/services to the customer through a sales partner you can set it in 'Sales Partner' field and mention the 'Commission Rate' for calculation of commission.

The screenshot shows a software interface with a navigation bar at the top featuring a blue 'E' icon, a search bar, settings, help, and a notifications badge (33). Below the navigation bar are sections for MODULES, DOMAINS, PLACES, and ADMINISTRATION, each containing dropdown menus for selecting different categories.

**MODULES**

- Getting Started (checked)
- Accounting
- Selling
- Buying
- Stock
- Assets
- Projects
- CRM (cursor over)
- Support
- Human Resources

**DOMAINS**

- Manufacturing
- Non Profit

**PLACES**

- Website
- Social
- Dashboard

**ADMINISTRATION**

- Tools
- Settings
- Users and Permissions

In the bottom right corner, there is a large blue 'h.' logo.

# Customer

## 5. How to create a Contact Person

Click the “New Contact” button as shown below.

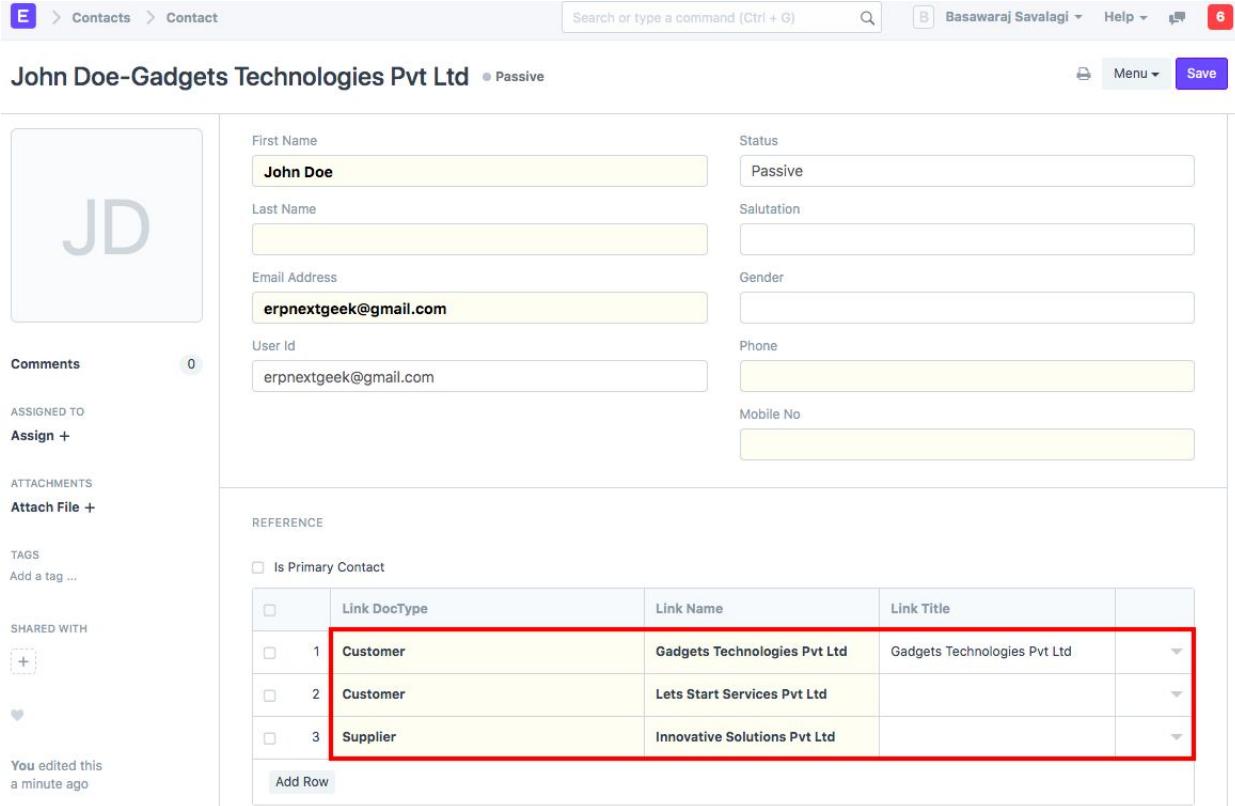
When you have multiple contacts against an entity like customer/supplier, you can check 'Is Primary Contact' to indicate the preferred contact. The primary contact will be chosen automatically in transactions like sales order and sales invoice.

The screenshot shows the ERPNext CRM Customer page for 'ABC Corporation'. The top navigation bar includes 'ERPNext > CRM > Customer', a search bar, and user information ('Demo User - 275'). Below the header, there's a summary section with 'Total Billing This Year: \$ 0.00 / Unpaid: \$ 0.00' and links to Opportunity (0), Quotation (2), Sales Order (1), Delivery Note (0), and Sales Invoice (0). On the left, there are sidebar sections for 'Comments' (0), 'ASSIGNED TO' (with an 'Assign +' button), 'ATTACHMENTS' (with a 'New Rich Text Document...' link and an 'Attach File +' button), 'TAGS' (with an 'Add a tag...' link), and 'SHARED WITH' (with a '+ Add' button). The main form area contains fields for 'Full Name' (ABC Corporation), 'Customer Group' (1), 'Type' (Company), 'Territory' (California), and 'From Lead' (empty). At the bottom, there are two buttons: '+ New Address' and '+ New Contact'. The '+ New Contact' button is highlighted with a red rectangle. A message below it says 'No contacts added yet.'

# Contact Features

## 1. Link a Contact to Multiple Entities

A contact may be linked to multiple customers or multiple suppliers at the same time.



The screenshot shows the Odoo Contact module interface. At the top, there's a breadcrumb navigation: E > Contacts > Contact. A search bar says "Search or type a command (Ctrl + G)". The top right includes a user dropdown for "Basawaraaj Savalagi", a "Help" link, and a red notification badge with the number "8". Below the header, the contact details for "John Doe-Gadgets Technologies Pvt Ltd" are displayed, marked as "Passive". The contact card includes fields for First Name (John Doe), Last Name, Email Address (erpnextgeek@gmail.com), User Id (erpnextgeek@gmail.com), Status (Passive), Salutation, Gender, Phone, and Mobile No. On the left sidebar, there are sections for Comments (0), Assigned To (with an "Assign +" button), Attachments (with an "Attach File +" button), Tags (with an "Add a tag ..." button), and Shared With (with a plus sign icon). A note at the bottom says "You edited this a minute ago". The main content area shows a "REFERENCE" section with a checkbox for "Is Primary Contact". Below it is a table with columns: Link DocType, Link Name, and Link Title. Three rows are listed, all of which are highlighted with a red border:

Link DocType	Link Name	Link Title
Customer	Gadgets Technologies Pvt Ltd	Gadgets Technologies Pvt Ltd
Customer	Lets Start Services Pvt Ltd	
Supplier	Innovative Solutions Pvt Ltd	

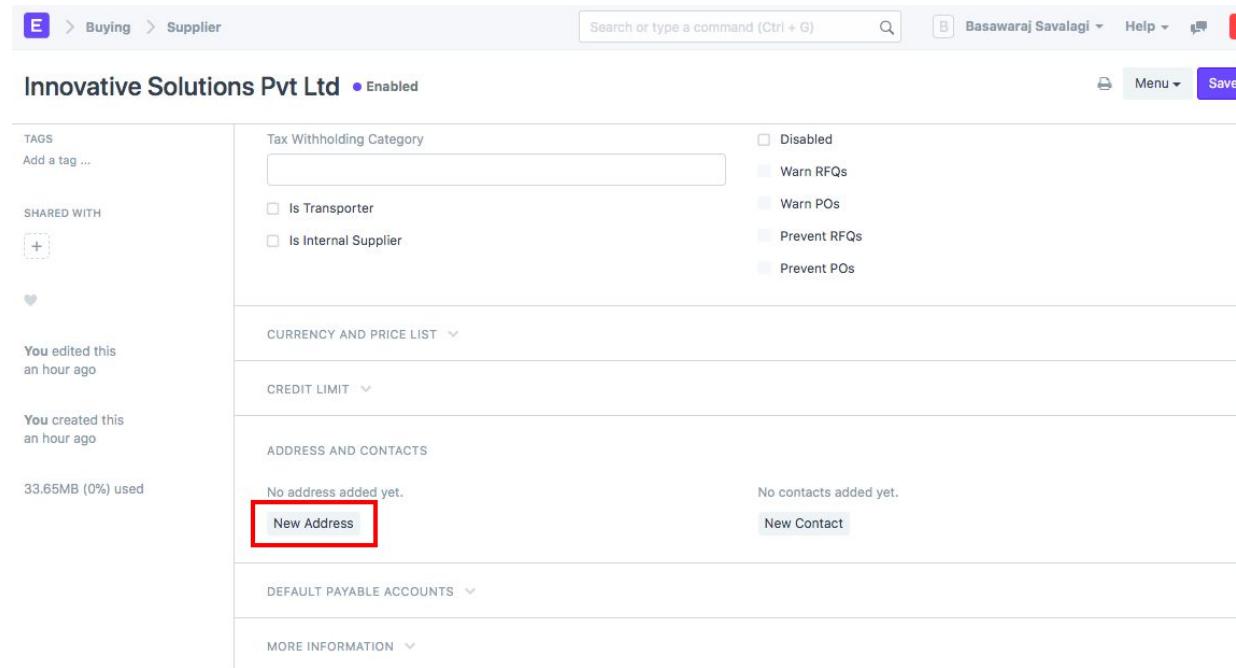
At the bottom of the table, there's a "Add Row" button.

# Customer

## 6. How to create an Address

Click the “New Address” button as shown below.

When you have multiple contacts against an entity like customer/supplier, you can check 'Is Primary Contact' to indicate the preferred contact. The primary contact will be chosen automatically in transactions like sales order and sales invoice.



# Address Feature

## 1. Link an Address to Multiple Entities

An address may be linked to multiple customers or multiple suppliers at the same time.

The screenshot shows the Odoo Address creation form for 'SLN Arcade'. The form includes fields for Address Line 1 ('Near 12th Cross, Indira Nagar'), City/Town ('Bangalore'), County, State, Country ('India'), and Postal Code. A 'REFERENCE' section contains a table linking the address to two entities: 'Supplier' (Innovative Solutions Pvt Ltd) and 'Customer' (Gadgets Technologies Pvt Ltd). Both rows in the table are highlighted with a red border.

Address Line 2: Near 12th Cross, Indira Nagar

City/Town: Bangalore

Country:

State:

Country: India

Postal Code:

REFERENCE

	Link DocType	Link Name	Link Title
<input type="checkbox"/>	1 Supplier	Innovative Solutions Pvt Ltd	
<input type="checkbox"/>	2 Customer	Gadgets Technologies Pvt Ltd	

Add Row

# Address Feature

## 2. Address Title

If the address is not linked to any entity you need to manually add a title. But if the address is linked to an entity like a customer or supplier, the title is generated automatically in 'Entity Name-Address Type' format.

The screenshot shows the Zoho CRM 'Address' edit screen. At the top, the address title is listed as 'Lets Start Services Pvt Ltd-Billing'. A red box highlights this title. Below it, the 'Address Type' field is set to 'Billing', also highlighted with a red box. The main address fields include 'Address Line 1' (Test 1), 'Address Line 2' (Test 2), 'City/Town' (Test 2), 'Country' (India), and 'Postal Code'. On the right side, there are checkboxes for 'Preferred Billing Address', 'Preferred Shipping Address', and 'Disabled'. Under the 'REFERENCE' section, there is a checkbox for 'Is Your Company Address'. A table lists a reference row where the 'Link DocType' is 'Customer' and the 'Link Name' is 'Lets Start Services Pvt Ltd'. A red box highlights the 'Link Name' field. At the bottom, there is a button labeled 'Add Row'.

	Link DocType	Link Name	Link Title
<input type="checkbox"/>	Customer	Lets Start Services Pvt Ltd	

## **Address Feature**

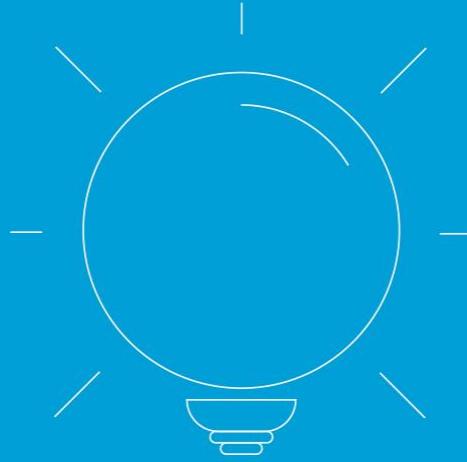
### 3. Preferred Billing Address and Shipping Address

If you check 'Preferred Shipping Address', the address would be automatically added in the Shipping Address in Sales Order, Sales Invoice and Delivery Note transactions.

Similarly, if you check 'Preferred Billing Address', the address would be automatically added in the Billing Address in Sales Order, Sales Invoice and Delivery Note transactions.

hooman.

# ERPNext: Contact



# Contact

**Contact** represents a person. A contact may be associated with a Lead, Customer, Supplier, Shareholder, Sales Partner or a User. You can also add contact as a standalone record without linking it to any of the entities listed above.

To access Contacts, go to:

[Home > CRM > Sales Pipeline > Contact](#)

## 1. How to create a Customer

New

- a. Go to the Contact list and click on New.
- b. Enter First Name and Last Name.
- c. Choose the status if the contact is passive, is open to contact or has replied.
- d. Enter contact details like email, phone, etc.
- e. **SAVE.**

You can also add a Contact from the Customer or Supplier record by clicking on “New Contact” button. ([\*\*Check more on the Customer and Supplier Manual\*\*](#))

When you have multiple contacts against an entity like customer/supplier, you can check '**Is Primary Contact**' to indicate the preferred contact. The primary contact will be chosen automatically in transactions like sales order and sales invoice.

# Contact

## 2. Link a Contact to Multiple Entities

A contact may be linked to multiple customers or multiple suppliers. A contact can also be linked to customers and suppliers at the same time.

The screenshot shows the 'Contact' creation page in the ERPNext application. The main form fields include:

- First Name: John Doe
- Status: Passive
- Last Name: (empty)
- Salutation: (empty)
- Email Address: erpnextgeek@gmail.com
- Gender: (empty)
- User Id: erpnextgeek@gmail.com
- Phone: (empty)
- Mobile No: (empty)

On the left sidebar, there are sections for:

- Comments: 0
- ASSIGNED TO: Assign +
- ATTACHMENTS: Attach File +
- TAGS: Add a tag ...
- SHARED WITH: +

At the bottom left, it says "You edited this a minute ago".

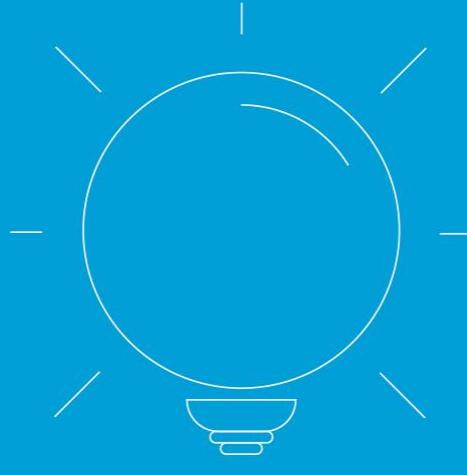
The 'REFERENCE' section contains a table with columns: Link DocType, Link Name, and Link Title. The table rows are:

	Link DocType	Link Name	Link Title
1	Customer	Gadgets Technologies Pvt Ltd	Gadgets Technologies Pvt Ltd
2	Customer	Lets Start Services Pvt Ltd	
3	Supplier	Innovative Solutions Pvt Ltd	

A red box highlights the last three rows of the table.

hooman.

# ERPNext: Address



# Address

You can record the **addresses** associated with a Lead, Customer, Supplier, Shareholder, Sales Partner or a Warehouse. You can also add an Address as a standalone record without linking it to any of the entities listed above.

To access Address, go to:

[Home > CRM > Address](#)

## 1. How to create an Address

- a. Go to the Address list and click on New.
- b. Select Address Type.
- c. Enter details in Address Line 1, Address Line 2, City/Town, County, State, Country.
- d. Enter Email Address, Phone and Fax.
- e. Enter Link DocType and Link Name to link this address to customer, supplier etc.
- f. **SAVE.**

New

You can also add an Address from the Customer or Supplier record by clicking on "New Address" button as shown below.  
**(Check more on the Customer and Supplier Manual)**

If you check '**Preferred Shipping Address**', the address would be automatically added in the Shipping Address in Sales Order, Sales Invoice and Delivery Note transactions.

Similarly, if you check '**Preferred Billing Address**', the address would be automatically added in the Billing Address in Sales Order, Sales Invoice and Delivery Note transactions.



# Address

## 2. Link an Address to Multiple Entities

An address may be linked to multiple customers or multiple suppliers. An address can also be linked to customers and suppliers at the same time.

The screenshot shows the Zoho CRM 'Address' creation page for 'SLN Arcade'. The left sidebar displays 'TAGS' (Add a tag ...), 'SHARED WITH' (button with '+'), and status messages ('You edited this a few seconds ago', 'You created this 2 minutes ago', '33.65MB (0%) used'). The main form includes fields for 'Address Line 2' (Near 12th Cross, Indira Nagar), 'Party GSTIN' (empty), 'City/Town' (Bangalore), 'GST State' (empty), 'County' (empty), 'State' (empty), 'Country' (India), 'GSTIN' (empty), 'Postal Code' (empty), and checkboxes for 'Preferred Billing Address', 'Preferred Shipping Address', and 'Disabled'. The 'REFERENCE' section contains a table with two rows:

	Link DocType	Link Name	Link Title
<input type="checkbox"/>	Supplier	Innovative Solutions Pvt Ltd	
<input type="checkbox"/>	Customer	Gadgets Technologies Pvt Ltd	

A red box highlights the second row of the reference table, which links the address to a customer named 'Gadgets Technologies Pvt Ltd'.

# Address

E > Contacts > Address

Search or type a command (Ctrl + G)

Basawaraj Savalagi Help 6

Lets Start Services Pvt Ltd-Billing Enabled

Address Type: Billing

Address Line 1: Test 1

Address Line 2:

City/Town: Test 2

County:

State:

Country: India

Postal Code:

Phone:

Fax:

Party GSTIN:

GST State:

Preferred Billing Address

Preferred Shipping Address

Disabled

REFERENCE

Is Your Company Address

	Link DocType	Link Name	Link Title
<input type="checkbox"/>	Customer	Lets Start Services Pvt Ltd	
<input type="checkbox"/>	1		

Add Row

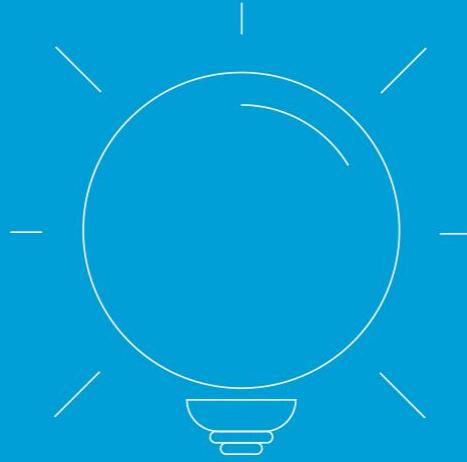
### 3. Address Title

If the address is not linked to any entity you need to manually add a title. If the address is linked to an entity like a customer or supplier, the title is generated automatically in 'Entity Name-Address Type' format.

You can also add **addresses of your own company's facilities**. Check 'Is Your Company Address', select Company in Link DocType column, and Company Name in Link Name for such addresses and you can select them in Sales Invoice to print your own address.

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# ERPNext: Campaign



# Campaign

A **Campaign** is a full-scale implementation of a sales strategy to promote a product or service. This is done in a market segment of a particular geographical area to achieve specific objectives.

To access Campaign, go to:

[Home > CRM > Settings > Campaign](#)

## 1. How to create a Campaign

New

- a. Go to the Campaign list, click on new.
- b. Enter a name for the campaign.
- c. Enter a description to describe what the campaign is about.
- d. **SAVE.**

When a marketing campaign generates a lead or an opportunity, you can tag the campaign while creating the Lead or Opportunity. You can also tag the campaign in Quotation.

This helps in assessing the effectiveness of a marketing campaign by calculating the return on investment.

# View Leads Generated by a Campaign

- a. Click on 'View Leads' button in the campaign.
- b. You will see a filtered list of leads made against the campaign.

The screenshot shows a software interface for managing campaigns. At the top, there is a navigation bar with icons for 'E', 'Selling', 'Campaign', a search bar ('Search or type a command (Ctrl + G)'), 'Settings', 'Help', and a notification badge ('7'). Below the navigation is the main content area:

**Product Introduction for Customers**

On the left, there is a sidebar with the following sections and their current status:

- Comments: 0
- Assigned To: DASHBOARD ▾
- Attachments: Attach File +
- Tags: Add a tag ...
- Reviews: +

The main content area displays the campaign details:

- DASHBOARD** ▾
- Email Campaigns
- Email Campaign 4 +
- CAMPAIGN**
- Campaign Name: **Product Introduction for Customers**

A red box highlights the 'View Leads' button in the top right corner of the main content area.

## Set up email schedules for Email Campaigns

If you want to carry out a campaign using emails for your leads or contacts, Email Campaign serves the purpose. You will have to set up a schedule for the campaign. Click on 'Add Row' to add an entry to the campaign schedule.

The screenshot shows the ERPNext software interface for managing campaign schedules. On the left, there's a sidebar with icons for creating new items, a heart for favorites, and activity logs for 'You edited this 12 hours ago' and 'Rucha Mahabal created this 12 days ago'. The main content area has a header with the campaign name 'Product Introduction for Customers' and various navigation and search tools. The central focus is the 'CAMPAIN SCHEDULES' table, which lists three scheduled emails:

	Email Template	Send After (days)	
<input type="checkbox"/>	<b>CRM Module Intro</b>	1	▼
<input type="checkbox"/>	<b>HR Module Intro</b>	2	▼
<input type="checkbox"/>	<b>Accounts Module Intro</b>	4	▼

Below the table is a button labeled 'Add Row' for adding more entries. At the bottom of the page, there's a 'Description' field containing the text: 'A Campaign for ERPNext Product Introduction for Leads and Contacts.'

## Set up email schedules for Email Campaigns

- a. In **Email Template**, select an 'Email Template' which you would like to send via email to the lead or contact.
- b. In **Send After (days)**, specify the number of days after which the respective email should be sent. Using this field, the day on which email is to be sent is calculated relative to the Start Date of Email Campaign.

## 2. Email Campaign

An Email Campaign is a coordinated set of emails sent to leads or contacts according to a particular schedule.

Email Campaigns are still one of the most effective ways to reach your Customers, Contacts or Leads and keep them engaged. For example, you could set up Email Campaigns for introducing your product to the customers, with every email revealing an interesting feature of your product.

To create an Email Campaign, go to:

[Home > CRM > Settings > Email Campaign](#)

### 1. Prerequisites:

- Campaign
- Lead or Contact



# Email Campaign

## 2. How to create a Campaign

New

- a. Go to the Email Campaign list, click on New.
- b. Select the Campaign for which you want to set up an Email Campaign.
- c. Set the 'Start Date' for the Email Campaign.
- d. In 'Email Campaign For', select whether you want to set up Email Campaign for a Lead or a Contact.
- e. In 'Recipient', select the respective Lead or Contact for whom you want to start the Email Campaign.
- f. In 'Sender', select the user of the system who should be the sender of the emails.
- g. **SAVE.**

## 3. Status indication

Status indicates the state of the Email Campaign, the various Statuses are:

- **Scheduled:** When the Email Campaign has not yet started but scheduled on a future 'Start Date'.
- **In Progress:** When there are still more campaign mails to be sent.
- **Completed:** When all the emails have been sent according to the schedule set up in the Campaign.
- **Unsubscribed:** When the Lead or Contact unsubscribes from the Campaign.

# Email Campaign

## 4. Linked Communication

When emails are sent to the respective leads or contacts, Communication is linked to the Email Campaign document. You can view all the emails sent in your document.

## 5. Unsubscribe from Email Campaign

If a lead or contact does not want to continue getting emails regarding the campaign, he or she can unsubscribe from the Email Campaign via the unsubscribe link sent with the email.

The screenshot shows an email from R M <mahabal.rucha2@gmail.com> to ruchamahabal812. The email was sent on Fri, Jul 12, 1:01 PM (10 days ago). The subject line is "Hello! Welcome to ERPNext." The body of the email starts with "Here is a small introduction to the HR Module in ERPNext." It then provides a detailed description of the HR module's features, mentioning payroll processing, salary slips, and employee database management. At the bottom, there is a red box highlighting the "Leave this conversation" link, which is a standard unsubscribe link found in many email newsletters.

R M <mahabal.rucha2@gmail.com>  
to ruchamahabal812 ▾  
Fri, Jul 12, 1:01 PM (10 days ago) ⚡ ⌛ ⋮

Hello! Welcome to ERPNext.

Here is a small introduction to the HR Module in ERPNext.

The Human Resources (HR) module covers the processes related to the HR department of a company. Most important feature here is processing the payroll by using Payroll Entry to generate Salary Slips. Most countries have complex tax rules stating which expenses the company can make on behalf of its Employees. There are a set of rules for the company to deduct taxes and social security from employee payroll. ERPNext accommodates all types of taxes and their calculation.

It also maintains a complete employee database including contact information, salary details, attendance, performance evaluation, leaves, and appraisal records.

[Leave this conversation](#)

Sent via [ERPNext](#)



# Email Campaign

When the lead or contact unsubscribes, the status of the Email Campaign document changes to 'Unsubscribed'.

The screenshot shows the ERPNext CRM interface with the 'Email Campaign' module selected. The document title is 'MAIL-CAMP-2019-00001'. A red box highlights the status 'Unsubscribed' next to the lead's name. On the left sidebar, it shows that the lead was edited 10 days ago and created 10 days ago. Below the main document area, a timeline shows a message from 'Ruchamahabal812' indicating they left the conversation 10 days ago. The email body contains a welcome message and information about the HR module.

MAIL-CAMP-2019-00001 Unsubscribed

You edited this  
10 days ago

You created this  
10 days ago

New Email

Ruchamahabal812 Left this conversation – 10 days ago

RM

✉ R M – Details – 10 days ago

Reply All Reply

**Title:** Product Introduction – HR Module

Hello! Welcome to ERPNext.

Here is a small introduction to the HR Module in ERPNext.

The Human Resources (HR) module covers the processes related to the HR department of a company. Most important feature here is processing the payroll by using Payroll Entry to generate Salary Slips. Most countries have complex tax rules stating which expenses the company can make on behalf of its Employees. There are a set of rules for the company to deduct taxes and social security from employee payroll. ERPNext accommodates all types of taxes and their calculation.

It also maintains a complete employee database including contact information, salary details, attendance, performance evaluation, leaves, and appraisal records.

# Newsletter

**Newsletter** is an email which is sent to a specific group of subscribers periodically. In the context of CRM, its is an informational and product-focused email that is sent to existing and potential customers with an intention of softly pushing the subscriber to do required actions. Newsletter can also be used to share information to employees, investors etc.

You need to create Email Groups before sending the newsletters.

Campaign is created and sent one-by-one to leads and opportunities, while Newsletter is created to sent existing and potential customer or current customers.

To access Newsletter, go to:

[Home > Settings > Email > Newsletter](#)

## 1. How to create a Newsletter

New

- a. Go to the Newsletter list and click on New button.
- b. Select the Email Group in RECIPIENT table.
  - i. An **Email Group** is a list of subscriber email IDs to which you send newsletters. You can manage subscribers by grouping them into different groups. You can **group existing and potential customers** into different groups based on their territory or products they are interested in. You can group the email ID of all **employees** so that you can share information with them.

# Email Group

To access the Email Group go to:

[Home > Settings > Email > Email Group](#)

## 1. How to create an Email Group

New

- a. Go to the Email Group list and click on New button.
- b. Enter 'Title' as the group name.
- c. Click on '**SAVE**'
- d. Click on Action > Add Subscribers.
- e. Enter Email Addresses.
- f. Click on 'Add'

## 2. Import Email IDs from Transactions

You can import email IDs from existing transactions.

- a. Click on Action > Import Subscribers and select a transaction like Lead.
- b. Click on Import and all the email IDs mentioned in the email IDs will be imported.

# Email Group

Internal

Menu ▾

Save

The screenshot shows a user interface for managing an email group. At the top, there's a header with "Internal" and "Save" buttons. Below the header is a summary card with "Total Subscribers" (2) and three buttons: "Import Subscribers", "Add Subscribers", and "New Newsletter". To the right of the summary card is a "View ▾" button and an "Action ▾" button.

Total Subscribers	Action
2	Import Subscribers Add Subscribers New Newsletter

### 3. Import Emails in Bulk not in any Transactions

- a. Click View > View Subscribers
- b. On the Email Group Member List, Click Menu > Import
- c. From the Import DocType/Document List > Click New
- d. Download the Template then fill up the file.
- e. After creating the file, follow the steps on how to attach for Data Import.
- f. Click Start Import.

# Newsletter

To access Newsletter, go to:

[Home > Settings > Email > Newsletter](#)

## 1. How to create a Newsletter

- c. Enter 'Subject'.
- d. Enter 'Message'.
- e. Tick 'Send Unsubscribe Link' if you would like to include unsubscribe link in the email.

Once the newsletter is ready you can provide a 'Test Email Address' and click on 'Test'. You can review the newsletter received in the test email, verify it and then send it to all subscribers by clicking on 'Send'.

The screenshot shows the 'Newsletter' creation screen in the ERPNext application. The top navigation bar includes 'ERPNext > CRM > Newsletter', a search bar, and user information ('Administrator'). A red notification badge '78' is visible on the top right. The main content area has a title 'Welcome Mail !' with a note 'Not Saved'. It features a 'Test Email Id' input field containing 'test@erpnext.com', with a message below stating 'A Lead with this email id should exist'. At the bottom left is a 'Test' button, and at the bottom right are 'Edit as Markdown', 'Save', 'Menu', and 'Print' buttons.

# Newsletter

E > Setup > Newsletter

Search or type a command (Ctrl + G)

B Basawaraj Savalagi Help 18

New Newsletter 1

Save

## RECIPIENT

<input type="checkbox"/>	Email Group	Total Subscribers	
No Data			
<a href="#">Add Row</a>			

## Sender

Basawaraj Savalagi <basawaraj@erpnext.com>

## Subject

## Message

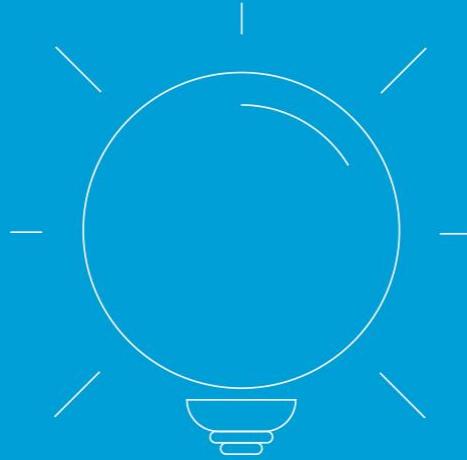
Normal B I U A A " " Table

h.

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# ERPNext: CRM Reports

Version 1 March 1, 2020



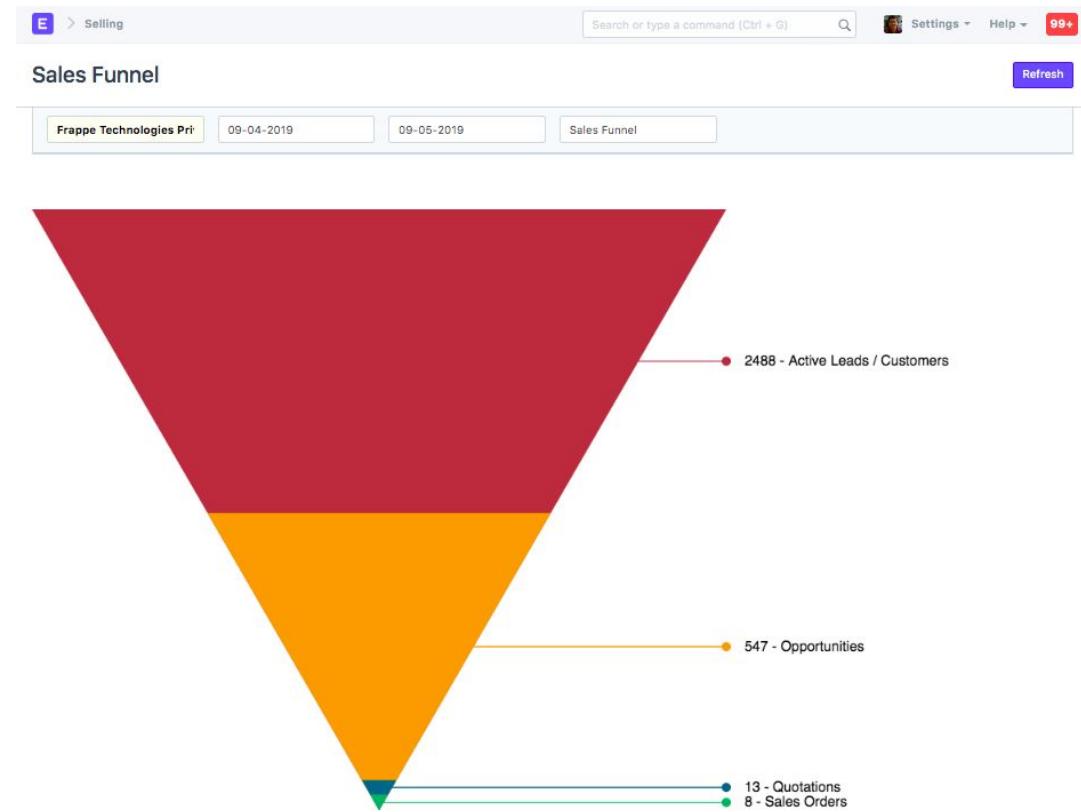
# CRM Analytics

For example, if you notice that very few communications with the prospects have taken place in a month which may have led to decrease in the sales. You can make sure that the sales executives reach out and follow-up on the leads and opportunities on regular basis.

## 1. Sales Funnel

By using the sales funnel report, you can quantify the number of prospects at each stage of the process and you can get an idea of your potential customers.

More than this, by looking at the way these numbers change over time, you can identify problems in the sales pipeline and take any corrective action at an early stage.



Select the Company, select the From Date, To Date and select Sales Funnel in Chart.

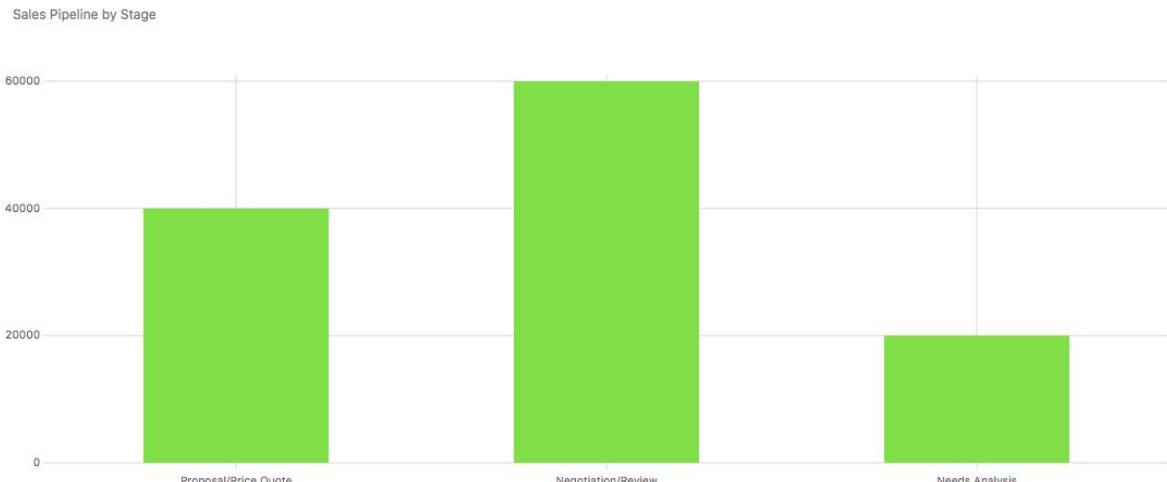
# CRM Analytics

## 2. Sales Pipeline

An opportunity will pass through many sales stages before it yields any business. Using this report you can visualise the total amount of business the opportunities have and compare them across the stages.

Select the Company, select the From Date, To Date and select Sales Pipeline in Chart.

The screenshot shows the Frappe CRM interface with the title "Sales Funnel". At the top, there is a search bar and user information. Below the title, there are four input fields: "Frappé Technologies" (Company), "09-05-2019" (From Date), "09-05-2019" (To Date), and "Sales Pipeline" (Chart Type). A "Refresh" button is located to the right of the chart area.



# CRM Analytics

## 3. Opportunities by Lead Source

This report helps you visualise the business potential of opportunities based on the Lead Sources.

Select the Company, select the From Date, To Date and select 'Opportunities by Lead Source' in Chart.

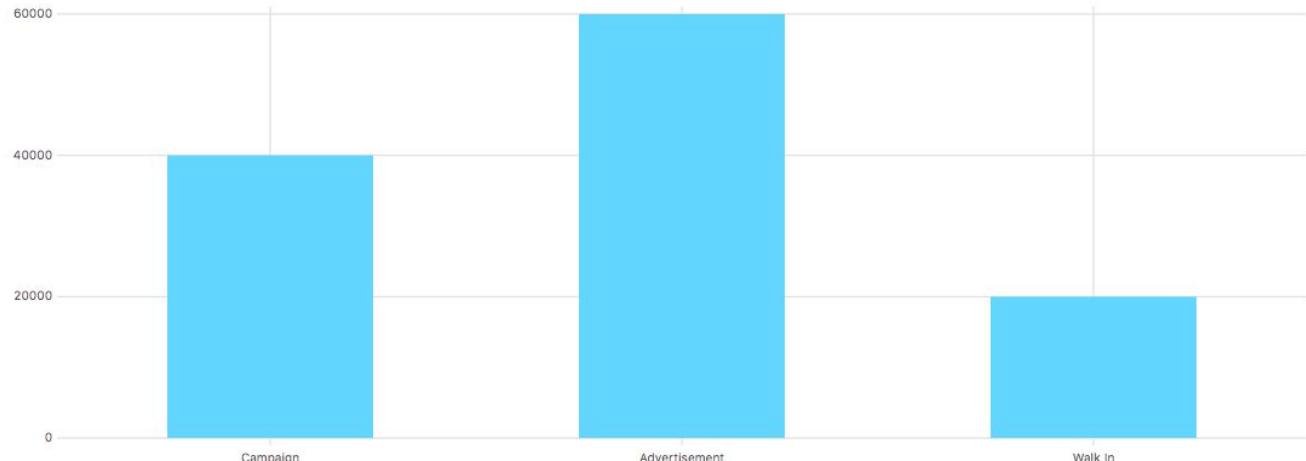
Sales Funnel

Search or type a command (Ctrl + G) 99+

Basawaraj Help Refresh

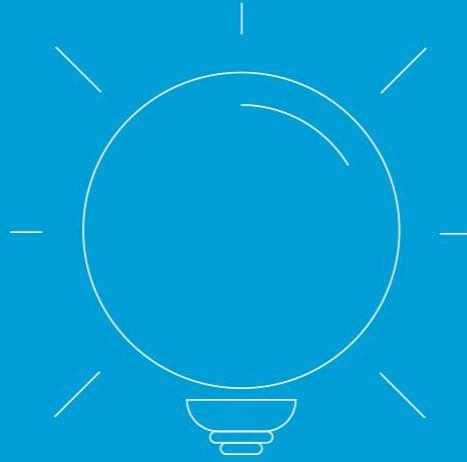
Frappe Technologies 09-05-2019 09-05-2019 Opportunities by lead sour

Sales Opportunities by Source



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# ERPNext: Projects Setup



# Project Management

The **Projects Module** helps an organization to keep track of such deliverables and ensure their timely completion.

The system helps any company effectively manage business aspects like projects management, customer support, sales, and purchase management, human resource management to list a few.

The system helps you manage your Projects by breaking them into Tasks and allocating them to different people.

Before using the Project Management, you can setup the following as an option if you would use it the Project document:

1. **Project Type** - is the classification of projects into different types to group similar kind of projects.  
Internal Projects, External Projects could be examples of Project types and are already created in the system.  
You can choose to add more Project Types. This comes handy when you are reviewing the Projects, and you want to filter the information based on Project Types.
  
2. **Project Template** - is a predefined sequence of tasks arranged in stipulated schedule. These templates can be pulled for similar kind of Projects and the tasks therein get auto-populated at the time of creation of each new project.

# Project Template

## 1. How to Create A New Project Template:

New

- a. Go to the Project Template List and click on New button.
- b. Add the following details:
  - i. **Project Template Name:** Title of the Project Template
  - ii. **Project Type:** Project Templates, just like projects can be classified into different project types, e.g., Internal or External.
  - iii. **Task:** Each Project Template will have a set of predefined sequence of tasks. In this field, you can enter the details of the task. Apart from the Task subject and description, you can also specify the day on which this task should begin after the project is commenced and then assign a specific number of days to each task.

# Project Template

E > Projects > Project Template

Search or type a command (Ctrl + G)  Settings Help 99+

## Software Development

Comments 1

Assigned To 2 Project 2 + 2

Attachments +

Tags Add a tag ...

Reviews +

Shared With +

♥

You edited this 13 days ago

You created this 13 days ago

DASHBOARD ^

Project Type  
Internal

Tasks

<input type="checkbox"/>	Subject	Begin On (Days)	Duration (Days)	Description	
<input type="checkbox"/>	1 Requirement Gathering	0	10	To gather requirements related to...	▼
<input type="checkbox"/>	2 Analysis	10	25	Analysing the requirements gath...	▼
<input type="checkbox"/>	3 Implementation	35	30	Coding and development of the p...	▼
<input type="checkbox"/>	4 Testing	50	20	Testing the product	▼
<input type="checkbox"/>	5 Documentation	60	20	Documenting the product and pr...	▼
<input type="checkbox"/>	6 Support	80	100	Providing customer support	▼

Add Row

h.

# Project Management

The **Projects Module** helps an organization to keep track of such deliverables and ensure their timely completion.

The system helps any company effectively manage business aspects like projects management, customer support, sales, and purchase management, human resource management to list a few.

The system helps you manage your Projects by breaking them into Tasks and allocating them to different people.

Before using the Project Management, you can setup the following as an option if you would use it the Project document:

3. **Tasks** (*optional if you will not be using the Project Template*) - is an independent assignment or a unit of a Project that defines a particular actionable assigned to an individual.

To access Tasks, go to:

[Home > Projects > Projects > Task](#)

## 1. Tasks are created in two ways.

First

New

1. Go to the Task List and click on New button.
2. Add the subject of the task which defines the actionable.
3. **SAVE.**



# Tasks

Tasks are created in two ways.

## Second

1. Go to the Project for which you want to create a new task.
  2. Go to Task under the Project section on the Dashboard. The plus icon '+' here would direct you to the task creation page.
  3. Add the subject of the task which defines the actionable.
  4. SAVE.
2. **Below are the fields on Tasks:**
- a. **Status:** You can add the status of the Project or change the same whenever needed, e.g., from 'Open' to 'Working', 'Overdue','Pending Review','Completed', or 'Cancelled'
  - b. **Project:** In case a task is added independently, you may choose to link the task to a particular Project. If the task is created from a Project, the details of the Project will get auto-imported.
  - c. **Priority:** You can choose to define the priority of the task, if Low, Medium, High or Urgent.
  - d. **Issue:** If the task is an actionable that arises out of an Issue, that issue can be tagged here with the Task.



# Tasks

2. Below are the fields on Tasks:
  - e. **Weight:** If a particular task carries some weightage out of a project, or otherwise, the weightage can be specified here. This weightage gets calculated in the Percentage Task Completion Method by Task Weight.
  - f. **Type:** If your task can be defined under a particular Task Type, say, User Training or User Demo, you can enter the Task Type here. It can be used to filter the Tasks based on Task Types.
  - g. **Color:** Each task can be recognized with a different color. This helps in identification of the task, while creating Gantt Charts.
  - h. **Is Group:** This box can be checked to indicate that a task is a parent task, and can be further divided into multiple sub-tasks.
  - i. **Parent Task:** If a particular task is a part of a group task, the parent task can be linked to the task from this field.
3. Timeline and Details
  - a. **Expected Start Date:** You can enter the date on which you expect the Task to be started.
  - b. **Expected End Date:** You can enter the date on which you expect this Task to be finished.
  - c. **Expected Time:** You can enter the number of hours which you expect are going to be spent on this task.



# Tasks

## 3. Timeline and Details

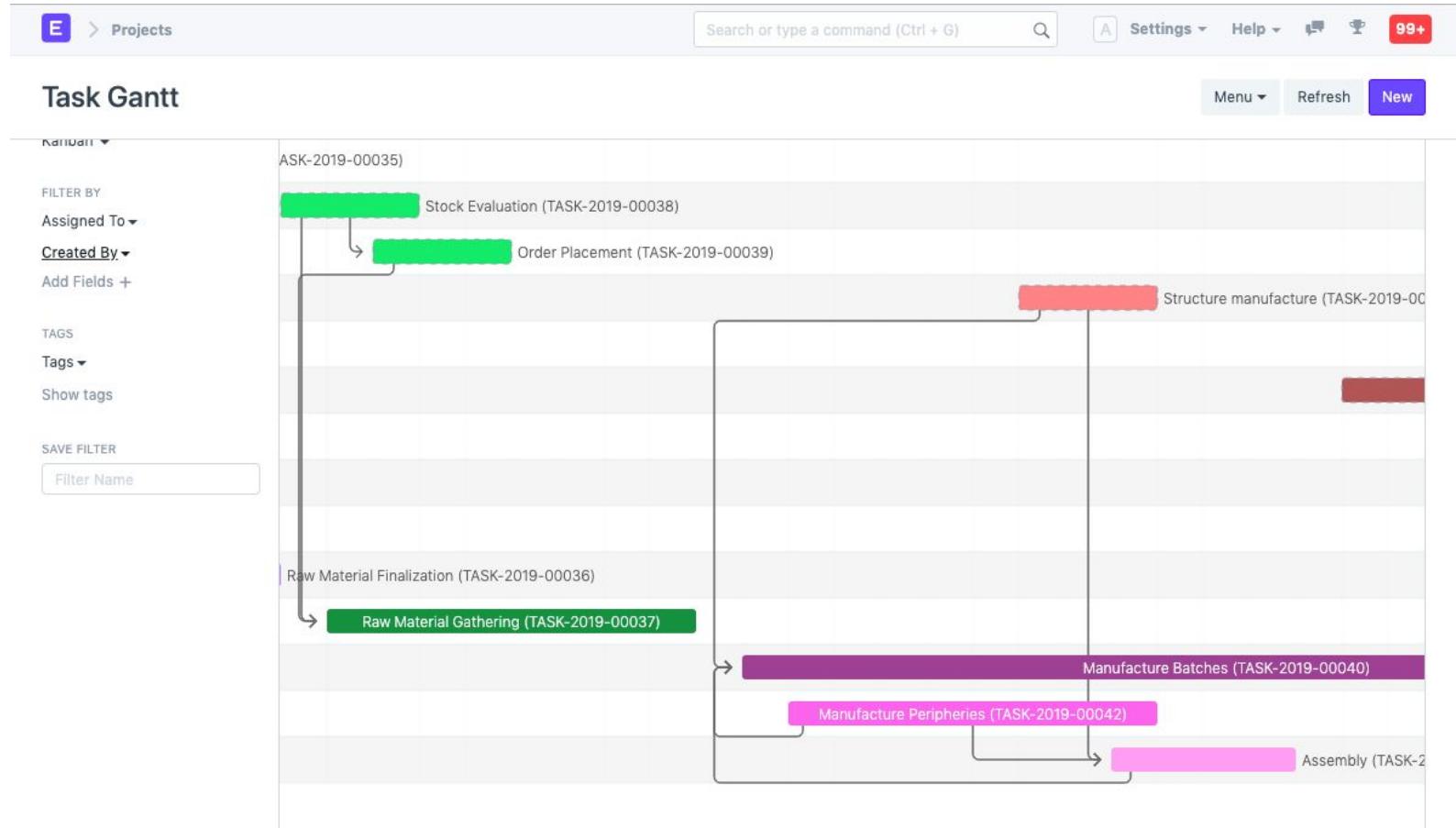
- d. **Progress:** You can enter the Progress Percentage of a Task.
- e. **Is Milestone:** This box can be checked in the cases where a particular task is a Milestone in a Project.
- f. **Description:** You can add the description of the task here.

## 4. Dependencies and Actual Time

- a. **Dependent Tasks:** Dependent tasks indicate that a particular task is dependent on another task, and the former cannot be completed before the completion of the latter.
- b. **Actual Start Date:** The Actual date and time on which the Task is started gets recorded *through the Timesheets*.
- c. **Actual End Date:** The Actual date and time on which the task was finished gets recorded here *through the Timesheets*.

# Tasks

The **Task Dependencies** can be viewed in the Gantt Charts in the following way.



# Tasks

How to create a Task.

E > Projects Search or type a command (Ctrl + G) Settings Help 99+

## Task

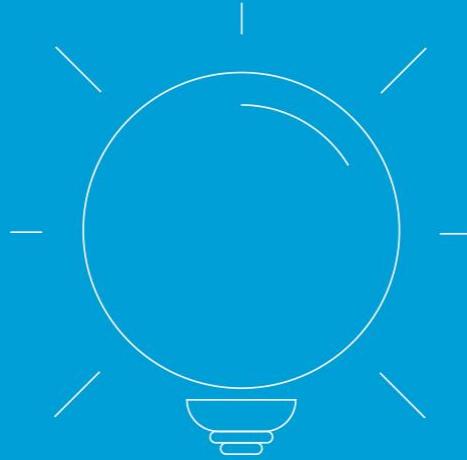
Menu Refresh New

Reports ▾ List Gantt Tree Calendar ▾ Kanban ▾ FILTER BY Assigned To ▾ Created By ▾ Add Fields + TAGS Tags ▾ Show tags

ID	Subject	Status	Project	Is Group	Last Modified On	Actions
	Handbag Manufactur					
Add Filter						
<input type="checkbox"/> Subject	Status	Working	Handbag Manufactur...		TASK-2019-00032	15 m  3
<input type="checkbox"/> Design	Open	Handbag Manufactur...			TASK-2019-00033	15 m  2
<input type="checkbox"/> Review	Open	Handbag Manufactur...			TASK-2019-00034	15 m  1
<input type="checkbox"/> Feedback	Open	Handbag Manufactur...			TASK-2019-00035	15 m  1
<input type="checkbox"/> Approvals	Open	Handbag Manufactur...			TASK-2019-00036	15 m  1
<input type="checkbox"/> Raw Material Finalization	Open	Handbag Manufactur...			TASK-2019-00037	15 m  1
<input type="checkbox"/> Raw Material Gathering	Open	Handbag Manufactur...	✓			

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# ERPNext: Projects



# Projects

A **Project** is a planned piece of work that is designed to find information about something, to produce something new, or to improve something. In the system, Project Management is Task-driven. You can create a Project and divide it into multiple assignable Tasks.

A Project generally has a broad scope and hence can be divided into tasks. Whilst each task within a Project can be assigned to an individual or a group of individuals, the assignment can also be done on a project level.

These Tasks can be created through a Project Template or manually created from a Project itself.

To access Projects, go to:

[Home \(Desktop\) > Projects > Projects](#)

# Project Creation

## 1. How to Create a Project

New

- a. Go to the Project list and click on New button.
- b. Add the following details:
  - i. **Project Name:** Title of the Project.
  - ii. **Status:** The default status of a Project is going to be 'Open' which can later be changed to 'Completed' or 'Cancelled'.
  - iii. **From Template:** If you have an existing Project Template, you can choose to create your task templates for a Project.
  - iv. **Project Type:** You can classify your Projects into different Projects Types, e.g., Internal or External.
  - v. **Priority:** You can select how the priority level of the Project based on how crucial it is. You can also add more priority levels.
  - vi. **Is Active:** A Yes/No tab, which lets you change the active status of the project at any later stage.
  - vii. **Completion Method:** You can track the % completion of your project based on one of the three methods, like; Manual, Task Completion, Task Progress and Task Weight.
  - viii. And fill up other necessary fields.
  - ix. Click **SAVE**.



# Project Dashboard

Link transactions can be created from the Dashboard of the Project. See image 1.

The screenshot shows the Project Dashboard interface. At the top, there's a navigation bar with 'E' (Employee), 'Projects', 'Job Order', a search bar ('Search or type a command (Ctrl + G)'), settings, help, and a notification bell. Below the navigation is a date header '20200021 • Open' and a save button. On the left, a sidebar lists project details: 'Comments' (0), 'Assigned To' (with an 'Assign +' button), 'Attachments' (with an 'Attach File +' button), 'Tags' (with an 'Add a tag ...' link), 'Reviews' (with a '+ button), and 'Shared With' (with a '+ button). Below these are social sharing icons (heart, share, etc.) and activity logs: 'You edited this 2 hours ago' and 'You created this 2 hours ago'. The main dashboard area has a grid calendar for March to February of the following year. Below the calendar, a section titled 'This is based on the Time Sheets created against this project' lists various transaction types with '+' buttons to create links: Job Order, Task, Timesheet, Expense Claim, Issue, Project Update, Sales, Sales Order, Delivery Note, Sales Invoice, Material, Material Request, BOM, Stock Entry, Purchase, Purchase Order, Purchase Receipt, and Purchase Invoice.

Image 1: Projects Dashboard

# Project Creation

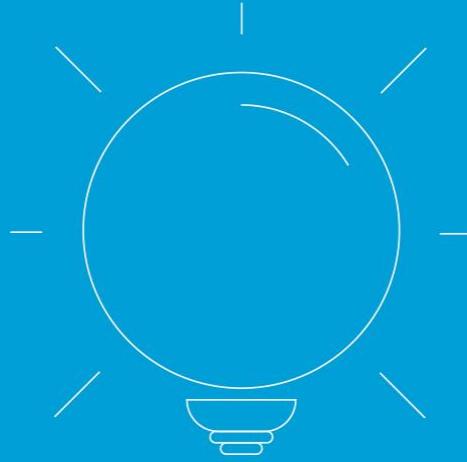
## 2. Costing and Billing

- a. Estimated Cost: Enter the Estimated Cost of the Project.
- b. Total Sales Amount: If you have already linked the Project with a Sales Order, the Total Sales Order Amount will be auto-populated here.
- c. Total Costing Amount: The system will automatically fetch the Total Costing Amount from all the Timesheets linked to this project.
- d. Total Billable Amount: The system will automatically fetch the Total Billable Amount from all the Timesheets linked to this project.
- e. Total Expense Claim: Based on the expenses claimed by an Employee for the completion of the Project, the Total Expense Claim will be auto-calculated.
- f. Total Billed Amount: The Total Billed Amount gets auto-populated in the system using the Sales Invoice created against the Sales Order.
- g. Total Purchase Cost: The Total Purchase Cost of a Project is the cost fetched from the Purchase Invoices that get created against a Purchase Order issued for supply of Materials required for a Project.
- h. Total Consumed Material Cost: Using the Stock Entry made as per the requirement of Materials in the Project, the Total Consumed Material Cost gets captured.



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# ERPNext: Selling Quotation



# Quotation

A **quotation** is an estimated cost of the products/services you're selling to your future/present customer.

During a sale, a customer may request for a document about the products or services you are planning to offer along with the prices and other terms of engagement. This has many names like "Proposal", "Estimate", "Pro Forma Invoice" or a Quotation.

To access the Quotation list, go to:

Home > Selling > Sales > Quotation

## 1. Prerequisites

Before creating and using a Quotation, it is advised that you create the following first:

- Customer
- Lead
- Item

# Creating a Quotation

## 2. How to create a Quotation

New

- a. Go to the Quotation list, click on New.
- b. Select if the Quotation is to a Customer or a Lead from the 'Quotation To' field.
- c. Enter Customer/Lead name.
- d. Enter a Valid till date after which the quoted amount will be considered invalid.
- e. Order Type can be Sales, Maintenance, or Shopping Cart. Shopping Cart is for website shopping cart and is not intended to be created from here.
- f. Add the Items and their quantities in the items table, the prices will be fetched automatically from Item Price. You can also fetch items from an Opportunity by clicking on Get Items from > Opportunity. See image 1.
- g. Add additional taxes and charges as applicable.
- h. Click SAVE.

*\*You can also create a Quotation from an Opportunity. Go to Opportunity manual.*

# Creating a Quotation

## 2. How to create a Quotation

New

- a. Go to the Quotation list, click on New.
- b. Select if the Quotation is to a Customer or a Lead from the 'Quotation To' field.
- c. Enter Customer/Lead name.
- d. Enter a Valid till date after which the quoted amount will be considered invalid.
- e. Order Type can be Sales, Maintenance, or Shopping Cart. Shopping Cart is for website shopping cart and is not intended to be created from here.
- f. Add the Items and their quantities in the items table, the prices will be fetched automatically from Item Price. You can also fetch items from an Opportunity by clicking on Get Items from > Opportunity. See image 1.
- g. Add additional taxes and charges as applicable.
- h. Click SAVE.

*\*You can also create a Quotation from an Opportunity. Go to Opportunity manual.*

# Creating a Quotation

The screenshot shows a software interface for creating a new quotation. At the top, there's a navigation bar with icons for 'E' (Edit), 'Selling', 'Quotation', a search bar ('Search or type a command (Ctrl + G)'), and 'Settings' and 'Help' dropdowns. A purple 'Save' button is located in the top right corner.

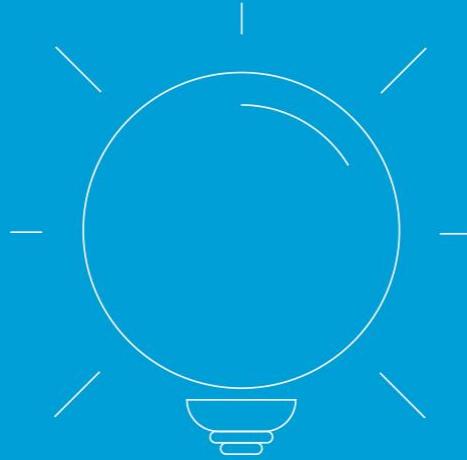
The main area is titled 'New Quotation 3' with a status 'Not Saved'. It contains several input fields:

- Series:** A dropdown menu set to 'SAL-QTN-YYYY.-'.
- Date:** A date picker set to '03-02-2020'.
- Quotation To:** A dropdown menu set to 'Customer'.
- Valid Till:** A date picker set to '03-09-2020'.
- Order Type:** A dropdown menu set to 'Sales'.
- Opportunity:** A dropdown menu labeled 'Opportunity' with a 'Get items from' button above it. This entire section is highlighted with a red box.

Image 1: Get items from Opportunity

hooman.

# ERPNext: HR Setup



## HR Setup

The **Human Resources (HR)** module covers the processes related to the HR department of a company. It maintains a complete employee database including contact information, salary details, attendance, performance evaluation, leaves, and appraisal records.

### 1. HR Prerequisite document/record:

To access the prerequisite documents, go to:

[Home > Human Resources module or from the global search, type and search the <Prerequisite Name>](#)

- a. **Employment Type** - the status of the employee in the company
- b. **Employee Department**- is a specialized functional area or a division within an organization. You can configure the Departments in your organization, set Leave Block List, and also Leave and Expense Approvers for the same.

# Employee Department

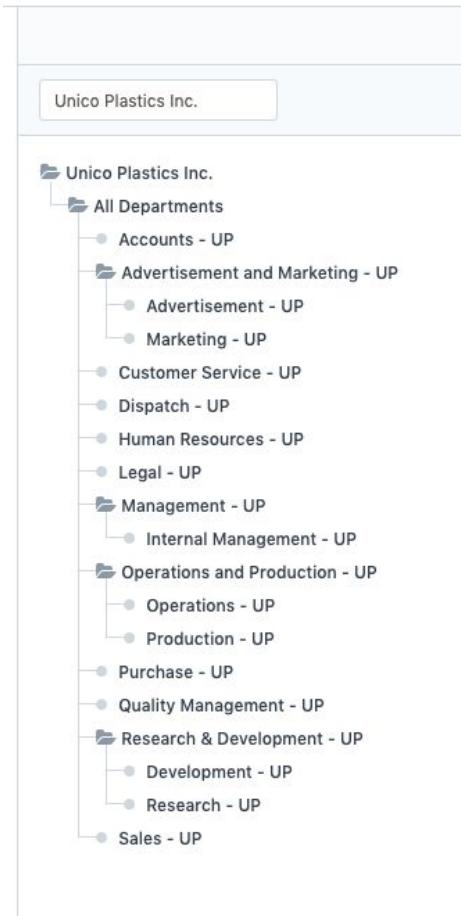
It is a specialized functional area or a division within an organization. You can configure the Departments in your organization, set Leave Block List, and also Leave and Expense Approvers for the same.

Department is a tree-structured master, which means you can create parent departments and sub-departments as shown on the right side:

**Note:** The 'Is Group' checkbox needs to be checked if the Department is a parent department.

You can also set Leave and Expense Approvers for a particular Department in the 'Leave Approver' and 'Expense Approver' table respectively.

## Department Tree



# Employee Department

Multiple Leave and Expense Approvers can be set for a particular Department. However, Leave Approver

the first Approver in the list will be set as the default Approver, see the example below.

But you can also assign a default approver on the employee record instead of using  
this.

The screenshot shows the 'Employee Department' page in a software application. At the top, there's a navigation bar with icons for Home, Human Resources, Department, a search bar, Settings, Help, and a notification badge (72). The main content area is titled 'Research & Development - UP • Enabled'. On the left, there are two status messages: 'You edited this 2 hours ago' and 'You created this a month ago'. The right side contains two sections: 'LEAVE APPROVERS' and 'EXPENSE APPROVERS'. Both sections have a note stating 'The first [Approver] in the list will be set as the default [Approver]'. Under 'Leave Approver', there's a table with one row for 'prasad@erpnext.com'. Under 'Expense Approver', there's a table with one row for 'michelle@erpnext.com'. Both tables have an 'Add Row' button at the bottom.

	Approver	
<input type="checkbox"/>	prasad@erpnext.com	▼

	Approver	
<input type="checkbox"/>	michelle@erpnext.com	▼

# HR Setup

To access the prerequisite documents, go to:

[Home > Human Resources module or from the global search, type and search the <Prerequisite Name>](#)

- c. **Employee Branch** - is an outlet of a company located at a different location, other than the main office. The system allows you to create and keep a record of the different branches of your organization. This is an ***optional*** document for those with one office only.
- d. **Employee Designation** - are the official job titles given to employees. The system allows you to create various designations and also (as an option) mention the skills required for the same.

The skills required for an Employee of a particular Designation that are specified in the "Required Skills" section can be directly fetched in the Employee Skill Map (*if ever you will use the Employee Lifecycle documents*) to evaluate an employee's performance based on his skills.

- e. **Leave Policy** - The amount of entitled leaves in a Company for a Leave Period is known as Leave Policy.

It is a practice for many enterprises to enforce a general Leave Policy to effectively track and manage Employee leaves. The system allows you to create and manage multiple Leave Policies and allocate leaves to Employees as defined by the policy.



# Leave Policy

Once the policy was submitted, you can enforce the Leave Policy through the dashboard either to an Employee or an Employee Grade. When the Leave Policy is assigned to an Employee Grade, it will ensure that all leave allocations for employees of this grade will be as per the Leave Policy. In case you need to selectively update the Leave Policy for a particular Employee, you can do so by updating the Employee record.

The screenshot shows the Leave Policy dashboard for a specific policy ID, HR-LPOL-2019-00002, which is marked as submitted. The interface includes a navigation bar at the top with links to Human Resources and Leave Policy, and a search bar. On the left, there's a sidebar with options for Comments (0), Assigned To (with an 'Assign +' button), Attachments (with an 'Attach File +' button), Tags (with an 'Add a tag ...' button), Reviews (with a '+ button), Shared With (with a '+ button), and two status indicators: 'You edited this 4 minutes ago' and 'You created this 4 minutes ago'. The main content area displays the Leave Policy Details table, which lists five leave types with their respective annual allocations:

Leave Type	Annual Allocation
Sick Leave	10
Casual Leave	10
Privilege Leave	10
Leave Without Pay	5
Compensatory Off	5

## HR Setup

To access the prerequisite documents, go to:

[Home > Human Resources module or from the global search, type and search the <Prerequisite Name>](#)

- f. **Holiday List-** is a list which contains the dates of holidays. Most organizations have a standard Holiday List for their employees. Some even have different holiday lists based on the different Locations or Departments.

To access Holiday List, go to:

[Home > Human Resources > Leaves > Holiday List > Click and add another row for the current holiday list for the year.](#)

- g. **Employee Grade** (optional) - An Employee Grade is a grouping of the employees with similar positions or values in order to assign compensation rates and salary structures. The system allows you to configure Employee Grades, helping you to easily categorize employees based on seniority or any other criteria.

Employee Grade also helps you fetch Employee records in bulk based on their grades while processing payroll, allocating leaves, etc.



# HR Setup

To access the prerequisite documents, go to:

[Home > Human Resources module or from the global search, type and search the <Prerequisite Name>](#)

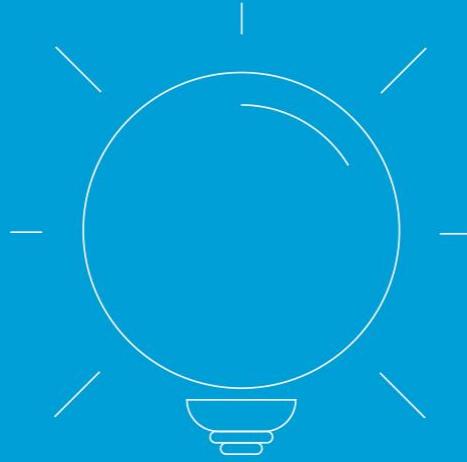
- h. **Employee Group** (optional) - is grouping of Employees based on some attributes such as Designation, Grade, Branch, etc.
- g. **Employee Health Insurance** (optional)- is a benefit extended by the company to their employees. When a company provides health insurance assistance, they pay full or part premiums for the health insurance policy. You can attach the Health Insurance Provider Name and fill in the Health Insurance Number on the employee record.

The screenshot shows the 'Employee' setup screen in a software application. At the top, there's a navigation bar with icons for Home, Human Resources, Employee, a search bar, Settings, Help, and a notifications badge (83). Below the navigation, the employee record for 'George Smith' (Active) is displayed. On the right, there are buttons for HR-EMP-00001, Print, Back, Forward, Menu, and Save. The main area shows the 'HEALTH INSURANCE' section expanded. Under 'Health Insurance Provider', the value 'Star Health Insurance Provider' is entered. Under 'Health Insurance No', the value 'AD123453' is entered. A blue circular progress indicator is visible in the bottom right corner.

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# ERPNext

## Employee Record



# New Employee Record

An individual who works part-time or full-time under a contract of employment or has an employee-employer relationship has recognized its rights and duties of your company to secure their records as **Employee**.

In ERPNext, you can manage the Employee master. It captures the demographic, personal and professional details, joining and leave details, etc. of the Employee.

To access the Employee master, go to: Home (Desktop) > Human Resources > Employee, see image 2.

## 1. Prerequisites

Before creating an Employee, it is advised to create the following:

- Employment Type
- Job Applicant - A Job Applicant is a person who applies for a job in your Company against a particular Job Opening. See *recruitment manual*.
- Employee Department
- Employee Grade
- Employee Branch

# New Employee Record

## 1. Prerequisites

- Employee Designation
- Leave Policy
- Holiday List
- Leave Encashment
- Shift Type - allows you to define the different types of Shifts in your Organization. See *Shift Management manual*.
- Employee Health Insurance

All prerequisites stated above can be configured inside the Human Resource Module which are the Employee, Leaves and Shift Management. See image 1.

## 2. How to create an Employee

New

- a. Go to the Employee list, click on New.
- b. Enter the Employee's personal details such as Name, Gender, Date of Birth, and Date of Joining.
- c. Save.

# Prerequisite Documents

## Employee

- Employee
- Employment Type
- Branch
- Department
- Designation
- Employee Grade
- Employee Health Insurance

## Leaves

- Leave Application
- Leave Allocation
- Leave Policy
- Leave Period
- Leave Type
- Holiday List
- Compensatory Leave Request
- Leave Encashment
- Leave Block List
- Employee Leave Balance

## Shift Management

- Shift Type
- Shift Request
- Shift Assignment

Image 1: Prerequisite Documents for Employee Record

# New Employee Record

E Search or type a command (Ctrl + G) Settings Help

## Human Resources

**Employee**

- Employee 
- Employment Type
- Branch
- Department
- Designation
- Employee Grade
- Employee Health Insurance

**Attendance**

- Employee Attendance Tool
- Attendance
- Attendance Request
- Employee Checkin
- Monthly Attendance Sheet

**Leaves**

- Leave Application
- Leave Allocation
- Leave Policy
- Leave Period
- Leave Type
- Holiday List
- Compensatory Leave Request
- Leave Encashment
- Leave Block List
- Employee Leave Balance

**Payroll**

- Salary Structure
- Salary Structure Assignment
- Payroll Entry
- Salary Slip
- Additional Salary
- Payment Details

**Employee Tax and Benefits**

- Employee Tax Exemption Declaration
- Employee Tax Exemption Proof Submission
- Employee Benefit Application
- Employee Benefit Claim
- Employee Tax Exemption Category
- Employee Tax Exemption Proof Category

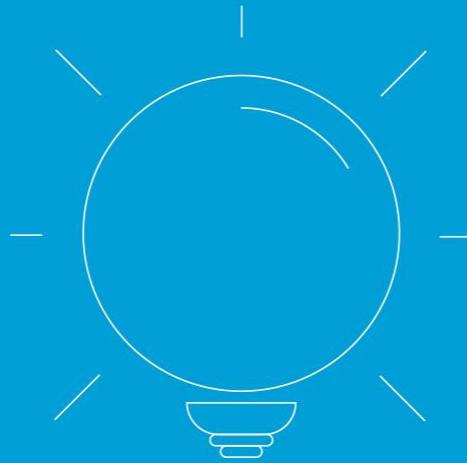
**Employee Lifecycle**

- Employee Promotion
- Employee Transfer

Image 2 Employee List

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# ERPNext: HR Leave Setup



## Leave Setup

The system helps you to efficiently manage the leave schedule of your organization. It also explains how employees can apply for leaves.

The number and type of leaves an Employee can apply is controlled by Leave Allocation. You can create Leave Allocation for a Leave Period based on the Company's Leave Policy. You can also allocate Additional Leaves to your employees and generate reports to track leaves taken by Employees.

Employees can also create leave requests, which their respective managers (leave approvers) can approve or reject. An Employee can select leaves from a number of leave types such as Sick Leave, Casual Leave, Privilege Leave and so on.

1. Leave Prerequisite document/record:

To access the prerequisite documents, go to:

[Home > Human Resources > Leaves Document](#) or from the global search, type and search the <Prerequisite Name>

- a. **Leave Type** - refers to the types of leaves that an Employee can use while making Leave Applications.

An employee can select a particular Leave Type while requesting for a leave. You can create any number of Leave Types based on your company's requirement.



## Leave Type

Below is a detailed explanation of all the fields in Leave Type.

- **Max Leaves Allowed:** This field allows you to set the maximum number of leaves of this Leave Type that Employees can apply within a Leave Period.
- **Applicable After (Working Days):** Employees who have worked with the company for this number of days are only allowed to apply for this Leave Type. Any other leaves availed by the Employees after their joining date is also considered while calculating working days.
- **Maximum Continuous Days Applicable:** It refers to the maximum number of days this particular Leave Type can be availed at a stretch. If an employee exceeds the maximum number of days, their extended leave may be considered as 'Leave Without Pay'.
- **Is Carry Forward:** If checked, the balance leave will be carried forwarded to the next allocation period.
- **Is Leave Without Pay:** This ensures that the Leave Type will be treated as leaves without pay and salary will get deducted for this Leave Type.
- **Is Optional:** Optional Leaves are holidays which Employees can choose to avail from a list of holidays published by the company. The Holiday List for optional leaves can have any number of holidays but you can restrict the number of such leaves by setting the Max Days Leave Allowed field.

# Leave Type

Below is a detailed explanation of all the fields in Leave Type.

- **Allow Negative Balance:** If checked, system will always allow to approve leave application for the Leave Type, even if there is no leave balance.
- **Include holidays within leaves as leaves:** Check this option if you wish to count holidays within leaves as a 'leave'. Such holidays will be deducted from the total number of leaves.
- **Is Compensatory:** Compensatory leaves are leaves granted for working overtime or on holidays, normally compensated as an encashable leave. You can check this option to mark the Leave Type as compensatory. An Employee can request for compensatory leaves using Compensatory Leave Request.

The screenshot shows the 'Casual Leave' configuration page. At the top, there's a navigation bar with 'Human Resources' and 'Leave Type' selected. A search bar and a red notification badge ('81') are also present. Below the header, the leave type name 'Casual Leave' is displayed, along with a 'Save' button. On the left, there are sections for 'Tags' (with an 'Add a tag ...' button), 'Reviews' (with a '+'), and 'Shared With' (with a '+'). The main configuration area includes fields for 'Max Leaves Allowed' (set to 10), 'Applicable After (Working Days)' (set to 0), and 'Maximum Continuous Days Applicable' (set to 3). To the right of these fields are several checkboxes:

- Is Carry Forward
- Is Leave Without Pay
- Is Optional Leave
- Allow Negative Balance
- Include holidays within leaves as leaves
- Is Compensatory

# Leave Setup

## 1. Leave Prerequisite document/record:

To access the prerequisite documents, go to:

[Home > Human Resources > Leaves Document](#) or from the global search, type and search the <Prerequisite Name>

- b. **Leave Period (Needs to be created yearly)** - is a duration of time for which leaves are allocated. Most companies manage leaves based on a Leave Period, corresponding to a calendar year or the fiscal year.

- How to create a Leave Period
  - Go to Leave Period list, click on New.
  - Enter the From Date and To Date of the Leave Period.
  - Select the Company name for which the Leave Period is applicable.
  - Save.

The Leave Period also allows you to select a Holiday List which will be considered for allocating Optional Leaves for the period.

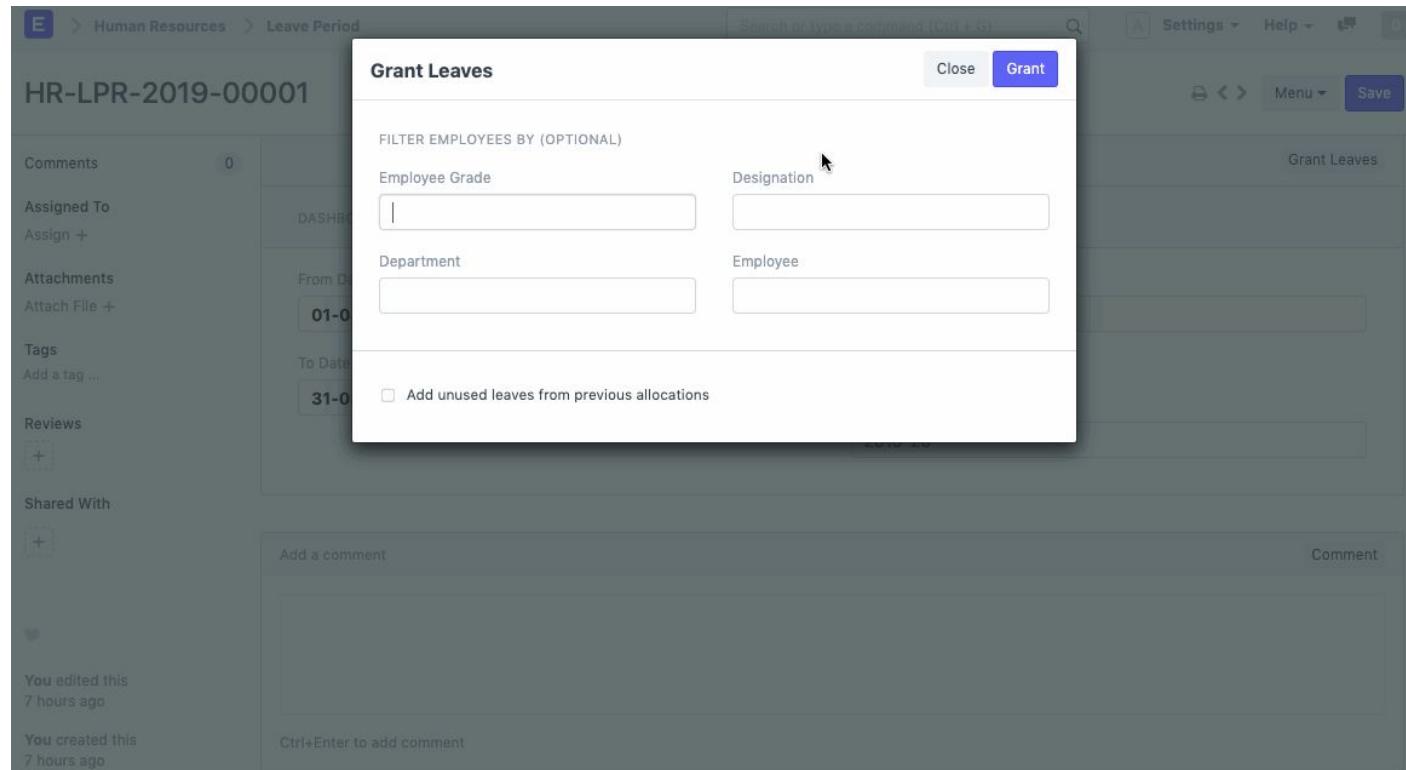
Additionally, you can check the 'Is Active' checkbox if you want to enable this particular Leave Period.



## Leave Period

Once the information is saved, the Leave Period will also be used as a tool to help you grant leaves for a category of employees.

The Grant button will generate Leave Allocations based on the Leave Policy applicable to each Employee. You can allocate leaves based on Employee Grade, Department or Designation as shown below.



# Leave Setup

## 1. Leave Prerequisite document/record:

To access the prerequisite documents, go to:

[Home > Human Resources > Leaves Document](#) or from the global search, type and search the <Prerequisite Name>

- c. **Leave Allocation** - enables you to allocate a specific number of leaves of a particular type to an Employee. The best way to create a leave allocation is through the leave period so that leave policy will be given to a bulk of employees. However, if you need to add another leave type that is not included on the leave policy, you can create a leave allocation per employee.

- How to create a Leave Period
  - Go to Leave Period list, click on New.
  - Enter the From Date and To Date of the Leave Period.
  - Select the Company name for which the Leave Period is applicable.
  - Save.

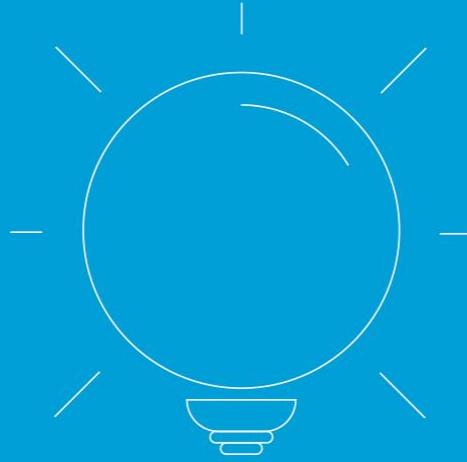
The Leave Period also allows you to select a Holiday List which will be considered for allocating Optional Leaves for the period.

Additionally, you can check the 'Is Active' checkbox if you want to enable this particular Leave Period.



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# ERPNext: HR Leave Application



# Leave Application

Leave Application is to track approval and usage of leave credits given by the company.

To access Leave Application, go to: Home (Desktop) > Human Resources > Leave Application, see Image 1.

## 1. How to create a Leave Application

New

- a. Go to the Leave Application list, click on New Button.
- b. Type and select your Name
- c. Select what type of Leave
- d. Select From Date and To Date of Leave.
- e. **Save and Submit.**

## Wait for the Approval

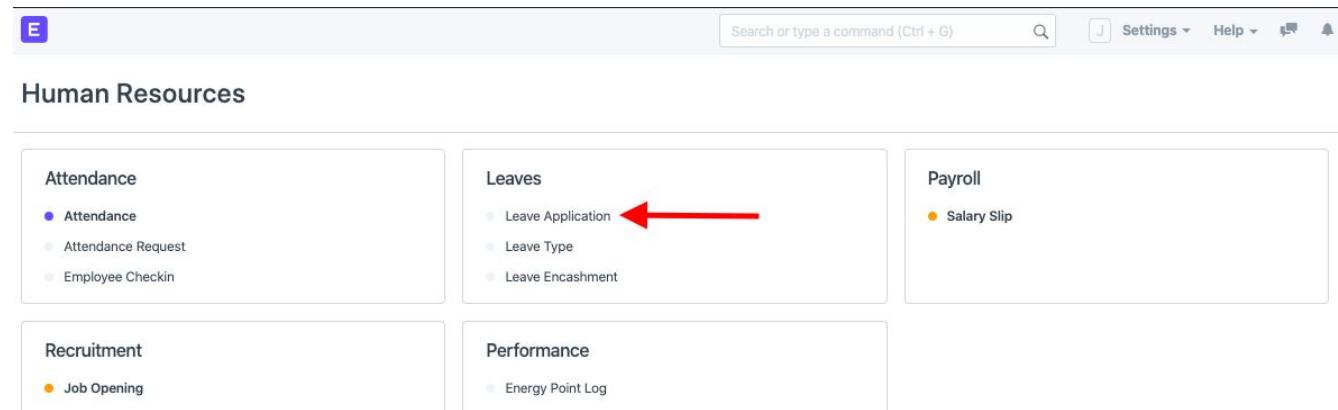
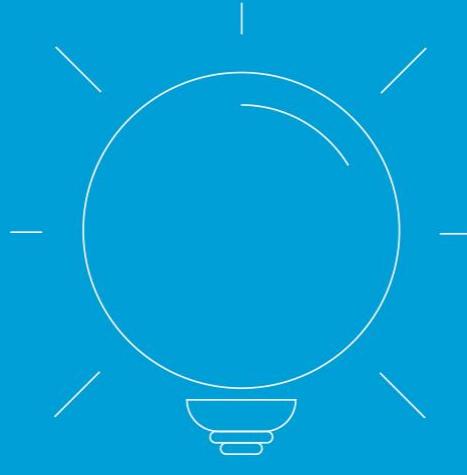


Image 1: Leave Application List

hooman.

# ERPNext: HR Leave Encashment



# Leave Encashment

**Leave Encashment** refers to an amount of money received in exchange for Leaves not availed by an Employee. You can submit Leave Encashment for Leave Types which are encashable.

To access Leave Encashment, go to: Home > Human Resources > Leaves > Leave Encashment

## 1. How to create a Leave Encashment



- a. Go to Leave Encashment list, click on New button.
- b. Select Leave Period.
- c. Select the Employee. Once the Employee is selected, the Employee's Department is automatically fetched.
- d. Select Leave Type for which the Leave is encashed. Make sure the Leave Type is encashable.
- e. Select Encashment Date. Based on the date selected, the amount will be encashed in that particular Payroll Entry.
- f. **SAVE AND SUBMIT.**

# Leave Encashment

On submitting a Leave Encashment for an Employee, ERPNext automatically creates an Additional Salary which will get added to the Salary Slip of the Employee when processing the next payroll.

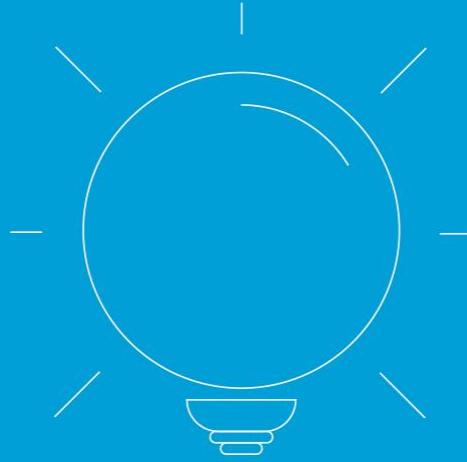
Note: As you select Employee and Leave Type, Leave Balance and Encashable Days (which is total leave balance minus the threshold days set in Leave Type) will be shown along with the Encashment Amount based on the Leave Encashment per day as configured in the Employee's assigned Salary Structure.

The screenshot shows the 'Leave Encashment' form in the Human Resources module of ERPNext. The document ID is HR-ENC-2019-00001, and it is marked as 'Submitted'. The form includes fields for Comments (0), Assigned To (HR-LPR-2019-00001), Attachments (HR-EMP-00004: Kim John), Tags (Kim John), and Shared With. The Leave Period is HR-LPR-2019-00001, the Employee is HR-EMP-00004: Kim John, the Employee Name is Kim John, the Leave Type is Casual Leave, and the Encashable days are 5. In the PAYROLL section, the Encashment Amount is ₹ 5,000.00, the Encashment Date is 24-08-2019, and the Additional Salary is HR-ADS-19-08-00001. The top right corner shows a search bar, settings, help, and a notifications badge (82).

Comments	Leave Period	Leave Allocation
0	HR-LPR-2019-00001	HR-LAL-2019-00006
Assigned To	Employee	Leave Balance
Assign +	HR-EMP-00004: Kim John	10
Attachments	Employee Name	Encashable days
Attach File +	Kim John	5
Tags	Leave Type	
Add a tag ...	Casual Leave	
Reviews		
+ [ ]		
Shared With		
PAYROLL		
Encashment Amount	₹ 5,000.00	
Encashment Date	24-08-2019	
Additional Salary	HR-ADS-19-08-00001	

hooman.

# ERPNext: HR Recruitment



# Staffing Plan

**Staffing Plan** helps you to plan manpower requirements for your Company. The system allows you to do this at a company level helping you efficiently plan and budget new hirings for a period. Job Openings can only be created as per the number of vacancies and budget as per the active Staffing Plan.

To access staffing, go to:

[Home > Human Resources > Recruitment > Staffing Plan](#)

## 1. How to create a Staffing Plan

New

- a. Go to Staffing Plan list, click on New button.
- b. Enter the Name, From and To Date and select the Department for which you want to create the Staffing Plan.
- c. Enter also the following fields:
  - i. Designation: The designations for which the Staffing Plan is created.
  - ii. Number of Positions: The number of positions you plan to recruit for between the From and To Dates of the Staffing Plan.
  - iii. Current Count: This is the number of Employees already hired against the particular Designation.
  - iv. Vacancies: The number of vacancies based on the Number of Positions you wish to recruit and the current Employee count.

# Staffing Plan

**Staffing Plan** helps you to plan manpower requirements for your Company. The system allows you to do this at a company level helping you efficiently plan and budget new hirings for a period. Job Openings can only be created as per the number of vacancies and budget as per the active Staffing Plan.

To access staffing, go to:

[Home > Human Resources > Recruitment > Staffing Plan](#)

## 1. How to create a Staffing Plan

- v. Estimated Cost Per Position: You can specify the cost to company per position so that hiring officials can stick to the budget.
- vi. Total Estimated Budget: Once you enter the recruitment plan for all the designations, Staffing Plan will draw up the total estimated budget as per the plan.
- vii. **SAVE and SUBMIT.**

# Staffing Plan

E > Human Resources > Staffing Plan

Search or type a command (Ctrl + G) A Settings ▾ Help ▾ 18

Staffing Plan: 2019-20 • Submitted

Comments 0 DASHBOARD ▾

Assigned To Job Opening +

Attachments Attach File +

Tags Unico Plastics Inc. 01-04-2019

Reviews Research & Development - UP 31-03-2020

Shared With STAFFING PLAN DETAILS

You edited this a few seconds ago

You created this a few seconds ago

Staffing Plan Detail

	Designation	Vacancies	Estimated Cost Pe...	Total Estimated Cost	Number Of Positions	
<input type="checkbox"/>	1 Engineer	10	₹ 50,000.00	₹ 5,00,000.00	11	▼
<input type="checkbox"/>	2 Researcher	5	₹ 75,000.00	₹ 3,75,000.00	5	▼
<input type="checkbox"/>	3 Software Developer	7	₹ 40,000.00	₹ 2,80,000.00	7	▼

Total Estimated Budget  
₹ 11,55,000.00

# Job Opening

A **Job Opening** is a job vacancy in your Company. You can make a record of the open vacancies in your company using Job Opening. The system allows to plan recruitments for your company. The number of Job Openings you can create for a Designation is restricted according to the vacancies planned by the Staffing Plan defined for the company or one of its parent group companies in the hierarchy.

To access job opening, go to:

[Home > Human Resource > Recruitment > Job Opening](#)

## 1. Prerequisite before creating a Job Opening:

- a. Staffing Plan
- b. Department

## 2. How to create a Job Opening

New

- a. Go to Job Opening list, click on New button.
- b. Enter the Job Title.
- c. Select the Designation and Department. Based on Designation selected, appropriate Staffing Plan and Planned Number of Positions will be fetched.
- d. **SAVE.**



# Job Opening

Once the Job Opening is saved, you can directly create a new Job Applicant from the dashboard. You can set the Status of the Job Opening as Open/Closed. Once a Job Opening is Closed, you cannot create a Job Applicant against it.

The screenshot shows a software application interface with a navigation bar at the top. The main content area displays a 'Job Opening' record for a position titled 'Software Developer' at 'Unico Plastics Inc.' The record includes fields for Designation ('Engineer'), Department ('Research & Development - UP'), Staffing Plan ('Staffing Plan: 2019-20'), and Planned number of Positions ('10'). The status of the job opening is listed as 'Open'. On the left side, there is a sidebar with various management options like Comments, Assigned To, Attachments, Tags, Reviews, and Shared With.

Human Resources > Job Opening

Search or type a command (Ctrl + G)

A Settings ▾ Help ▾ 18

software-developer • Open

Comments 0 DASHBOARD

Assigned To Job Applicant +

Attachments

Tags Add a tag ...

Reviews +

Shared With +

Job Title Software Developer

Designation Engineer

Company Unico Plastics Inc.

Department Research & Development - UP

Status Open

Staffing Plan Staffing Plan: 2019-20

Planned number of Positions 10

# Job Applicant

A **Job Applicant** is a person who applies for a job in your Company against a particular Job Opening. In the system, you can maintain a list of people who have applied against a particular Job Opening.

To access job applicants, go to:

[Home > Human Resource > Recruitment > Job Applicant](#) or open the Job Opening and from the Dashboard click Job Applicant

## 1. Prerequisite before creating a Job Applicant:

- a. Staffing Plan
- b. Department
- c. Job Opening

## 2. How to create a Job Applicant

- a. Go to Job Applicant list, click on New button..
-  b. Enter Applicant Name and Email Address.
- c. Select Job Opening.
- d. Select Source (Campaign, Employee Referral, Walk In, Website Listing).
  - i. If you select the Source as Employee Referral, you will have to select the Employee name in the Source Name Field.



# Job Applicant

E > Human Resources > Job Applicant

Search or type a command (Ctrl + G) Settings Help 19

Jane Doe • Open Jane Doe - janedoe@example.com - ... Print Back Forward Menu Save

Comments 0 Job Offer

Assigned To DASHBOARD Employee + Job Offer +  
Assign +

Attachments Employee Onboarding +

Attachments Attach File +

Tags Add a tag ...

Reviews +

Shared With +

Applicant Name Jane Doe

Job Opening software-developer

Email Address janedoe@example.com

Source Employee Referral

Status Open

Source Name HR-EMP-00001

# Job Offer

**Job Offer** is given to selected candidates after interview and selection which states the offered salary package, designation, department and other available offers.

To access job applicants, go to:

[Home > Human Resource > Recruitment > Job Offer](#)

## 1. Prerequisite before creating a Job Offer:

- a. Staffing Plan
- b. Job Applicant
- c. Job Opening

## 2. How to create a Job Offer

- a. Go to Job Offer list, click on New.
- b. Select the Job Applicant, Offer Date and Designation.
- c. Set the Status of the Job Offer (Awaiting Response, Accepted, Rejected).
- d. **SAVE and SUBMIT.**

New

# Job Offer



Jane Doe • Submitted

HR-OFF-2019-00001



Menu

Cancel

Comments

0

Assigned To

Assign +

Attachments

Attach File +

Tags

Add a tag ...

Reviews



Shared With



You edited this  
a few seconds ago

You created this  
a few seconds ago

Job Applicant

Jane Doe - janedoe@example.com - software-developer

Status

Awaiting Response

Applicant Name

Jane Doe

Offer Date

19-08-2019

Designation

Software Developer

Company

Unico Plastics Inc.

Job Offer Terms

	Offer Term	Value / Description	
<input type="checkbox"/>	1	Job Description	To create application softwares.

Select Terms and Conditions

Terms and Conditions 2019

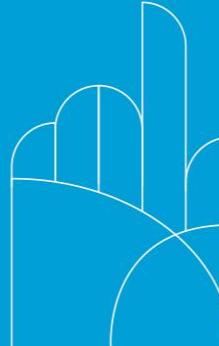
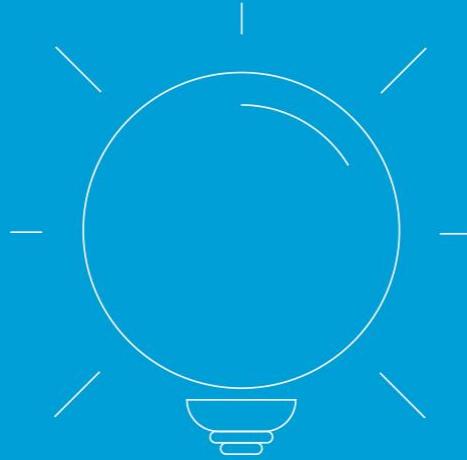
Terms and Conditions

These terms and conditions of employment apply to all staff and should be read in conjunction with the particular terms that are appended to this agreement (and form part of this agreement) and personalised offer letters which give further details relating to employment, including job title, grade, rate of pay, hours of work and date of commencement of duties including continuous employment date.

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# ERPNext: HR Training

Version 1 March 1, 2020



# Training Program

**Training Program** defines programs designed for training employees or other individuals in specific skills. In the system, you can create a Training Program and schedule Training Events under it.

To access the Training Program, go to:

[Home > Human Resources > Training > Training Program](#)

## 1. How to create a Training Program.

New

- a. Go to Training Program list, click on New button.
- b. Enter the Training Program name.
- c. Enter the Trainer Name, Trainer Email and Contact Number.
- d. Select the Supplier name (optional) in case an outside vendor/expert was called to conduct the training.
- e. Additionally, you can also write a short description of the Training Program in the Description box (optional).
- f. **SAVE.**

Note: By default, the Status of the Training Program is 'Scheduled'. However, you can change the status to 'Completed' or 'Cancelled' as per the requirement.

# Training Program

Once the Training Program is saved, you can create Training Events under the Dashboard of the same Training Program.

The screenshot shows a software application interface for managing training programs and events. At the top, there's a navigation bar with icons for Home, Human Resources, and Training Program. A search bar and a notification badge (72) are also present. The main title is "Consultant Training" with a status indicator "Scheduled".

The left sidebar contains several sections with buttons for adding items:

- Comments (0)
- Assigned To (Assign +)
- Attachments (Attach File +)
- Tags (Add a tag ...)
- Reviews (+)
- Shared With (+)

The right side of the screen is divided into several sections:

- DASHBOARD**: A collapsed section.
- Training Events**: A collapsed section.
- Training Event +**: A button to add a new event.
- Status**: Set to **Scheduled**.
- Company**: Set to **Unico Plastics Inc.**.
- Trainer Name**: Set to **James Barrows**.
- Supplier**: Set to **Supplier 1**.
- Trainer Email**: Set to **james@example.com**.
- Contact Number**: Set to **9847238932**.
- Description**: A rich text editor containing the text: "Basic training for newly joined consultants."

# Training Event

**Training Event** allows you to schedule seminars, workshops, conferences, etc. under a Training Program. You can also invite your employees to attend the event using this feature.

To access the Training Event, go to:

[Home > Human Resources > Training > Training Event](#)

## 1. Prerequisite before creating a Training Event:

- a. Training Program
- b. Employee

## 2. How to create a Training Event.

- a. Go to the Training Event list, click on New button.
- b. Enter the Event Name.
- c. Select the Event Type.
- d. Select Event Level (Beginner, Intermediate, Expert).
- e. Enter the Trainer Name, Email and Contact Number.

New

h.

# Training Event

## 2. How to create a Training Event.

- f. Select the Event Course. Enter the Start Time, End Time and Location of the Training Event.
- g. Check the 'Has Certificate' checkbox if the Training Event is a certified course.
- h. Additionally, you can also write a short description of the Event in the Description box.
- i. **SAVE.**

When you **SUBMIT** the Training Event, a notification will be sent to the employee notifying that the Training has been scheduled.

The screenshot shows a software interface for managing training events. At the top, there's a navigation bar with icons for Home, Human Resources, and Training Event, followed by a search bar and various settings and help links. The main content area is titled 'Implementation' and shows a status of 'Submitted'. Below this, there's a section for 'ATTENDEES' under 'Employees'. A table lists three attendees:

	Employee	Status	Attendance	
<input type="checkbox"/>	HR-EMP-00001: George Smith	Open	Mandatory	▼
<input type="checkbox"/>	HR-EMP-00002: Michelle Alva	Open	Mandatory	▼
<input type="checkbox"/>	HR-EMP-00004: Kim John	Open	Mandatory	▼

At the bottom of the attendee list, there are buttons for 'Add Multiple' and 'Add Row'.

# Training Results

After completion of the training event, employee-wise **training results** can be stored based on the evaluation done by the trainer. The system allows you to create training results (consolidated training grades) and share it with the employees with the Training Result.

To access the Training Results, go to:

[Home > Human Resources > Training > Training Result](#)

## **1. Prerequisite before creating a Training Results:**

- a. Training Program
- b. Training Event
- c. Employee

## **2. How to create a Training Results.**

New

- a. Go to the Training Result list, click on New button.
- b. Select Training Event.
- c. Enter the Hours, Grade and Comments against the Employee Name.
- d. **SAVE.**

When the Training Result is **SUBMITTED**, all the employees will receive an email notifying them that they must share (CREATE) their feedback via Training Feedback.



# Training Feedback

Once the Training is complete, employees can share their feedback via Training Feedback.

To access the Training Results, go to:

[Human Resources > Training > Training Feedback](#)

**1. Prerequisite before creating a Training Feedback:**

- a. Training Program
- b. Training Event
- c. Employee

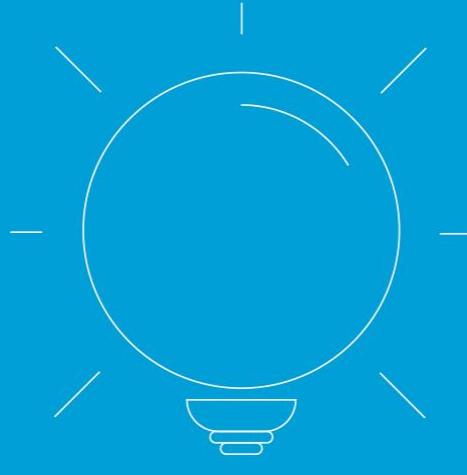
**2. How to create a Training Feedback.**

New

- a. Go to the Training Feedback list, click on New button.
- b. Select the Employee.
- c. Select the Training Event. Based on that, the corresponding Event Name, Course and Trainer Name will get fetched.
- d. Enter the feedback in the Feedback box.
- e. **SAVE and SUBMIT.**

hooman.

# ERPNext: HR Employee Lifecycle



# Employee Lifecycle

**Employee Lifecycle Management** relates to the various stages an Employee goes through during the employment with an organization. It is important for most enterprises' HR departments to keep records of these changes that the employees go through across the company. In short, the term refers to an employee's journey with the company.

## 1. Employee Onboarding

In the process of hiring an Employee, there are set of standard activities which need to be executed. This feature helps you to maintain the masters of these activities, and create a set of tasks at the time of each Employee hiring.

Employee Onboarding is created for a Job Application, who is approved for the hiring.

In the system, you can track in the Employee Onboarding Template the step-by-step or activities be done for onboarding employees.

To access the Employee Onboarding, go to:

[Human Resources > Employee Lifecycle > Employee Onboarding](#)

# Employee Onboarding

## 1. Prerequisite before creating an Employee Onboarding:

- a. Job Applicant
- b. Employee
- c. Department
- d. Designation
- e. Employee Grade

## 2. How to create an Employee Onboarding.

New

- a. Go to Employee Onboarding click New button.
- b. Select the Job Applicant. Once the Job Applicant is selected, the corresponding Employee will automatically get fetched.
- c. Select the Employee Onboarding Template. Based on the template selected, information such as Department, Designation and Employee grade will be automatically fetched (if already mentioned in the Onboarding Template).

The **Employee Onboarding Template** is a blueprint which contains a predefined list of Activities for Employee Onboarding. An Employee Onboarding Template can be created for a particular Department, Designation and Employee Grade.



# Employee Onboarding Template

## 1. How to create an Employee Onboarding Template.

New

- a. Go to Human Resources > Employee Lifecycle > Employee Onboarding Template > Click New Button.
- b. Enter the Department, Designation and Employee Grade (optional).
- c. Mention the Activities for onboarding. For each Activity, you can also mention the User or Role, or one of it, to whom this Activity will be assigned.
- d. **SAVE.**

The screenshot shows the 'Employee Onboarding Template' creation screen. At the top, there's a purple 'New' button. The main area has a title 'Engineer'. On the left, there are sections for 'Attachments' (with a 'Attach File +' button), 'Tags' (with a 'Add a tag ...' button), 'Reviews' (with a '+ button), and 'Shared With' (with a '+ button). Below these is a note: 'You edited this a few seconds ago' and 'You created this 14 days ago'. The right side contains fields for 'Company' (Unico Plastics Inc.), 'Designation' (Engineer), 'Department' (Research & Development - UP), and 'Employee Grade' (L5). Below this is a section titled 'ACTIVITIES' with a table:

	Activity Name	User	Role	
<input type="checkbox"/>	1 Perform a legal and professional background c...	abc@example.com	HR Manager	▼
<input type="checkbox"/>	2 Create an Employee master	michelle@erpnext.com	HR Manager	▼
<input type="checkbox"/>	3 Create an Email Account	bruce@example.com	HR Manager	▼
<input type="checkbox"/>	4 Create an identity card	abc@example.com	HR Manager	▼
<input type="checkbox"/>	5 Allocate Leaves	michelle@erpnext.com	Leave Approver	▼

At the bottom of the activities table is a 'Add Row' button.

# Employee Onboarding

## 2. How to create an Employee Onboarding.

- d. Enter Date of Joining.
- e. **SAVE and SUBMIT.**

If an Employee Onboarding Template isn't created, you can directly fill the onboarding information in the Employee Onboarding document.

Note 2: The 'Status' of the Employee Onboarding will change to Completed once all the associated Activities are complete.

On submission of the Employee Onboarding, a **Project** will be created. Within the Project, Tasks will also be created for each Activity.

# Employee Onboarding Project

You can view the created Projects and Tasks as shown below:

The screenshot shows a software interface for managing employee onboarding projects. The top navigation bar includes 'Human Resources' and 'Employee Onboarding'. A search bar and various settings are also present. The main area displays details for an employee named 'Jane Doe' with a status of 'Pending'. The left sidebar lists 'Comments' (0), 'Assigned To' (Job Applicant: Jane Doe - janedoe@example.com - software-developer), 'Attachments' (Attach File +), 'Tags' (Add a tag ...), 'Reviews' (+), and 'Shared With' (+). The right side shows detailed information: Job Offer (HR-OFF-2019-00001), Employee Name (Jane Doe), Date of Joining (20-08-2019), Status (Pending), Company (Unico Plastics Inc.), Department (Legal - UP), Designation (Engineer), Employee Grade (L5), and a Project section (Employee Onboarding : Jane Doe - janedoe@example.com - software-developer). A 'Create' button is visible at the top right.

Jane Doe • Pending

Comments 0

Assigned To

Job Applicant

Jane Doe - janedoe@example.com - software-developer

Attachments

Job Offer

HR-OFF-2019-00001

Tags

Add a tag ...

Reviews

Shared With

Date of Joining

20-08-2019

Status

Pending

Search or type a command (Ctrl + G)

HR-EMP-ONB-2019-00003

Settings Help 50

View Create

Employee Onboarding Template

Project

HR-EMP-ONT-00001

Task

Company

Unico Plastics Inc.

Department

Legal - UP

Designation

Engineer

Employee Grade

L5

Project

Employee Onboarding : Jane Doe - janedoe@example.com - software-developer

You edited this 7 minutes ago

# Employee Onboarding Employee Creation

You can directly create an Employee through the Employee Onboarding document (if not yet created).

The screenshot shows a software application window titled "Employee Onboarding Employee Creation". The top navigation bar includes "Human Resources" and "Employee Onboarding". A search bar says "Search or type a command (Ctrl + G)". The top right has "Settings", "Help", and a notification badge "50". The main area displays an employee record for "Jane Doe" with a status of "Pending".

**Comments:** 0

**Assigned To:** Job Applicant  
Jane Doe - janedoe@example.com - software-developer

**Attachments:** Attach File +

**Tags:** Add a tag ...

**Reviews:** +

**Shared With:** +

**Status:** Pending

**Employee Onboarding Template:** HR-EMP-ONT-00001

**Company:** Unico Plastics Inc.

**Department:** Legal - UP

**Designation:** Engineer

**Employee Grade:** L5

**Project:** Employee Onboarding : Jane Doe - janedoe@example.com - software-developer

A red box highlights the "Employee" button in the top right corner of the template section.

# Employee Lifecycle

**Employee Lifecycle Management** relates to the various stages an Employee goes through during the employment with an organization. It is important for most enterprises' HR departments to keep records of these changes that the employees go through across the company. In short, the term refers to an employee's journey with the company.

## **2. Employee Promotion**

Promotion or career advancement is a process through which an Employee of a company is given a higher share of duties, a higher pay-scale or both. In the system, you can manage Employee Promotion and its various associated activities using this document.

To access Employee Promotion, go to:

[Human Resources > Employee Lifecycle > Employee Promotion](#)

### **1. Prerequisite before creating an Employee Promotion:**

- a. Employee
- b. Department

# Employee Promotion

## 1. How to create an Employee Promotion.

New

- a. Go to Employee Promotion > Click New button.
- b. Select the Employee.
- c. Enter the Promotion Date.
- d. In the Employee Promotion Detail table, select the Property and set the Current and New value.
- e. **SAVE.**

**Note:** Promotion document can be submitted on or after Promotion Date.

Once submitted all the changes added to Promotion Details table will be applied to the Employee. The system also keeps a record of all promotions of the Employee in the Employment History table in Employee document.

The screenshot shows the 'Employee Promotion' creation screen. On the left, there's a sidebar with options like 'Comments' (0), 'Assigned To', 'Attachments', 'Tags', 'Reviews', and 'Shared With'. The main area has tabs for 'Employee', 'Employee Name', 'Department', and 'EMPLOYEE PROMOTION DETAILS'. Under 'Employee', the ID 'HR-EMP-00001: George Smith' is selected. Under 'Employee Name', 'George Smith' is listed. Under 'Department', 'Research & Development - UP' is selected. In the 'EMPLOYEE PROMOTION DETAILS' section, there's a table for 'Employee Promotion Detail' with two rows. The first row has columns for 'Property' (checkbox), 'Current' (checkbox), and 'New' (checkbox). The second row has a checkbox in the first column and 'Designation' in the second column. The 'Current' column contains 'Engineer' and the 'New' column contains 'Project Manager'. A status bar at the bottom right shows 'HR-EMP-PRO-2019-00001' and a red '50' badge.

Property	Current	New
<input type="checkbox"/>	Designation	Project Manager

# Employee Lifecycle

**Employee Lifecycle Management** relates to the various stages an Employee goes through during the employment with an organization. It is important for most enterprises' HR departments to keep records of these changes that the employees go through across the company. In short, the term refers to an employee's journey with the company.

## 3. Employee Transfer

Employee Transfer is a form of internal mobility, in which the Employee is shifted from one job to another usually at a different location, department, or unit. You can record Employee transfers to different Company or Department by using the Employee Transfer document.

To access Employee Transfer, go to:

[Human Resource > Employee Lifecycle > Employee Transfer](#)

### 1. Prerequisite before creating an Employee Transfer:

- a. Employee
- b. Department

# Employee Transfer

## 1. How to create an Employee Transfer

New

- a. Go to Employee Promotion > Click New button.
- b. Select the Employee.
- c. Select the Transfer Date.
- d. Select the New Company in case the Employee is transferred to a different company (optional).
- e. In the Employee Transfer Details table, select the Property and set the Current and New value.
- f. Additionally, 'Create New Employee' checkbox can be checked to create a new Employee ID for the transferred Employee. (optional)
  - i. If Create New Employee ID is checked, a new Employee will be created with property changes in Transfer Details table and old Employee will be marked as relieved. Leave allocations for the new Employee has to be manually created from Leave Period.
- g. **SAVE.**

# Employee Transfer

**Note:** Transfer document can be submitted on or after Transfer Date. Once submitted all the changes added to Transfer Details table will applied to Employee.

The screenshot shows the 'Employee Transfer' document details. The document header includes the title 'Employee Transfer', the status 'Submitted', and the ID 'HR-EMP-TRN-2019-00002'. The main content area displays various transfer details:

Comments	0	Employee	Company
Assigned To		HR-EMP-00001: George Smith	Unico Plastics Inc.
Attachments		Employee Name	New Company
Tags		George Smith	Unico Plastics Inc.
Reviews		Transfer Date	Department
Shared With		21-08-2019	Research & Development - UP

Below this, under 'EMPLOYEE TRANSFER DETAILS', is a table for 'Employee Transfer Detail':

	Property	Current	New
<input type="checkbox"/>	1 Department	Research & Development - UP	Management - GT

Checkboxes for 'Create New Employee Id' and 'New Employee ID' are present, with the latter set to 'HR-EMP-00003: George Smith'. On the left sidebar, there are sections for 'Comments' (0), 'Assigned To' (Assign +), 'Attachments' (Attach File +), 'Tags' (Add a tag ...), 'Reviews' (+), and 'Shared With' (+). A note at the bottom states 'You edited this a few seconds ago' and 'You created this a few seconds ago'.

# Employee Lifecycle

**Employee Lifecycle Management** relates to the various stages an Employee goes through during the employment with an organization. It is important for most enterprises' HR departments to keep records of these changes that the employees go through across the company. In short, the term refers to an employee's journey with the company.

## **4. Employee Separation**

Employee Separation is a situation when the service agreement of an Employee with his/her organization comes to an end and the Employee leaves the organization. Employee Separation is created for an Employee who has resigned or terminated from the organization. Employee Separation can be a clearance form and an announcement to the Immediate Heads that an Employee will resign from the organization.

To access Employee Transfer, go to:

[Human Resources > Employee Lifecycle > Employee Separation](#)

### **1. Prerequisite before creating an Employee Transfer:**

- a. Employee
- b. Department
- c. Designation
- d. Employee Grade

# Employee Separation

## 1. How to create an Employee Separation

New

- a. Go to Employee Separation > Click New button.
- b. Select the Employee. Once the Employee is selected, the corresponding Employee information such as Department, Designation and Employee Grade will automatically get fetched.
- c. Select the Employee Separation Template. Based on the template selected, information such as Department, Designation and Employee grade will be automatically fetched (if already mentioned in the Separation Template).

The **Employee Separation Template** is a blueprint which contains a predefined list of Activities for Employee Separation. An Employee Separation Template can be created for a particular Department, Designation and Employee Grade.

### To create a new Employee Separation Template:

New

- a. Go to: Human Resources > Employee Lifecycle > Employee Separation Template > New button.
- b. Enter the Department, Designation and Employee Grade (optional).
- c. Mention the Activities for separation. For each Activity, you can also mention the User or Role, or one of it, to whom this Activity will be assigned.

# Employee Separation Template

E > Human Resources > Employee Separatio...

Search or type a command (Ctrl + G)



Settings

Help

52

## Engineer

HR-EMP-STP-00001



Menu

Save

Attach File +

Tags

Add a tag ...

Reviews



Shared With



You edited this  
a few seconds ago

You created this  
a few seconds ago

Company

Unico Plastics Inc.

Designation

Engineer

Department

Research & Development - E

Employee Grade

L5

ACTIVITIES

Activities

<input type="checkbox"/>	Activity Name	User	Role	
<input type="checkbox"/>	1 Collect laptop	michelle@erpnext.com	HR User	▼
<input type="checkbox"/>	2 Clear dues	abc@example.com	HR Manager	▼
<input type="checkbox"/>	3 Delete Employee Email Account	prasad@erpnext.com	HR User	▼
<input type="checkbox"/>	4 Collect identity card	bruce@example.com	HR User	▼

Add Row

h.

# Employee Separation

## 1. How to create an Employee Separation

- d. Enter the Resignation Letter Date.
- e. Additionally, you can also enter the Exit Interview Summary.
- f. **SAVE and SUBMIT.**

Note: If an **Employee Separation Template isn't created**, you can directly fill out the separation information in the Employee Separation. The '**Status**' of the Employee Separation will change to Completed once all the associated Activities are complete.

On submission of the Employee Separation, a **Project** will be created. Within the Project, Tasks will also be created for each Activity. You can view the created Projects and Tasks through View > Project/ Tasks.

# Employee Lifecycle

**Employee Lifecycle Management** relates to the various stages an Employee goes through during the employment with an organization. It is important for most enterprises' HR departments to keep records of these changes that the employees go through across the company. In short, the term refers to an employee's journey with the company.

## 5. Employee Skill Map

Employee Skill Map is a record which helps your organization track your Employee's skill sets and trainings. It can be used to rate each skill of the Employee and track their growth after each internal training. This data can be used at the time of appraisals.

To access Employee Skill Map, go to:

[Home > Human Resource > Employee Lifecycle > Employee Skill Map](#)

### 1. Prerequisite before creating an Employee Skill Map:

- a. Make sure you have set the required Skills for designations from the Skills section. (See HR Setup Manual)

# Employee Skill Map

## 1. How to create an Employee Skill Map

New

- a. Go to the Employee Skill Map list, click on New button.
- b. Select the Employee.
- c. Based on the designation of the Employee system will pull the Skills. Set the Proficiency level out of 5, and the Evaluation Date.
- d. If the Employee is lacking in any skill, you can schedule trainings for the Employee.
- e. Under the Trainings table, select the Training Event and the Training Date.
- f. **SAVE.**

The screenshot shows a software interface for managing employee skills. At the top, there's a header bar with the company logo (E), Human Resources, Employee Skill Map, a search bar, settings, help, and a notifications icon (99+). Below the header, the page title is "Mark Not Saved". A large purple "New" button is visible on the left. The main content area has two sections: "SKILLS" and "TRAININGS".

**Designation:** Software Developer

**SKILLS:**

Skill	Proficiency	Evaluation Date
Computer Knowledge	★★★★★	2019-07-18
Problem Solving Skills	★★★★★	2019-07-18
Communication Skills	★★★★★	2019-07-18
Team Player	★★★★★	2019-07-18
Organisational Skills	★★★★★	2019-07-18

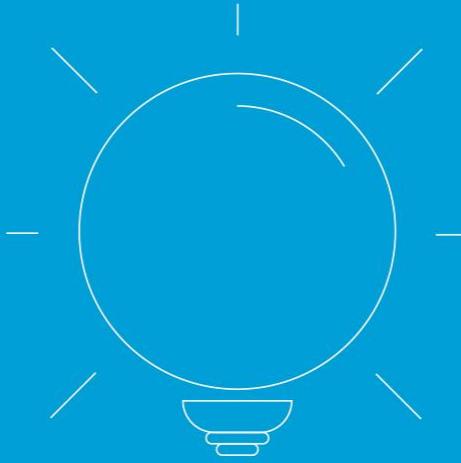
**TRAININGS:**

Training	Training Date
Introduction To Javascript	2019-07-19

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# ERPNext: HR

## Employee Performance



# Appraisal

A **performance appraisal** is a method by which the job performance of an employee is documented and evaluated. In the system, you can manage Employee Appraisals by creating an Appraisal Template for each role with the parameters that define the performance by giving appropriate weightage to each parameter.

To access the Appraisal, go to: [Human Resources > Performance > Appraisal](#)

## 1. How to create an Appraisal.

- New**
- a. Got to: Appraisal > click New button.
  - b. Select the Appraisal Template. If Appraisal is not yet created, click create an Appraisal Template. Then enter the Appraisal Template Name and the Key Result Areas (KRAs) along with the weightage of the same.
  - c. After selecting the Appraisal Template, select the Employee, Start Date and End Date.
  - d. Based on the template selected, the KRAs will be fetched in the Goals section. Enter the score (0-5)for each KRA. Based on the weightage mentioned, the Score Earned will be calculated for each KRA.
  - e. **SAVE and SUBMIT.**

Based on the scores entered for each KRA, the system will calculate the Total Score (out of 5) for the Employee.



# Appraisal

**George Smith** • Submitted

HR-APR-19-0800001



Menu ▾

Cancel

Comments

0

Assigned To

Assign +

Attachments

Attach File +

Tags

Add a tag ...

Reviews



Shared With

You edited this  
a few seconds agoYou created this  
a few seconds ago

Appraisal Template

**Consultant**

For Employee

**HR-EMP-00001: George Smith**

For Employee Name

**George Smith**

Status

**Submitted**

Start Date

**01-05-2019**

End Date

**31-01-2020**

Department

**Research & Development - UP**

GOALS

Goals

<input type="checkbox"/>	Goal	Weightage (%)	Score (0-5)	Score Earned	
<input type="checkbox"/>	1 <b>Demo Sessions</b>	30	3	0.900	▼
<input type="checkbox"/>	2 <b>Query Sessions</b>	20	4	0.800	▼
<input type="checkbox"/>	3 <b>Implementation Sessions</b>	50	4	2	▼

Total Score (Out of 5)

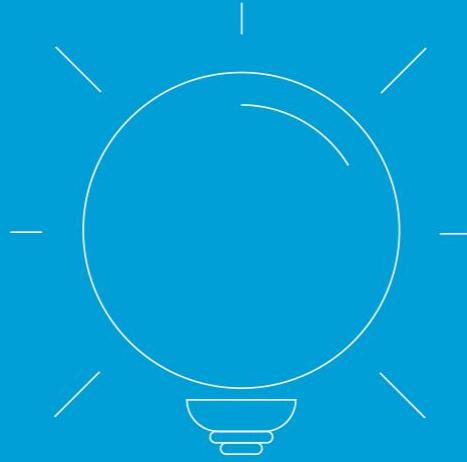
**3.700**

Remarks

**Good**

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# ERPNext: HR Shifts



# Shift Management

**Shift Management** section of Human Resources helps your Organization manage shifts of your employees.

## 1. To use Shift Management, you need to:

- a. Set Up a Shift Type.
- b. Enter the shift on each employee, if they have a default 1 shift.

**(C and D will only be used if there are more than 1 shift for 1 employee)**

- c. Enter Shift Request.
- d. View and Manage Shift Assignments.

## Shift Type

The Shift Type document allows you to define the different types of Shifts in your Organization and setup the auto attendance for the shift. Auto attendance marks attendance based on 'Employee Checkin' for Employees assigned to the shift.

To access the Shift Type, go to:

[Home > Human Resources > Shift Management > Shift Type](#)



# Shift Management

## 2. How to create a Shift Type.

New

- a. Click on New button
- b. Enter Name,
  - i. Start Time - The time of the day when this shift starts. The time is to be entered in 24Hrs format.
  - ii. End Time - The time of the day when this shift ends. The time is to be entered in 24Hrs format.

For cases where the 'End Time' is less than 'Start Time', the shift is assumed to be a night shift that starts on one calendar date and end on the next calendar date.

### c. SAVE.

The screenshot shows a software interface for creating a new shift type. The top navigation bar includes a logo, 'Human Resources > Shift Type', a search bar, settings, help, and a notifications icon. The main title is 'New Shift Type 1' with a note 'Not Saved'. The form fields are as follows:

Name	<input type="text" value="Night"/>	Holiday List
Start Time	<input type="text" value="20:00:00"/>	<input type="checkbox"/> Enable Auto Attendance Mark attendance based on 'Employee Checkin' for Employees assigned to this shift.
End Time	<input type="text" value="02:00:00"/>	

A blue 'Save' button is located at the bottom right of the form.

# Shift Type

System Manager Only.

## 2. How to create a Shift Type.

- a. After saving the Shift type, put a check mark on the enable auto attendance.
- b. Encode the following:
  - i. Holiday List - The Applicable Holidays for this shift can be selected here. If left blank then the default holiday list from the employee or the company document is taken in to account.
  - ii. Determine Check-in and Check-out

Employee Check-in may not always have an IN/OUT log type. For, such scenarios you could use this option to get appropriate results from the auto attendance system.

- a. **Alternating entries as IN and OUT during the same shift:** The first entry is taken as IN followed by the next entry as OUT and the following entry as IN and so on.
  - b. **Strictly based on Log Type in Employee Checkin:** The check-in is determined as IN or OUT strictly based on the 'Log Type' in the Employee Checkin record.
- iii. Working Hours Calculation Based On
- Working hours can be calculated either by including the breaks in between the shift or by excluding the breaks.



# Shift Type

System Manager Only.

## 2. How to create a Shift Type.

This can be configured using the following options:

- a. **First Check-in and Last Check-out:** Selecting this option calculates the working hours by considering the first IN and last OUT Employee Checkin during the shift.
  - i. In case the IN/OUT is determined by alternating entries then the first Employee Checkin is considered as IN and the last Employee Checkin is considered as OUT for the purpose of working hours calculation.
- b. **Every Valid Check-in and Check-out:** Selecting this option excludes the time during which the Employee is checked out.
  - i. i.e. Only the time during which the employee is checked in is calculated as working hours.
- iv. Begin check-in before shift start time

Often employees would check-in a few minutes before the shift start time. To consider these check-ins as part of the shift during the calculation of attendance, you could setup this value accordingly.



# Shift Type

System Manager Only.

## 2. How to create a Shift Type.

- v. Allow check-out after shift end time

Often employees would check-out after the shift end time. To consider these check-outs as part of the shift during the calculation of attendance, you could setup this value accordingly.

- vi. Working Hours Threshold for Half Day

If the actual number of working hours is less than the given value in this field then the employee attendance is marked as 'Half Day'. If you never want to mark Half Day based on working hours, you should set this value to zero.

- vii. Working Hours Threshold for Absent

- i. If the actual number of working hours is less than the given value in this field then the employee attendance is marked as 'Absent'. If you never want to mark Absent based on working hours, you should set this value to zero.

# Shift Type

System Manager Only.

## 2. How to create a Shift Type.

### viii. Process Attendance After

The date from which 'Auto Attendance' should start marking attendance. You should set it to a date after which you have Employee Checkin Records for this shift.

### ix. Last Sync of Checkin (with custom script)

This is the time upto which attendance is marked based on the Employee Checkin records. You should set this to a date and time upto which the Employee Checkin has been synced. Otherwise an employee might be marked as absent due to the lack of check-in records.

# Shift Request

Will only be used if 1 employee has multiple shifts. If not, all shifts will be encoded on each employee record as the default shift.

## 3. How to create a Shift Request.

- a. Click on New button
- b. Enter Shift Type, Employee, Company, From Date and To Date.
- c. **SAVE .**

**New**

Shift Type	Company
<b>Day Shift</b>	<b>MahaOnline Ltd</b>
Employee	From Date
<b>EMP/00001</b>	<b>01-08-2018</b>
Employee Name	To Date
<b>Pawan Mehta</b>	<b>31-08-2018</b>

# Shift Assignment

Will only be used if 1 employee has multiple shifts. If not, all shifts will be encoded on each employee record as the default shift.

### 3. How to create a Shift Assignment.

Once the Shift Request is submitted it automatically creates the Shift Assignments for an Employee. You can also view Calendar view of Shift Assignments.

#### Shift Assignment

Menu ▾ Refresh New

Reports ▾		ID	Restricted
List		Add Filter	Last Modified On
		<input type="checkbox"/> Employee Name	Status Shift Type Date 20 of 83
		<input type="checkbox"/> Pawan Mehta	Submitted Day Shift 31-08-2018 SH00115 1 m <input type="button"/> 0
		<input type="checkbox"/> Pawan Mehta	Submitted Day Shift 30-08-2018 SH00114 1 m <input type="button"/> 0
		<input type="checkbox"/> Pawan Mehta	Submitted Day Shift 29-08-2018 SH00113 1 m <input type="button"/> 0
		<input type="checkbox"/> Pawan Mehta	Submitted Day Shift 28-08-2018 SH00112 1 m <input type="button"/> 0
		<input type="checkbox"/> Pawan Mehta	Submitted Day Shift 27-08-2018 SH00111 1 m <input type="button"/> 0
		<input type="checkbox"/> Pawan Mehta	Submitted Day Shift 25-08-2018 SH00110 1 m <input type="button"/> 0
		<input type="checkbox"/> Pawan Mehta	Submitted Day Shift 24-08-2018 SH00109 1 m <input type="button"/> 0
		<input type="checkbox"/> Pawan Mehta	Submitted Day Shift 23-08-2018 SH00108 1 m <input type="button"/> 0

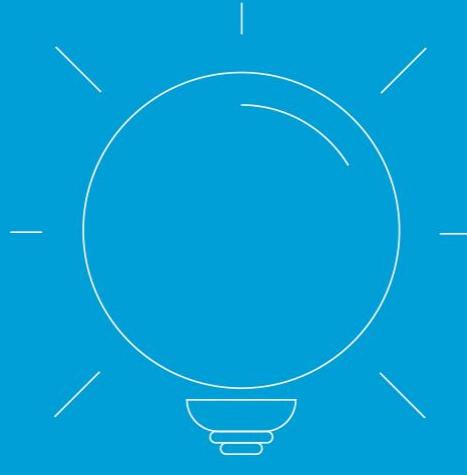


hooman.

# ERPNext

## Employee Advances

Version 1 March 1, 2020



# Employee Advances

**Employee allowance** represents a cash payment (loan) made by the employer for the business expenses that are anticipated to be incurred by the employee or officer on behalf of the employer. However, these cash advances should be reimbursed by providing a list of expense claim or should be return if not used.

To access the Vouchers, go to: [Home \(Desktop\) > Human Resources > Expense Advances.](#)

## 1. How to create an Employee Advance.

New

- a. Go to: Employee Advance, click New Button.
- b. Type and select the employee name.
- c. Enter the Purpose and Advance Amount.
- d. Select the Advance Account and Mode of Payment OR [\*ask your Admin.\*](#)
- e. **SAVE and SUBMIT**

# Employee Advances

For Accounting Only

## 2. How to create Payment.

- a. At the upper right of the voucher, click Create > Payment.
- b. A New Payment Entry will appear.

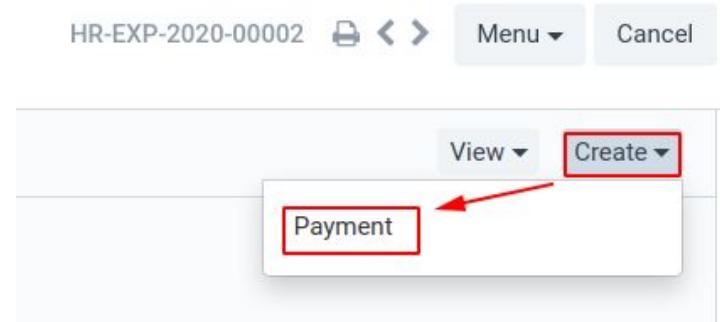
*See the payment entry manual for the next steps.*

## 3. How to link Expenses.

- a. From the for approval vouchers, encode the paid employee advances on the lower part of the form.
- b. Encode the Allocated Amount

*See also the voucher manual.*

- c. Once advances were linked the the vouchers, the claimed amount field will



HR-EXP-2020-00002 Print < > Menu ▾ Cancel

View ▾ Create ▾

Payment

Advance Amount  
₱ 1,000.00

Paid Amount  
₱ 0.00

Due Advance Amount  
₱ 0.00

Claimed Amount  
₱ 0.00

# Employee Advances

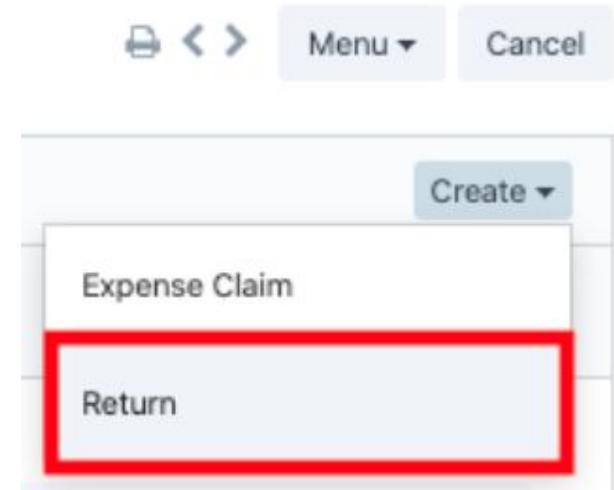
For Accounting Only

## 4. Return Amount

When advance is paid to an Employee, there are three situations:

- The amount may be unused
- All of it may be used
- Some part may be used

If amount is unused, click on the **Return button** to return the paid Advance amount



# Employee Advances

For Accounting Only

## 4. Return Amount

- If all of the advance is used, it will reflect in the Claimed Amount field
- If only some amount is claimed and rest is returned, the returned amount will be shown in the 'Returned Amount' field.

The screenshot shows a software interface for managing employee advances. At the top, there's a navigation bar with icons for Home, Human Resources, and Employee Advance, followed by a search bar and a bell icon for notifications. Below the header, the document ID 'HR-EAD-2020-00003' is displayed, along with a status indicator 'Submitted'. On the left side, there are sections for 'Reviews' (with a plus icon) and 'Shared With' (also with a plus icon). A small heart icon is also present. On the right side, the main details of the advance are listed:

Purpose	Advance Amount
Research and Development	₹ 17,500.00
Paid Amount	₹ 17,500.00
Due Advance Amount	₹ 0.00
Claimed Amount	₹ 12,500.00
Returned Amount	₹ 5,000.00

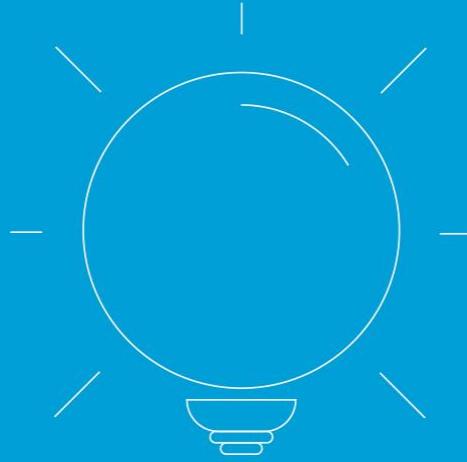
A red rectangular box highlights the 'Returned Amount' field, which contains the value '₹ 5,000.00'.

hooman.

# ERPNext

## Expense Claim

Version 1 March 1, 2020



# Voucher

**Voucher** is made when employees make expenses out of their pocket on behalf of the company.

To access the Vouchers, go to: [Home \(Desktop\) > Human Resources > Vouchers.](#)

## 1. How to create a Voucher.

### First:

New

- a. Go to the Voucher list, click on New Button.
- b. Type and select your Name.
- c. Attached the official receipts on the side bar.
- d. Enter the expense details.
  - i. Expense Date - Date on the Official Receipt
  - ii. Choose what expense claim type. *If you cannot find it, ask your Accounting to encode a new type.*
  - iii. Encode the Non Vat or SubTotal Amount
- e. Expense Taxes and Charges - (if tax is applicable)
  - i. Account Head - choose Vat with 12% rate
- f. Payables Account - Choose Accounts Payable or *ask your Admin.*
- g. **SAVE and SUBMIT**

### Second:

- a. Open the Employee Advances that will be linked to this voucher.
- b. Click the dropdown create button.



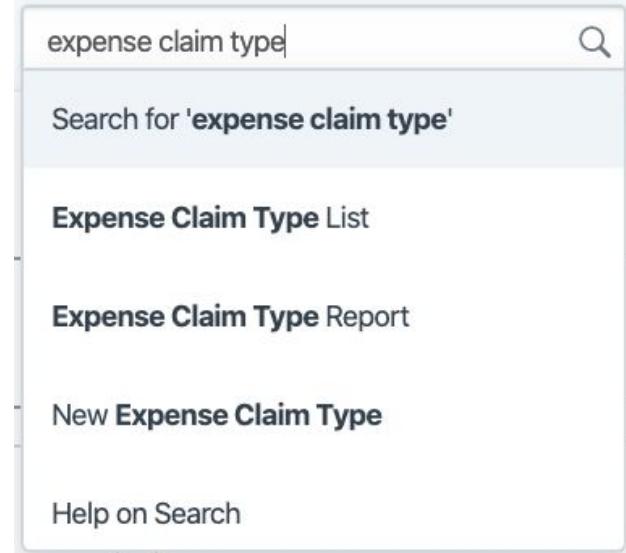
# Voucher

## For Accounting Only

### **. How to create or modify an expense claim type used on vouchers.**

New

- a. Search “Expense Claim Type” on the Global Search at the top part of the system.
- b. Click the “Expense Claim Type List”
- c. After clicking, the list will appear. Click the expense claim type to be modified or Click New button to create.
- d. Fill out the following fields:
  - i. Expense Claim Type - Encode the name of the expense
  - ii. Description (optional)
  - iii. Accounts - Add a new row for which company will the expense will be recorded and what account it will fall.  
Make sure that the account was encoded on the Chart of Accounts Expense category.



# Voucher

For Accounting Only

## 3. How to create Payment.

There are **3 modes** on how to create a payment.

### First: Creating a payment entry

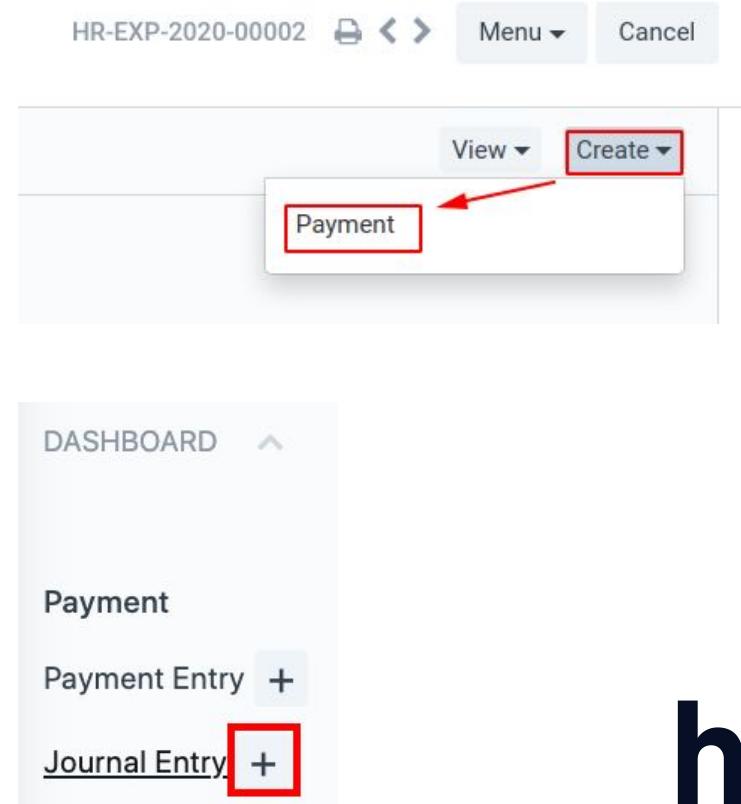
- a. At the upper right of the voucher, click Create > Payment.
- b. A New Payment Entry will appear.

*See the journal entry manual for the next steps.*

### Second: Creating a journal entry

- a. At the Dashboard, click the plus sign (+) beside the journal entry.

*See the journal entry manual for the next steps.*



# Voucher

For Accounting Only

## 3. How to create Payment.

### Third: Linking the Employee Advances

- a. Make sure that before submitting or approving voucher, the advance payment at the lower part of the form were filled out already.
- b. Type or select the reference from the list of paid employee advances that will be used as payment.
- c. Encode the amount on the allocated amount field.
- d. **Click SAVE.**

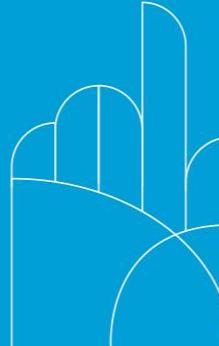
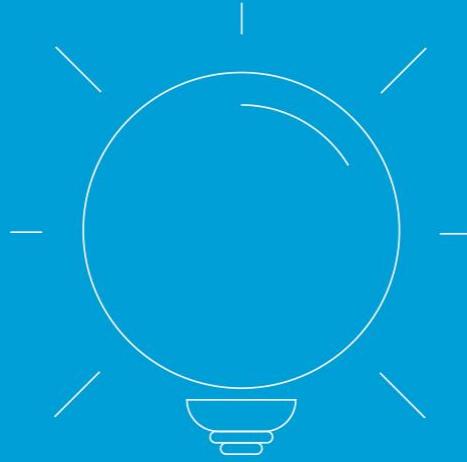
#### ADVANCE PAYMENTS

<input type="checkbox"/>	Employee Advance	Posting Date	Advance Paid	Unclaimed amount	Allocated amount	
<input type="checkbox"/>	1 EA-00002	09-10-2017	₹ 200.00	₹ 199.00	100	▼
<input type="checkbox"/>	2 EA-00003	09-10-2017	100.00	99.00	99.00	▼
<a href="#">Add Row</a>						

hooman.

# ERPNext Payroll

Version 1 March 1, 2020



# Payroll Management

Payroll processing is an important function of every enterprise HR. The system, greatly simplifies this process by offering an array of features that you can utilize from Salary Structure management to bulk processing Payroll of employees.

## For System Manager Only

### Payroll Period

A **Payroll Period** is a period for which Employees get paid for their occupation with the Company. Payroll Period helps you define Salary Structures and Tax slabs applicable for the period, making it easier to manage changing laws.

Additionally, if you want the system to calculate taxable amounts automatically, then you must define the taxable salary slabs. You can also declare the maximum tax exemption amount applicable in this period. This step can be skipped if you don't intend to use tax slabs or flexible benefits.

To access the Payroll Period, go to:

[Home > Human Resources > Payroll > Payroll Period](#)



# Payroll Period

## 1. How to create a Payroll Period

New

- a. Go to: Payroll Period > Click New button.
- b. Enter Name.
- c. Select Start Date and End Date of Payroll Period.
- d. Tax Salary Slabs under which you can create various tax slabs and tax rates for the employees. You can add multiple tax slabs for the Payroll Period depending on the tax regulations. Select the From Amount, To Amount and Percent Deduction for each slab.

**Note:** Configuring Payroll Period is optional if you do not intend to use Flexible Benefits or Tax Slabs

You can also add conditions that are applicable to the tax slabs. For example, a 5.2% rate of tax must be deducted for all employees having salary lesser than 5 lacs.

TAXABLE SALARY SLABS					
Taxable Salary Slabs					
	From Amount	To Amount	Percent Deduction	Condition	
<input type="checkbox"/>	₹ 2,50,001.00	₹ 5,00,000.00	5.2%	annual_taxable_earning > 500000	▼
<input type="checkbox"/>	₹ 5,00,001.00	₹ 10,00,000.00	20.8%		▼
<input type="checkbox"/>	₹ 10,00,001.00	₹ 0.00	31.2%		▼

**Add Row**

# Salary Component

For System Manager Only

Salaries are paid by organizations to their employees in exchange for the services rendered by them. The different components that make up the Salary Structure are called as **Salary Components**.

The salary paid to the employees comprises of a number of different components, such as basic salary, allowances, contributions, etc.

A salary component is either be an 'Earning' or a 'Deduction' based on how it is defined. You can add the amount directly or it can be an amount calculated on the basis of base salary or a particular rate or based on a formula involving the other components as well.

## 1. How to create a Salary Component

New

- a. Go to: Salary Component > Click New button.
- b. Enter its Name and Abbreviation.
- c. Enter Description of the Salary Component (optional).
- d. Enter the Company name and the Default Account of the Salary Component.
- e. **SAVE.**

# Salary Component

Apart from the above mentioned mandatory fields, some of the additional features of the Salary Component are given below:

## 1. Condition and Formula

In this section, the Condition and Formula required for the calculation of the Salary Component can be specified. In order to specify the formula, enable the 'Amount based on formula' checkbox.

The screenshot shows the 'Salary Component' configuration page in a software application. At the top, there's a navigation bar with 'Human Resources' and 'Salary Component'. Below it, a toolbar has a 'Basic' button followed by a 'Enabled' status indicator. The main area is divided into two sections: 'CONDITION AND FORMULA' and 'Help'.

**CONDITION AND FORMULA**

- Condition:** `base < 10000`
- Amount based on formula:**
- Formula:** `base * 0.4`

**Help**

Notes:

1. Use field `base` for using base salary of the Employee
2. Use Salary Component abbreviations in conditions and formulas. `BS = Basic Salary`
3. Use field name for employee details in conditions and formulas. `Employment Type = employment_type Branch = branch`
4. Use field name from Salary Slip in conditions and formulas. `Payment Days = payment_days Leave without pay = leave_without_pay`
5. Direct Amount can also be entered based on Condition. See example 3

**Examples**

1. Calculating Basic Salary based on `base`  
Condition: `base < 10000`  
Formula: `base * .2`
2. Calculating HRA based on Basic Salary `BS`  
Condition: `BS > 2000`  
Formula: `BS * .1`
3. Calculating TDS based on Employment Type `employment_type`  
Condition: `employment_type=="Intern"`  
Amount: `1000`

Note: In case the Salary Component is based on a pre-defined amount, the system allows you to directly enter the amount in the Amount field (disable the 'Amount based on formula' checkbox).

## Salary Component

Some of the additional attributes of the Salary Component that can be enabled using checkboxes are as follows:

- a. **Is Payable:** This checkbox can be enabled if the Salary Component type is payable.
- b. **Depends on Payment Days:** If this checkbox is enabled then the Salary Component will be calculated based on the number of working days.
- c. **Is Tax Applicable:** Selecting this checkbox allows you to apply tax on this Salary Component.
- d. **Deduct Full Tax on Selected Payroll Date.**
- e. **Round to the Nearest Integer:** Selecting this checkbox allows you to round the amount of this Salary Component to the nearest integer.
- f. **Statistical Component:** If selected, the value specified or calculated in this component **will not contribute to the earnings or deductions**. However, its value can be referenced by other components that can be added or deducted.
- g. **Do Not Include in Total:** Selecting this checkbox ensures that the Salary Component is not included in the Total Salary. (mostly, this is on check if component is a statistical component)
- h. **Disabled:** This checkbox can be selected to disable this Salary Component. A disabled Salary Component cannot be used in the Salary Structure.

# Salary Structure

For System Manager Only

**Salary Structure** is the details of the salary being offered to an Employee, in terms of the breakup of the different components constituting the compensation.

Any changes to the Salary Structure i.e. among the components can have a major impact on what the Employee does, such as the kind of tax exemptions claimed.

## 1. How to create a Salary Structure.

New

- a. Go to Salary Structure, click on New button.
- b. Enter the Salary Structure Name.
- c. Select the Company Name and Payroll Frequency.
- d. **SAVE and SUBMIT.**

# Salary Structure

Apart from the mandatory fields, the other important fields of a Salary Structure are Earnings and Deductions which form the basis of the Salary Structure among others.

## a. Earning and Deduction

**Earnings** specify the Salary Components that are earned by an Employee. These components typically include basic, allowances, bonuses and incentives that are added to the employee's Total Salary. On the other hand, **Deductions** specify the Salary Components that are deducted from the employee's Total Salary. These typically include the taxes.

To create Earnings and Deductions, select the Salary Component in the Component column. Enter the Formula/Condition if not previously specified while creating the Salary Component. Additionally, you can also enter a pre-defined amount in the Amount column.

**Note:** Make sure to click on the downward arrow and enable the 'Amount based on formula' checkbox in case the Salary Component is calculated using a formula.

## b. Account

The Mode of Payment and the Payment Account that is used to pay the salary can be specified.



# Salary Structure

Apart from the mandatory fields, the other important fields of a Salary Structure are Earnings and Deductions which form the basis of the Salary Structure among others.

## a. Earning and Deduction

**Earnings** specify the Salary Components that are earned by an Employee. These components typically include basic, allowances, bonuses and incentives that are added to the employee's Total Salary. On the other hand, **Deductions** specify the Salary Components that are deducted from the employee's Total Salary. These typically include the taxes.

To create Earnings and Deductions, select the Salary Component in the Component column. Enter the Formula/Condition if not previously specified while creating the Salary Component. Additionally, you can also enter a pre-defined amount in the Amount column.

**Note:** Make sure to click on the downward arrow and enable the 'Amount based on formula' checkbox in case the Salary Component is calculated using a formula.

## b. Account

The Mode of Payment and the Payment Account that is used to pay the salary can be specified.



# Salary Structure

Some of the additional features provided in the Salary Structure document are:

- a. Leave Encashment Amount Per Day
- b. Max Benefits (Amount)

Once all the information is saved and submitted, you can **assign the Salary Structure to an Employee** either through the Assign Salary Structure button or by creating a new Salary Structure Assignment through the dashboard.

The screenshot shows a software interface for managing salary structures. At the top, there's a navigation bar with icons for Home, Human Resources, and Salary Structure, along with search, settings, and help options. The main title is "Engineer 2019-20" with a status of "Submitted". On the right, there are buttons for back, forward, menu, and cancel.

The interface is divided into two main sections: EARNING and DEDUCTION. Under EARNING, there's a table for "Earnings" showing three components: Basic, House Rent Allowance, and Dearness Allowance, each with a formula and amount. Under DEDUCTION, there's a table for "Deductions" showing two entries: Professional Tax and Maharashtra Labour Welfare Fund, each with a formula and amount.

	Component	Abbr	Statist...	Formula	Amount	
<input type="checkbox"/>	1 Basic	B		base * .4	₹ 0.00	▼
<input type="checkbox"/>	2 House Rent Allowance	HRA		B * .3	₹ 0.00	▼
<input type="checkbox"/>	3 Dearness Allowance	DA		B * .2	₹ 0.00	▼

	Component	Abbr	Statist...	Formula	Amount	
<input type="checkbox"/>	1 Professional Tax	PT		B * .1	₹ 0.00	▼
<input type="checkbox"/>	2 Maharashtra Labour Welfare F...	MLWF			₹ 12.00	▼

You can also assign the created Salary Structure to several employees based on the Employee Grade, Department, Designation, etc. through the 'Assign to Employees' button. Additionally, Salary Slip can also be directly created through the dashboard.

# Salary Structure for Salary based on Timesheets

You can also define the Salary Structure for Salary Slip based on Timesheet, which allows the Company to pay their Employee as per working hours.

## 1. How to create a Salary Structure.

New

- Go to Salary Structure List, click on New button.
- Select checkbox Salary Slip based on Timesheet.
- Fill Salary Component, this component is for Timesheet based payroll.
- Fill Hour Rate, the amount for Working hours will be calculated accordingly.
- SAVE and SUBMIT.**

The screenshot shows the 'Salary Structure' creation page in the Frappe application. The top navigation bar includes 'Human Resources' and 'Salary Structure'. A search bar and a toolbar with 'Settings', 'Help', and other icons are visible. The main form is titled 'for Anurag-1 • Submitted'. It has sections for 'Company' (set to 'Frappe') and 'Letter Head' (set to 'Standard'). The 'Is Active' field is checked. A note indicates 'You edited this an hour ago'. A section for 'Salary Component' is shown, with 'Basic' selected and a note 'Salary Component for timesheet based payroll'. The 'Hour Rate' is set to ₹ 15.00. Other fields include 'Leave Encashment Amount Per Day' (₹ 0.00), 'Max Benefits (Amount)' (₹ 0.00), and an 'EARNING' section with a table for 'Earnings'. The table has columns for 'Component', 'Abbr', 'Statist...', 'Formula', 'Amount', and a dropdown. One row is present: 'Arrear' with 'A' in 'Abbr' and '₹ 1,000.00' in 'Amount'.

# Salary Structure Assignment

Salaries can be encoded/recorded at Salary Structure Assignment.

To access Salary Structure Assignment, go to:

Home > Human Resources >

Payroll > Salary Structure

Assignment, See Image 1.

The screenshot shows the Oracle HCM Cloud interface with the following navigation path: Home > Human Resources > Payroll > Salary Structure. The 'Assignment' link is highlighted in blue. The interface is divided into several sections:

- Employee:** Employee, Employment Type, Branch, Department, Designation, Employee Grade, Employee Group, Employee Health Insurance.
- Attendance:** Employee Attendance Tool, Attendance, Attendance Request, Upload Attendance, Employee Checkin, Monthly Attendance Sheet.
- Leaves:** Leave Application, Leave Allocation, Leave Policy, Leave Period, Leave Type, Holiday List, Compensatory Leave Request, Leave Encashment, Leave Block List, Employee Leave Balance.
- Payroll:** Salary Structure, **Salary Structure Assignment** (highlighted with a red arrow), Payroll Entry, Salary Slip, Payroll Period, Salary Component, Additional Salary.
- Employee Tax and Benefits:** Employee Tax Exemption Declaration, Employee Tax Exemption Proof Submission, Employee Benefit Application, Employee Benefit Claim, Employee Tax Exemption Category, Employee Tax Exemption Sub Category.
- Employee Lifecycle:** Employee Onboarding, Employee Skill Map, Employee Promotion, Employee Transfer, Employee Separation, Employee Onboarding Template, Employee Separation Template.

Image 1 : Recording of Salaries

# Salary Structure Assignment

## 1. How to create a Salary Structure Assignment

Incase you need to edit an **existing** Salary Structure Assignment due to some reasons like an additional salary after promotion or regularization or additional fixed allowance or etc.

Just go to Salary Structure Assignment > Find the Employee's name or Salary Structure Assignment.

- 
- a. At the top right corner, click the **Cancel Button**.
  - b. You may still use the original Record by clicking **Amend Button**.
  - c. Click SAVE and SUBMIT. See image 2 and 3.

# Salary Structure Assignment

Human Resources > Salary Structure Assi...

Search or type a command (Ctrl + G)

Settings Help Menu Cancel

Juan Dela Cruz • Submitted

HR-SSA-20-03-00016

Comments 0

Employee Juan Dela Cruz

Assigned To Juan Dela Cruz

Assign +

Attachments Attach File +

Tags Add a tag ...

Reviews +

Shared With +

Employee Name Juan Dela Cruz

Department Sales - ERPNext

Designation Head of Marketing and Sales

Salary Structure 2020

From Date 01-01-2020

Company ERPNext

Base ₹ 25,000.00

Variable ₹ 1,000.00

Image 2: Cancel Button

# Salary Structure Assignment

The screenshot shows a software interface for managing salary structure assignments. At the top, there's a navigation bar with icons for Home, Human Resources, and Salary Structure Assi... (partially visible). A search bar says "Search or type a command (Ctrl + G)" with a magnifying glass icon. On the right of the search bar are "Settings", "Help", and notification icons. Below the navigation is a header with the employee name "Juan Dela Cruz" and a red dot indicating it's "Cancelled". To the right of the name are buttons for "HR-SSA-20-03-00016", "Menu", and a prominent blue "Amend" button, which is highlighted with a red box. The main content area displays various fields: "Comments" (0), "Employee" (Juan Dela Cruz), "Salary Structure" (2020), "Assigned To" (Juan Dela Cruz), "From Date" (01-01-2020), "Assign +" (with a plus sign), "Attachments" (with a plus sign), "Attach File +" (with a plus sign), "Tags" (with a plus sign), "Employee Name" (Juan Dela Cruz), "Company" (FRDNext), "Department" (Sales - FRDNext), and "Image 3: Cancelled Status and Amend Button".

After clicking the cancel button the status of the record will be cancelled which the amend button appears. As mentioned, you may use the existing record by amending it.

# Salary Structure Assignment

## 1. How to create a Salary Structure Assignment

If new employee needs to be recorded which has no record (**without existing**) of Salary Structure Assignment:

- a. Go to [\*\*Salary Structure\*\*](#) > Select from the list of Salary Structure what will be applicable for the employee. Record is by company list or by branch list.

Salary Structure is the details of the salary being offered to an Employee, it is the breakup of the different components constituting the compensation.

- b. At the top of the record along the Dashboard, click **Assign Salary Structure Button**. See image 4.
- c. A new page will appear.
- d. Select the Employee and Salary Structure (the branch salary structure).
- e. Select the From Date from which this particular Salary Structure will be applicable.
- f. Enter the following fields:
  - i. Monthly Basic Salary
  - ii. Base (Per cut-off Payment) -- this is the semi-monthly payment or half of the monthly salary
  - iii. Variable -- the allowance received per month
- g. Click SAVE and SUBMIT. See image 5 for the form.

# Assign Salary Structure

☰ < Salary Structure

Search or type a command (Ctrl + G)



2020-Greenhills • Submitted

Menu ▾

Preview Salary Slip

Assign Salary Structure

Assign to Employees

DASHBOARD ^

Salary Structure Assignment 10 +

Employee Grade +

Salary Slip +

Image 4: Assigning a New Salary Structure

# Assign Salary Structure

E > Human Resources > Salary Structure Assi...

Search or type a command (Ctrl + G)

Settings Help

New Salary Structure Assignment 1 • Not Saved

Employee

Salary Structure

From Date

Monthly Basic Salary

Variable

Base (Per Cut-off Payment)

Save

Image 5: Salary Structure Assignment

# Payroll Entry

Payroll is the sum total of all compensation a business must pay to its employees for a set period of time or on a given date.

**Payroll Entry** enables bulk processing of payroll for employees in other words, processing salary slips of all employees in one go. The bulk processing can be Company-wide or based on these categories: Branch, Department, or Designation.

To access Payroll Entry, go to:

[Home > Human Resources > Payroll > Payroll Entry](#)

## 1. How to create a Payroll Entry

To create a new Payroll Entry:

New

- a. Go to: Payroll Entry > New.
- b. Posting Date -- Date it will be posted in the financials
- c. Company -- the branch
- d. Select Payroll Frequency.
- e. Select Branch, Designation and Department to filter out employees (optional).

## Payroll Entry

- f. Select payroll period; the start and end date.
  - i. Example cut-off:
    - 1. Payout on 15th -- are dates from 27th to 12th
    - 2. Payout on 30th -- are dates from 13th to 26th

g. Select the Payment Account to make the Bank Entry; Cash Account or Bank Account

h. Click SAVE.

Once the information is saved, click on the [Get Employees button](#) to get a list of Employees for which the Salary Slips will be created based on the selected criteria. See image 6.

Once the list of Employees is fetched, click on the [Create Salary Slips button](#) to generate Salary Slips. See image 7.

# Payroll Entry

Fetched Employees are based on the Selected Company field. Once you click the [Get Employees button](#), all employees under that company will appear below the form.

The screenshot shows the Payroll Entry screen with the following details:

- Header:** Human Reso... > Payroll Entry. A search bar says "Search or type a command (Ctrl + G)".
- Title:** HR-PRUN-2020-00001 • Not Saved
- Right-hand toolbar:** Print, Back, Forward, Menu.
- Comments:** 0. A "Get Employees" button is highlighted with a red box.
- Assigned To:** Assign +
- Attachments:** Salary Slip. Attach File +
- Tags:** Add a tag ...
- Reviews:** +
- Shared With:** +
- Main Form Fields:**
  - Posting Date:** 03-03-2020
  - Company:** Filtering of employees are based on this field
  - Payroll Frequency:** Bimonthly

Image 6: Salary Structure Assignment

# Payroll Entry

After fetching the employees, click the **Create Salary Slips Button** to automatic create the Salary Slips also known as Payslips.

The screenshot shows a software interface for Payroll Entry. At the top, there is a navigation bar with icons for Home, Human Reso..., Payroll Entry, a search bar, Settings, Help, and notifications. Below the navigation bar, the document title is "HR-PRUN-2020-00001" with a red dot indicating it is Draft. To the right of the title are print, back, forward, and menu buttons. A prominent blue button labeled "Create Salary Slips" is highlighted with a red box. On the left side, there are several sidebar options: Comments (0), Assigned To (with an "Assign +" button), Attachments (with an "Attach File +" button), and Tags (with an "Add a tag ..." button). A "Get Employees" button is located near the top right of the sidebar area. The main content area contains sections for "Submit this document to confirm", "DASHBOARD" (with a dropdown arrow), and "Salary Slip".

Image 7: Create Salary Slips

## Payroll Entry

After clicking the [Create Salary Slips Button](#), Salary Slips are created. You may review all Salary slips by clicking it through the list on the Dashboard.

After reviewing the Salary Slips, you need to click the [Submit Salary Slip button](#) to Submit it and create a Journal Entry. See image 9 for the pop-up message. **Make sure you already double check the salary slips before submitting.**

The screenshot shows the Odoo Payroll Entry module. At the top, there's a breadcrumb navigation: E > Human Resources > Payroll Entry. A search bar says "Search or type a command (Ctrl + G)". On the right, there are settings, help, and notification icons. The main area displays a list for document HR-PRUN-2020-00001. It includes sections for Comments (0), Assigned To (with an "Assign +" button), Attachments (8, with an "Attach File +" button), and Tags. A large red box highlights the "Submit Salary Slip" button in the top right corner of the list area. Below the list, there are buttons for DASHBOARD, SELECT EMPLOYEES, and other payroll-related functions.

Image 8: For Review Salary Slips

# Payroll Entry

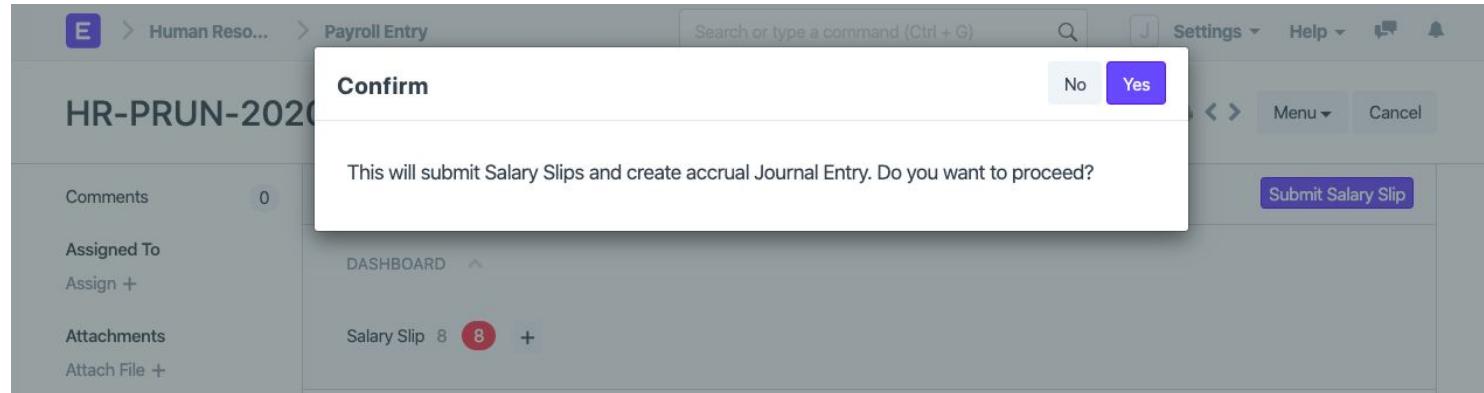


Image 9 :Journal Entry pop-up Message.

Click the Make Bank Entry and follow the next steps for Journal Entry

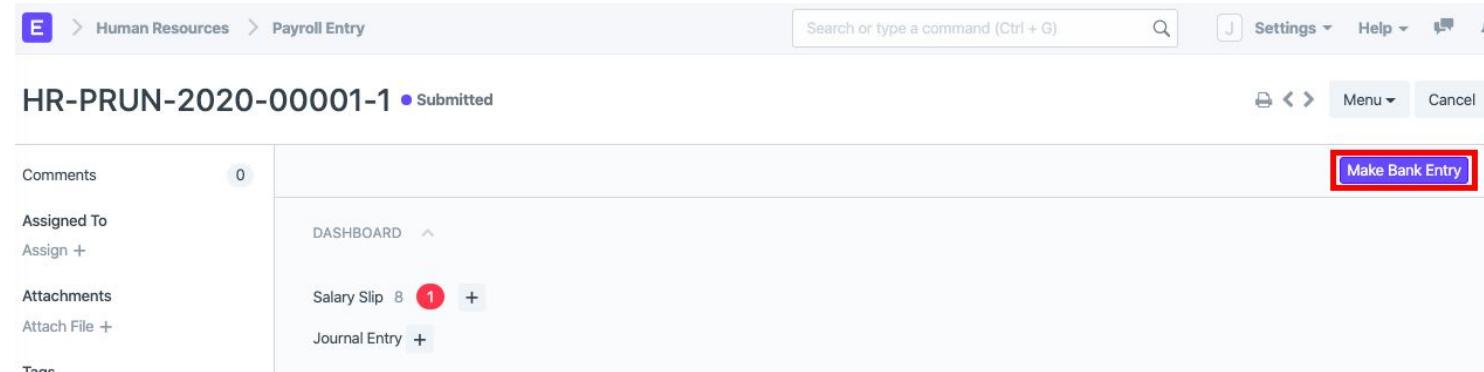


Image 10 : Make Bank Entry.

# Payroll Entry

E > Journal Entry

Search or type a command (Ctrl + G) Settings Help

HDFC Bank - ETL • Bank Entry

ACC-JV-2019-00045 Menu Cancel

Comments	0	View Make					
Assigned To	Entry Type			Posting Date			
Assign +	Bank Entry			29-11-2019			
Attachments				Company			
Attach File +				Enigma The Labyrinth			
Tags							
Add a tag ...							
Reviews	Accounting Entries						
Shared With	<input type="checkbox"/>	Account	Party Type	Party	Debit	Credit	
	<input type="checkbox"/>	1 HDFC Bank - ETL	Customer		₹ 0.00	₹ 2,55,321.6665	▼
	<input type="checkbox"/>	2 Payroll Payable - E...	Customer		₹ 2,55,321.6665	₹ 0.00	▼
<span style="color: #ccc;">You edited this 13 days ago</span>	Reference Number			Total Debit			
	12287467			₹ 2,55,321.6665			
<span style="color: #ccc;">You created this 13 days ago</span>	Reference Date			Total Credit			
	29-12-2019			₹ 2,55,321.6665			
User Remark				Multi Currency			
Payment of salary from 2019-11-01 to 2019-11-30							

Image 11 : Make Bank Entry.

h.

# Salary Slips

You can view all the Salary Slips on:

Home > Human Resources > Payroll > Salary Slips

The screenshot shows the Human Resources module interface with the following sections:

- Employee**:
  - Employee
  - Employment Type
  - Branch
  - Department
  - Designation
  - Employee Grade
  - Employee Health Insurance
- Attendance**:
  - Employee Attendance Tool
  - Attendance
  - Attendance Request
  - Employee Checkin
  - Monthly Attendance Sheet
- Leaves**:
  - Leave Application
  - Leave Allocation
  - Leave Policy
  - Leave Period
  - Leave Type
  - Holiday List
  - Compensatory Leave Request
  - Leave Encashment
  - Leave Block List
  - Employee Leave Balance
- Payroll**:
  - Salary Structure
  - Salary Structure Assignment
  - Payroll Entry
  - Salary Slip** (highlighted with a red arrow)
  - Additional Salary
- Employee Tax and Benefits**:
  - Employee Tax Exemption Declaration
  - Employee Tax Exemption Proof Submission
  - Employee Benefit Application
  - Employee Benefit Claim
  - Employee Tax Exemption Category
- Employee Lifecycle**:
  - Employee Promotion
  - Employee Transfer

Image 12 : Salary Slips

# Additional Salary

**Additional Salary** is something that an Employee receives from the company they work for, other than their usual pay.

The system offers you a feature called Additional Salary to **add or deduct** adhoc salary for a particular Employee while processing the Payroll. Some examples of Additional Salary could be Performance Bonus, Deputation Allowance, loans, Incentives or other adjustments.

To access Additional Salary, go to:

[Home > Human Resources > Payroll > Additional Salary](#)

## 1. How to create an Additional Salary

New

- a. Go to Additional Salary list, click on New button.
- b. Select Employee.
- c. Select Salary Component.
- d. Enter the Amount.
- e. Enter the Payroll Date. If Payroll Date for Additional Salary is in the interval when the salary is processed, it will be added to the earnings/deduction.
- f. Save and Submit.

Select the '**Overwrite Salary Structure Amount**' checkbox to overwrite the Additional Salary component on the Salary Structure amount. Additionally, the '**Deduct Full Tax on Selected Payroll Date**' checkbox can be selected if full tax needs to be deducted on the Additional Salary component for that particular payroll date.



# Additional Salary

**Additional Salary** is something that an Employee receives from the company they work for, other than their usual pay.

The system offers you a feature called Additional Salary to **add or deduct** adhoc salary for a particular Employee while processing the Payroll. Some examples of Additional Salary could be Performance Bonus, Deputation Allowance, loans, Incentives or other adjustments.

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- b. Select Employee.
- c. Select Salary Component.
- d. Enter the Amount.
- e. Enter the Payroll Date. If Payroll Date for Additional Salary is in the interval when the salary is processed, it will be added to the earnings/deduction.
- f. Save and Submit.

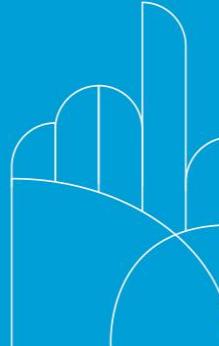
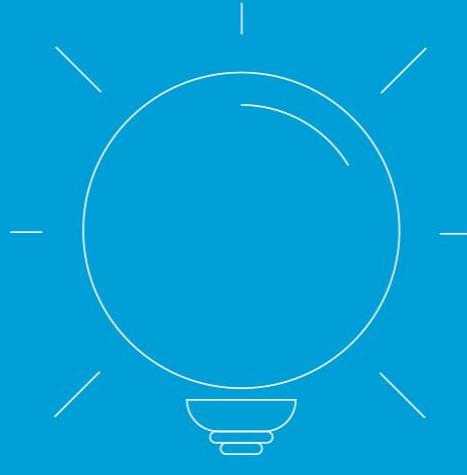
Select the '**Overwrite Salary Structure Amount**' checkbox to overwrite the Additional Salary component on the Salary Structure amount. Additionally, the '**Deduct Full Tax on Selected Payroll Date**' checkbox can be selected if full tax needs to be deducted on the Additional Salary component for that particular payroll date.

hooman.

# ERPNext

## Attendance

Version 1 March 1, 2020



# Attendance

**Attendance** is a record stating whether an Employee has been present on a particular day or not.

To access Attendance, go to: Home (Desktop) > Human Resources > Attendance, see image 3.

## 1. Prerequisites

Before Employees can create an Attendance record, it is advised that you create the following first:

- Employee
- Shift Type

## 2. How to create an Attendance

New

- a. Go to the Attendance list, click on New Button.
- b. Type and select your Name
- c. Make sure Status is Present
- d. Save and Submit. See image 4.



# Jillian B Fontanilla • Draft

HR-ATT-2020-00003



Menu ▾

Actions ▾

Comments

0

DASHBOARD

Employee Checkin

Assigned To

Assign +

Attachments

Attach File +

Tags

Add a tag ...

Reviews



Shared With

You edited this  
2 days ago

DASHBOARD	
<a href="#">Employee Checkin</a>	
Employee	Attendance Date
HR-EMP-00056: Jillian B Fontanilla	02-14-2020
Employee Name	Company
Jillian B Fontanilla	Bianca Beauty Hub Inc.
Designation	Shift
Receptionist	Everyday
Branch	Late Entry
Bianca Beauty Hub Inc. - Promenade Mall (Greenhills)	Early Exit
Status	
Present	

Image 4: Saved Attendance



# Attendance

2. **Employee Checkin:** After creating an attendance, you need to add an employee checkin.

1. At the top of the newly create Attendance, click the Employee Checkin.
2. Then Click the Create a new [Employee Checkin Button](#).
3. Choose the log type, if Log IN or Log OUT.
4. Click the attach proof, and take a selfie picture of yourself for the verification of the admin.
5. [\*\*Save.\*\*](#)
6. Shifts are checked through: 1. Shift Assignment 2. Shift on employee record.

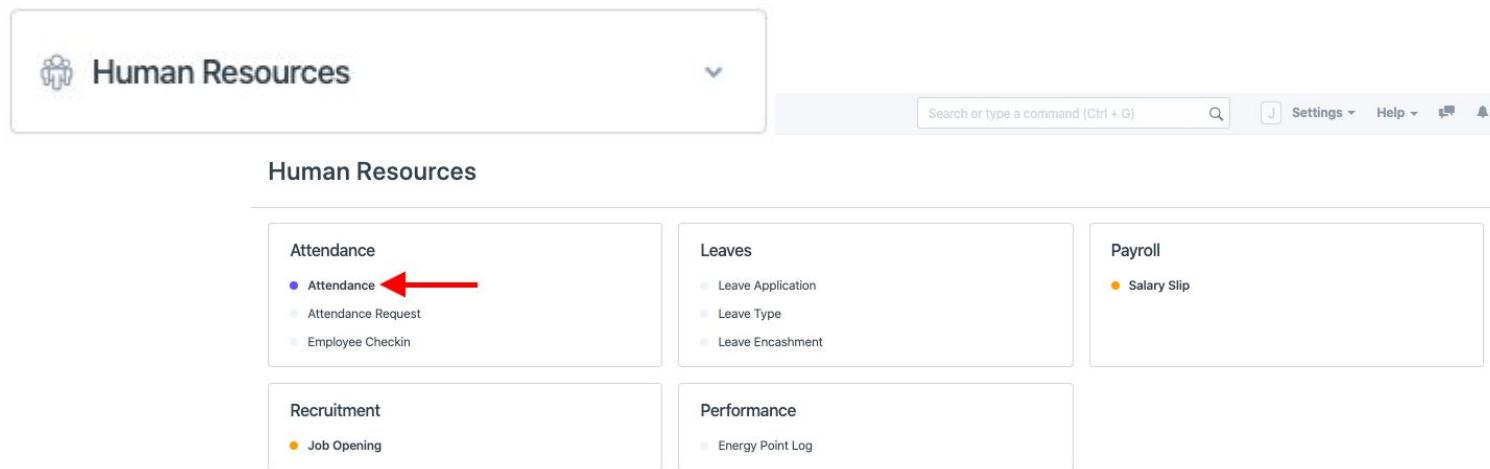


Image 3: Attendance

# Attendance

**Remember:** Do not forget to do this steps again for the log OUT Recording, or else your Attendance will be disapproved/marked as absent by your Admin.

Do the Attendance and Employee Checkin as proof that you are Present.

EMP-CKIN-02-2020-000004

Comments 0

Assigned To

Employee **HR-EMP-00056**

Employee Name **Jillian B Fontanilla**

Attachments

Attach File +

Tags

Add a tag ...

Reviews

+ Shared With

You edited this 2 minutes ago

Time **02-14-2020, 2:38 am PST**

Skip Auto Attendance

Attendance Proof

```
data:image/png;base64,iVBORw0KGgoAAAANSUhEUgAAAGQAAABkCAYAAABw4pVUAAAgAEIEQVR4Xjs9WY9tWXad961ud6eJ7tgbmVWZr1YsjzKv/vBAiSKl1VRigT4r/vBliCKYmV7m4g43W5WZ4wVZRAgKjNvRpvyz91pzijmamea//OGhzqdEPt546v/AXGbWy0eszWS3UkvAAATbvSVw428jBg6+G6f7I88sNlx2u31HrCbMIEuD6kf00MV82EguH4UBeXjnPiF1hiuYncvOB0404jYG1m3D2BHcgs/6KSN9Z7nFHu8T5+3K/fF35PhHPB2XtFCzpesm5vIREw8MtrDlQu8mQn/D1B21XGuJA7knCglc7x/x+x2M2scuBuhi1ELMnmA3YnkixCxK92xcD1/hDIw+COrmbGp41pf6W0l+COXZWLofsJuG7VzOPtrdv6eNf9MLibOpkJ+4cZK1OP7X1O2F/ohULcTX85fGKcHgu8x/+EvjjXnGznsGKvjFq90FabhO271M4aZOUC60+H8wLp6hq6wrRthKLhkWMqVvnueExeHvHNv8C9keh7Z0pV1WQn7A2NdqGZhIsIXLNNT19jybzYCZU2M5gjGcl4+se93WMfb706B4hKmdpTgseaEc+9Z1yu5Ldg8xd2o5h2DsWQK1V8xc2JmxTtHzo5DnSh2JenPOMdo9dcZn46k+s.JoL3TmwBbnvN3iuox
```

Attach Proof

Image 4: Employee Checkin

# Failure to File Login and Logout and/or Requesting for Overtime Approval

Using the Attendance Request, employees can submit their attendance request for the days when their attendance wasn't marked due to no timekeeping record and for overtime approval.

To access Attendance Request, go to: Home (Desktop) > Human Resources > Attendance Request, see Image 5.

## 1. How to create an Attendance

- a. Go to the Attendance Request list, click on New Button.
- b. Type and select your Name.
- c. Select From Date and To Date of Attendance Request.
- d. Select Reason and enter Explanation.
- e. Save and Submit.

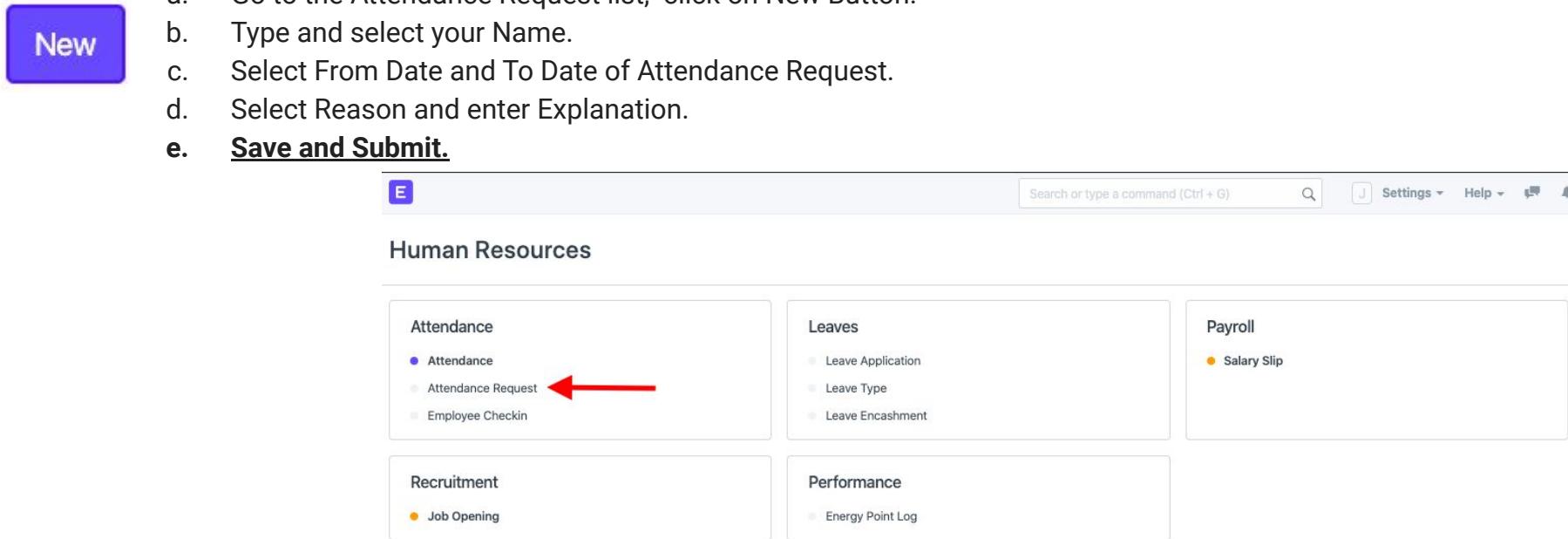


Image 4: New Attendance Request

## Comments

0

Submit this document to confirm

## Assigned To

Assign +

## Attachments

Attach File +

## Tags

Add a tag ...

## Reviews



## Shared With



You edited this  
a few seconds ago

You created this  
a few seconds ago

DASHBOARD ▾

Attendance

Employee

HR-EMP-00056

From Date

02-12-2020

Employee Name

Jillian B Fontanilla

To Date

02-12-2020

Company

Beauty Lounge Co.

Shift Start Time

12:19:07

Shift End Time

12:19:07

REASON

Reason

No Login and Logout for the day

Explanation

Forgot to login

Image 7: Sample Attendance Request

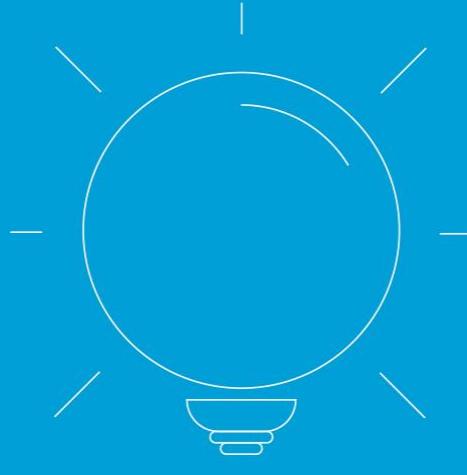


hooman.

# ERPNext

## Accounting

Version 1 March 1, 2020



# Accounting Management

In the system, accounting operations consists of 3 main transactions:

- Sales Invoice: The bills that you raise to your Customers for the products or services you provide.
- Purchase Invoice: Bills that your Suppliers give you for their products or services.
- Journal Entries: For accounting entries, like payments, credit and other types.

## 1. Below are the Prerequisite document/record that need to be setup:

- a. **Company Setup:** A company is a legal entity made up of an association of people for carrying on a commercial or industrial enterprise.

If you have more than one company, you can add them from:

[Home > Accounting > Company](#)

### 1. How to create a new Company

New

- a. Go to the Company list, click on New.
- b. Enter the name, abbreviation, and default currency for the company.
- c. **SAVE.**

h.

# Creating/Updating a Company

Below are the things you can do on the Company:

1. **Abbreviation** - The abbreviation for your company is created by default. For example, FT for Frappe Technologies. The abbreviation helps in differentiating assets of one company from another. But you can still edit and create your own abbreviation.

The abbreviation also appears in various accounts, cost centers, taxes templates, warehouse, etc, of your company.

2. **Company Identity** - You can also attach a company logo and add a description for the company.
3. **Multi Company Structure** - Let's assume you run a group of companies, some may be larger companies and some may be smaller that are a part of the larger company(s).

In the system, you can set up multiple companies. The company structure can be parallel, i.e., sister companies, parent-child companies, or a combination of both.

A parent company is a larger organization which consists of one or more child companies. A child company is a subsidiary of a parent company.

The company tree view displays the overall structure of your companies.



# Sample of a Company Structure

Once you build a company tree, ERPNext will validate if the accounts of the child companies match the accounts in the parent company. All the accounts can be combined in a consolidated chart of accounts statement.

Company Tree

Search or type a command (Ctrl + G)

P Settings ▾ Help ▾ 5

Company

Expand All

Menu ▾ New

All Companies Add Child

- Neo Group of Companies
  - Wind Power LLC
  - Woodcraft Interiors
- Tech Group of Companies
  - Gadget Technologies Pvt Ltd
- Unico Plastics Inc.

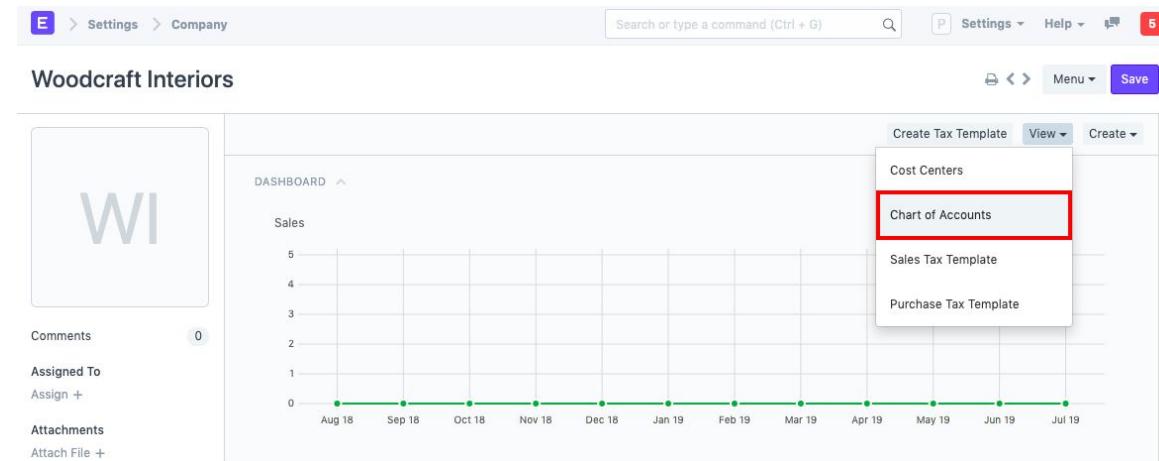


# Creating/Updating a Company

Below are the things you can do on the Company:

4. **Is Group** - If checked, this becomes a parent company.
5. **Parent Company** - If this is a child company, set the parent from this field i.e., select a group company this company belongs to. If a parent company is set, the chart of accounts for the new company you're creating will be created based on the selected parent company.
6. **Chart of Accounts** - For each Company, the master for Chart of Accounts is maintained separately. This allows you to maintain separate accounting for each company as per the legal requirements.

If the Parent Company is selected when creating a new Company, the Chart of Accounts will be created based on the existing Parent Company. ([Read more on the Chart of Accounts Manual](#))



## Creating/Updating a Company

Below are the things you can do on the Company:

7. **Default Values and Accounts** - Within the Company master, you can set many of the default values for masters and accounts. These default accounts will help you in the quick posting of accounting transactions, where the value for the account will be fetched from the Company master if provided. As soon as the company is created, a default Chart Of Accounts and Cost Center is automatically created. Still these values and accounts can be changed later on if needed. You can also clear some default accounts and leave it blank if there are possible multiple accounts.

# Accounting Management

## 1. Below are the Prerequisite document/record that need to be setup:

- b. **Chart of Accounts** - The Chart of Accounts is the blueprint of the accounts in your organization. The overall structure of your Chart of Accounts is based on a system of double entry accounting that has become a standard all over the world to quantify how a company is doing financially.

Chart of Accounts is a tree view of the names of the Accounts (Ledgers and Groups) that a Company requires to manage its books of accounts. You can modify the Chart of Accounts according to your needs and legal requirements.

For each company, Chart of Accounts signifies the way to classify the accounting entries, mostly based on statutory (tax, compliance to government regulations) requirements.

# Chart of Accounts

The Chart of Accounts helps you to answer questions like:

- What is your organization worth?
- How much debt have you taken?
- How much profit are you making (and hence paying tax)?
- How much are you selling?
- What is your expense break-up?

The screenshot shows the 'Chart Of Accounts' page for 'Unico Plastics Inc.' in a software application. The top navigation bar includes 'E > Accounting', a search bar, 'Settings', 'Help', and a notification badge '99+'. The main title is 'Chart Of Accounts'. Below the title, there are buttons for 'Expand All', 'View', 'Create', and 'Financial Statements'. The main content area displays a hierarchical tree of accounting categories with their respective values. A context menu is open over the 'Source of Funds (Liabilities) - UP' category, showing options: 'Edit', 'Delete', 'Add Child', and 'View Ledger'. The categories and their values are as follows:

Category	Value
Application of Funds (Assets) - UP	₹ 13,53,997.32 Dr
Current Assets - UP	₹ 13,28,340.56 Dr
Fixed Assets - UP	₹ 34,656.76 Dr
Investments - UP	₹ 0.00 Cr
Misc Assets - UP	₹ 0.00 Cr
Temporary Accounts - UP	₹ 9,000.00 Cr
Source of Funds (Liabilities) - UP	₹ 20,75,261.19 Cr
Capital Account - UP	₹ 0.00 Cr
Current Liabilities - UP	₹ 20,75,261.19 Cr
Income - UP	₹ 58,861.84 Cr
Deferred Revenue - UP	₹ 9,617.57 Cr
Direct Income - UP	₹ 49,244.27 Cr
Indirect Income - UP	₹ 0.00 Cr
Expenses - UP	₹ 7,84,000.71 Dr
Direct Expenses - UP	₹ 7,51,016.90 Dr
Indirect Expenses - UP	₹ 32,983.81 Dr

# Chart of Accounts

To access the Chart of Accounts list, go to:

[Home > Accounting > Accounting Masters > Chart of Accounts](#)

## 1. How to Create/Edit Accounts

- a. Go to the Chart of Accounts list.

Here you can open group accounts which contain other accounts. There are options to “Add Child” in an account, Edit or Delete the account.

The option to create a child account will only appear if you click on a Group (folder) type Account.

- b. Click the group folder or the root accounts.

- c. Click **ADD CHILD**.

The screenshot shows the 'Chart Of Accounts' page. At the top, there's a navigation bar with a search bar, settings, help, and a notifications icon (99+). Below the header, the title 'Chart Of Accounts' is displayed. A red speech bubble labeled 'Company' points to the company name 'Unico Plastics Inc.' in a dropdown menu. Another red speech bubble labeled 'Root Accounts' points to the expanded list of accounts under 'Unico Plastics Inc.', which includes 'Application of Funds (Assets) - UP', 'Source of Funds (Liabilities) - UP', 'Income - UP', and 'Expenses - UP'. To the right of these accounts, there are numerical values and transaction types: ₹ 13,52,062.36 Dr, ₹ 20,72,980.00 Cr, ₹ 52,604.28 Cr, and ₹ 7,83,989.92 Dr.

# Chart of Accounts

E > Accounting Search or type a command (Ctrl + G) P Settings Help 99+

## Chart Of Accounts

Menu New

	Bank Accounts - UP	Edit Delete Add Child View Ledger	₹ 12,543.96 Dr
	Cash In Hand - UP		₹ 25,915.00 Cr
	Cash - UP		₹ 25,915.00 Cr
	Cash Inter company - UP		₹ 0.00 Cr
	Deferred Expenses Domestic - UP		₹ 0.00 Cr
	EIA - UP		₹ 0.00 Cr
	Loans and Advances (Assets) - UP		₹ 0.00 Cr
	Securities and Deposits - UP		₹ 0.00 Cr
	Earnest Money - UP		₹ 0.00 Cr
	Stock Assets - UP		₹ 14,44,211.60 Dr
	Chawla Traders - UP		₹ 7,156.50 Dr
	Stock In Hand - UP		₹ 14,37,055.10 Dr
	Tax Assets - UP		₹ 0.00 Cr
	Fixed Assets - UP		₹ 34,656.76 Dr
	Accumulated Depreciations - UP		₹ 19,973.24 Cr
	Asset Billing Left - UP		₹ 15,91,058.00 Cr
	Buildings - UP		₹ 0.00 Cr
	CWIP - UP		₹ 0.00 Cr
	Capital Equipments - UP		₹ 0.00 Cr
	EIP - UP		₹ 0.00 Cr
	Electronic Equipments - UP		₹ 15,77,378.00 Dr

# Chart of Accounts

## 1. How to Create/Edit Accounts

- d. Enter a name for the account.
- e. Enter a number for the account. (*optional if you will be monitoring all accounts using an account number*)
- f. Tick 'Is Group' if you want this to be a group account which can contain other accounts.
- g. Select the **Account Type** (*optional*). In the system, you can also specify more information when you create a new Account, this is to help you select that particular account in a scenario like 'Bank Account' or a 'Tax Account' and has no effect on the Chart itself. It helps you in giving filtered Account result in the transactions. For example, in the Sales Invoice Item table, for Income Account field, you will only see Accounts for which account type is "Income". Same way, categorizing account into Sales Bank, Cash, Expense etc.

Below are the explanation of account types:

- **Accumulated Depreciation:** To store the total accumulated depreciation information of the Company Assets. Accumulated depreciation appears on the balance sheet.
- **Asset Received But Not Billed:** A temporary liability account which holds the value of Asset received but not billed yet.



# Account Types

Below are the explanation of account types:

- **Accumulated Depreciation:** To store the total accumulated depreciation information of the Company Assets. Accumulated depreciation appears on the balance sheet.
- **Asset Received But Not Billed:** A temporary liability account which holds the value of Asset received but not billed yet.
- **Bank:** The account type under which bank accounts will be created. There must be at least one group account of type "Bank" in the CoA.
- **Cash:** The account type under which cash account will be created. There must be at least one group account of type "Cash" in the CoA.
- **Chargeable:** Additional charges applied to Items can be stored in accounts of this type. For example, "Freight and Forwarding Charges".
- **Capital Work in Progress:** Current charges when creating Fixed Assets are stored in CWIP accounts. For example, construction costs when constructing a building. In the system, Assets are booked against CWIP accounts when they are not yet being used.
- **Cost of Goods Sold:** An account under this type is used to book the accumulated total of all costs incurred while manufacturing/purchasing a product or service, sold by a Company.



## Account Types

Below are the explanation of account types:

- **Stock Adjustment:** An expense account to book any adjustment entry of stock/inventory. Generally comes at the same level of Cost of Goods Sold.
- **Stock Received But Not Billed:** A temporary liability account which holds the value of stock received but not billed yet and used in Perpetual Inventory.
- **Tax:** All tax accounts like VAT, TDS, GST, etc. come under this type.
- **Temporary:** A Temporary account is useful for balancing incomes, expenses and nullifying them when shifting to the system mid-year with outstanding accounting entries.

# Chart of Accounts

To access the Chart of Accounts list, go to:

Home > Accounting > Accounting Masters > Chart of Accounts

## 1. How to Create/Edit Accounts

- d. Change the currency if this account will be used for transactions with different currency. By default, it's the Company's currency.

\*Accounts with different currencies are created when you receive or make payments to or from different currencies. For example if you are based in Philippines and transact with USA, you may need to create accounts like 'Debtors US', 'Creditors US', etc. for a dollar currency.

For foreign currency transactions, the system checks exchange rates from:

- From the Currency Exchange for any matching record (if created by a User).
- If this fails, ERPNext will attempt to get the current market exchange rate from Frankfurter, <https://www.frankfurter.app/>
- If this still fails, then the exchange rate will have to be entered manually.

- e. Click on **CREATE NEW**.



# Accounting Management

## 1. Below are the Prerequisite document/record that need to be setup:

c. **Cost Center (optional)**- A Cost Center is a part of an organization where costs or income can be charged.

You can use the Cost Center as a Profit Center. Your Chart of Accounts is mainly designed to provide reports to the government and tax authorities.

Most businesses have multiple activities like different product lines, market segments, areas of business, etc that share some common overheads. They should ideally have their own structure to report whether they are profitable or not. For this purpose, there is an alternate structure called the Chart of Cost Centers.

A Cost Center acts like an Accounting Dimension which helps you track costing based on particular areas.

The Cost Center can be set at these levels:

- Company
- Item
- Order/Invoice

# Cost Center

The Cost Center can be linked to the following transactions:

- Sales Invoice
- Purchase Invoice
- Journal Entry
- Payment Entry
- Delivery Note

And other transactions which can be used for budgeting. You can also use Cost Center for Budgeting. [See more on Budgeting Manual.](#)

## **1. Cost Center tree**

You can create a tree of Cost Centers to represent your business better. Each Income / Expense entry is also tagged against a Cost Center. If 'Allow Cost Center In Entry of Balance Sheet Account' is checked under Account Settings, the system will allow a User to tag entry in Balance Sheet Accounts against a Cost Center.



## Cost Center

For example, if you have two types of sales:

- Walk-in Sales
- Online Sales

You may not have shipping expenses for your walk-in customers, and no shop-rent for your online customers. If you want to get the profitability of each of these separately, you should create the two as Cost Centers and mark all sales with either "Walk-in" or "Online" Cost Center. Mark all your purchases in the same way.

Thus when you do your analysis you get a better understanding as to which side of your business is doing better. Since the system has an option to add multiple Companies, you can create Cost Centers for each Company and manage them separately.

To access the Chart of Cost Centers, go to:

[Home > Accounting > Budget and Cost Center > Chart of Cost Centers](#)

Selecting a different Company will display the Cost Centers for that Company.



# Accounting Management

## 1. Below are the Prerequisite document/record that need to be setup:

- d. **Budget (optional)**- Budgeting is a financial plan that helps to control the Company expenses.

In the system, you can set and manage budgets against a Cost Center or a Project. This is useful in controlling your expenses. You can also create separate Accounting Dimensions to tag transactions with different fields.

For example, if you are doing online sales, you can set a budget for search advertisements and configure the system to stop or warn you from overspending beyond a set budget.

Budgets are also great for planning purposes. When you are making plans for the next Financial Year, you would typically target a revenue based on which you would set your expenses. Setting a budget will ensure that your expenses do not get out of hand at any point.

To access the Budget list, go to:

[Home > Accounting > Cost Center and Budgeting > Budget](#)

# Budget

## 1. How to Create a new Budget

New

- a. Go to the Budget list and click on New button.
- b. Select what to budget against, Cost Center or Project.
- c. (Optional) You can also define a Monthly Distribution record to distribute the budget between months. If you don't set the monthly distribution, the system will calculate the budget yearly or in equal proportion for every month.



The screenshot shows the "2019 budget" creation page. The left sidebar contains "Comments" (0), "Assigned To" (with an "Assign +" button), "Attachments" (with an "Attach File +" button), "Tags" (with an "Add a tag ..." button), "Reviews" (with a plus sign icon), and "Shared With" (with a plus sign icon). The right side features a table titled "Monthly Distribution Percentages" with 12 rows, each representing a month from January to December. The table has columns for "Month" and "Percentage Allocation". The data is as follows:

Month	Percentage Allocation
January	10
February	10
March	15
April	8
May	8
June	8
July	8
August	8
September	8
October	8
November	8
December	8

At the bottom left, there are status messages: "You edited this a few seconds ago" and "You created this a few seconds ago".

# Budget

## 1. How to Create a new Budget

- d. Control Actions (Alerts) - Control actions can be triggered when:
- A Material Request is being submitted
  - A Purchase Order is being submitted

When an actual expense is being posted (through a journal entry or a purchase invoice).

You can set a control action in the Budget based on Material Requests, Purchase Orders, or on actual expenses. Further, you can set a control action for annual or monthly budgets.

**There are three types of control actions.**

**Stop:** This will not allow users to submit the transaction.

**Warn:** This will show a warning message but lets the user submit the transaction.

**Ignore:** This will neither prevent the user from submitting transactions nor show an error message.

# Budget

You can set separate actions for monthly and annual budgets. If you exceed the budget, a warning will be shown, see sample below. Note that a similar warning will be triggered for any type of transactions set in the budget for the particular Account heads.

The screenshot shows a journal entry screen for 'Telephone Expenses - UP' in draft mode. A modal window titled 'Message' displays two pieces of information:

- Accumulated Monthly Budget for Account Telephone Expenses - UP against Cost Center Main - UP is ₹ 53,200.00. It will exceed by ₹ 42,800.00
- Annual Budget for Account Telephone Expenses - UP against Cost Center Main - UP is ₹ 95,000.00. It will exceed by ₹ 1,000.00

The journal entry table shows the following entries:

	Account	Party	Debit	Credit
1	Telephone Expenses - UP		₹ 96,000.00	₹ 0.00
2	Cash - UP		₹ 0.00	₹ 96,000.00

# Budget

At any point in time, you can check the [Budget Variance Report](#) to analyze the actual expense incurred vs budget allocated against a cost center or a project.

To check the Budget Variance report, go to:

The screenshot shows the QuickBooks Online dashboard with the following elements:

- Header:** Includes a purple 'E' icon, 'Accounting' link, search bar ('Search or type a command (Ctrl + G)'), settings icon, help icon, and a red notification badge with '99+'.
- Section Title:** 'Budget Variance Report'.
- Buttons:** 'Set Chart' (dropdown), 'Menu ▾', and 'Refresh'.
- Filter Options:** '2019-2020' (selected twice), 'Monthly', 'Unico Plastics Inc.', 'Cost Center', and 'Cost Center' (disabled).
- Checkboxes:** 'Show Cumulative Amount'.
- Data Table:** A grid showing financial data for the month of October 2019. The columns are: Variance (Sep) 2019..., Budget (Oct) 2019-..., Actual (Oct) 2019-..., Variance (Oct) 2019..., Budget (Nov) 2019..., Actual (Nov) 2019-..., Variance (Nov) 2019..., and Budget (Dec). The bottom row shows the values: 7,600.000, 7,600.000, 39,000.000, -31,400.000, 4,750.000, 0.000, 4,750.000, and (empty).

# Budget

## 1. How to Create a new Budget

### e. Budget Accounts.

In the accounts table, select an income/expense account for which a budget is to be set. Take note that budgeting only works for accounts under Profit and Loss report type and not in grouped.

- Enter the budget amount for that account.

### f. **SAVE and SUBMIT.**

# Accounting Management

## 1. Below are the Prerequisite document/record that need to be setup:

- e. **Finance Book (optional)**- is a book against which all the accounting entries are booked.

You can have multiple finance books. For example, one book for tax authorities and another for stockholders. This is useful if you have to report depreciation and other values in different ways based on regulatory requirements. You can also use this to post alternate balance sheets for your internal reporting.

Finance Book is not a mandatory setup. But if you choose to create multiple Finance Books, then you can make entries against a specific *Finance Book by selecting that book in Journal Entry*. If a **Finance Book field is blank** in a Journal Entry that means the entry will be available in all finance books.

Many times, for fixed asset depreciation, a Company may use different depreciation methods (Straight Line / Written Down Value / Double Declining Balance) for different finance books. You can set up different depreciation schedules for each Finance Book. Then, automatic depreciations will be booked against that Finance Book according to the schedule.

To access the Finance book list, go to:

# Accounting Management

## 1. Below are the Prerequisite document/record that need to be setup:

f. **Accounting Dimensions (optional)**- Dimensional accounting means tagging each transaction with appropriate dimensions like Branch, Business Unit, etc. This allows you to maintain each segment separately, thereby limiting the overall maintenance on GL accounts and your Chart of Accounts remains pure.

Cost Center and Project are treated as dimensions by default in the system On setting a field in Accounting Dimension, that field will be added in transactions reports where applicable.

In the system, you can create configurable accounting dimensions and use them in transactions and reports.

To access the Accounting Dimension list, go to:

[Home > Accounting > Settings > Accounting Dimensions](#)

# Accounting Management

## 1. Below are the Prerequisite document/record that need to be setup:

- g. **Mode of Payment** - The Mode of Payment stores the medium through which payments are made or received.

To access the Mode of Payment list, go to:

[Home > Accounting > Settings > Mode of Payment](#)

### 1. How to create a Mode of Payment

New

- a. Go to the Mode of Payment list and click on New button.
- b. Enter a name for the Mode of Payment.
- c. Set a type whether Cash, Bank, or General. This is useful for knowing the mode of payment used in Point Of Sales (PoS).
- d. Set a default payment Account for all the companies.
- e. **SAVE.**

# Mode of Payments

Setting the default Account will this account fetched into Payment Entries.

When making Payment Entries, the default bank account will be fetched in the following order if set:

The screenshot shows the 'Mode of Payment' configuration screen in Odoo. The title bar includes the Odoo logo, Accounting, Mode of Payment, a search bar, Settings, Help, and a notifications icon showing 99+ messages. The main area displays a mode of payment named 'Cash' which is enabled. It has a 'Type' field set to 'Cash'. Below this is a table titled 'Accounts' listing four entries:

	Company	Default Account
<input type="checkbox"/>	Unico Plastics Inc.	Cash - UP
<input type="checkbox"/>	Mac Hardware Ltd	Cash - M
<input type="checkbox"/>	Tech group of companies	Cash - TGC
<input type="checkbox"/>	Gadget Technologies Pvt Ltd	Cash - GTPL

At the bottom of the table is a 'Add Row' button. A cursor is visible over the table.

- \* Company form
- \* Mode of Payment default account
- \* Customer/Supplier default bank account
- \* Select manually in Payment Entry

Add a comment

Comment

# Accounting Management

1. Below are the Prerequisite document/record that need to be setup:

h. **Bank** - Recording different Bank Names.

To access Bank, go to:

[Home > Accounting > Bank Statement > Bank](#)

i. **Bank Account** - Bank Accounts can be created for a Company as well as other parties like Customers, Suppliers etc. Doing this lets you record all the bank transactions correctly for accounting accuracy.

You can add Bank Accounts for the Company, Supplier, Customer, or any other party with whom transactions are carried out. Then the Bank Account can be chosen in Payment Entries as a Mode of Payment.

To access Bank Account, go to:

[Home > Accounting > Bank Statement > Bank Account](#)

# Accounting Management

1. Below are the Prerequisite document/record that need to be setup:

j. **Payment Terms**- helps to set a schedule according to which payments will be made.

A Payment Term defines a specific payment slab. For example, 50% payment on shipping and 50% on delivery of the item. You can save your business's payment terms and include it in all documents in the sales/purchase cycle. The system will make all the General Ledger entries accordingly.

The Payment Terms form only defines portion percentages. The actual payment schedule can easily be applied using the Payment Terms Template.

You can use Payment Terms in the following documents:

- Sales Invoice
- Purchase Invoice
- Sales Order
- Purchase Order
- Quotation

To access Payment Term go to:

[Home > Accounting > Accounting Masters > Payment Term](#)



# Accounting Management

1. Below are the Prerequisite document/record that need to be setup:

k. **Payment Terms Template** - allow you to club multiple payment terms together and fetch in transactions.

After creation, the Payment Terms Table can be set to a specific Customer/Supplier. On selecting the Customer/Supplier in a transaction, the Payment Terms Template will be fetched automatically into the transaction.

For example:

If you receive payment in the slab of 30-70, then you can define Payment Term for each slab, i.e. 30% and 70%.

In the Payment Terms Template, you can select all the Payment Terms and define a template which can be easily applied in the sales and purchase transactions.

To access Payment Term template, go to:

[Global Search > Type and Click Payment Terms Template](#)



# Payment Term

## 1. How to create a Payment Term

New

- a. Go to the Payment Term list and click on New button.
- b. Fill up the following fields:

- **Payment Term Name:** The name for this Payment Term.
- **Due Date Based On:** The basis by which the due date for the Payment Term is to be calculated. This is calculated X number of days from the posting date of the invoice/order. There are three options:
  - **Day(s) after invoice date:** Due date should be calculated in days with reference to the posting date of the invoice. For example, if 7 is entered on date 20th, the due date will be 27.
  - **Day(s) after the end of the invoice month:** Due date should be calculated in days with reference to the last day of the month in which the invoice was created. For example, if 7 is entered in the current month and the last day of the month is 30th, the due date will be the 7th of the next month.
  - **Month(s) after the end of the invoice month:** Due date should be calculated in months with reference to the last day of the month in which the invoice was created. For example, if 3 is entered on 20th of January, the due date will be on 20th March.

# Payment Term

## 1. How to create a Payment Term

- Invoice Portion: The portion of the total invoice amount for which this Payment Term should be applied.  
Value given will be regarded as percentage i.e 50 = 50% of the invoice/orders Grand Total
- Credit Days (optional): The number of days or month after which the remaining amount has to be paid depending on the option chosen in the Due Date Based On the field. 0 means no credit allowed.
- Description: (optional) A brief description of the Payment Term.

c. **SAVE.**

## 2. Payment Terms in Converted Documents

When converting or copying documents in the sales/purchase cycle, the attached Payment Term(s) will be copied. When creating a Sales Order from a Quotation, the Due Date in the Payment Terms will be according to the Quotation, this needs to be updated.

For ease of use, you can also set a **Payment Terms Template** and simply reselect it.



# Payment Terms Template

## 1. How to create a Payment Terms Template

New

- a. Go to the Payment Term Template list and click on New button.
- b. Enter a name for the template.
- c. Add the created Payment Terms in the table rows.
- d. Make sure that the total Invoice Portion adds up to 100.

The screenshot shows the Odoo application interface for creating a Payment Terms Template. The top navigation bar includes links for Accounting, Payment Terms Tem..., a search bar, Settings, Help, and a notifications badge (99+). The main content area has a title '30-70' and a toolbar with Print, Back, Forward, Menu, and Save buttons. On the left, there are sidebar tabs for Comments (0), Assigned To, Attachments, Tags, and Reviews, each with a '+' icon for adding new items. The central area is titled 'Payment Terms' and contains a table with two rows:

	Payment Term	Description	Invoice Portion	Due Date Based On	Credit Days	
<input type="checkbox"/>	1	30 on shipment	30%	Day(s) after invoice...	5	<input type="button" value="▼"/>
<input type="checkbox"/>	2	70 on delivery	70%	Day(s) after invoice...	10	<input type="button" value="▼"/>

A 'Add Row' button is located at the bottom of the table. A blue circle is visible in the bottom right corner of the interface.

# Accounting Management

1. Below are the Prerequisite document/record that need to be setup:

I. **Tax Category** - allows applying one or more Tax Rules to transactions based on various criteria.

If you want to apply different kinds of taxes based on Tax Categories, create Tax Categories from:

[Home > Accounting > Taxes > Tax Category](#)

This Tax Category can be assigned to a Customer or Supplier, so when that Customer is selected, the Tax Category will be fetched.

This will fetch the Sales Tax Template or Purchase Tax Template linked to the Tax Rule. Hence, the rows in the Tax table will be automatically filled.

m. **Tax Withholding Category** - Tax Withholding Category is Tax Deducted at Source.

According to this, a person responsible for making payments is required to deduct tax at source at prescribed rates. Instead of receiving tax on your income from you at a later date, the government wants the payers to deduct tax beforehand and deposit it with the government.

To access the Tax Withholding Category list, go to:

[Home > Accounting > Taxes > Tax Withholding Category](#)



# Tax Withholding Category

## 2. How to create a Tax Withholding Category

New

- a. Go to the Tax Withholding Category list and click on New button.
- b. Enter a unique name, eg: Section 194C Individual, 1%, 2% or 5%.
- c. Enter a Category Name (Dividends, Professional Fees, Services, Goods, Rental, etc.,).
- d. Enter a Tax Withholding Rate against a Fiscal Year.
- e. You can set the threshold for a single invoice or sum of all invoices.

For example, let's say a rate of 5% will be applicable on invoice where Single threshold is 20,000 and the Cumulative threshold is 30,000. If an invoice is created with a grand total of 20,000 then the single threshold will be triggered and a 5% tax would be charged.

But if the invoice amount totaled up to be 15,000 then no tax will be charged as it didn't cross the threshold. If again another invoice is created against the same supplier with a total of 15,000 then although it didn't cross the Single threshold, charges will be deducted since the sum of the last invoice and this invoice adds up to be 30,000 which is equal to the specified Cumulative threshold.

- f. Select an account against your Company to which tax will be credited.
- g. Add more companies and accounts as needed.
- h. **SAVE.**

# Tax Withholding Category

## 3. Using Tax Withholding

### a. Assigning Tax Withholding to Supplier

The screenshot shows the Zoho Books application interface for managing suppliers. The top navigation bar includes links for 'Buying' and 'Supplier', a search bar, and various settings and help options. The main area displays a supplier record for 'Paresh'. The supplier's name is listed as 'Paresh • Enabled'. The form fields include:

- Supplier Name: Paresh
- Supplier Group: Distributor
- Country: India
- Supplier Type: Company
- Default Bank Account: (empty)
- GST Category: Unregistered
- Tax ID: (empty)
- PAN: (empty)
- Tax Category: (empty)
- Print Language: en
- Tax Withholding Category: TDS - 194C - Individual
- Disabled: (unchecked)
- Warn RFQs: (unchecked)

A red box highlights the 'Tax Withholding Category' field, which contains the value 'TDS - 194C - Individual'. On the left side of the screen, there are two status messages: 'You edited this a few seconds ago' and 'You created this a few seconds ago'.

# Tax Withholding Category

## 3. Using Tax Withholding

### b. Use in Purchase Invoice

If the Supplier has the tax withholding field set, then upon selecting that Supplier, a checkbox will become visible in the Purchase Invoice to select whether to apply tax or not.

When selected, the system will check if the total amount of the invoice reach the set threshold for a single invoice or sum of all invoices.

The screenshot shows a software interface for a Purchase Invoice. At the top, there's a navigation bar with 'E' (Employee), 'Accounting', 'Purchase Invoice', a search bar ('Search or type a command (Ctrl + G)'), 'Settings', 'Help', and a red notification badge ('99+'). Below the navigation is a header with the supplier name 'Paresh' (status: Draft), document number 'ACC-PINV-2019-00023', and a 'Submit' button. On the left, there are two status messages: 'You edited this a few seconds ago' and 'You created this a few seconds ago'. The main form area contains fields for Supplier ('Paresh'), Company ('Unico Plastics Inc.'), Tax Id (empty), Date ('04-10-2019'), Due Date ('04-10-2019'), Posting Time ('16:48:39.818940'), and several checkboxes at the bottom: 'Is Paid' (unchecked), 'Is Return (Debit Note)' (unchecked), and 'Apply Tax Withholding Amount' (checked). A large blue 'h.' logo is in the bottom right corner.

# Accounting Management

## 1. Below are the Prerequisite document/record that need to be setup:

For Tax Accounts that you want to use in the tax templates, you must set the **Account Type** field as 'Tax' for that particular account on the Chart of Accounts. Other types of charges that may apply to your invoices (like shipping, insurance etc.) can also be configured as taxes, as long as **Account Type field** is set as 'Chargeables'.

- n. **Sales Taxes and Charges Template** - Sales Taxes and Charges may be applied to any item you sell. The templates created can be used in Sales Orders and Sales Invoices.

To access Sales Taxes and Charges Template, go to:

[Home > Selling > Settings > Sales Taxes and Charges Template](#)

- o. **Purchase Taxes and Charges Template** - Purchase Taxes and Charges may be applied to any item you buy. The templates created from this form can be used in Purchase Orders and Purchase Invoices for internal records.

To access Purchase Taxes and Charges Template, go to:

[Home > Buying > Settings > Purchase Taxes and Charges Template](#)



# Accounting Management

## 1. Below are the Prerequisite document/record that need to be setup:

For Tax Accounts that you want to use in the tax templates, you must set the **Account Type** field as 'Tax' for that particular account on the Chart of Accounts. Other types of charges that may apply to your invoices (like shipping, insurance etc.) can also be configured as taxes, as long as **Account Type field** is set as 'Chargeables'.

### p. Item Tax Template - Item Tax Template is useful for item wise taxation.

If some of your Items have tax rates different from the standard tax rate assigned in the Taxes and Charges table, then you can create an Item Tax Template and assign it to an Item or Item Group. The rate assigned in the Item Tax Template will get preference over the standard tax rate assigned in the Taxes and Charges table.

For example, if tax VAT 12% is added in the Taxes and Charges table in Sales Order, then it will be applied on all the items in that Sales Order. However, out of all the Sales Items, **on one Item, only 5% VAT will be applied**, while another item is exempted from tax (non taxable). You need to select the Account Head of the tax and set its overriding rate.

To access the Item Tax Template list, go to

# Sales and Purchases Taxes and Charges Template

The Purchase Taxes and Charges Template is similar to the Sales Taxes and Charges Template.

## 1. How to add Sales and Purchases Taxes/Charges via a template instead of manually encoding it one-by-one on the transaction

New

- a. Go to the Sales Taxes and Charges Template list or Purchases Taxes and Charges Template, click on New button.
- b. Enter a title name for the Tax.
- c. Under type, set on what the tax will be calculated and the tax rate. There are five options under type for which tax will be calculated.
  - i. **Actual:** You can directly enter the amount for the expense.
  - ii. **On Net Total:** On the net total of all the items.
  - iii. **On Previous Row Amount:** This is for compounding the charges. For example, tax charges over the amount to which tax was already applied in the previous row.
  - iv. **On Previous Row Total:** Same as above but applied on the total bill and not just the amount of an item.
  - v. **On Item Quantity:** Tax will be calculated as Tax Rate \* Item Quantity. For example, if Tax Rate is 2% and number of Items is 1, then Tax Rate will be 4, if number of Items are 5, Tax Rate will be 10, and so on.
- d. Select an account head which has pre set tax rates or create your own.
- e. Selecting default will apply this template by default for new Sales or Purchase transactions.
- f. **SAVE.**

# Sales and Purchases Taxes and Charges Template

The Purchase Taxes and Charges Template is similar to the Sales Taxes and Charges Template.



## 2. Other fields on the Sales Taxes and Charges and Purchases Taxes and Charges table (Click the dropdown arrow beside the Total Column)

### a. Consider Tax or Charge for:

- i. *Total* - Tax or Charge categorized as Total will be included in the total of purchase transactions. But it will not have impact on the valuation of item purchased. Its should be added value of Purchase Order/Invoice, since it will be included in payable towards supplier. But its should not be added to the value of Purchased item.
- ii. *Valuation* - Tax or charge categorized as Valuation will be added in the value of purchased item, but not in the total of that purchase transaction. Also, this charge will be not be added to the total of purchase transaction, because it your expense, and should not be reflected to the supplier. You can read it more here about [Perpetual Inventory](#).
- iii. *Valuation and total* - Tax or Charge categorized as for Total and Valuation will be added in the valuation of item, as well as in the totals of purchase transactions.

\*[Article](#) about Consider Tax or Charge for:

# Sales and Purchases Taxes and Charges Template

The Purchase Taxes and Charges Template is similar to the Sales Taxes and Charges Template.

## 2. Other fields on the Sales Taxes and Charges and Purchases Taxes and Charges table

- b. **Add or Deduct:** Whether you want to add or deduct the tax from the item.
- c. **Reference Row #:** If tax is based on "Previous Row Total" you can select the row number which will be taken as a base for this calculation (default is the previous row).
- d. **Is this Tax included in Basic Rate?:** If checked, the tax amount will be considered as already included in the Print Rate / Print Amount in the Item table of a transaction. This is useful when you want to give tax inclusive price to your customers. To account for tax inclusive rates, the system calculates the Net Amount by deducting the amount of tax to be applied then calculates the tax on it. You can also edit this while encoding the Invoices so that you do not need to manually compute the Net Rate of each item.
- e. **Account Head:** The Account ledger under which this tax will be booked. If you select VAT or any other preset heads, the rate will be automatically filled.
- f. **Cost Center:** If the tax/charge is an income (like shipping) or expense it needs to be booked against a Cost Center.
- g. **Description:** Description of the tax (that will be printed in invoices/quotes).



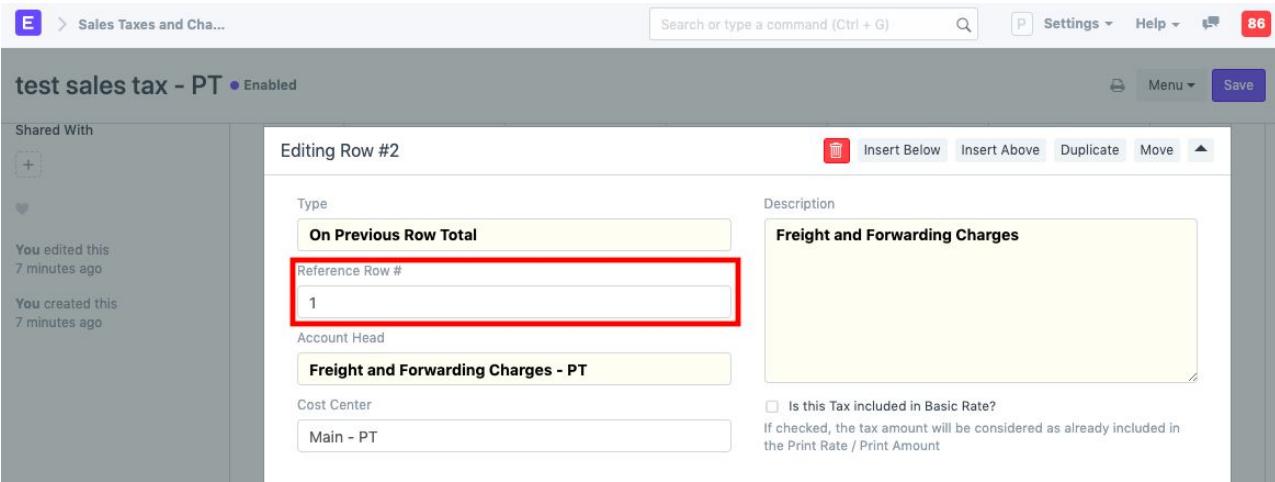
# Sales and Purchases Taxes and Charges Template

The Purchase Taxes and Charges Template is similar to the Sales Taxes and Charges Template.

## 2. Other fields on the Sales Taxes and Charges and Purchases Taxes and Charges table

- h. Rate: The Tax rate, eg: 14 = 14% tax.
- i. Amount: The Tax amount to be applied, eg: 100.00 = \$100 tax.

The tax rates you define in the template will be the standard tax rate for all Items. If there are **Items that are supposed have different rates**, you can override the standard tax rate by setting an [Item Tax Template to the Item or Item Group](#).



The screenshot shows the NetSuite interface for managing Sales Taxes and Charges. The title bar indicates the current view is 'Sales Taxes and Cha...'. The main area displays a row for 'test sales tax - PT', which is marked as 'Enabled'. The row is labeled 'Editing Row #2'. The 'Type' field contains 'On Previous Row Total'. The 'Description' field contains 'Freight and Forwarding Charges'. The 'Reference Row #' field is highlighted with a red box and contains the value '1'. Other visible fields include 'Account Head' (set to 'Freight and Forwarding Charges - PT'), 'Cost Center' (set to 'Main - PT'), and a checkbox for 'Is this Tax included in Basic Rate?' which is unchecked. A note below the checkbox states: 'If checked, the tax amount will be considered as already included in the Print Rate / Print Amount.'

# Item Tax Template

The Purchase Taxes and Charges Template is similar to the Sales Taxes and Charges Template.

## 1. Prerequisites

Before creating and using an Item Tax Template, it is advised to create the following first:

- a. Item
- b. Enable 'Automatically add Taxes and Charges from Item Tax Template' in Account Settings

## 2. How to create an Item Tax Template

New

- a. Go to the Item Tax Template list and click on New button.
- b. Enter a title for the Item Tax Template.
- c. Select an account and set the overriding rate. Add more rows if required.
- d. **SAVE.**
  
- e. Now the Item Tax Template is ready to be assigned to an Item. To do this, go the Item record > Item Tax section > and select an Item Tax Template.

**Note:** It is advised to not to use the Sales/Purchase Template selected in Tax Rule, because it may cause interference. If you want to use same tax rates for Tax Rule and Item Tax Template, use a different name for the Sales/Purchase Tax Templates.

# Item Tax Template

The Purchase Taxes and Charges Template is similar to the Sales Taxes and Charges Template.

## 3. Item Tax Template for each Items

You can also manually select a different Item Tax Template for each Item in a transaction.

The screenshot shows a sales order for item 'Lucy' (Draft). The 'Rate (INR)' is set to 130.00 and the 'Amount (INR)' is ₹ 650.00. The 'Is Free Item' checkbox is unchecked. The 'Item Tax Template' dropdown menu is open, showing the following options: Special plastic, Subsidized plastic, Screw VAT14 exempt, Grade 2 Plastic, and Item-op6. The option 'Special plastic' is highlighted. To the right of the dropdown, there are fields for 'Billed Amt' (₹ 0.00), 'Valuation Rate' (₹ 0.00), and 'Gross Profit' (₹ 650.00). The top navigation bar includes 'Selling > Sales Order', a search bar, 'Settings', 'Help', and a notification badge for 99+ items.

## **Item Tax Template**

The Purchase Taxes and Charges Template is similar to the Sales Taxes and Charges Template.

### **4. Item wise tax on an Item Group**

You can assign the Item Tax Template to an Item Group by modifying the Item Tax table in the Item Tax section within the Item Group document.

Item Tax Template applied on an Item Group will apply to all Items in that group unless an individual Item in the Item Group has its own Item Tax Template assigned to it.

### **5. Validity of Item Taxes**

You can also assign validity to tax templates as shown in the image above.

Based on the posting date of the transaction, a valid tax template will be automatically fetched.

If there are more than one valid tax templates then the first valid tax template from Item Tax table will be fetched.

In case when there are no valid tax templates then the first tax template with no 'Valid From' date in the Item Tax table will be fetched.

\*For an Item Tax Template to override taxes, there must be a row in the Taxes and Charges table with the same tax Account Head with a standard tax rate.

\*If you wish to apply taxes only on the Items with an Item Tax Template then you can set the standard tax rate as 0.



# Accounting Management

## 1. Below are the Prerequisite document/record that need to be setup:

- q. **Tax Rule** - A Tax Rule automatically applies taxes to transactions based on preset rules.

You can define which Tax Template must be applied on a Sales / Purchase transaction using Tax Rule. This is decided by various factors like Customer, Customer Group, Supplier, Supplier Group, Item, Item Group or a combination of these.

To access the Tax Rule list, go to:

[Home > Accounting > Taxes > Tax Rule](#)

### 1. Prerequisites

Before creating and using a Tax Rule, it is advised to create the following first:

- a. Sales Taxes and Charges Template and/or
- b. Purchase Taxes and Charges Template

# Tax Rule

## 2. How to create a Tax Rule

New

- a. Go to the Tax Rule list and click on New.
- b. Under Tax Type select whether the tax will be applied at Sales or Purchase.
- c. Select the Tax Template to be applied.
- d. **SAVE.**

You can list Items online using the Website module. Selecting 'Use for Shopping Cart' will use this Tax Rule for Shopping Cart transactions also. To know more, visit the Shopping Cart manual.

**Note:** It is advised to not to use the Sales/Purchase Template selected in Tax Rule, because it may cause interference. If you want to use same tax rates for Tax Rule and Item Tax Template, use a different name for the Sales/Purchase Tax Templates.

## 3. Features

### a. Auto applying Tax Rule based on Customer/Supplier

Select a Customer/Supplier if tax is to be applied for a specific party. Leave it as All Customer Groups/All Supplier Groups if this Tax Rule is applicable to all Customers/Suppliers.

### b. Auto applying Tax Rule based on Item / Item Group

On setting an Item or Item group in the Tax Rule, this Tax Rule will automatically be applied to new transactions that have the selected Item/Item Group.



## Tax Rule

### c. Setting a Tax Category

Setting a Tax Category allows applying multiple Tax Rules to a transaction based on different factors. To know more, visit the Tax Category manual.

### d. Validity

Set a Start and End Date if the tax is to be applied only for a specified period. **Leaving both dates blank** will result in the Tax Rule to have no time limits.

### e. Priority

Setting a priority number here will decide on which order a Tax Rule will be applied in case multiple Tax Rules have similar criteria. '1' is the highest priority, '2' has lesser priority and so on.

### f. How does Tax Rule Work?

It works like a filter to automatically apply tax templates:

1. Set a Customer or a specific region
2. The selected tax template will be applied according to the conditions set in the Tax Rule
3. It will be applied to a new Sales/Purchase transactions based on the type selected in the Tax Rule



# Tax Rule

E > Tax Rule

Search or type a command (Ctrl + G)  Settings Help 79

## ACC-TAX-RULE-2019-00002

Menu Save

<p>Comments 0</p> <p>Assigned To</p> <p>Assign +</p> <p>Attachments</p> <p>Attach File +</p> <p>Tags</p> <p>Add a tag ...</p> <p>Reviews</p> <p>+ [ ]</p> <p>Shared With</p> <p>[ ] + [ ]</p> <p>Heart [ ]</p> <p>You edited this 4 minutes ago</p> <p>You created this 4 minutes ago</p>	<p>Tax Type <input type="text" value="Sales"/></p> <p><input checked="" type="checkbox"/> Use for Shopping Cart</p> <p><b>FILTERS</b></p> <p>Customer <input type="text"/></p> <p>Item <input type="text"/></p> <p>Billing City <input type="text"/></p> <p>Billing County <input type="text"/></p> <p>Billing State <input type="text"/></p> <p>Sales Tax Template <input type="text" value="VAT 14% - PT"/></p> <p>Customer Group <input type="text" value="All Customer Groups"/></p> <p>Item Group <input type="text"/></p> <p>Shipping City <input type="text"/></p> <p>Shipping County <input type="text"/></p> <p>Shipping State <input type="text"/></p>
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# Accounting Management

1. Below are the Prerequisite document/record that need to be setup:

*(For Administrator Only or Higher Authorized Person)*

- r. **Accounting Settings** - There are various account settings in the system to restrict and configure actions in the Accounting Module.
1. **Accounts Frozen Up to** - Freeze accounting transactions up to specified date, nobody can make/modify entry except the specified Role. You can use this when after making some adjustments to close the accounts. Read more on how to close the Accounting Books.
2. **Role Allowed to Set Frozen Accounts & Edit Frozen Entries** - Users with this Role are allowed to set frozen accounts and create/modify accounting entries against frozen accounts.
3. **Determine Address Tax Category From** - Tax category can also be set on Addresses. An address can be Shipping or Billing address. Set which address to select when applying Tax Category.
4. **Over Billing Allowance Percentage** - The percentage by which you can overbill transactions. For example, if the order value is \$100 for an Item and percentage here is set as 10% then you are allowed to bill for \$110.
5. **Credit Controller** - Select the role that is allowed to submit transactions that exceed credit limits set. The credit limit can be set in the Customer form.



# Accounting Management

1. Below are the Prerequisite document/record that need to be setup:

*(For Administrator Only or Higher Authorized Person)*

- r. **Accounting Settings** - There are various account settings in the system to restrict and configure actions in the Accounting Module.
6. **Check Supplier Invoice Number Uniqueness** - When checked, Purchase Invoices with same 'Supplier Invoice No' will not be allowed. This is useful to avoid duplicate entries.
7. **Make Payment via Journal Entry** - When checked, if user proceeds to make payment from an invoice, the system will open a Journal Entry instead of a Payment Entry.
8. **Unlink Payment on Cancellation of Invoice** - If checked, system will unlink the payment against the respective invoice. By default, if a Payment Entry is submitted, the linked invoice cannot be canceled until the Payment Entry is also canceled. On unlinking, you can now cancel and amend the invoices. But the payments not be linked and considered as advance payments.
9. **Unlink Advance Payment on Cancellation of Order** - Similar to the previous option, this unlinks any advance payments made against Purchase/Sales Orders.

# Accounting Management

1. Below are the Prerequisite document/record that need to be setup:

*(For Administrator Only or Higher Authorized Person)*

- r. **Accounting Settings** - There are various account settings in the system to restrict and configure actions in the Accounting Module.
- 10. Book Asset Depreciation Entry Automatically** - When checked, an automatic entry for an asset depreciation will be created based on the first date set. For example, yearly depreciation for an item will be scheduled for the next 3/4 years based on the Number of Depreciations Booked set in the Asset master. For more details, visit the Asset Depreciation page.
- 11. Allow Cost Center in Entry of Balance Sheet Account** - If checked, system will allow user to tag entries in Balance Sheet Accounts against a Cost Center. By default Cost Center is available only for Profit/Loss account.
- 12. Automatically Add Taxes and Charges from Item Tax Template** - Enabling this will populate the Taxes table in transactions if an Item Tax Template is set for an Item and that Item is selected in the transaction.
- 13. Automatically Fetch Payment Terms** - Enabling this will automatically fetch the Payment Terms based on the Supplier.

# Accounting Management

## 1. Below are the Prerequisite document/record that need to be setup:

*(For Administrator Only or Higher Authorized Person)*

- r. **Accounting Settings** - There are various account settings in the system to restrict and configure actions in the Accounting Module.

## 14. Print Settings - Account Settings

**Show Inclusive Tax In Print:** The applied taxes will be shown in the print view.

**Show Payment Schedule in Print:** The Payment Schedule table is visible on using Payment Terms. Enabling this will show this table in print view.

## 15. Allow Stale Exchange Rate - This should be **unchecked** if you want the system to check the age of records fetched from Currency Exchange in foreign currency transactions. If it is unchecked, the exchange rate field will be read-only in documents.

**Stale Days** is the number of days to use when deciding if a Currency Exchange record is stale. This is valid when 'Allow Stale Rates' is disabled. So, if the Stale Days is set as 10, stale rates that are 10 days will be allowed. If Allow Stale Rates is enabled, there is no time limit on the age of stale rates.

# Accounting Management

## 1. Below are the Prerequisite document/record that need to be setup:

*(For Administrator Only or Higher Authorized Person)*

- r. **Accounting Settings** - There are various account settings in the system to restrict and configure actions in the Accounting Module.

## 15. Allow Stale Exchange Rate

If stale rates are enabled, the order of fetching is:

- Latest rate from Currency Exchange form
- If no Currency Exchange is found latest rate as per market is fetched automatically

If stale rates are disabled, the order of fetching is:

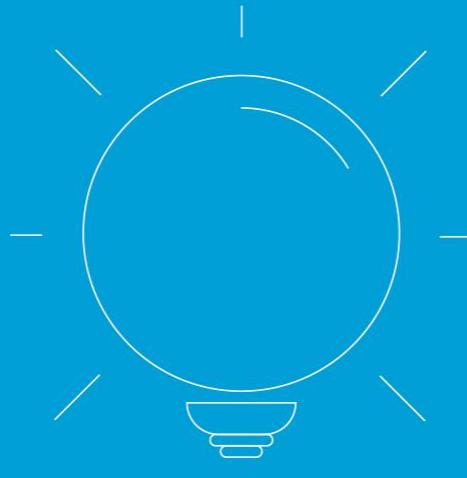
- Latest rate from Currency Exchange form upto number of days set in 'Stale Days'
- If no Currency Exchange is found Latest rate as per market is fetched automatically

## 16. Use Custom Cash Flow Format - You may choose to use Custom Cash Flow Formats to customize what the Cash Flow report looks like. To know more, visit this [article](#) about the Cash Flow Mapper.



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# ERPNext: Accounting Credit Limit



## Credit Limit

**Credit Limit** is the maximum amount of credit you are willing to offer to a Customer. Suppliers can also give you a credit limit but mostly, prioritized to monitor credit limits are from a Customer.

A **Credit Limit** is the maximum amount of credit that a financial institution or other lender will extend to a debtor for a particular line of credit. From a Customer's perspective, it is the maximum amount of goods or services they can get without paying money upfront.

**You can set** the Credit Limit in Customer, Customer Group, and in the Company. When a Sales Order or a Sales Invoice is submitted, the Credit Limit will be checked.

The order of precedence for checking Credit Limit is as follows:

- Credit Limit set in Customer
- Credit Limit set in Customer Group
- Credit Limit set in Company

# Credit Limit

## 1. How to Set Credit Limit

- a. Go to: Selling > Sales > Customer > Customer.
- b. Search for the Customer's record or create a new Customer.
- c. Under Credit Limit and Payment Terms section, set the Credit Limit.
- d. If you leave the Credit Limit as the default, i.e., 0, it has no effect.
- e. **SAVE.**

## Or Credit Limit for Customer Groups

- a. Go to Selling > Customers > Customer Group.
- b. Open the Customer Group and set the Credit Limit.

## Or Credit Limit for Company

On setting Credit Limit at the Company level, all the Customers will have this Credit Limit applied globally as default. This company limit can however be overriding at customer level, but if there is no limit set for a customer, the company credit limit will be the default.

- a. Go to Accounting > Masters and Accounts > Company.
- b. Open the Company and set the Credit Limit.

# Credit Limit

## 2. Bypass Credit Limit Check for Sales Order

- a. For specific customers, you can set the credit limit to be checked against the cumulative amount of the outstanding sales invoices and not the sales orders. You can do so by ticking 'Bypass credit limit check at Sales Order' checkbox in 'Credit Limit and Payment Terms' section of the customer.

The screenshot shows the Odoo interface for managing a customer named 'Santiago'. The top navigation bar includes 'Selling > Customer' and a search bar. On the right, there are buttons for 'Settings', 'Help', and a notification badge showing '99+'. The main area displays the 'Customer' record for 'Santiago', which is 'Not Saved'. The 'Default Payment Terms Template' field is empty. Below it, the 'Credit Limit' section is shown. A table header row includes columns for a checkbox, 'Company', 'Credit Limit', and 'Bypass...'. An edit row for 'Unico Plastics Inc.' is displayed, showing a credit limit of '2,15,000.00' and a checked 'Bypass Credit Limit Check' checkbox. Navigation keys at the bottom include 'Ctrl + Up', 'Ctrl + Down', and 'ESC'.

<input type="checkbox"/>	Company	Credit Limit	Bypass...
Editing Row #1		<span style="color: red;">Delete</span> Insert Below Insert Above Duplicate Move ▲	<input checked="" type="checkbox"/> Bypass Credit Limit Check
Company Unico Plastics Inc.		Credit Limit 2,15,000.00	

# Credit Limit

## 2. Bypass Credit Limit Check for Sales Order

- b. Or you can allow users with a specific role to override the Credit Limit validation and submit a Sales Order or Sales Invoice even when a Customer's Credit Limit is fully utilized.

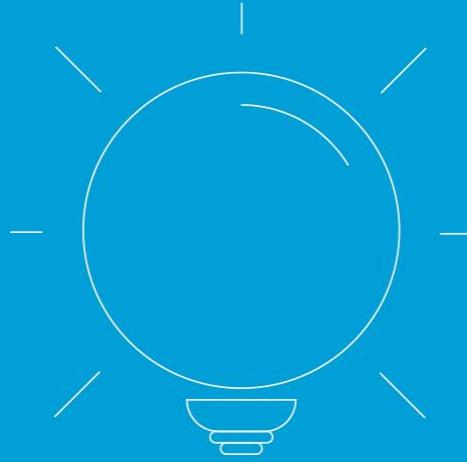
To set the Credit Controller role:

[Go to: Accounting > Settings > Accounts Settings](#), Set the role in Credit Controller field.

The screenshot shows the Odoo application interface for 'Accounts Settings'. At the top, there is a navigation bar with icons for 'E' (Employee), 'Accounting', a search bar ('Search or type a command (Ctrl + G)'), and various system settings like 'Settings', 'Help', and a notification badge ('99+'). Below the navigation bar, the main title is 'Accounts Settings'. On the left, there is a sidebar with sections for 'Comments' (0), 'Assigned To' (with an 'Assign +' button), 'Attachments' (with an 'Attach File +' button), and 'Tags'. The main content area has several configuration fields: 'Accounts Frozen Upto' is set to '30-11-2020' with a note explaining it's the date accounting entries are frozen. 'Role Allowed to Set Frozen Accounts & Edit Frozen Entries' is set to 'Accounts Manager'. 'Comments' and 'Attachments' sections are collapsed. On the right, the 'Credit Controller' section is highlighted with a red box. It contains a dropdown menu where 'Accounts User' is selected, and a note below stating 'Role that is allowed to submit transactions that exceed credit limits set.' Below this, there are three checkboxes: 'Check Supplier Invoice Number Uniqueness' (unchecked), 'Make Payment via Journal Entry' (unchecked), and 'Unlink Payment on Cancellation of Invoice' (checked). At the bottom right, there are 'Menu' and 'Save' buttons.

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# ERPNext: Accounting Sales Invoice



# Sales Invoice

A **Sales Invoice** is a bill that you send to your Customers against which the Customer makes the payment.

**Sales Invoice** is an accounting transaction. On submission of Sales Invoice, the system updates the receivable and books income against a Customer Account.

To access the Sales Invoice list, go to:

[Home > Accounting > Accounts Receivable > Sales Invoice](#)

## 1. Prerequisites

Before creating and using a Sales Invoice, it is advised to create the following first:

- Item
- Customer

Optional:

- Sales Order
- Delivery Note

# Sales Invoice

## 2. How to create a Sales Invoice

A Sales Invoice is usually created from a Sales Order or a Delivery Note. The Customer's Item details will be fetched into the Sales Invoice. However, you can also create a Sales Invoice directly, for example, a POS invoice. *Read more on the POS Manual.*

The screenshot shows the Odoo application interface. At the top, there is a breadcrumb navigation: E > Selling > Sales Order. To the right of the breadcrumb is a search bar labeled "Search or type a command (Ctrl + G)" and various system settings like "Settings", "Help", and a notification bell. Below the header, the main content area has a title "Company ABC" and a status indicator "To Deliver and Bill". A reference number "SAL-ORD-2020-00004" is displayed along with standard navigation icons. On the left, there is a sidebar titled "DASHBOARD" with several links: Fulfillment, Sales Invoice +, Pick List +, Delivery Note +, Projects, Project +, Reference, Quotation 1, Auto Repeat +, Customer, Company, and Company. On the right, there is a large "Create" button with a dropdown menu. This dropdown menu is highlighted with a red border and lists various document types: Pick List, Delivery Note, Work Order, Invoice, Material Request, Request for Raw Materials, Purchase Order, Payment, Payment Entry +, Payment Request +, Journal Entry +, Project, Subscription, Payment Request, and Payment. At the bottom of the interface, there is a footer note "You created this" and the company names "Company ABC" and "Hooman Design".

# Sales Invoice

## 2. How to create a Sales Invoice

Or another way to fetch the details automatically in a Sales Invoice is to click on the Get Items from. The details can be fetched from a Sales Order, Delivery Note, or a Quotation.

Double check the details then **SAVE**.

The screenshot shows the Odoo interface for creating a new Sales Invoice. The top navigation bar includes 'Accounting > Sales Invoice'. A search bar says 'Search or type a command (Ctrl + G)'. On the right are 'Settings', 'Help', and notification icons. The main area is titled 'New Sales Invoice 1' with a status 'Not Saved'. It has fields for 'Series' (set to 'ACC-SINV-YYYY.-'), 'Company' (set to 'Hooman Design'), 'Customer' (empty), and 'Date' (set to '04-21-2020'). A dropdown menu labeled 'Get items from' is open on the right, listing 'Sales Order', 'Delivery Note', and 'Quotation'. This dropdown is highlighted with a red box.

# Sales Invoice

## 2. How to create a Sales Invoice

For manual creation, follow these steps:



- a. Go to the Sales Invoice list and click on New button.
- b. Select the Customer.
- c. Set the Payment Due Date.
- d. In the Items table, select the Items and set the quantities.
- e. The prices will be fetched automatically if Item Price is added, else add a price in the table.
- f. The posting date and time will be set to current, you can edit after you tick the checkbox below Posting Time to make a backdated entry.
- g. **SAVE and SUBMIT.** (*Submit only the transaction if you are sure of the details*)

Some fields are explained below:

- **Include Payment (POS):** If this invoice is for retail sales / Point of Sale. Know more on the POS Manual.
- **Is Return Credit Note:** Tick this only if the customer has returned the Items. This will indicate that the transaction is a Credit Note. *To know more details, visit the Credit Note manual.*

# Sales Invoice

Some fields are explained below:

- **Posting Date:** The date on which the Sales Invoice will affect your books of accounts i.e. your General Ledger. This will affect all your balances in that accounting period.
- **Due Date:** The date on which the payment is due (if you have sold on credit). The credit limit can be set from the Customer Master Record.
- **Accounting Dimensions** - Accounting Dimensions lets you tag transactions based on a specific Territory, Branch, Customer, Project, Cost Center, etc.
- **Customer PO Details**
  - **Customer's Purchase Order:** Track customer's PO No. received, primarily to prevent the creation of duplicate Sales Order or Invoice for the same PO received from the Customer. You can do more configuration related to customer's PO No. validation in Selling Settings. See *more on Selling Manual*.
  - **Customer's Purchase Order Date:** The date on which the Customer placed the Purchase Order.

# Sales Invoice

Some fields are explained below:

- **Address and Contact**
  - **Customer Address:** This is the Billing Address of the Customer.
  - **Contact Person:** If the Customer is a company, the person to be contacted is fetched in this field if set in the Customer form.
  - **Territory:** A Territory is the region where the Customer belongs to, fetched from the Customer form. The default value is All Territories.
  - **Shipping Address:** Address where the items will be shipped to.
- **Currency** - The system will fetch the currency but you can edit and modify the currency to be used on the *Exchange Rate Field*.

This will only show if the currency of the Customer record is different to the default currency of your Company. This can be fetched from the Customer master Record or preceding transactions like Sales Order.

- Maintain separate receivable account in the Customer's currency. The Receivable for this invoice should be posted in that currency itself. Make sure that the Accounts Receivable for this currency is available and set on the customer record.



# Sales Invoice

Some fields are explained below:

- **Price list** - If you select a Price List, then the item prices will be fetched from that list. Ticking on 'Ignore Pricing Rule' will ignore the Pricing Rules set in Accounts > Pricing Rule. *To know more about Price Lists and Price Rule, see its individual manual.*
- The Items table
  - **Update Stock** (*to be checked only if the "Is POS" is checked*) - Ticking this checkbox will update the Stock Ledger on submitting the Sales Invoice. If you've created a Delivery Note, the Stock Ledger will be changed. If you're skipping the creation of Delivery Note, tick this checkbox.
  - **Scan Barcode:** You can add Items in the Items table by scanning their barcodes if you have a barcode scanner. *Check the Item Manual.*

 Click the dropdown icon on the table to show more fields for checking.

- The Item Code, name, description, Image, and Manufacturer will be fetched from the Item master.
- **Discount and Margin:** You can apply a discount on individual Items percentage-wise or on the total amount of the Item. *Read more on the Selling Manual.*
- **Rate:** The Rate is fetched if set in the Price List and the total Amount is calculated.

# Sales Invoice

Some fields are explained below:

- The Items table
  - **Drop Ship:** Drop Shipping is when you make the sales transaction, but the Item is delivered by the Supplier.
  - **Accounting Details:** The Income and Expense accounts can be changed here if you wish to. If this Item is an Asset, it can be linked here. This is useful when you're selling an Asset.
  - **Deferred Revenue:** If the income for this Item will be billed over the coming months in parts, then tick on 'Enable Deferred Revenue'.
  - **Item Weight:** The Item Weight details per unit and Weight UOM are fetched if set in the Item master record.
  - **Stock Details:** The following details will be fetched from the Item master:
    - **Warehouse:** The Warehouse from where the stock will be sent.
    - **Available Qty at Warehouse:** The quantity available in the selected Warehouse.
  - **Batch No and Serial No:** If your Item is serialized or batched, you will have to enter Serial Number and Batch in the Items table. You are allowed to enter multiple Serial Numbers in one row (each on a separate line) and you must enter the same number of Serial Numbers as the quantity.
  - **Item Tax Template:** You can set an Item Tax Template to apply a specific Tax amount to this particular Item.

*To know more, visit the item tax template manual.*



# Sales Invoice

Some fields are explained below:

- The Items table
  - **References:** If this Sales Invoice was created from a Sales Order/Delivery Note, the reference number will appear here. Also, the Delivered Quantity will be shown.
  - Page Break will create a page break just before this Item when printing.
- Timesheet
  - A customer can be billed based on the total number of hours an employee has worked for that customer. The actual number of hours of billable work can be tracked via a Timesheet. When you make a new Sales Invoice, select the Project for which the billing is to be made, and the corresponding Timesheet entries for that Project will be fetched.
  - If your Company's Employees are working at a location and it needs to be billed, you can create an Invoice based on the Timesheet. *Check more on the Timesheet Manual.*
- Taxes and Charges. (*See more about Tax Category and Sales Taxes and Charges Template Manual*)
  - The Taxes and Charges will be fetched from the Sales Order or Delivery Note.
  - The total taxes and charges will be displayed below the table.
  - Make sure to mark all your taxes in the Taxes and Charges table correctly for an accurate valuation.



# Sales Invoice

Some fields are explained below:

- **Shipping Rule:** A Shipping Rule helps set the cost of shipping an Item. The cost will usually increase with the distance of shipping. *To know more, visit the Shipping Rule Manual.*
- **Loyalty Points Redemption:** If the Customer is enrolled in a Loyalty Program, they can choose to redeem it. *To know more, visit the Loyalty Program Manual.*
- **Additional Discount:** Aside from encoding item discounts, any additional discounts to the whole Invoice can be set in this section. This discount could be based on the Grand Total i.e., post tax/charges or Net total i.e., pre tax/charges. The additional discount can be applied as a percentage or an amount.
- **Advance Payment:** For high-value Items, the seller can request an advance payment before processing the order. The Get Advances Received button opens a popup from where you can fetch the orders where the advance payment was made. *To know more, visit the Advance Payment Entry Manual.*
- **Payment Terms:** The payment for an invoice may be made in parts depending on your understanding with the Supplier. This is fetched if set in the Sales Order.
- **Write Off:** Write off happens when the Customer pays an amount less than the invoice amount. This may be a small difference like 0.50. Over several orders, this might add up to a big number. For accounting accuracy, this difference amount is 'written off'.



# Sales Invoice

Some fields are explained below:

- **Terms and Conditions:** There may be certain terms and conditions on the Item you're selling, these can be applied here.
- **Transporter Information** (*optional, this will be enable if you Sales Invoice was created from Delivery Note*) : If you outsource transporting Items to their delivery location, the transporter details can be added. This is not the same as drop shipping.
  - **Transporter:** The Supplier who will transport the Item to your Customer. The transporter feature should be enabled in the Supplier master to select the Supplier here.
  - **Driver:** You can add a Driver here who will drive the mode of transport.

The details are usually fetched from the Delivery Note.

- The following details can be recorded:
  - Distance in km
  - Mode of Transport whether road, air, rail, or ship.

# Sales Invoice

Some fields are explained below:

- Printing Settings
  - **Letterhead:** You can print your Sales Invoice on your Company's letterhead.
  - **Group same items:** will group the same items added multiple times in the Items table. This can be seen when you print.
  - **Print Headings:** Sales Invoice headings can also be changed when printing the document. You can do this by selecting a Print Heading.

There are additional checkboxes for printing the Sales Invoice without the amount, this might be useful when the Item is of high value. You can also group the same Items in one row when printing.

- More Information
  - **Campaign:** You can also link the invoice if it is part of an ongoing sales Campaign/
  - **Source:** A Lead Source can be tagged here to know the source of sales.

# Sales Invoice

Some fields are explained below:

- Accounting Details
  - **Debit To:** The account against which receivable will be booked for this Customer.
  - **Is Opening Entry:** If this is an opening entry to affect your accounts select 'Yes'. i.e. if you're migrating from another ERP to ERPNext mid year, you might want to use an Opening Entry to update account balances in ERPNext.
  - **Remarks:** Any additional remarks about the Sales Invoice can be added here.
- **Commission:** If the sale took place via one of your Sales Partners, you can add their commission details here. This is usually fetched from the Sales Order/Delivery Note.
- **Sales Team:** Sales Persons: allows you to add multiple Sales Persons who may have worked on this deal. This is also fetched from the Sales Order/Delivery Note.

# Sales Invoice

## 3. Statuses

These are the statuses that are auto-assigned to Sales Invoice.

- **Draft:** A draft is saved but yet to be submitted.
- **Submitted:** The invoice is submitted to the system and the general ledger has been updated.
- **Paid:** Customer has made the payment and a Payment Entry has been submitted.
- **Unpaid:** Invoice is generated but payment is pending but within the payment due date.
- **Overdue:** Payment is pending beyond the payment due date.
- **Cancelled:** The Sales Invoice is cancelled due to any reason. Once an invoice is canceled, its impact on Account and Stock is undone.
- **Credit Note Issued:** The Item is returned by the Customer and a Credit Note is created against this invoice.
- **Return:** It is assigned to Credit Note created against the original Sales Invoice. Though you can also create a standalone Credit Note.
- **Unpaid and Discounted:** Payment is pending and any ongoing subscription has been discounted using Invoice Discounting.
- **Overdue and Discounted:** Payment is pending beyond the payment due date and any ongoing subscription has been discounted using Invoice Discounting.



# Sales Return Management

In an event of Sales Return, the following adjustment pertaining to stock and accounting can be handled in multiple ways.

Let's check what stock and accounts posting would be posted based on the Sales Return adjustment.

## Return Without Payment

If a customer request for the returns even before processing a payment, then you can simply:

- a. Cancel the Sales Invoice.
- b. Create a Sales Return against a Delivery Note

If your statutory laws don't allow you to cancel the Sales Invoice, you can create a Credit Note against a Sales Invoice as well.

# Sales Return Management

## Paid Sales Invoice - Adjustment via Credit Note

This is a scenario where the customer purchased an item from you for which Sales Invoice was submitted, and also paid.

- a. Create a Credit Note against a Sales Invoice.
- b. In the Sales Invoice, check field "Is Paid". Ensure that Payment Account / Mode of Payment is selected in the relevant table.
- c. If you wish to also return items via Sales Invoice itself, check field "Update Stock".
- d. Save and Submit Credit Note.

As per this entry, the sold items will be accepted back in your Warehouse. Also, the payment received from the Customer will be reversed.

After the Credit Note creation, the Outstanding Balance of Sales Invoice will turn negative. This will give you scope to adjust this Sales Invoice (with a negative balance) to adjust against the future outstanding Sales Invoice.



# Sales Return Management

## Unpaid Sales Invoice - Credit Note

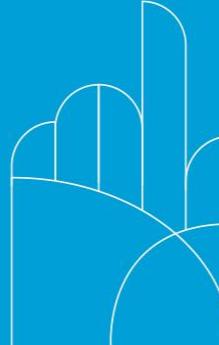
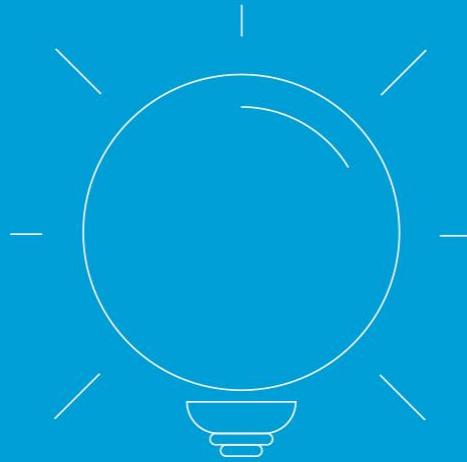
In the case of Sales Return where the customer didn't process any payment, you can simply create a Credit Note. On creation of Credit Note, Outstanding of the Sales Invoice will become negative.

For the Adjustment of stock, you can create a Sales Return against Delivery Note or in the Credit Note itself, check field "Update Stock".

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# ERPNext: Accounting Credit Note

Version 1 March 1, 2020



# Credit Note

A **Credit Note** is a document sent by a seller to the Customer, notifying that a credit has been made to their account against the goods returned by the buyer. (**Your Company provides the Credit Note to your Customers**)

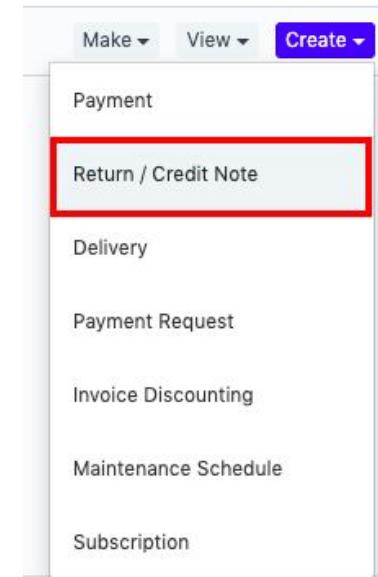
A **Credit Note** is issued for the value of goods returned by the Customer, it may be less than or equal to the total amount of the order.

## 1. How to make a Credit Note

The user can make a Credit Note against the **Sales Invoice** or they can **directly make Credit Note** from the Sales Invoice without reference.

**Note that to create a Credit Note, the invoice must be paid using a Payment Entry.**

- a. If the Customer had paid partially or fully, make a Payment Entry against the original Sales Invoice.
- b. Go to the respective Sales Invoice and click on **Create > Return / Credit Note**.
- c. The Customer and Item details will be fetched as set in the Sales Invoice.
- d. **SAVE and SUBMIT**.



# Credit Note

Would know if the created Sales Invoice is a Credit Note if the “Is Return (Credit Note)” field is ticked. The Item quantity and Payment amount will automatically be negative since it's a return.

The screenshot shows the Zoho Inventory software interface for creating a Sales Invoice. The top navigation bar includes 'E' (Employee), 'Accounting > Sales Invoice', a search bar ('Search or type a command (Ctrl + G)'), 'Settings', 'Help', and a notification badge ('99+'). The main area displays a form for a Sales Invoice named 'Rohan' (marked as a return). The form fields include:

- Assigned To:** Rohan (Customer)
- Customer:** Rohan
- Company:** Unico Plastics Inc.
- e-Way Bill No.:** (empty field)
- Date:** 03-10-2019
- Posting Time:** 15:51:19.683584
- Payment Due Date:** 03-10-2019
- Include Payment (POS):** (unchecked)
- Is Return (Credit Note):** (checked, highlighted with a red border)

On the left sidebar, there are links for 'Assigned To', 'Attachments', 'Tags', 'Reviews', and 'Shared With', each with a '+' icon.

You can also read the [Sales Return Manual](#) if an item was also returned.

# Credit Note

In case no payment was made against the original invoice, you could **just cancel the Sales Invoice**. But, if only 5 out of 10 Items are being returned from an invoice, creating a Credit Note is useful for updating the ledger.

The screenshot shows the NetSuite Sales Invoice creation interface. On the left, there's a sidebar with options like 'Assigned To', 'Attachments', 'Tags', 'Reviews', and 'Shared With'. The main area has tabs for 'DASHBOARD' and 'Customer' (set to 'Rohan'). It includes fields for 'e-Way Bill No.', 'Include Payment (POS)', and a checked checkbox labeled 'Is Return (Credit Note)'. Other fields shown include 'Company' ('Unico Plastics Inc.'), 'Date' ('03-10-2019'), 'Posting Time' ('15:51:19.683584'), and 'Payment Due Date' ('03-10-2019'). The top navigation bar includes links for Accounting, Sales Invoice, Settings, Help, and a notification badge for 99+.



# Credit Note

## 2. Example

Customer Rohan had purchased PVC pipes worth Rs 300 + taxes and at the time of delivery, Customer found that the products were damaged. Now Rohan has returned the product a Credit Note will be issued.

Credit Note with payment entry in ERPNext for above example is as below:

The screenshot shows the ERPNext interface for a Sales Invoice. The top navigation bar includes links for Accounting, Sales Invoice, and a search bar. The main title is "Rohan • Paid". The document number is ACC-SINV-19-20-00001. The right side of the header features buttons for Settings, Help, and a red notification badge showing 99+.

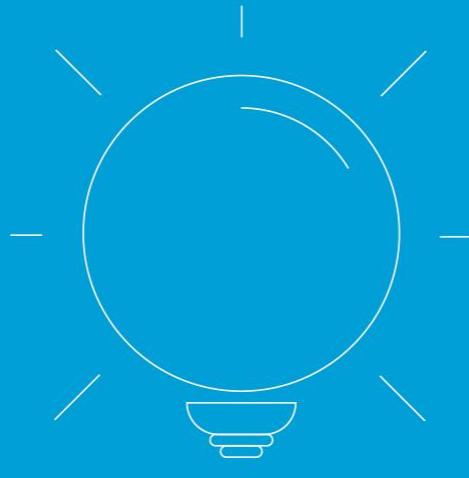
The left sidebar contains sections for Comments (0), Assigned To (with an "Assign +" button), Attachments (with an "Attach File +" button), Tags (with an "Add a tag ..." button), Reviews (with a "+"), and Shared With (with a "+"). Below these is a heart icon.

The main content area displays a grid of related documents. The first row includes DASHBOARD, Payment (Payment Entry 1, Payment Request, Journal Entry, Invoice Discounting), Reference (Timesheet, Delivery Note, Sales Order), and Subscription (Auto Repeat). The second row includes Customer (Rohan) and Company (Unico Plastics Inc.). The third row includes e-Way Bill No. and Date (03-10-2019).

At the bottom left, a message says "You edited this a few seconds ago". On the far right, there is a large blue "h." logo.

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# ERPNext: Accounting Purchase Invoice



# Purchase Invoice

A **Purchase Invoice** is a bill you receive from your Suppliers against which you need to make the payment.

Purchase Invoice is the exact opposite of your Sales Invoice. It is the bill that your Supplier sends you for products or services delivered. Here you accrue expenses to your Supplier. Making a Purchase Invoice is very similar to making a Purchase Order.

To access the Purchase Invoice list, go to:

[Home > Accounting > Accounts Payable > Purchase Invoice](#)

## 1. Prerequisites

Before creating and using a Purchase Invoice, it is advised to create the following first:

- Item
- Supplier
- Purchase Order
- Purchase Receipt (optional)

# Purchase Invoice

## 2. How to create a Purchase Invoice

A Purchase Invoice is usually created from a Purchase Order or a Purchase Receipt. The Supplier's Item details will be fetched into the Purchase Invoice. However, ***you can also create a Purchase Invoice directly.***

To fetch the details automatically in a Purchase Invoice, click on the **Get Items from**. The details can be fetched from a Purchase Order or Purchase Receipt. You can also **create a Purchase Invoice** by clicking on “[Make Purchase Invoice](#)” in a Purchase Order or Purchase Receipt.

**For manual creation,** follow these steps:

New

- a. Go to the Purchase Invoice list, click on New.
- b. Select the **Supplier**.
- c. The **posting date and time** will be set to current, you can edit after you tick the checkbox below Posting Time.
- d. Set the **Due Date** for payment.
- e. **Is Paid:** You can tick 'Is Paid' if the amount has already been paid via an [Advance Payment Entry](#). This should be ticked if there is full or partial payment.

# Purchase Invoice

**For manual creation,** follow these steps:

- f. **Is Return (Debit Note):** Tick this if the customer has returned the Items. To know more details, visit the Debit Note page.
- g. **Apply Tax Withholding Amount:** If the selected Supplier has a Tax Withholding Category set, this checkbox will be enabled. *For more information, visit the Tax Withholding Category manual.* In many countries, the law may require you to deduct taxes, while paying your suppliers. These taxes could be based on a standard rate.
- h. The **Update Stock checkbox** should be checked if you want the system to automatically update your inventory. Consequently, there will be no need for a purchase receipt.
- i. Add **Items** and quantities in the **Items table**.



**You can see more fields if you click the arrow down option.**

- **Scan Barcode:** You can add Items in the Items table by scanning their barcodes if you have a barcode scanner. Read more on the *item master manual*.
- The Item Code, name, description, Image, and Manufacturer will be fetched from the Item master.
- **Manufacturer:** If the Item is manufactured by a specific manufacturer, it can be added here. This will be fetched if set in the Item master.

# Purchase Invoice

- **Quantity and Rate:**
  - The '**UOM Conversion Factor**' is set to 1 by default, you can change it depending on the UOM received from the seller.
  - '**Price List Rate**' will be fetched if a Standard Buying rate is set. '**Last Purchase Rate**' shows the rate of the item from your last Purchase Order. Rate is fetched if set in the item master. You can attach an Item Tax Template to apply a specific tax rate to the item.
- **Item weights** will be fetched if set in the Item master else enter manually.
- **Discount on Price List Rate:** You can apply a discount on individual Items percentage-wise or on the total amount of the Item. Read Applying Discount for more details.
- **Item Weight:** The Item Weight details per unit and Weight UOM are fetched if set in the Item master, else enter manually.
- **Accounting Details:** The Expense account can be changed here.
- **Deferred Expense:** If the expense for this Item will be billed over the coming months in parts, then tick on 'Enable Deferred Expense'. To know more, visit the Deferred Expense manual.
- **Allow Zero Valuation Rate:** Ticking on 'Allow Zero Valuation Rate' will allow submitting the Purchase Receipt even if the Valuation Rate of the Item is 0. This can be a sample item or due to a mutual understanding with your Supplier.



## Purchase Invoice

- **BOM:** If there is a Bill of Materials created for the Item, it'll be fetched here. This is useful for reference when subcontracting.
- **Item Tax Template:** You can set an Item Tax Template to apply a specific Tax amount to this particular Item. To know more, visit *item tax template manual*.
- **Page Break** will create a page break just before this Item when printing.

k. **SAVE and SUBMIT.**

**You can still read the use of the other fields below before submitting the Invoice.**

**3. Other fields are explained below:**

**1. Accounting Dimensions**

Accounting Dimensions lets you tag transactions based on a specific Territory, Branch, Customer, etc. This helps in viewing accounting statements separately based on the criteria selected. To know more, visit the Accounting Dimensions manual.

**Note:** Project and Cost Center are treated as dimensions by default.

# Purchase Invoice

### 3. Other fields are explained below:

#### 2. Holding the Invoice

Sometimes you may need to hold an invoice from being submitted.

**Hold Invoice:** Enable this checkbox to put the Purchase Invoice on hold. This can be done only before submitting the invoice. Once 'Hold Invoice' is enabled and the Purchase Invoice is submitted, the status will change to 'Temporarily on Hold'.

The screenshot shows the 'Purchase Invoice' screen in a software application. At the top, there is a navigation bar with icons for Home, Accounting, and Purchase Invoice, a search bar, and settings options. Below the header, the page title is 'Rushi Hardware • Draft'. On the right, there are buttons for 'Submit', 'Menu', and a document icon. The main content area has a section titled 'HOLD INVOICE' with a dropdown arrow. Inside this section, there is a checked checkbox labeled 'Hold Invoice'. Below it is a 'Release Date' field containing '04-10-2019'. A note states: 'Once set, this invoice will be on hold till the set date'. To the right of this section is a 'Reason For Putting On Hold' field containing the text 'Order problems'. The overall interface is clean and modern, typical of accounting software.

Once the purchase invoice gets submit and you want to change 'Release Date' then you can take the help of the 'Hold Invoice' button, which is available on the top right.

# Purchase Invoice

3. Other fields are explained below:

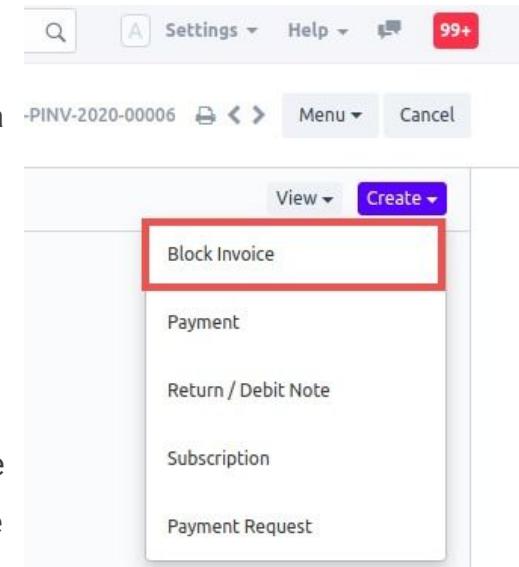
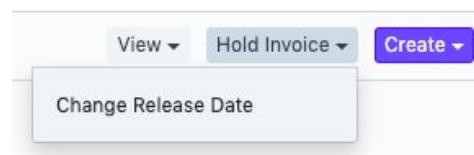
## 2. Holding the Invoice

If you want to **hold submitted purchase invoice** then you can hold using '**Block Invoice**' option and If you want to unblock again then use '**Unblock Invoice**' option.

Take note of the following:

- All purchases that have been placed on hold will not included in a Payment Entry's references table
- The release date cannot be in the past.
- You can only block or unblock a purchase invoice if it is unpaid.
- You can only change the release date if the invoice is unpaid.

After the invoice has been saved, **you can change the release date** by clicking on the "Hold Invoice" drop down button and then "Change Release Date". This action will cause a dialog to appear.



# Purchase Invoice

3. Other fields are explained below:

## 3. Supplier Invoice Details

- **Supplier Invoice No:** The Supplier may identify this order with a number of his own. This is for reference.
- **Supplier Invoice Date:** The date on which the Supplier placed/confirmed your order from his end.

## 4. Address and Contact

- **Supplier Address:** This is the Billing Address of the Supplier.
- **Contact Person:** If the Supplier is a Company, the person to be contacted is fetched in this field if set in the Supplier form.
- **Shipping Address:** Address where the items will be shipped to.

## 5. Currency and Price list

You can set the currency in which the Purchase Invoice order is to be sent. This is fetched from the Purchase Order. If you set a Pricing List, then the item prices will be fetched from that list. Ticking on '[Ignore Pricing Rule](#)' will ignore the Pricing Rules set in Accounts > Pricing Rule.

# Purchase Invoice

### 3. Other fields are explained below:

#### 6. Subcontracting or 'Supply Raw Materials'

Setting '[Supply Raw Materials](#)' option is **useful for subcontracting** where you provide the raw materials for manufacturing an Item. To know more, [visit Subcontracting on the Manufacturing Manual](#).

#### 7. Taxes and charges

The Taxes and Charges will be fetched from the Purchase Order or Purchase Receipt.

The screenshot shows the 'New Purchase Invoice 1' page in the ERPNext application. The top navigation bar includes 'E' (Home), 'Accounting', 'Purchase Invoice', a search bar, 'Settings', 'Help', and a red '99+' badge. The main form has sections for 'Tax Category' (containing 'test'), 'Shipping Rule', 'Purchase Taxes and Charges Template' (containing 'In State GST - UP'), and a table for 'Purchase Taxes and Charges'. The table has columns for Type, Account Head, Rate, Amount, and Total. It contains two rows: one for SGST - UP with a rate of 9 and amounts of ₹ 70.20 and ₹ 850.20; and another for CGST - UP with a rate of 9 and amounts of ₹ 70.20 and ₹ 920.40. A button 'Add Row' is at the bottom of the table.

Type	Account Head	Rate	Amount	Total
1	SGST - UP	9	₹ 70.20	₹ 850.20
2	CGST - UP	9	₹ 70.20	₹ 920.40

Make sure to mark all your taxes in the Taxes and Charges table correctly for an accurate valuation.

# Purchase Invoice

3. Other fields are explained below:

## 8. Shipping Rule

A Shipping Rule helps set the cost of shipping an item. The cost will usually increase with the distance of shipping.

## 9. Additional Discount

Any additional discounts to the whole Invoice can be set in this section. This discount could be based on the Grand Total i.e., post tax/charges or Net total i.e., pre tax/charges. The additional discount can be applied as a percentage or an amount.

The screenshot shows the Zoho Inventory software interface for creating a new purchase invoice. The top navigation bar includes 'Accounting' and 'Purchase Invoice'. A search bar and a notification badge for '99+' are also present. The main title is 'New Purchase Invoice 1' with a status 'Not Saved'. On the left, there's a sidebar with a profile icon and a 'Logout' button. The main content area has a header 'ADDITIONAL DISCOUNT ▾'. It contains two sections: 'Apply Additional Discount On' (set to 'Grand Total') and 'Additional Discount Percentage' (set to '5.000'). Below these are fields for 'Additional Discount Amount (INR)' (set to '46.02') and a 'Save' button. The bottom right corner features the Zoho logo.

# Purchase Invoice

3. Other fields are explained below:

## 10. Advance Payment

For high-value Items, the seller can request an advance payment before processing the order. The Get Advances Received button opens a popup from where you can fetch the orders where advance payment was made.

## 11. Payment Terms

The payment for an invoice may be made in parts depending on your understanding with the Supplier. This is fetched if set in the Sales Order.

The screenshot shows the 'New Purchase Invoice 1' page with the status 'Not Saved'. The top navigation bar includes 'E', 'Accounting', 'Purchase Invoice', a search bar, and a red '99+' badge. The main section starts with 'PAYOUT TERMS ▾' and a 'Payment Terms Template' input field containing '30-70'. Below is a 'Payment Schedule' table with two rows:

<input type="checkbox"/>	Payment Term	Description	Due Date	Invoice Portion	Payment Amount	
<input type="checkbox"/>	1	30 on shipment	05-10-2019	30%	₹ 585.00	▼
<input type="checkbox"/>	2	70 on delivery	10-10-2019	70%	₹ 1,365.00	▼

At the bottom left is an 'Add Row' button.

# Purchase Invoice

### 3. Other fields are explained below:

#### 12. Write Off

Write off happens when you pay an amount less than the invoice amount. This may be a small difference like 0.50. Over several orders, this might add up to a big number. For accounting accuracy, this difference amount is 'written off'.

#### 13. Terms and Conditions

In Sales/Purchase transactions there might be certain Terms and Conditions based on which the Supplier provides goods or services to the Customer. You can apply the Terms and Conditions to transactions to transactions and they will appear when printing the document.

#### 14. Printing Settings

- **Letterhead** - You can print your Purchase Invoice on your Company's letterhead.
- **Print Headings** - Purchase Invoice headings can also be changed when printing the document. You can do this by selecting a Print Heading.

# Purchase Invoice

### 3. Other fields are explained below:

#### 14. Printing Settings

- '**Group same items**' will group the same items added multiple times in the Items table. This can be seen when you print.
- There are additional checkboxes for printing the Purchase Invoice without the amount, this might be useful when the Item is of high value. You can also group the same Items in one row when printing.

#### 15. More Information

- **Is Opening Entry:** If this is an opening entry to affect your accounts select 'Yes'. i.e. if you're migrating from another ERP to ERPNext mid year, you might want to use an Opening Entry to update account balances in ERPNext.
- **Remarks:** Any additional remarks about the Purchase Invoice that will be reflected on the Payment Entry.

# Purchase Invoice

## 4. After Submitting

On submitting a Purchase Invoice, the following documents can be created against it:

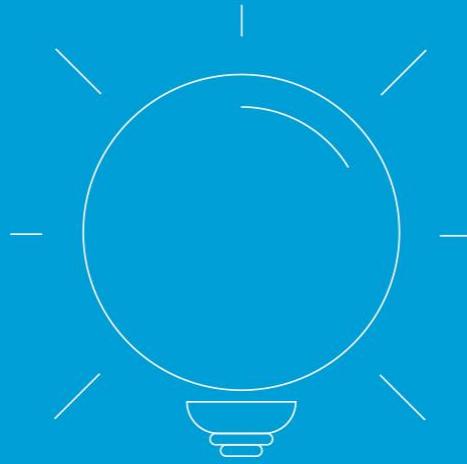
- Journal Entry
- Payment Entry
- Payment Request
- Landed Cost Voucher
- Asset

## 5. Statuses

- **Draft:** A draft is saved but yet to be submitted to the system.
- **Return:** The Items have been returned to the Supplier.
- **Debit Note Issued:** The Items have been returned and a Debit Note has been issued against the invoice.
- **Submitted:** The Purchase Invoice has been submitted to the system and the general ledger has been updated.
- **Paid:** The invoice amount has been paid to the Supplier and a Payment Entry has been submitted.
- **Unpaid:** The Purchase Invoice is yet to be paid.
- **Overdue:** The due date has passed for payment.
- **Canceled:** The invoice has been canceled due to some reason.

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# ERPNext: Accounting Debit Note



# Debit Note

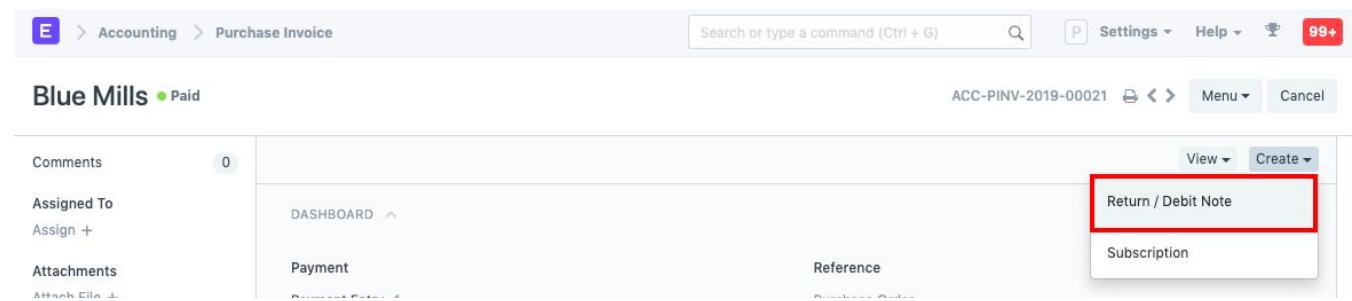
A **Debit Note** is a document sent by a buyer to the Supplier notifying that a debit has been recorded against the goods returned to the Supplier. A Debit Note is issued for the value of the goods returned. In some cases, sellers are seen sending Debit Notes which should be treated as like another invoice. A Debit is for your record of the debit against the Items your return.

## 1. How to create Debit Note

The user can make a **Debit Note against the Purchase Invoice** or they can **directly make Debit Note from the Purchase Invoice without reference**.

### 1. Debit Note against the Purchase Invoice

- Go to the respective Purchase Invoice and click on Create > Return / Debit Note.



## Debit Note

- b. The Supplier and Item details will be fetched as set in the Purchase Invoice.
- c. If you had paid partially or fully, make a Payment Entry against the original Purchase Invoice.
- d. **SAVE and SUBMIT.**

You would know if the Purchase Invoice is a Debit Note if the **Is Return checkbox** is ticked.

The screenshot shows a software interface for creating a new Purchase Invoice. The top navigation bar includes 'E' (Employee), 'Accounting', 'Purchase Invoice', a search bar ('Search or type a command (Ctrl + G)'), 'Settings', 'Help', and a notification badge ('99+'). The main title is 'New Purchase Invoice 1' with a status 'Not Saved'. A large blue 'Save' button is visible on the right. The form fields include:

- Series:** ACC-PINV-.YYYY.-
- Company:** Unico Plastics Inc.
- Supplier:** Blue Mills
- Date:** 03-10-2019
- Tax Id:** (empty)
- Posting Time:** 17:07:46.916540
- Due Date:** 03-10-2019
- Checkboxes:**
  - Is Paid
  - Is Return (Debit Note) (this box is highlighted with a red border)
  - Apply Tax Withholding Amount

# Debit Note

## 1. How to create Debit Note

The user can make a **Debit Note against the Purchase Invoice** or they can **directly make Debit Note from the Purchase Invoice without reference**.

### 2. Debit Note against the Purchase Invoice

- a. Go to Accounts > Purchase Invoice > New
- b. tick the Is Return checkbox.
- c. Do the other steps similar to a Purchase Invoice.
- d. **SAVE and SUBMIT.**

## 2. No payment was made against Purchase Invoice

In case **no payment was made against the original invoice**, you could **just cancel the Sales Invoice**. But, if only 5 out of 10 Items are being returned from an invoice, creating a Debit Note is useful for updating the ledger.

**Note:** For debit note set the negative quantity while adding the item

# Debit Note

## 3. Example

From Supplier Blue Mills, you had purchased Cotton worth Rs 2400 + taxes and at the time of delivery, you found that the products were damaged. Now you returned the product a Debit Note will be issued.

The screenshot shows a software interface for managing financial transactions. At the top, there's a navigation bar with icons for Home (E), Accounting, Purchase Invoice, a search bar, Settings, Help, and a notification badge showing 99+.

The main area displays a record for "Blue Mills" with a status of "Paid". The record includes fields for Comments (0), Assigned To (DASHBOARD), Attachments (Attach File +), Tags (Add a tag ...), Reviews (+), and Shared With (+). Below this, there are sections for Payment, Returns, and Supplier information.

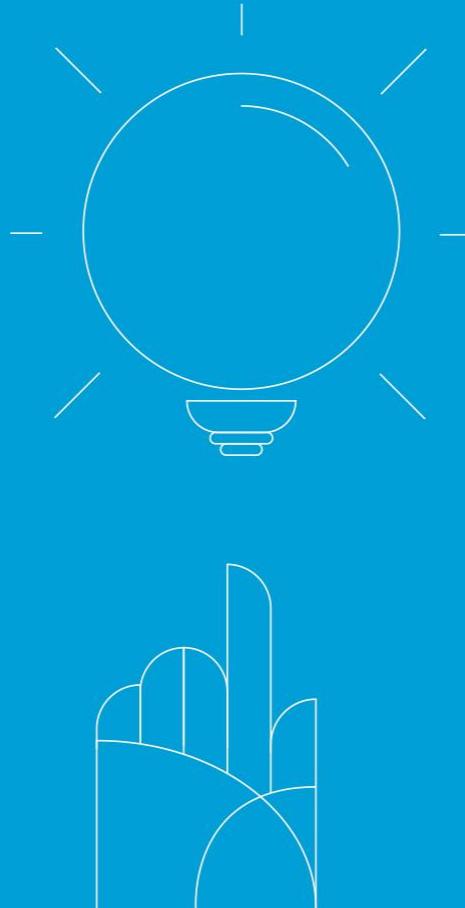
**Payment:** Shows a Payment Entry (1) linked to a Purchase Order.

**Returns:** Shows a Purchase Invoice linked to a Purchase Receipt, Asset, Landed Cost Voucher, Subscription, and Auto Repeat.

**Supplier:** Set to "Blue Mills".  
**Company:** Set to "Unico Plastics Inc.".  
**Tax Id:** (empty)  
**Date:** 03-10-2019

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# ERPNext: Accounting Inter Company Invoice



# Inter Company Invoice

An Inter Company Invoice is a feature that allows you to bill another company within your corporation (sister-company) for materials they purchased from your company.

## 1. How to create Inter Company Invoices

### i. Setting up: Customer

- a. Go to: Accounts > Masters > Customer.
- b. Select the Customer who you would want to choose for the inter-linked invoice.
- c. Enable the checkbox, Is Internal Customer shown as follows:

The screenshot shows the NetSuite customer setup interface. At the top, there's a navigation bar with 'E' (Employee), 'Selling', 'Customer', a search bar, 'Settings', 'Help', and a notification badge '99+'. Below the header, the customer record is displayed for 'Mac Hardware (Internal)' which is 'Enabled'. On the right side of the record card, there are several fields: 'Disabled' (unchecked), 'Is Internal Customer' (checked and highlighted with a red box), 'Represents Company' (set to 'Mac Hardware Ltd'), and a 'Save' button. At the bottom of the record card, there's a section titled 'ALLOWED TO TRANSACT WITH' with a sub-section 'Allowed To Transact With'. This section contains a table with two rows. The first row has empty columns for 'Company' and 'Unico Plastics Inc.' (which is highlighted with a yellow background). The second row has a single column with the text 'Add Row'. The entire screenshot is framed by a light gray border.

	Company	
<input type="checkbox"/>	Unico Plastics Inc.	

# Inter Company Invoice

## 1. How to create Inter Company Invoices

### i. Setting up: Customer

- d. **Add the company** which the Customer represents in the Represents Company field. This is the company for which the Sales Invoice will be created.
- e. **In the Allowed To Transact With table**, add the company against which you will be creating a Purchase Invoice.

Now, when you create a Purchase Invoice against company A (customer is from company B, the seller is company A), it'll be linked to the Sales Invoice for company A created using this Internal Customer from company B.

### ii. Setting up: Supplier

Now, you need to follow a similar procedure for setting up a Supplier for inter-linked invoices.

- a. Go to: Accounts > Masters > Select the Supplier
- b. Tick on Is **Internal Supplier**.
- c. In the Represents Company field, add the company which you added in the table **Allowed To Transact With** for the Customer.



# Inter Company Invoice

## 1. How to create Inter Company Invoices

### ii. Setting up: Supplier

Now, you need to follow a similar procedure for setting up a Supplier for inter-linked invoices.

- d. In the table Allowed To Transact With for the Supplier, add the company which the Customer represents. This is the company against which you are going to make an inter-linked Purchase Invoice.

Here is a screenshot of the Supplier company to avoid any confusion:

The screenshot shows the 'Supplier' setup for 'Unico Plastics'. The top navigation bar includes 'Buying' and 'Supplier' under 'E'. A search bar and various settings are visible. The main section shows 'Unico Plastics' is enabled. Under 'Is Internal Supplier', the checkbox is checked and highlighted with a red box. The 'Allowed To Transact With' table lists 'Mac Hardware Ltd' as a company it can transact with. The bottom right corner features a stylized 'h.' logo.

Company	Actions
Mac Hardware Ltd	(dropdown arrow)

# Inter Company Invoice

## 2. Creating the Invoice

- a. Now, create a new Sales Invoice, fill up the fields.
- b. Remember to select the Customer who is an internal customer and company from which he's buying.
- c. **SAVE and SUBMIT** the Invoice.

## 3. Notes to remember before you make an Inter Company Invoice:

- The selling and buying price between the companies should be in sync.
  - Go to Stock > Price List, create a new Price List for inter company transactions.
  - Tick both Selling and Buying in this new Price List.
  - Go to Buying > Supplier > internal supplier, in the currency and price list section, set the price list to the new one just created.
- Do the same for the internal customer, i.e., set the price list to the new one.

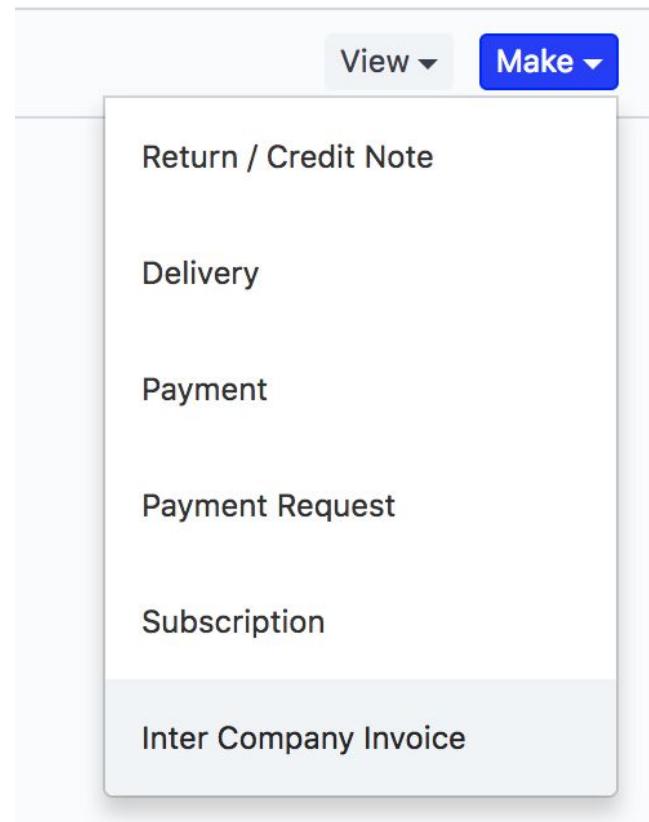
# Inter Company Invoice

## 4. Now, you can make an inter company Purchase or Sales Invoice.

- a. Under the Make button dropdown, you will find a link Inter Company Invoice, on clicking the link, you will be routed to a new Purchase Invoice form page.
  - i. Here, the supplier and company will be auto-fetched depending on the company you selected in the Sales Invoice. > Remember: There can only be a single Internal Supplier or Customer per company.
- b. Submit the invoice, done! Now, both the invoices are inter-linked. Also, on canceling any of the invoices, the link will break as well.

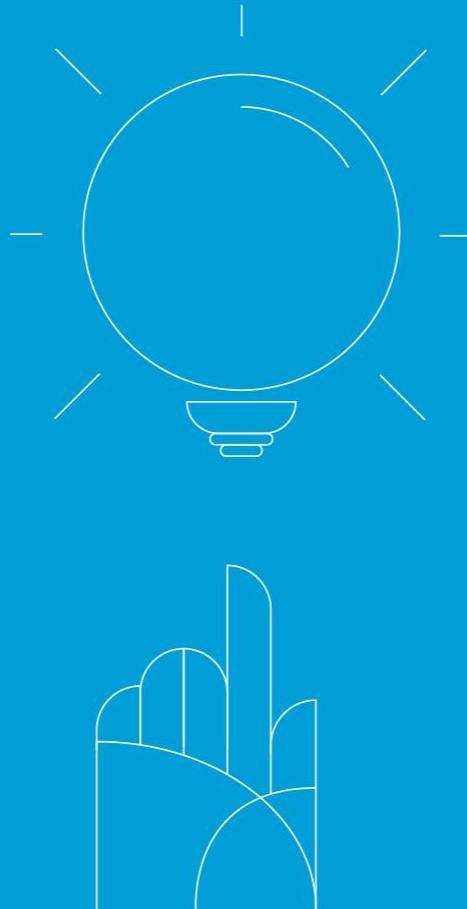
**Note:** An Inter Company invoice will only affect the accounting ledger and not the stock ledger. This is because the companies belong to the same group of companies.

You can follow the same process to create a Purchase Invoice and then an inter-linked Sales Invoice from the submitted Purchase Invoice.



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# ERPNext: Accounting Currency and Exchange Rate



# Currency

In the system, the Currency list stores the currency value, its symbol and fraction unit. Most of the commonly used currencies are already present in ERPNext. The exchange rates are fetched automatically according to the current market rate. You can also configure the system to use older fixed exchange rates by creating them in the Currency Exchange form.

To access the Currency list, go to:

[Home > Accounting > Multi Currency > Currency](#)

For example, this is how the Currency page for Euro:

The screenshot shows the 'Currency' setup page for the Euro (EUR). The top navigation bar includes 'Settings' and 'Currency'. A search bar is on the right. The main section displays the 'EUR' currency record, which is marked as 'Enabled'. The page is divided into several sections: 'Comments' (0), 'Assigned To' (with an 'Assign +' button), 'Attachments' (with an 'Attach File +' button), 'Tags' (with an 'Add a tag ...' button), 'Reviews' (with a '+ button), 'Shared With' (with a '+ button), and a footer note about edits by Administrator and Prasad Ramesh. On the right, detailed settings for EUR are shown: 'Fraction' is set to 'Cent' (Sub-currency. For e.g. "Cent"), 'Fraction Units' is set to '100' (1 Currency = [?] Fraction For e.g. 1 USD = 100 Cent), 'Smallest Currency Fraction Value' is set to '0.01' (Smallest circulating fraction unit (coin). For e.g. 1 cent for USD and it should be entered as 0.01), 'Symbol' is set to '€' (A symbol for this currency. For e.g. \$), and 'Number Format' is set to '#,###,##' (How should this currency be formatted? If not set, will use system defaults).

## Currency Exchange

The Currency Exchange form in the system stores exchange rates manually stored by the User. By default, ERPNext automatically fetched the current exchange rates for currencies as per the market.

However, you can store fixed exchange rates and use them. **You need to enable 'Allow Stale Exchange Rates'** in [Accounts Settings](#) for using the exchange rates stored in the Currency Exchange form.

In ERPNext, saved exchange rates are also referred as **Stale Exchange Rate**.

In your sales and purchase transactions, if the field of Currency Exchange Rate is frozen, that is because the feature of allowing stale exchange rates in transactions is enabled. If you wish to make Currency Exchange Rate field editable again, then disable the feature of Stale Exchange Rate from:

- Accounts > Setup > Accounts Settings
- Uncheck field "Allow Stale Exchange Rates".

# Currency Exchange

- Save Account Settings
- Refresh your ERPNext account
- Check Sales / Purchase transaction once again

The screenshot shows the 'Accounts Settings' page in the ERPNext application. At the top, there is a navigation bar with icons for Home, Accounts, and a search bar. On the right, there is a user profile for 'Michael Corleone' and a notification badge showing '99+'. Below the navigation, the title 'Accounts Settings' is displayed with a note '● Not Saved'. On the far right, there are 'Save' and 'Cancel' buttons.

**ACCOUNTS FROZEN UPTO**

Accounting entry frozen up to this date, nobody can do / modify entry except role specified below.

**Role Allowed to Set Frozen Accounts & Edit Frozen Entries**

System Manager

Users with this role are allowed to set frozen accounts and create / modify accounting entries against frozen accounts

**CREDIT CONTROLLER**

Role that is allowed to submit transactions that exceed credit limits set.

Check Supplier Invoice Number Uniqueness

Make Payment via Journal Entry

Unlink Payment on Cancellation of Invoice

Book Asset Depreciation Entry Automatically

**PRINT SETTINGS**

Show Inclusive Tax In Print

Show Payment Schedule in Print

**CURRENCY EXCHANGE SETTINGS**

Allow Stale Exchange Rates

**Stale Days**

1

After this setting, the Exchange Rate field in the transactions should become editable once again.

# Currency Exchange

After Enabling the '**Allow Stale Exchange Rates**' in Accounts Settings, you can now edit the Currency Exchange form.

To access the Currency Exchange list, go to:

[Home > Accounting > Multi Currency > Currency Exchange](#)

## 1. How to create a Currency Exchange

- a. Go to the Currency Exchange list and click on New.
- b. Enter a date from which this exchange rate will be valid. New Currency Exchange forms saved with newer dates will be used in transactions.
- c. Set the From and To currency.
- d. Enter the Exchange Rate, for example, 1 USD = 65 INR.
- e. Select whether the exchange rate applies to selling, buying, or both transactions.
- f. **SAVE.**

# Currency Exchange

E > Settings > Currency Exchange

Search or type a command (Ctrl + G)

P Settings Help

99+

2019-10-08-USD-INR

Print Backward Menu Save

Comments

0

Assigned To

Assign +

Attachments

Attach File +

Tags

Add a tag ...

Reviews



Date

08-10-2019

For Buying

For Selling

From Currency

USD

To Currency

INR

Exchange Rate (1 USD = [?] INR)

65.000000000

h.

# Multi-Currency Accounting

Transacting in two different currencies is known as **Multi Currency Accounting**.

In ERPNext, you can make accounting entries in multiple currencies. For example, if you have a bank account in foreign currency, you can make transactions in that currency and the system will show bank balance in that specific currency only.

Bank accounts in foreign currencies can be for other branches of your own company or Debtors/Creditors account for foreign Customers/Suppliers.

## 1. Where to Setup

- i. **Set currency in Chart of Accounts** - To get started with multi-currency accounting, you need to assign accounting currency in the Account record. You can define Currency from Chart of Accounts while creating an Account.
- ii. **New account with different currency** - You can also assign/modify the currency by opening specific Account records for existing Accounts.



# Multi-Currency Accounting

## 1. Where to Setup

iii. **Currency for Customer/Supplier** - For Customer/Supplier (Party), you can also define its billing currency in the party record. If the party's accounting currency is different from Company Currency, you should mention Default Receivable/Payable Account in that currency.

The screenshot shows a software application window for managing customers. At the top, there's a navigation bar with 'Selling > Customer'. To the right of the navigation are several icons: a magnifying glass for search, a gear for settings, a help icon, and a notification badge showing '99+'. Below the navigation, the user 'Brian' is listed with a blue dot indicating they are enabled. On the far right are buttons for printing, navigating, and saving changes. The main content area is titled 'CURRENCY AND PRICE LIST'. It contains two main input fields: 'Billing Currency' which has 'USD' selected, and 'Print Language' which has 'en' selected. There are also other sections for 'Default Price List' and 'Customer Price List' which are currently empty. The entire 'Billing Currency' field is highlighted with a thick red border.

## 2. After setup

Once you define Currency in the required account(s) and select relevant accounts in the Party record, you are ready to make transactions against them. If party account currency is different from the Company currency, the system will restrict from making transactions with that party.

# Multi-Currency Accounting

## 2. After setup

Once you define Currency in the Account and select relevant accounts in the Party record, you are ready to make transactions against them. If Party account currency is different from company currency, system will restrict to make transactions for that party. You need to change the currency to party currency in the transaction. If party account currency is same as company currency, you can make transactions for that Party in any currency. But accounting entries (GL Entries) will always be in Party Account Currency.

You can change accounting currency in Party/Account record, until you make any transactions against them. After making accounting entries, system will not allow you to change the currency for both Party/Account record.

In case of multi-company setup, accounting currency of Party must be same for all the companies.

**Note:** Ensure that the correct account with currency is set in the 'Debit To' field when making invoices/payments.

# Multi-Currency Accounting

## 3. Exchange Rates

When dealing with multiple currencies, ERPNext has the Currency Exchange page for managing exchange rates. It allows you to save the exchange rate quotes you require. To know more, read the *Currency Exchange manual*.

**For foreign currency transactions**, the system checks exchange rates from:

1. From the **Currency Exchange** for any matching record (if created by a User).
2. If this fails, ERPNext will attempt to get the current market exchange rate from Frankfurter,  
<https://www.frankfurter.app/>
3. If this still fails, then the exchange rate will have to be entered manually.
4. The rates in the Currency Exchange master are fetched based on whether 'Allow Stale Exchange Rate' is enabled in Accounts Settings. To know more, visit the *Currency Exchange manual*.

## 3. Currency on Transactions

### a. Sales Invoice

In a Sales Invoice, transaction currency must be the same as the accounting currency of Customer if Customer's accounting currency is different from Company currency.



## Multi-Currency Accounting

Otherwise, you can select any currency in a Sales Invoice. On selection of Customer, system will fetch a Receivable account from Customer/Company. The Currency of the receivable account must be the same as the Customer's accounting currency.

Now, in Invoice, and POS, Paid Amount will be entered in transaction currency, instead of earlier Company Currency. Write Off Amount will also be entered in the transaction currency.

Outstanding Amount and Advance Amount will always be calculated and shown in Customer's Account Currency. The paid amounts will be reflected in the Payment Entry:

The screenshot shows a software interface for a payment entry. At the top, there's a navigation bar with 'E' (Employee), 'Accounting', 'Payment Entry', a search bar, settings, help, and a notifications icon (99+). Below the navigation is a header with 'Brian • Submitted' and a document number 'ACC-PAY-2019-00012'. To the right are buttons for 'Menu' and 'Cancel'.

The main area is titled 'AMOUNT' and contains two rows of currency fields:

Paid Amount (USD)	Received Amount (INR)
\$ 50.76	₹ 3,603.96

Below these fields is a section for 'Exchange Rate' with the value '71' and the text '1 USD = [?] INR'. At the bottom, there's another row for 'Paid Amount (INR)' with the value '₹ 3,603.96'.

# Multi-Currency Accounting

## b. Purchase Invoice

Similarly, in a Purchase Invoice, accounting entries will be made based on Supplier's accounting currency. Outstanding Amount and Advance Amount will also be shown in the supplier's accounting currency. Write Off Amount will now be entered in the transaction currency.

## c. Journal Entry

The screenshot shows the Zoho Books interface for creating a Journal Entry. The top navigation bar includes 'E' (Edit), 'Accounting', 'Journal Entry', a search bar, 'Settings', 'Help', and a notification badge '99+'. The current entry is 'Brian • Draft' with reference number 'ACC-JV-2019-00021'. The main area is titled 'Accounting Entries' and contains a table:

	Account	Party	Debit	Credit	
<input type="checkbox"/>	1 Debtors US - UP	Brian	\$ 0.00	\$ 100.00	▼
<input type="checkbox"/>	2 1000 - Axis Bank - UP		₹ 7,106.30	₹ 0.00	▼

Below the table are buttons for 'Add Multiple' and 'Add Row'. Further down, there are fields for 'Reference Number' (with value '₹ 7,106.30') and 'Total Debit', and 'Reference Date' (with value '₹ 7,106.30') and 'Total Credit'. At the bottom, there is a 'User Remark' field and a checked checkbox labeled 'Multi Currency'.

In Journal Entry, you can make transactions in different currencies. There is a checkbox '**Multi Currency**', to enable multi-currency entries. Only when 'Multi Currency' option selected, you will be able to select accounts which have different currencies.

# Multi-Currency Accounting

In the Accounts table, on the selection of a foreign currency account, the system will show the Currency section and fetch Account Currency and Exchange Rate automatically. You can change/modify the Exchange Rate later manually.

Click the arrow down button beside the Debit/Credit amount. The amounts for Debit and Credit fields should be entered in Account Currency, the system will calculate and show the Debit/Credit amount in Company Currency automatically.

The screenshot shows a software interface for managing multi-currency accounting. At the top, there's a navigation bar with 'E' (Accounts), 'Accounts', and 'Journal Entry'. A search bar says 'Search or type a command (Ctrl + G)'. On the right, it shows 'Administrator' and '794'. Below the navigation is a table with several rows:

Account	Party Type	
_Test Receivable USD - _TC	Customer	
Account Balance \$ 300.00	Party	
_Test Customer USD		Party Balance \$ 300.00
Cost Center	If Income or Expense	
Main - WP		
<b>Currency</b>		
Account Currency	Exchange Rate	
USD	66.857	
<b>Amount</b>		
Debit in Account Currency	Credit in Account Currency	
	100.00	
Debit in Company Currency	Credit in Company Currency	
₹ 0.00	₹ 6,685.70	

The 'Account Balance' row, the 'Party Balance' row, the 'USD' currency row, and the 'Debit in Account Currency' row are highlighted with a red border.

# Multi-Currency Accounting

## 3. Reports

In **General Ledger**, the system shows debit/credit amount in party currency if filtered by an Account and that Account Currency is different from Company Currency.

The screenshot shows the General Ledger interface with various filters and a table of transactions. A red callout points to the 'Debit (USD)' and 'Credit (USD)' columns in the table, which are highlighted with a red border. A red annotation above the callout states: "Amount in account currency if account currency is different from company currency".

General Ledger

Search or type a command (Ctrl + G)  345

Menu ▾ Refresh

Sr No	Posting Date	Account	Debit	Credit	Debit (USD)	Credit (USD)	Voucher Type	Voucher I
1		Opening	0.000	0.000	0.000	0.000		
2								
3	09-03-2015	_Test Receivable USD - _TC	5,000.000	0.000	100.000	0.000	Sales Invoice	SINV-00026
4	09-03-2015	_Test Receivable USD - _TC	5,000.000	0.000	100.000	0.000	Sales Invoice	SINV-00037
5	09-04-2015	_Test Receivable USD - _TC	7,294.580	7,294.580	110.200	110.200	Sales Invoice	SINV-00042
6		Totals	17,294.580	7,294.580	310.200	110.200		
7		Closing (Opening + Totals)	10,000.000	0.000	200.000	0.000		

## Exchange Rate Revaluation

The purpose of **Exchange Rate Revaluation** master is to adjust the balance in General Ledger accounts according to any changes in the currency exchange rates. This is useful when you are closing your accounts books and want to update your Company's GL accounts by bringing in the money from other currency accounts.

To access the Exchange Rate Revaluation list, go to:

[Home > Accounting > Multi Currency > Exchange Rate Revaluation](#)

1. **How to set up currency in an account** - follow the steps on the multi-currency accounting.
  
2. **How to enable Exchange Rate Revaluation** - Exchange Rate Revaluation feature is for dealing with the situation when you have accounts with different currencies in one Company's Chart of Accounts.
  - a. Go to: Setup > Company > select the company.
  - b. Set the 'Unrealized Exchange Gain/Loss Account' field in Company DocType. This account is to balance the difference of total credit and total debit.

# Exchange Rate Revaluation

The screenshot shows the 'Company' setup page for 'Unico Plastics Inc.' with a red box highlighting the 'Unrealized Exchange Gain/Loss Account' field. The page includes fields for Discount Allowed Account, Default Payroll Payable Account, Discount Received Account, Default Expense Claim Payable Account, Exchange Gain / Loss Account, and the highlighted Unrealized Exchange Gain/Loss Account.

Discount Allowed Account	Default Payroll Payable Account
<input type="text"/>	<input type="text"/> Payroll Payable - UP
Discount Received Account	Default Expense Claim Payable Account
<input type="text"/>	<input type="text"/>
Exchange Gain / Loss Account	
<input type="text"/> Exchange Gain/Loss - UP	
Unrealized Exchange Gain/Loss Account	
<input type="text"/> Exchange Gain/Loss - UP	

New

- c. Go to Accounting > Setup > Exchange Rate Revaluation > New.
- d. Select the **Company**.
- e. Click the '**Get Entries**' button. It'll fetch the accounts which have currency different from the 'Default Currency' set in the Company.
- f. This will fetch the new exchange rate automatically if not set in Currency Exchange DocType for that currency else it will fetch the 'Exchange Rate' set in the Currency Exchange DocType.

# Exchange Rate Revaluation

On Submitting, **Create Journal Entry button** will appear.

The screenshot shows the Exchange Rate Revaluation page in a software interface. The top navigation bar includes 'Accounting' and 'Exchange Rate Reval...'. A search bar and a red notification badge ('99+') are also present. The main area displays a document header 'ACC-ERR-2019-00002' with a status of 'Submitted'. On the left, there are sidebar sections for 'Comments' (0), 'Assigned To' (with an 'Assign +' button), 'Attachments' (with an 'Attach File +' button), 'Tags' (with an 'Add a tag ...' button), 'Reviews' (with a '+ button), and 'Shared With' (with a '+ button). The central content area has fields for 'Posting Date' (set to '08-10-2019') and 'Company' ('Unico Plastics Inc.'), both highlighted with a red box. Below these are buttons for 'Get Entries' and 'Exchange Rate Revaluation Account'. A table lists two entries:

	Account	Balance In Base Cu...	New Exchange Rate	New Balance In Ba...	Gain/Loss	
<input type="checkbox"/>	1 <b>Debtors US - UP</b>	₹ 3,603.96	65	₹ 3,299.40	₹ -304.56	▼
<input type="checkbox"/>	2 <b>1100 - Bank of Am...</b>	₹ 0.00	65	₹ 0.00	₹ 0.00	▼

# Exchange Rate Revaluation

Clicking on this button will **create a Journal Entry** for the Exchange Rate Revaluation.

The screenshot shows a software application window for creating a Journal Entry. The top navigation bar includes a logo, 'Accounting > Journal Entry', a search bar ('Search or type a command (Ctrl + G)'), settings, help, and a notifications icon (99+). The main area is titled 'Brian • Draft' and shows a summary of the entry. The 'Entry Type' is set to 'Exchange Rate Revaluation', the 'Posting Date' is '08-10-2019', and the 'Company' is 'Unico Plastics Inc.'. The 'Comments' section contains a placeholder 'Submit this document to confirm'. On the left sidebar, there are sections for 'Comments' (0), 'Assigned To' (with an 'Assign +' button), 'Attachments' (with an 'Attach File +' button), 'Tags' (with an 'Add a tag ...' button), 'Reviews' (with a '+ button), 'Shared With' (with a '+ button), and two status messages: 'You edited this a few seconds ago' and 'You created this a few seconds ago'. The bottom section, 'Accounting Entries', displays a table with five rows of transaction details:

	Account	Party	Debit	Credit	
1	Debtors US - UP	Brian	\$ 50.76	\$ 0.00	▼
2	Debtors US - UP	Brian	\$ 0.00	\$ 50.76	▼
3	1100 - Bank of America - UP		\$ 0.00	\$ 0.00	▼
4	1100 - Bank of America - UP		\$ 0.00	\$ 0.00	▼
5	Exchange Gain/Loss - UP		₹ 304.56	₹ 0.00	▼

# Exchange Rate Revaluation

On submitting the Journal Entry, the general ledger is affected as follows:

E > Accounting Search or type a command (Ctrl + G) Settings Help 99+

## General Ledger

Menu Refresh Set Chart

Unico Plastics Inc.		Finance Book	08-10-2019	08-10-2019	Account	ACC-JV-2019-00020		
Party Type		Party	Group by Voucher (Consol)			Cost Center	Project	
<input type="checkbox"/> Show Opening Entries		<input type="checkbox"/> Include Default Book		Entries				
Posting D...	Account	Debit (INR)	Credit (INR)	Balance (INR)	Voucher Type	Voucher No	Against Account	Party Type
1	Opening	0.000	0.000	0.000				
2	08-10-2019	Debtors US - UP	3,299.400	3,603.960	-304.560	Journal Entry	ACC-JV-2019-00020	Brian
3	08-10-2019	Exchange Gain/Loss - UP	304.560	0.000	0.000	Journal Entry	ACC-JV-2019-00020	Brian
4	Total	3,603.960	3,603.960	0.000				
5	Closing (Opening + Total)	3,603.960	3,603.960	0.000				

For comparison, use >5, <10 or =324. For ranges, use 5:10 (for values between 5 & 10). Execution Time: 0.1 sec

## Manage Foreign Exchange Difference

In the payment voucher, update invoice amount against Customer or Supplier account, then update actual payment amount against Bank/Cash account. Add new row and **select Foreign Exchange Gain/Loss** to update currency difference amount.

In the below scenario, Sales Invoice was made EUR, at the exchange rate of 1.090. As per this rate, Sales Invoice amount in USD (base currency) was \$1000.

One receipt of payment, exchange rate changed. As per the new exchange rate, payment received in the base currency was \$1080. This means gain of \$80 due to change in exchange rate. Following is how Foreign Exchange Gain will be booked in this scenario.

# Manage Foreign Exchange Difference

In case you incur loss due to change foreign exchange rate, then different amount about be updated in the debit of Foreign Exchange Gain/Loss account. Also you can add another row to update another expenses like bank charges, remittance charges etc.

E > Accounts > Journal Entry

Search or type a command (Ctrl + G) 

James Al Pacino  276

New Journal Entry 1 • Draft 



Entry Type	Document Type
Bank Entry	
Series	Document ID
JV-	
Posting Date	
12-31-2015	

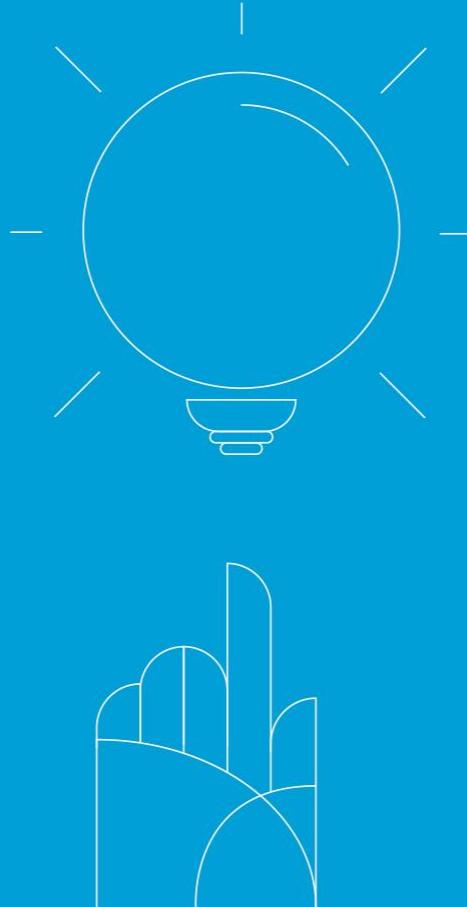
Account	Party	Debit	Credit	Reference Name
1 Debtors - WPL	Urna Nunc	\$ 0.00	\$ 1,000.00	SINV-00030
2 Standard Bank - WPL		\$ 1,000.00	\$ 0.00	

Add new row  Add multiple rows 

0:00

hooman.

# ERPNext: Accounting Pricing And Discounts



## Pricing Rule

Pricing Rule is a master where you can define rules based on which discount is applied to specific Customer or Supplier.

A Pricing Rule has many options using which you can control the pricing of an Item. Filters like quantity, date, groups, and other conditions can be set.

A Pricing Rule is somewhat similar to a Tax Rule.

Following are the few cases which can be addressed using Pricing Rule:

- As per a promotional sale policy, if the Customer purchases more than 10 units of an item, he enjoys 20% discount.
- For Customer "XYZ", the selling price for the specific Item should be updated as ###.
- Items categorized under specific Item Group have same selling or buying price.
- Customers belonging to specific Customer Group should get ### selling price, or % of Discount on Items.
- Supplier categorized under specific Supplier Group should have ### buying rate applied.
- To have Discount and Price List Rate for an Item auto-applied, create Pricing Rules for it.



# Pricing Rule

To access the Pricing Rule list, go to:

[Home > Accounting > Pricing Rule](#)

## 1. Prerequisites

Before creating and using a Pricing Rule, it is advisable to create the following first:

- Item
- Item Group
- Customer
- Supplier

## 2. How to create a Pricing Rule

New

- a. Go to the Pricing Rule list and click on New.
- b. Set a title for the rule.
- c. Select what to Apply On from Item Code, Item Group, Brand, or Transaction.
- d. Select whether you want to apply Price discount or Product discount. If you want to give free products then select the product discount.



# Pricing Rule

## 2. How to create a Pricing Rule

- e. For a single item, select Item Code and select the items.
- f. If you want Pricing Rule to be applied on all the items, select 'Item Group' and select All Item Group (parent Item Group).
- g. Set the discount/price to be applied.
- h. Save.

The screenshot shows the 'Pricing Rule' creation screen. At the top, there's a navigation bar with icons for Home, Accounting, and Pricing Rule, followed by a search bar and various settings and help links. The main title is '5% off on raw materials'. On the left, there are sidebar sections for Comments (0), Assigned To (with an 'Assign +' button), Attachments (with an 'Attach File +' button), Tags (with an 'Add a tag ...' button), and Reviews (with a '+'). The main form area has several input fields: 'Apply On' (set to 'Item Group'), 'Price or Product Discount' (set to 'Price'), 'Warehouse' (empty), and 'Comments' (0). There are also checkboxes for 'Disable', 'Mixed Conditions', and 'Is Cumulative'. On the right, there's a section titled 'Apply Rule On Item Group' with a table for selecting 'Item Group' and 'UOM'. A red '99+' badge is visible in the top right corner.

E > Accounting > Pricing Rule

Search or type a command (Ctrl + G)

P Settings ▾ Help ▾ 99+

5% off on raw materials

Comments 0

Assigned To

Attachments

Tags

Reviews

Comments 0

Apply On

Item Group

Price or Product Discount

Price

Warehouse

Comments 0

Apply Rule On Item Group

	Item Group	UOM
<input type="checkbox"/>	Raw Material	

Add Row

Disable

Mixed Conditions

Conditions will be applied on all the selected items combined.

Is Cumulative

# Pricing Rule

## 3. Additional options/fields when creating a Pricing Rule that you can set

- **Warehouse** - Setting a Warehouse here will cause the Pricing Rule to be applied only if the Item is selected from the Warehouse specified here.
- **Apply Rule On** - Based on the attribute selected in the 'Apply On' field, you can set the Pricing Rule based on one of these:
  - Item
  - Item Group
  - Brand
  - Transaction (on the total amount of the transaction)

In this table, you can select the specific Item/Item Group/Brand. For example, if you select Apply On 'Item Group' and select 'Raw Materials' in the table, this Pricing Rule will be applied only on Items that belong to the Group 'Raw Materials'.

- **UoM** - The Pricing Rule will apply only if the UoM set here matches with the transaction.
- **Mixed Conditions** - If you select two or more Items and set the Min and Max Quantity. The Pricing Rule will be applied only if the total sum of Items matches the set quantities. For example, you create a Pricing Rule on Item 1 and Item 2 and set the Min and Max Quantity as 30, the Pricing Rule will apply only if the total quantity is 30.



## Pricing Rule

### 3. Additional options/fields when creating a Pricing Rule that you can set

- **Is Cumulative** - Enabling this option allows the Pricing Rule to be applied cumulatively. You need to set the 'Min Amt' and 'Max Amt' for this.

Consider a scenario where the Min Amt is 1,500 and Max Amt is 2,000. Now, if one transaction is created for 1,400 then Pricing Rule will not be applied. However, on creating a second invoice of amount 600, Pricing Rule will be applied. This happened since the total (cumulative) amount of the invoices added up to 2,000. Note that the discount will be applied only to the latest transaction that crosses the cumulative limit.

**This can be useful to give discounts if a Customer buys an Item multiple times and you want to reward him with discounts/special prices.**

- **Apply Rule On Other** - This feature checks condition on first Item but applies rule on another Item

# Pricing Rule

## 3. Additional options/fields when creating a Pricing Rule that you can set

For example, set Item1 and Item2 in the 'Apply Rule On' table and set 'Apply Rule On Other' on Item3. Now, if the transaction has Item1, Item2, and Item3, the Pricing Rule will apply on Item3 since the first two Items were present in the transaction.

The screenshot shows the 'Pricing Rule' creation screen. At the top, there's a navigation bar with 'E Accounting > Pricing Rule'. A search bar says 'Search or type a command (Ctrl + G)'. To the right are 'Settings', 'Help', and a notification badge for '99+'. Below the title '10% disc on Plastic Rope sale' are several configuration sections:

- Comments:** 0. Includes a checkbox for 'Disable'.
- Assigned To:** Includes an 'Assign +' button.
- Attachments:** Includes an 'Attach File +' button.
- Tags:** Includes an 'Add a tag ...' button.
- Reviews:** Includes a '+' button.
- Shared With:** Includes a '+' button.

**Apply On:** Set to 'Item Code'.

**Price or Product Discount:** Set to 'Price'.

**Warehouse:** An empty input field.

**Apply Rule On Item Code:** A table showing item codes mapped to UOMs:

	Item Code	UOM
<input type="checkbox"/>	Shaving Brush	▼
<input type="checkbox"/>	PB1L	▼

**Add Row** button.

**Mixed Conditions:** A note stating 'Conditions will be applied on all the selected items combined.'

**Is Cumulative:** A checkbox.

**DISCOUNT ON OTHER ITEM:** A section with 'Apply Rule On Other' set to 'Item Code'.

**Item Code:** Set to 'Plastic Rope 1'.

# Pricing Rule

## 3. Additional options/fields when creating a Pricing Rule that you can set

- **Party Information** - Set whether the Pricing Rule is for Selling or Buying the Item.

Based on your selection you can set applicability to one of the following masters.

1. Customer
2. Customer Group
3. Territory
4. Sales Partner
5. Campaign
6. Supplier
7. Supplier Group

- **Quantity and Amount** - Specify minimum qty, maximum qty, minimum amount, or maximum amount of an Item when this Pricing Rule should be applied.

**Note** that if the quantity or amount falls short or exceeds the limits set here, the Pricing Rule will not be applied at all. However, it will be applied if you have enabled the options Mixed Conditions or Cumulative.



# Pricing Rule

## 3. Additional options/fields when creating a Pricing Rule that you can set

- **Validity** - You can also set a date interval for when the Pricing Rule will be valid. This is useful for a sales promotion. On leaving the dates blank the Pricing Rule will not have any time frame limit.
- **Margin Type** - When selling an Item, you may sell it for a certain margin. If you don't want to add selling prices to Items every time and would like to automatically set a margin, it can be done with this feature.
- **Margin Rate or Amount** - The margin set can be based on Percentage or Amount, eg: 5% margin or \$50 fixed margin.
- **Price Discount Scheme** - The actual rule to be applied is set in this section.
  - **Rate:** This will be the new rate for an Item. For example, if you sell an Item for 100 and want to sell it for 112 for a specific party, then select Rate and set the Rate as 112.
  - **Discount Percentage:** A specific discount percentage can be set. The discount percentage can be set to a specific Price List. Leaving the '**For Price List**' blank will apply the Pricing Rule to all Price Lists.
  - **Discount Amount:** A fixed discount amount will be applied. For example if you sell an Item for 100 and want to sell it with a discount of 7, then this condition can be set using the Discount Amount option.



# Price Discount Scheme

## 1. Price Discount

The Price or Product Discount field should be selected as **Price** to make the other fields related to Price discount scheme visible.

Price

- a. Under the Margin Type, you can set whether the margin is calculated as a percentage or an amount. Eg: 10% margin on supplier price list at the time of sales.
  
- b. Rate mentioned in Pricing Rule will be given priority over Item's Price List (Item Price) rate.

The screenshot shows a software interface for managing pricing rules. At the top, there is a navigation bar with icons for 'E' (Edit), 'Pricing Rule', a search bar ('Search or type a command (Ctrl + G)'), settings ('Settings'), help ('Help'), and a notification badge ('12'). Below the navigation bar, the title 'New Pricing Rule 2' is displayed, followed by a status message 'Not Saved'. On the right side of the title, there is a purple 'Save' button. The main content area is titled 'PRICE DISCOUNT SCHEME'. It contains two input fields: 'Rate or Discount' with the label 'Rate' and the value '50.00', and another input field also labeled 'Rate' with the value '50.00'. The entire interface has a clean, modern design with a light gray background and purple accents for buttons and status indicators.

# Price Discount Scheme

- c. Discount Percentage can be applied for a specific Price List (Selling or Buying). To apply it for both, leave the 'For Price List' field blank.

The screenshot shows the 'Pricing Rule' setup screen. The title bar says 'E > Pricing Rule'. The main area is titled '20% Discount on Parts'. A sub-section titled 'PRICE DISCOUNT SCHEME' contains fields for 'Rate or Discount' (set to 'Discount Percentage') and 'Discount Percentage' (set to '20.000'). There is also a 'For Price List' field which is currently empty. The top right of the screen has a search bar, settings, help, and a red notification badge with the number '12'. The bottom right has a 'Save' button.

- d. Discount can also be set in terms of amount.

The screenshot shows the 'Pricing Rule' setup screen. The title bar says 'E > Pricing Rule'. The main area is titled 'New Pricing Rule 2 • Not Saved'. A sub-section titled 'PRICE DISCOUNT SCHEME' contains fields for 'Rate or Discount' (set to 'Discount Amount') and 'Discount Amount' (set to '100.00'). The top right of the screen has a search bar, settings, help, and a red notification badge with the number '12'. The bottom right has a 'Save' button.

# Product Discount Scheme

## 1. Product Discount

The Price or Product Discount field should be selected as **Product** to make the other fields related to Product discount scheme visible. **Price or Product Discount**



- a. "Buy 2 quantities get 1 free quantity of the same item." To configure such type of rules, set the Price or Product Discount as 'Product discount', tick the Same Item checkbox, and set the quantity.

The screenshot shows the Odoo interface for creating a new pricing rule. The top navigation bar includes icons for 'E', 'Pricing Rule', a search bar, 'Settings', 'Help', and a notification badge with '12'. The main title is 'New Pricing Rule 3 • Not Saved' with a 'Save' button. The configuration form is titled 'PRODUCT DISCOUNT SCHEME' and contains the following fields:

- Same Item
- Qty: 1.000
- UOM: (empty input field)
- Rate: 0.00

# Product Discount Scheme

## 1. Product Discount

- b. "Buy 2 quantities get 1 free quantity of the another item." To configure such type of rules. Set the Price or Product Discount as Product discount, untick the 'Same Item' checkbox and set the 'Free Item' and quantity.

E > Pricing Rule Search or type a command (Ctrl + G) Settings Help 12

New Pricing Rule 3 • Not Saved Save

PRODUCT DISCOUNT SCHEME

Same Item

Free Item  
Amul Ice Cream

Qty  
1.000

UOM

Rate  
0.00

# Pricing Rule

## 3. Additional options/fields when creating a Pricing Rule that you can set

- Advanced Settings

- **Threshold for Suggestion:** This is the threshold based on which the system will notify you to adjust Item Quantity for discount. For example, if the Min Quantity is 10 and the Threshold is 9, the system will notify to add 1 more Item for the discount to be applicable. This also applies to the amount set.
- **Priority:** Consider an Item Group, you want to set specific rules on one Item from the group. This can be done by creating a new Pricing Rule and setting a higher priority. This can also apply to Customer Group and Supplier Group.
- **Apply Multiple Pricing Rules:** To understand this, consider an Item of Rate 500. There are two Pricing Rules on it P1 and P2. P1 applies 10% discount and P2 applies 5%. Enabling this option will apply a total of 15% on the Item Rate which gives 425.
- **Apply Discount on Rate:** The discount will be compounded. Consider the same scenario as above. On enabling this option, 10% will be applied on 500 which will give 450, then 5% will be applied on 450 which will give 427.5.

# Pricing Rule

## 3. Additional options/fields when creating a Pricing Rule that you can set

- Advanced Settings

- **Validate Applied Rule:** Shows the entered validation message if the discount/rate set manually by you in a transaction does not match the Pricing Rule.

This is useful when the top distributor in the hierarchy decides the discount/rate to be applied and you are only validating if the Pricing Rule is applied correctly.

# Promotional Scheme

A **Promotional Scheme** is a temporary discount on one or more products.

**Promotional schemes** help businesses become successful as lower prices for a limited period of time to attract more Customers. They can be easily configured in the system. A **Promotional scheme is linked** to a [pricing rule](#), against each slab system that will generate the pricing rule.

On creating a Promotional Scheme, the system creates a Pricing Rule. A Promotional Scheme can have multiple Pricing Rules associated with it. In ERPNext, a Promotional Scheme is an easier way to manage pricing on multiple Item/Groups based on different parties and conditions.

To access the Promotional Scheme list, go to:

[Home > Selling > Items and Pricing > Promotional Scheme](#)

# Promotional Scheme

## 1. Prerequisites

Before creating and using a Promotional Scheme, it is advisable to create the following first:

- Item
- Item Group
- Customer
- Supplier

## 2. How to create a Promotional Scheme

- a. Go to the Promotional Scheme list and click on New.
- b. Enter a title for the rule.
- c. Select what to Apply On like Item Code, Item Group, Brand, or Transaction. Selecting Transaction will apply the scheme on the total amount of the transaction.
- d. Based on the 'Apply On', system will give you the provision to select the Item Code / Item Group / Brand in the table.
- e. Select whether the scheme is for Selling, Buying, or both and set the part information.
- f. In the Price Discount Slabs table, set the price discount, product discount.
- g. Users can also apply the discount on the other Item Code / Item Group / Brand by selecting the value for Apply Rule On Other field.
- h. **SAVE.**

# Promotional Scheme

**Note:** On saving a Promotional Scheme, a new Pricing Rule is created so most of the fields on the Promotional Scheme are the same as the Price Rule fields.

The only difference are the Slabs table.

## 1. Price Discount Slabs

- a. **Rule Description:** Enter a description to keep a note of what this Promotional Scheme entails.
- b. **Quantity and Amount:** Specify minimum qty, maximum qty, minimum amount, or maximum amount of an Item when this Promotional Scheme should be applicable.

Note that if the quantity or amount falls short or exceeds the limits set here, the Promotional Scheme will not be applied at all. However, it will be applied if you have enabled the options Mixed Conditions or Cumulative.

### c. Setting the Discount/Rate

- i. **Rate:** This will be the new rate for an Item. For example, if you sell an Item for 100 and want to sell it for 112 for a specific party, then select Rate and set the Rate as 112.



## Promotional Scheme

- ii. **Discount Percentage:** A specific discount percentage can be set. For example, a 10% discount on an Item worth 500 would result in a price of 450.
- iii. **Discount Amount:** A fixed discount amount will be applied. For example if you sell an Item for 100 and want to sell it with a discount of 7, then this condition can be set using the Discount Amount option.

### d. Filters for setting discount

To view the below fields, you need to click the arrow down button.



- i. **Warehouse:** Setting a Warehouse here will cause the Promotional Scheme to be applied only if the Item is selected from the Warehouse specified here.
- ii. **Priority:** Consider an Item Group, you want to set specific rules on one Item from the group. This can be done by creating a new Promotional Scheme and setting a higher priority.
- iii. **Threshold for Suggestion:** This is the threshold based on which the system will notify you to adjust Item Quantity for discount. For example, if the Min Quantity is 10 and the Threshold is 9, the system will notify to add 1 more Item for the discount to be applicable. This also applies to the amount set.
- iv. **Validate Applied Rule:** If the entered price is not valid for the Item, the system will not allow you to apply a different rate/discount.

# Promotional Scheme

## 2. Product Discount Slabs

A Product Discount is applicable when one or more Items are free on the purchase of other Items. Most fields in this table are the same as the Price Discount Slabs.

The additional options are: \* **Same Item:** If you want to give the same Item as free (product discount) on purchase of an Item, enable this checkbox. If you want to give another Item, untick and select the Item to be given as free.

To view the below fields, you need to click the arrow down button.



- **Apply Multiple Pricing Rules:** To understand this, consider an Item of Rate 500. There are two Pricing Rules on it P1 and P2. P1 applies 10% discount and P2 applies 5%. Enabling this option will apply a total of 15% on the Item Rate which gives 425.
- **UoM:** The Promotional Scheme will apply only if the UoM set here matches with the transaction.
- **Rate:** An Item may be offered free of cost by the Supplier but there may be some tax applicable. Entering a Rate here means that the Customer will have to pay the applicable taxes.

## Price Discount

In this type of promotional scheme, the user gets an option to set the discount in terms of percentage or amount based on the min quantity, max quantity, min amount and max amount on the products. Users can also configure the scheme where they can set the flat rate for the product based on the quantity or the amount of the product.

The screenshot shows a software interface for managing promotional schemes. At the top, there is a navigation bar with icons for 'E' (Edit), 'Promotional Scheme', a search bar ('Search or type a command (Ctrl + G)'), settings ('Settings'), help ('Help'), and a notification badge ('12'). Below the navigation bar, the title 'Britannia cakes promotional scheme' is displayed, along with 'Menu' and 'Save' buttons.

The main content area is titled 'PRICE DISCOUNT SLABS' and contains a table for 'Promotional Scheme Price Discount'. The table has columns for Row Number, Min Qty, Max Qty, Min Amount, Max Amount, Discount Type, Rate, and a dropdown arrow. There are five rows of data:

Row	Min Qty	Max Qty	Min Amount	Max Amount	Discount Type	Rate	Action
1	15	15	₹ 0.00	₹ 0.00	Discount Percentage	₹ 10.00	▼
2	15	30	₹ 0.00	₹ 0.00	Discount Percentage	₹ 0.00	▼
3	0	0	₹ 100.00	₹ 1,000.00	Discount Amount	₹ 0.00	▼
4	30	0	₹ 0.00	₹ 0.00	Rate	₹ 4.50	▼

At the bottom of the table, there are buttons for 'Add Row', 'Download', and 'Upload'.

# Product Discount

In this type of promotional scheme, the user gets an option to give a free product on purchase of the same or different product with conditions like min quantity, max quantity, min amount, max amount.

The screenshot shows a software application window titled "Promotional Scheme". The top bar includes a search bar ("Search or type a command (Ctrl + G)"), settings, help, and a notification badge (12). The main title is "Britannia cakes promotional scheme" with a status "Not Saved".

The central area displays a table titled "PRODUCT DISCOUNT SLABS" under the heading "Promotional Scheme Product Discount". The table has columns: Min Qty, Max Qty, Min Amount, Max Amount, and Item Code. A single row is present with values: Min Qty 1, Max Qty 200, Min Amount ₹ 0.00, Max Amount ₹ 0.00, and Item Code Britannia Cake 15 Rs.

Buttons at the bottom of the table area include "Add Row", "Download", and "Upload".

	Min Qty	Max Qty	Min Amount	Max Amount	Item Code	
<input type="checkbox"/>	1	200	₹ 0.00	₹ 0.00	Britannia Cake 15 Rs	<input type="button" value="▼"/>

# Margins

User Can apply the margin on Quotation Item and Sales Order Item using following two options.

1. **Price Rule:** With the help of this method user can apply the margin on Quotation and Sales Order based on condition. You can find the section margin on pricing rule where a user has to select the type of margin whether it is Percentage or Amount and Rate or Amount. The system will apply the margin on quotation item and sales order item if pricing rule is enabled.

To setup Pricing Rule, go to:

[Selling > Setup > Pricing Rule](#) or [Accounts > Setup > Pricing Rule](#)

## Adding Margin in Pricing Rule

- Find the Margin section and fill up the fields.

Total Margin is calculated as follows:  $\text{Rate} = \text{Price List Rate} + \text{Margin Rate}$

So, In order to apply the Margin you need to add the Price List for the Item

To add Price List, go to:

[Selling > Setup > Item Price](#) or [Stock > Setup > Item Price](#)



# Margins

User Can apply the margin on Quotation Item and Sales Order Item using following two options.

2. **Apply margin direct on Item:** If user wants to apply the margin without pricing rule, they can use this option. In Quotation Item and Sales Order Item, user can select the margin type and rate or amount. The system will calculate the margin and apply it on price list rate to calculate the rate of the product.

To add margin directly on Quotation or Sales Order, go to:

[Selling > Document > Quotation](#)

add item and scroll down to section where you can find the Margin Type

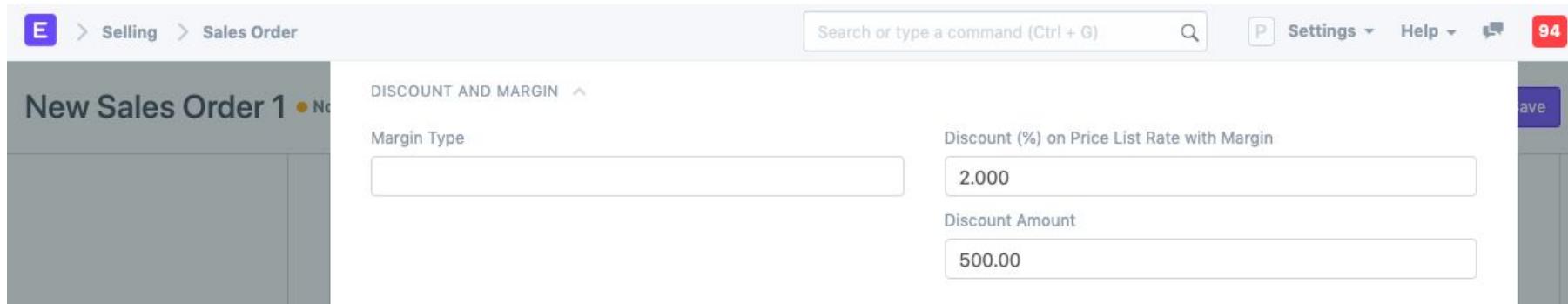
The screenshot shows the Odoo interface for creating a new quotation. A modal window titled 'New Quotation 1' is open, displaying the details for a single item. The item code is 'The Walk' and the item name is also 'The Walk'. Below this, there is a rich text editor placeholder for the description. The 'Quantity and Rate' section includes fields for 'Quantity' (set to 1.000), 'Price List Rate (INR)' (set to ₹ 250.00), and 'Discount on Price List Rate (%)' (set to 0.000). The 'Margin Type' section shows 'Percentage' selected, and the 'Margin Rate or Amount' field is set to 10.00. The 'Rate (INR)' field shows ₹ 275.00, and the 'Amount (INR)' field shows ₹ 275.00. The 'Pricing Rule' is listed as 'New Movies'. At the top right of the modal, there are buttons for 'Remove', 'Insert Above', and 'Done'.

# Applying Discounts

There are several ways to apply a Discount on an item in a sales transactions. This can be done in all sales and purchase transactions.

## 1. Discount on Price List Rate of an item

You can find the Discount field in the Item table of a transaction, click on the arrow down button at the righthand side of a row. A Discount can be applied as a percentage or a fixed amount related to the Price List Rate of the Item.



The feature of Discount (%) is available in all sales and purchase transactions.

If you want to apply a discount (as a Percentage) regularly for certain quantities you'd rather use a "Pricing Rule"

# Applying Discounts

There are several ways to apply a Discount on an item in a sales transactions. This can be done in all sales and purchase transactions.

## 2. Discount on Net Total or Grand Total

In the "Additional Discount" section (of a "Quotation or Sales Order or Purchase Order" or "Sales Invoice or Purchase Invoice"), you can apply a Discount as a fixed amount or a percentage on the total sum of the Sales.

The screenshot shows a software application window for a "Sales Order". The title bar includes icons for E (Edit), Selling, Sales Order, a search bar ("Search or type a command (Ctrl + G)"), Settings, Help, and a notifications badge (94). The main area displays a "New Sales Order 1" with a status of "Not Saved". On the right, there is a large blue "Save" button. The interface features a sidebar with sections like "ADDITIONAL DISCOUNT" (with an upward arrow icon), "Apply Additional Discount On" (set to "Grand Total"), "Additional Discount Percentage" (empty input field), and "Additional Discount Amount (INR)" (empty input field).

# Applying Discounts

There are several ways to apply a Discount on an item in a sales transactions. This can be done in all sales and purchase transactions.

## 2. a. Discount on "Net Total"

If a Discount is applied on Net Total, then item's Net Rate and Net Amount is calculated as per the Discount Amount. Net Rate and Amount field will be visible only if Discount is applied using this feature.

The screenshot shows a 'Sales Order' screen in Zoho Inventory. At the top, there's a navigation bar with 'E' (Edit), 'Selling', 'Sales Order', a search bar ('Search or type a command (Ctrl + G)'), 'Settings', 'Help', and a notification badge '94'. The main area is titled 'New Sales Order 1 • No'. It displays the following fields:

- Price List Rate (INR)**: ₹ 25,000.00
- DISCOUNT AND MARGIN**: A dropdown menu.
- Rate (INR)**: 24,500.00
- Amount (INR)**: ₹ 24,500.00
- Item Tax Template**: An empty input field.

A vertical sidebar on the right shows a list of items with their status: 'New', 'In Progress', 'Completed', and 'Cancelled'.

# Applying Discounts

There are several ways to apply a Discount on an item in a sales transactions. This can be done in all sales and purchase transactions.

## 3. b. Discount on "Grand Total"

If a Discount is applied based on the Grand Total, then with item's Net Rate, Net Amount as well as taxes are also re-calculated as per Discount Amount.

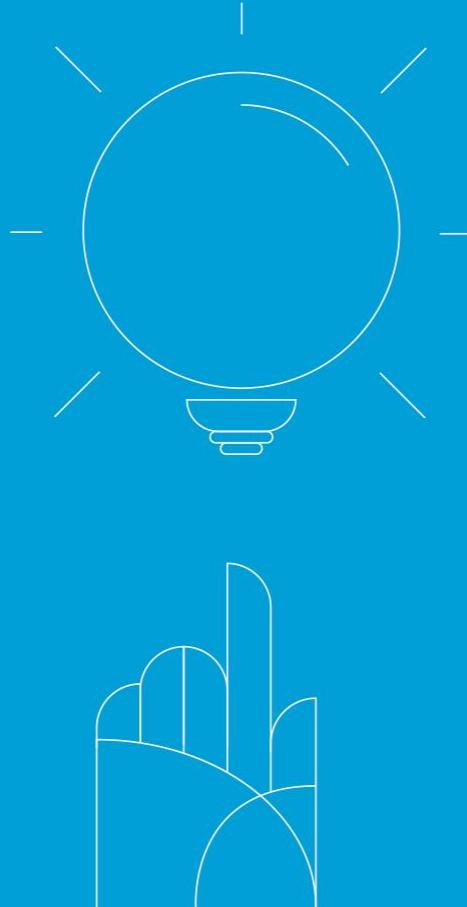
The screenshot shows the Odoo Sales Order interface. At the top, the breadcrumb navigation shows 'E > Selling > Sales Order'. The search bar contains 'Search or type a command (Ctrl + G)'. On the right, there are 'Settings', 'Help', and a notification badge for 94 messages. The main title is 'New Sales Order 1' with a note 'Not Saved'. A large blue 'Save' button is visible on the right.

The interface includes sections for 'ADDITIONAL DISCOUNT' and 'Grand Total (INR)'. In the 'ADDITIONAL DISCOUNT' section, the 'Apply Additional Discount On' dropdown is set to 'Grand Total'. The 'Additional Discount Percentage' is 3.00%, resulting in an 'Additional Discount Amount (INR)' of 855.00. Below this, the 'Grand Total (INR)' is listed as ₹ 27,645.00, with a 'Rounding Adjustment (INR)' of ₹ 0.00, leading to a 'Rounded Total (INR)' of ₹ 27,645.00.

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# ERPNext: Accounting Journals And Payment Entries

Version 1 March 1, 2020



# Payment Request

A **Payment Request** is used to request **payment from a Customer** for a Sales Order or Invoice. Payment Request is sent via email and will contain a link to a Payment Gateway if set up. You can create a payment request via a Sales Order or a Sales Invoice.

A **Payment Request** can also be set up against a **Purchase Order or a Purchase Invoice for internal records**. Then, payments can be processed in **bulk using a Payment Order**.

## 1. Prerequisites

Before creating and using Payment Request, it is advisable to create the following first:

- Sales Invoice
- Purchase Invoice
- Sales Order
- Purchase Order

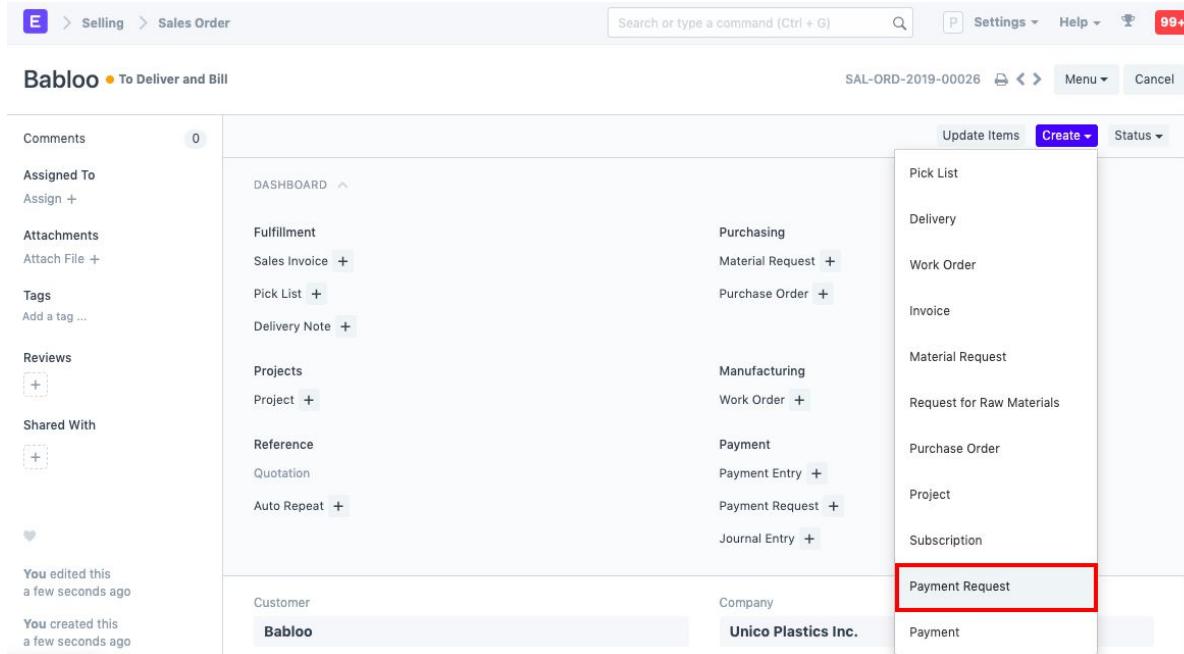
# Payment Request

## 2. How to create a Payment Request for Customers

A Payment Request cannot be created manually, it is created from a Sales/Purchase Order or Invoice.

### a. Creating Payment Request via Sales Order

- In a Sales Order, click on Create and then click on Payment to make an advance payment. To know more about advance payment, visit the *Advance Payment Entry manual*.



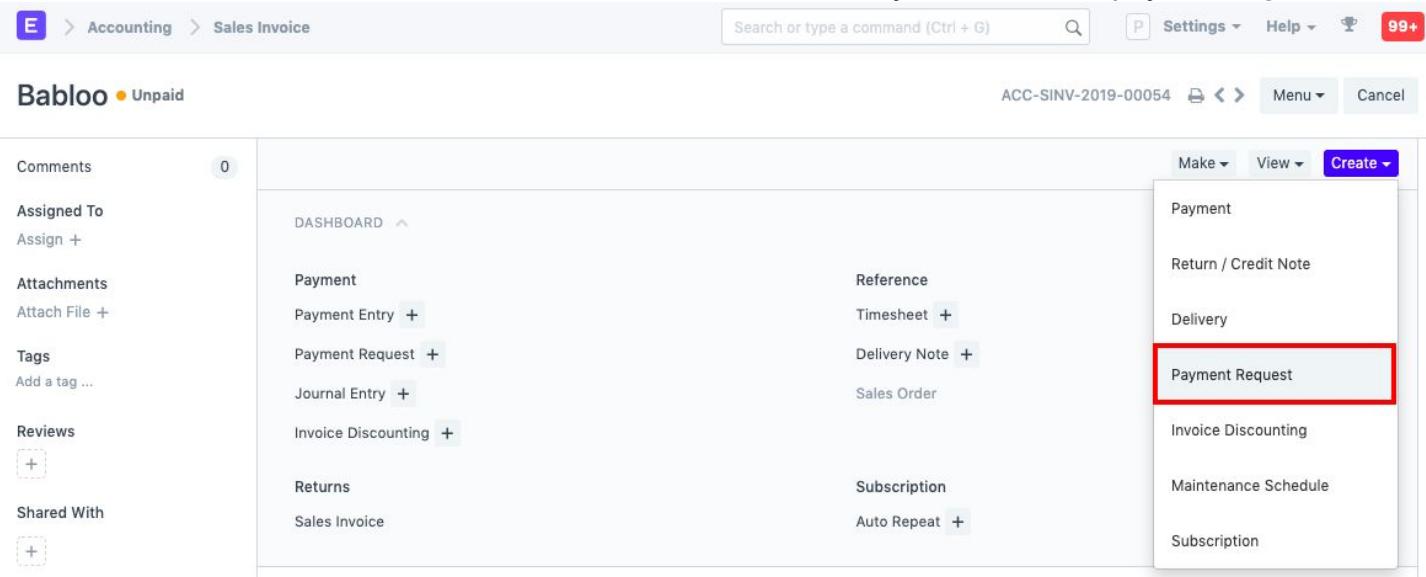
# Payment Request

## 2. How to create a Payment Request for Customers

A Payment Request cannot be created manually, it is created from a Sales/Purchase Order or Invoice.

### b. Creating payment Request via Sales Invoice

- In a Sales Invoice, click on Create and then click on Payment to make payment against the invoice.



You can notify customer from Payment Request using Print Format. If the customer contact email is set, it will be fetched automatically. If not so you can set an email address in Payment Request.

# Payment Order

A **Payment Order** is an internal document to record bulk payments against **Suppliers**.

In big corporations, the decision of making payment to Suppliers is done by someone like the Purchase Manager. The action of making the payments is done by an Accountant (Accounts User).

The **Payment Order** is the communication between the Purchase Manager and the Account notifying the Accountant to proceed with the Payment.

## 1. Prerequisites

Before creating and using the Payment Order, it is advisable to create the following first:

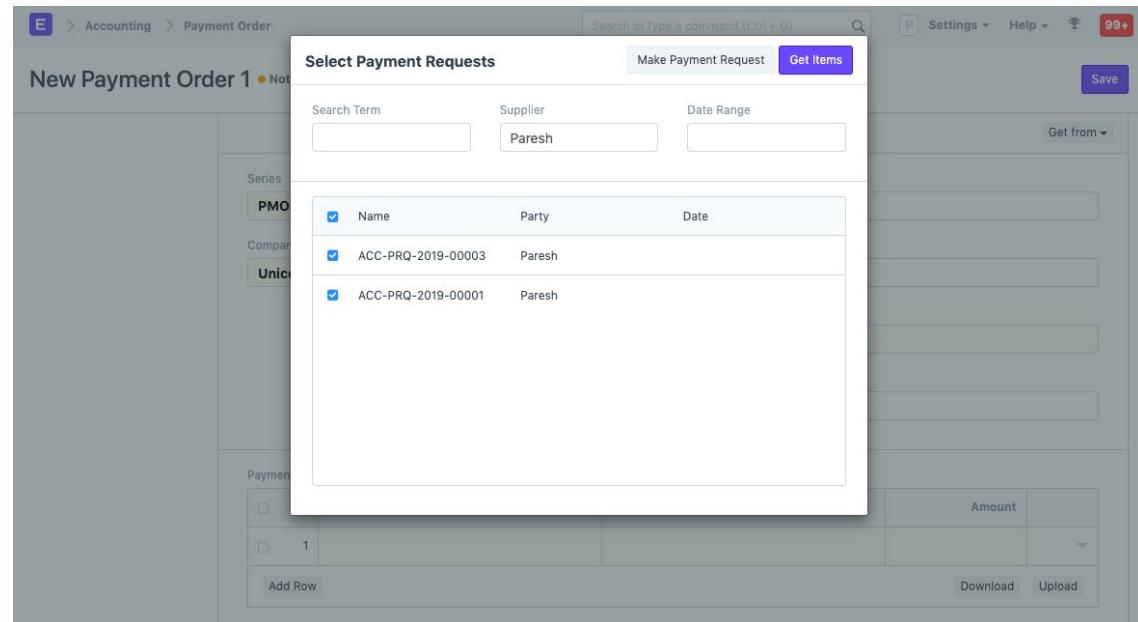
- Purchase Order
- Purchase Invoice
- Purchase Request

# Payment Order

## 2. How to create a Payment Order

- a. Search the Payment Order list on the Global search..
- b. Go to the Payment Order list and click on New button.
- c. Select the Company bank account.
- d. Click on the Get from button and select Payment Request. Apply filters if needed and select the Payment Requests.

**Note:** Make sure that the bank details of the supplier is encoded on the Payment Request so that you will not encounter an error message of no bank account details.



# Payment Order

## 2. How to create a Payment Order

- d. The Payment Requests will be fetched into the Payment Order.
- e. **SAVE and SUBMIT** the Payment Order. Now, you'll see a button to make the Payment Entries in bulk.

The screenshot shows the Zoho Books interface for creating a Payment Order. The top navigation bar includes links for Accounting and Payment Order, a search bar, settings, help, and notifications (99+). The main area displays a payment order for PMO-00001, which is submitted. On the left, there are sidebar sections for Comments (0), Assigned To (DASHBOARD), Attachments (Attach File +), Tags (Add a tag ...), Reviews (+), and Shared With (+). The main form contains the following fields:

Company	Posting Date
Unico Plastics Inc.	14-10-2019
Payment Order Type	Bank
Payment Request	Axis Bank
Supplier	Company Bank Account
Paresh	Axis - Axis Bank
	Account
	1000 - Axis Bank - UP

A red box highlights the "Create Payment Entries" button in the top right corner of the main form area.

# Payment Entry

A **Payment Entry** is a record indicating that payment has been made for an invoice.

Payment Entry can be made against the following transactions.

- Sales Invoice
- Purchase Invoice
- Sales Order (Advance Payment)
- Purchase Order (Advance Payment)
- Expense Claim
- Internal Transfer

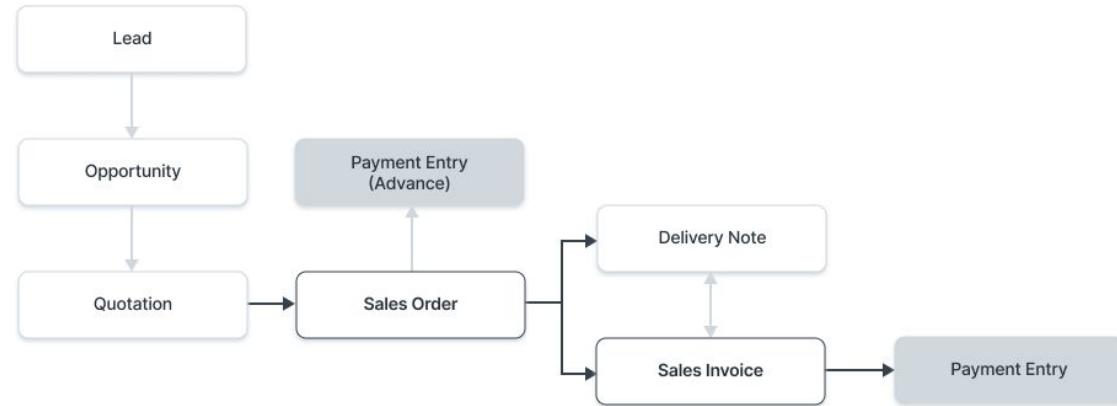
In ERPNext, there are two options through which User can capture the payment:

- Payment Entry (Default)
- Journal Entry

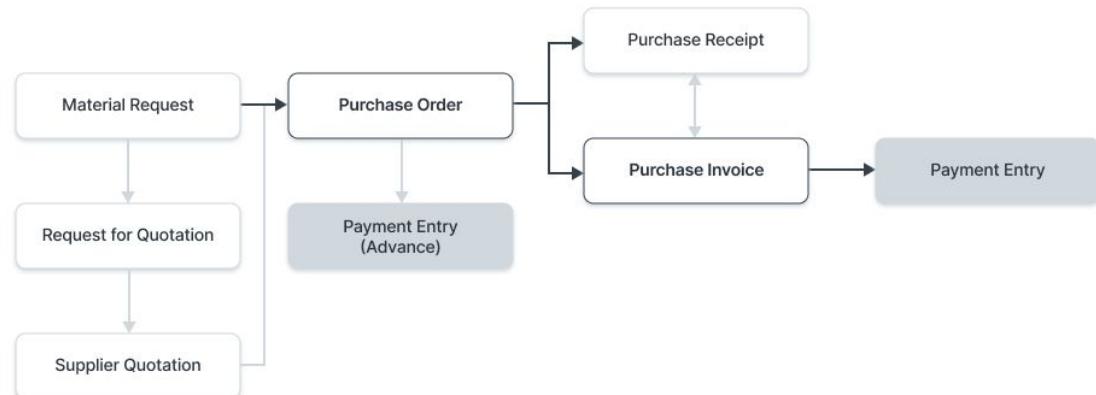
# Payment Entry

Here are diagrams to understand the flow:

**In Sales:**



**In Purchase:**



# Payment Entry

To access the Payment Entry list, go to:

[Home > Accounting > Accounts Receivable/Payable > Payment Entry](#)

## 1. Prerequisites

A Payment Entry can also be created directly then linked to an order/invoice later. Before creating and using Payment Entry, it is advised to create the following first:

- Customer
- Supplier
- Bank Account

If you're following the Sales/Purchase Cycle, you'd need the following:

- Sales Order (Advance Payment)
- Purchase Order (Advance Payment)
- Sales Invoice
- Purchase Invoice

Set up:

- Chart Of Accounts
- Company (for default accounts)



# Payment Entry

## 2. a. How to create a Payment Entry from a Transaction

On submitting a document against which Payment Entry can be made, you will find the Payment option under the Create button.

The screenshot shows the Odoo application interface. At the top, there is a breadcrumb navigation: E > Accounting > Sales Invoice. To the right of the breadcrumb is a search bar labeled "Search or type a command (Ctrl + G)" and a red notification badge with the number "99+". Further to the right are buttons for "Settings", "Help", and a menu. Below the header, the main content area displays a sales invoice for "Archie" with a status of "Unpaid". The invoice number is ACC-SINV-2019-00056. On the right side of the screen, there is a "Create" button with a dropdown menu open. The "Create" button is highlighted with a blue border. The dropdown menu contains several options: "Payment" (which is highlighted with a red box), "Return / Credit Note", "Payment Request", "Invoice Discounting", "Maintenance Schedule", and two "Subscription" options. On the left side of the screen, there are various sidebar menus: "Comments" (0), "Assigned To" (with an "Assign +" button), "Attachments" (with an "Attach File +" button), "Tags" (with an "Add a tag ..." button), "Reviews" (with a plus sign icon), and "Shared With". The central content area shows sections for "DASHBOARD" (with "Payment", "Payment Entry +", "Payment Request +", "Journal Entry +", "Invoice Discounting +", "Returns", and "Sales Invoice"), "Reference" (with "Timesheet +", "Delivery Note", "Sales Order", and "Subscription"), and "Auto Repeat +".

# Payment Entry

## 2. a. How to create a Payment Entry from a Transaction

- a. Change the **posting date**.
- b. The **Payment Type** will be set based on the transaction you're coming from. The types are 'Receive', 'Pay', and 'Internal Transfer'.
- c. The **Party Type, Party, Party Name** will be fetched automatically.
- d. The Account Paid To and Account Paid From will be fetched as set in the Company form.
- e. The Amount Paid will be fetched from the Invoice.
- f. **SAVE and SUBMIT.**

# Payment Entry

## 2. b. How to create a Payment Entry Manually without any Transaction

A Payment Entry created manually will have no order/invoice linked to it. Payments made this will be recorded in the Customer's/Supplier's account and can be reconciled later using the [Payment Reconciliation Tool](#).

New

- a. Go to the Payment Entry list and click on New button.
- b. PAYMENT FROM / TO: Select the **Party Type** and the respective **Customer/Supplier**.
  - i. **Party Type:** Whether Customer, Supplier, Employee, Shareholder, Student, or NGO Member.
  - ii. **Party:** The specific party for which the Payment Entry is made.
  - iii. **Party Name:** The name of the party, this is fetched automatically.
  - iv. **Company Bank Account:** Your Company's Bank Account.
  - v. **Party Bank Account:** The Party's Bank Account.
  - vi. **Contact:** If the Party is an organization, a Contact person can be stored here.

# Payment Entry

## 2. b. How to create a Payment Entry Manually without any Transaction

### c. ACCOUNTS

- i. **Party Balance:** The **overall amount receivable or payable** from Customer or Supplier from Invoices set in the current Payment Entry. Paid amounts will be positive and if advance payments are made, they will be negative.
  - ii. **Account Paid From:** The Account from which the amount will be deducted when Payment is submitted.
  - iii. **Account Paid To:** The Chart of Accounts account from which the amount will be added when Payment Entry is submitted.
  - iv. **Account Currency:** The Currencies of these accounts will be fetched as set in the Account and cannot be edited here. To know about more about transactions in multiple currencies, visit this page.
  - v. **Account Balance:** The total amount balance from all the invoices of the selected accounts.
- 
- d. **Paid Amount:** The total amount paid for the current Payment Entry is shown in this field.
  - e. **Mode of Payment:** Entering this helps classify Payment Entries based on the payment mode used. Modes of Payment can be Bank, Cash, Wire Transfer, etc.

# Payment Entry

## Fetching Outstanding Invoices (Bulk Payment Entry)

This can be used to make payments to multiple Sales Invoices using one Payment Entry. When creating a new Payment Entry, on clicking the **Get Outstanding Invoice button** all the outstanding Invoices and open Orders will be fetched for the party. **You need to enter the 'Paid Amount' to see this button.**

From here a date range and invoices to be fetched can be selected.

The screenshot shows the Odoo Payment Entry interface. At the top, there's a breadcrumb navigation: E > Accounting > Payment Entry. To the right are search, settings, help, and notifications (99+). The main title is "New Payment Entry 2 • Draft". On the left, there's a large empty area. On the right, under "REFERENCE", there's a "Get Outstanding Invoice" button. Below it, "Payment References" is listed with a table:

<input type="checkbox"/>	Type	Name	Total Amount	Outstanding	Allocated	
<input type="checkbox"/>	1 Sales Invoice	ACC-SINV-2019-0...	30	30	30	<input type="button" value="▼"/>

At the bottom of the table area is a "Add Row" button.

If the Party has **not made full payment**, enter the amount paid in the '**Allocated**' field.

If creating Payment Entry for a Customer, the Payment Amount will be allocated against a Sales Invoice. On the same lines, when creating Payment Entry for a Supplier, Payment Amount will be allocated against a Purchase Invoice.



# Payment Entry

## Payment References Table

- **Type:** Whether the payment is being made against a Sales Order, Sales Invoice, or a Journal Entry.
- **Name:** The particular transaction ID is fetched/selected here.
- **Total Amount:** The total amount of one Invoice/Journal Entry in the row.
- **Outstanding:** The amount to receive/to pay for this invoice.
- **Allocated:** If the Paid Amount is less than the invoice amount only the paid amount will be allocated to the invoice(s) fetched in the Payment Entry. The payment may be made in parts, for example, if there are three invoices of amounts 20, 20, 20, the Paid Amount is 60 then this Paid Amount will be distributed equally.

The screenshot shows the Odoo Payment Entry module. At the top, there's a navigation bar with icons for Accounting, Payment Entry, a search bar, Settings, Help, and a notifications badge (99+). Below the header, the title "New Payment Entry 2" is displayed with a "Draft" status, and a "Save" button. The main area contains a table titled "REFERENCE". The table has a single row with the following data:

	Type	Name	Total Amount	Outstanding	Allocated	
<input type="checkbox"/>	1	Sales Invoice	30	30	30	<input type="button" value="▼"/>

Below the table, there are buttons for "Add Row" and "Get Outstanding Invoice".

# Payment Entry

**Excess/Overpayment/unlinked Payments are under the Unallocated Amount**

When a Payment Entry is made in ERPNext and the **Paid Amount** is more than the **total invoice amount (Total Amount Field)**, it is stored in the Customer's/Supplier's account. This amount is hence currently '**Unallocated**'. Unallocated amount can be used against future invoices.

For example, you create a Sales Invoice totaling 1,000 and the Customer paid 1,500. When another invoice is created for this Customer in the future for 1,000 again, the previously paid 500 can be used.

After submitting the Payment Entry, you can use the Payment **Payment Reconciliation Tool.**

**Payment Reconciliation** is used to link payments with invoices.

In complex scenarios, especially in the capital goods industry, sometimes there is no direct link between payments and invoices. You send invoices to your Customers and your Customer sends you block payments or payments based on some schedule that is not linked to your invoices.

In such cases, you can match Payments with Invoices using Payment Reconciliation.



# Payment Reconciliation Tool

To access Payment Reconciliation, go to:

[Home > Accounting > Banking and Payments > Match Payments with Invoices](#)

## 1. How to Match Payments with Invoices

- a. Go to Payment Reconciliation.
- b. Select a Company.
- c. Select a Party Type and select the Party. The Receivable/Payable account will be selected automatically.
- d. Select the Bank/Cash account against which the payments need to be reconciled.
- e. If you want to filter the records, select a date range for the invoices.
- f. Click on the Get Unreconciled Entries button.
- g. This will fetch all un-linked Payment Entry and Sales Invoices from that Customer in a table.
- h. Delete any unwanted entries.
- i. Select the Invoice Number.
- j. Amount is the amount paid by the party, Allocated Amount is the amount you want to allocate for the reconciliation.
- k. Click on Reconcile. You will see a message saying 'Successfully Reconciled'.
- l. You will get a message that says 'Amount allocated successfully'



# Payment Reconciliation Tool

## Payment Reconciliation

Company <b>Unico Plastics Inc.</b>	From Invoice Date <input type="text"/>
Party Type <b>Customer</b>	To Invoice Date <input type="text"/>
Party <b>Dhruv</b>	Minimum Invoice Amount <b>0.00</b>
Receivable / Payable Account <b>Debtors - UP</b>	Maximum Invoice Amount <b>0.00</b>
Bank / Cash Account <b>Cash - UP</b>	Limit <b>0</b>
System will fetch all the entries if limit value is zero.	
<b>Get Unreconciled Entries</b>	

### UNRECONCILED PAYMENT DETAILS

#### Payments

<input type="checkbox"/>	Reference Name	Invoice Number	Amount	Allocated amount	Difference Account	
<input type="checkbox"/>	1	ACC-PAY-2019-00022	Sales Invoice   ACC-SINV-	5,500.00	<b>5,500.00</b>	Difference Account
<b>Add Row</b>						

**Reconcile**

### INVOICE/JOURNAL ENTRY DETAILS

#### Invoices

<input type="checkbox"/>	Invoice Type	Invoice Number	Invoice Date	Amount	Outstanding Amount	
<input type="checkbox"/>	1	Sales Invoice	ACC-SINV-2019-00075	09-10-2019	₹ 6,930.00	₹ 6,930.00

# Payment Entry

## Deductions or Loss

When a Payment Entry is created against an invoice, there could be some difference in the actual Paid Amount and the invoice outstanding amount. **This difference could be due to rounding errors or changes in the currency exchange rate.** You can set an Account here where this difference amount will be booked.

The loss/deductions can be written off:

For an example, a Customer the paid amount is 25 but the allocated amount is 30 since 30 is the amount to be collected as per the invoice. The 'Difference Amount' will be 5 in this case. This difference amount can occur due to discounts or Currency Exchange. The Difference Amount needs to be 0 in order to submit the Payment Entry. **This can be adjusted using the Make Difference Entry button. The amount will be adjusted in the Write Off account.**

The screenshot shows the 'Payment Entry' screen in a software application. At the top, there's a navigation bar with icons for Home, Accounting, and Payment Entry, followed by a search bar and various system settings like 'Save' and '99+'. The main area is titled 'Archie' with a status 'Not Saved'. Below this, the 'DEDUCTIONS OR LOSS' section is expanded, showing a table for 'Payment Deductions or Loss'. The table has columns for a checkbox, Account, Cost Center, and Amount. One row is visible, showing a checkbox, 'Write Off - UP', 'Cost Center', and '-10.00'. At the bottom of the table is a 'Save' button. A large blue 'h.' logo is in the bottom right corner.

<input type="checkbox"/>	Account	Cost Center	Amount
<input type="checkbox"/>	1 Write Off - UP	Cost Center	-10.00

Add Row

# Payment Entry

## Deductions or Loss

### a. Write Off

Write off happens when the paid amount is less than the allocated amount. I.e. the remaining amount is considered as lost in miscellaneous charges or that amount isn't going to be paid.

This is considered as loss.

## New Payment Entry 1 Not Saved

Paid Amount (INR)

25.00

### REFERENCE

Get Outstanding Invoice

### Payment References

<input type="checkbox"/>	Type	Name	Total Amount	Outstanding	Allocated	
<input type="checkbox"/>	1 Sales Invoice	ACC-SINV-2019-000	30.00	30.00	30.00	

Add Row

### WRITEOFF

Total Allocated Amount (INR)

₹ 30.00

Unallocated Amount (INR)

0.00

Difference Amount (INR)

₹ 5.00

Write Off Difference Amount

# Payment Entry

## Deductions or Loss

### b. Adjust Withhold Amount

Deductions or loss can also be because of the withheld tax of the Company for the Supplier or by the Customer to the Company.

Example: an outstanding against a Sales Invoice is 20,000. When client makes payment, they will only pay 19,600. Rest 400 will be booked under Withhold account.

### Step 1: Setup Withhold Account

Create a Withhold Account in your Chart of Accounts master.

[`Accounts > Chart of Accounts'](#)

### Step 2: Payment Entry

To create Payment Entry, go to unpaid Sales Invoice and create click on Make Payment button.

#### Step 2.1: Enter Payment Amount

Enter Payment Amount as 19,600.

New Payment Entry 1 • Not Saved Save

Payment Type <b>Receive</b>	Company Rio Solutions
Party Type Customer	Mode of Payment
Party Aliquam Adipiscing Lacus Corporation	
ACCOUNTS ▾	
AMOUNT	
Paid Amount (INR) <b>19,600.00</b>	

# Payment Entry

E > Accounts > Payment Entry

Search or type a command (Ctrl + G) James Alpacino Help 20+

Aliquam Adipiscing Lacus Corporation • Draft PE-00020 Print Menu Submit

**Deductions or Loss**

b. Adjust Withhold Amount

**Step 2.2:** Allocate Against Sales Invoice  
Against Sales Invoice, allocate 20,000

**Step 2.3:** Add Deduction/Loss Account  
You can notice that there is a difference of 400 in the Payment Amount and the Amount Allocated against Sales Invoice.  
You can book this difference account under Withhold Account.

AMOUNT

Paid Amount (INR)  
**19,600.00**

REFERENCE ▾

Allocate Payment Amount

	Type	Name	Total Amount (I...)	Outstanding (INR)	
1	Sales Invoice	SINV-00022	20,000	20,000	▼

Add new row

WRITEMOFF

Total Allocated Amount (INR)  
**₹ 19,600.00**

Unallocated Amount (INR)

Difference Amount (INR)

Following the same steps, you can also manage difference availed due to Currency Exchange Gain/Loss.



# Payment Entry

## After Submitting

**Save and Submit Payment Entry.** On submission, outstanding will be updated in the Invoices.

If payment entry was created against Sales Order or Purchase Order, the field 'Advance Paid' will be updated in them. When creating Invoice against those transactions, Payment Entry will be auto-updated in that Invoice so that you can allocate invoice amount against advance payment entry.

The screenshot shows a software application window titled "Sales Invoice". At the top left, there's a navigation bar with icons for "E", "Accounting", and "Sales Invoice". A search bar is located at the top center with the placeholder "Search or type a command (Ctrl + G)". To the right of the search bar are "Settings", "Help", and a notification badge showing "99+". Below the navigation bar, the main content area displays a list item for "Archie" with a green "Paid" status indicator. This indicator is highlighted with a red rectangular box. To the right of the list item, the document number "ACC-SINV-2019-00056" is shown along with standard document control icons (print, back, forward). At the bottom of the screen, there are buttons for "Comments" (with a count of 0), "Make", "View", and "Create".

# Payment Entry

## Advance Payments

Payment done by the Customer/Supplier before the invoice is sent is an Advance Payment.

In ERPNext, advance payment entry is created using Payment Entry. If there exist a Sales Order, you can directly create a Payment Entry for the advance amount. Or else, you can also create a standalone Payment Entry for the Customer. Same way, you can also create advance Payment Entry for Supplier, via Purchase Order.

**Note:** If payment is not linked to an invoice, it is considered as an advance payment. The advance payments are reflected in the Accounts Receivable and Payable reports.

### 1. How to create Advance Payment Entry

The process of how to create a Payment Entry is the same with the Advance Payment Entry.

If you create the advance Payment Entry on the Sales order or Purchase Order, you can directly fetch the advance payment while creating an invoice.



# Payment Entry

## Advance Payments

### 2. Allocating Advance Payment in Invoice

When creating an invoice, you can check if there is an Advance Payment against that Party.

The screenshot shows the Zoho Inventory software interface for creating a new sales invoice. The top navigation bar includes 'E Accounting > Sales Invoice', a search bar 'Search or type a command (Ctrl + G)', and various settings and help icons. A red box highlights the 'Get Advances Received' button under the 'ADVANCE PAYMENTS' section. Below this, a table lists advance payments received from party '1' with reference number 'ACC-PAY-2019-00015'. The amount listed is ₹ 10,000.00, which has been fully allocated. An 'Add Row' button is also visible.

Reference Name	Remarks	Advance amount	Allocated amount
ACC-PAY-2019-00015	Amount INR 10000 received from... Amount INR 10000 against Sales ...	₹ 10,000.00	₹ 10,000.00

On clicking Get Advance Received button, it will fetch the Advance Payment Entries found for that party. Once Advance Payment Entries are fetched, you can allocate the Amount of advance against this invoice. The allocation will reduce the Outstanding Amount for that invoice right-away. **Save and submit** the Sales Invoice.

# Payment Entry

## Multi Currency Payment Entry

If you want to maintain a receivable/payable account in foreign currency, then create accounts with foreign currency (different from Company currency) and link it in the party account.

ERPNext allows you to maintain accounts and invoicing in multiple currency. If an invoice is made in the party currency, Currency Exchange Rate between the Company's base currency and party currency is also entered in the invoice.

When creating Payment Entry against that invoice, the current exchange rate will be fetched, but you can set the Currency Exchange Rate at the time of payment to match your records.

**Note:** A separate Debtor/Creditor account needs to be created and selected in the Sales Invoice/Order for currency exchange to work correctly. For example, if the Customer is from the US, create a receivable account called 'accounts receivable - US'.

Click on the **Set Exchange Gain/Loss button** to automatically add a row to write off the difference amount.



# Payment Entry

## Multi Currency Payment Entry

Since Currency Exchange Rate fluctuates all the time, it can lead to a difference in the payment amount against invoice total. This difference amount can be booked in the Currency Exchange Gain/Loss Amount.

The screenshot shows a 'New Payment Entry 1' draft in a software application. The top navigation bar includes 'Accounting > Payment Entry', a search bar, settings, help, and a notifications badge (99+). The main form has sections for 'AMOUNT' and 'Enter actual amount received/paid'. It shows 'Paid Amount (USD)' as 50.76, 'Received Amount (INR)' as 3,603.96, 'Exchange Rate' as 71.000, and 'Paid Amount (INR)' as ₹ 3,603.96. A red arrow points from the 'Exchange Rate' input field to a note: 'Enter exchange rate as of payment date'.

AMOUNT	
Paid Amount (USD)	50.76
Received Amount (INR)	3,603.96
Exchange Rate	71.000
1 USD = [?] INR	
Paid Amount (INR)	₹ 3,603.96

Enter actual amount received/paid

Received Amount (INR)

3,603.96

Enter exchange rate as of payment date

# Payment Entry

## Post Dated Cheque Entry

Post Dated Cheque is a cheque dated on future date. Party generally give post dated cheque, as advance payment. This cheque would be cleared only when cheque date arrives.

In ERPNext, create Payment Entry for post dated cheque.

- Create a New Payment Entry
- Set Posting Date

Assuming your Cheque Date is 31st December, 2016 (or any future date). As a result, this posting in your bank ledger will appear on Posting Date updated.

**Note:** Payment Entry Reference Date should equal to or less than Posting Date.

- After entering all the required details on the form, **SAVE and SUBMIT**.

## **Adjusting Post Dated Cheque Entry**

You can adjust Post Dated Payment Entry against an invoice via *Payment Reconciliation Tool*.

# Payment Entry

## Post Dated Cheque Entry

### Adjusting Post Dated Cheque Entry

When cheque is cleared, i.e. on actual date on the cheque, you can update its Clearance Date via *Bank Reconciliation Tool*.

In the Chart of Accounts, you might find value of this Payment Entry already reflecting against bank Account. You should check Bank Reconciliation Statement, a report in the account module to know difference of bank balance as per system, and actual balance in the bank's statement.

The screenshot shows the 'New Payment Entry 1' screen with the status 'Not Saved'. The top navigation bar includes 'Accounts > Payment Entry', a search bar, user information 'Jesse Pence', and a notification badge '20+'. The main form fields are:

- TYPE OF PAYMENT**
- Series**: PE-
- Payment Type**: Receive
- Party Type**: Customer
- Party**: Century Pharma
- Posting Date**: 31-12-2016 (selected from a calendar grid). The calendar grid shows December 2016 with days 1 through 31.

# Payment Entry

## Internal Transfer

Internal Transfer is used in cases where the money is transferred between the same Company's accounts. For example, if a customer from the US using PayPal, transferring money from PayPal to a bank account can be considered as Internal Transfer.

The screenshot shows the Zoho Books software interface for a 'Payment Entry'. The top navigation bar includes 'Accounting' and 'Payment Entry' under the 'E' icon, a search bar, settings, help, and a notifications badge (99+). The main title is 'HSBC - UP - 1000 - Axis Bank - UP' with a 'Draft' status. To the right are buttons for 'ACC-PAY-2019-00014', 'Print', 'Back', 'Forward', 'Menu', and 'Submit'. On the left, a sidebar notes: 'Following internal transfers can be managed from the Payment Entry.' Below this, a list of transfer types is shown. The main area displays 'AMOUNT' fields: 'Paid Amount (USD)' with value '100.00', 'Received Amount (INR)' with value '7,234.00', and 'Exchange Rate' with value '70.948'. A note below states '1 USD = [?] INR'. Another 'Paid Amount (INR)' field shows '₹ 7,094.80'.

Following internal transfers can be managed from the Payment Entry.

- Bank - Cash
- Bank - Bank
- Cash - Cash
- Cash - Bank

## Difference between Payment Entry and Journal Entry

1. Using **Journal Entry** requires an understanding of which Account will get Debited or Credited. In the Payment Entry, it is managed in the backend, hence simpler for the User.
2. Payment Entry is more efficient in managing payments in foreign currencies.
3. **Cheques can be printed from Payment Entries using the Cheque Print Format.**
4. Journal Entry can still be used for:
  - i. Updating opening balance in Accounts.
  - ii. Fixed Asset Depreciation entry.
  - iii. For adjusting Credit Note against Sales Invoice and Debit Note against Purchase Invoice, in case there is no payment happening at all.

# Payment using Journal Entry

To make payment using Journal Entry follow these steps:

1. **Activate Payment via Journal Entry.**

- Go to Accounting > Accounting Masters > Accounts Settings,
- check the box 'Make Payment via Journal Entry'.

The screenshot shows the 'New Journal Entry' screen in Odoo. At the top, there's a breadcrumb navigation: E > Accounting > Journal Entry. To the right are search, settings, help, and a notifications icon (99+). The main title is 'New Journal Entry 2' with a note 'Not Saved'. On the far right is a 'Save' button. Below the title, there are several input fields: 'Entry Type' (set to 'Journal Entry'), 'Posting Date' (set to '25-09-2019'), 'Series' (set to 'ACC-JV-.YYYY.-'), 'Company' (set to 'Unico Plastics Inc.'), and 'Finance Book' (empty). Under the heading 'Accounting Entries', there's a table with three rows of data:

	Account	Party	Debit	Credit	
<input type="checkbox"/>	1 Debtors - UP	Babloo	₹ 0.00	₹ 74.00	▼
<input type="checkbox"/>	2 hdfc - UP		₹ 74.00	₹ 0.00	▼

At the bottom of the table are buttons for 'Add Multiple' and 'Add Row'.

2. **Make the payment.** On submitting a Transaction; Order or Invoice, against which Journal Entry can be made, you will find the Payment under the Create button.

3. **Journal Entry.** Save and submit the journal entry to record the payment against the invoice.

## Journal Entry

A **Journal Entry** is an entry made in the general ledger and it indicated the affected accounts.

A **Journal Entry** is a multi purpose transaction where the debit and credit accounts can be selected.

All types of accounting entries other than Sales and Purchase transactions are made using the Journal Entry. A Journal Entry is a standard accounting transaction that affects multiple Accounts and the sum of debits is equal to the sum of credits. A Journal Entry Impacts the main ledger.

Journal Entries can be used for entering expenses, opening entries, contra entries, bank payments, excise entries, etc. For example, booing running expenses, direct expenses like petrol/transport, sundry expenses, adjustment entries, and adjusting invoice amount.

To access the Journal Entry list, go to:

[Home > Accounting > General Ledger > Journal Entry](#)

# Journal Entry

## 1. How to create a Journal Entry

New



- a. Go to the Journal Entry list, click on New button.
- b. The default **Entry Type** will be 'Journal Entry'. This is a general purpose entry type. There are other entry types that can be used. Will discuss it on the other pages.
- c. You can change the **Posting Date**.
- d. **Expand the table**, or select the arrow down button and select an Account from which amount is debited.
  - i. Select the Party Type and Party if it's a Debtor entry.
  - ii. **Accounting Dimensions:** A Project or Cost Center can be linked here to track the costing separately.
  - iii. **Bank Account No:** If you've added a Bank Account, the number associated with that bank account will be fetched.
  - iv. **Reference Type:** If this Accounting Entry is associated with another transaction, it can be referenced here. Select the Reference Type and select the specific document. For example, if you're creating a Journal Entry against a specific Sales Invoice. Link this Journal Entry to the invoice. The "outstanding" amount of that invoice will be affected.

# Journal Entry

## 1. How to create a Journal Entry

- d. **Expand the table**, or select the arrow down button and select an Account from which amount is debited.
- i. Select the Party Type and Party if it's a Debtor entry.
  - ii. **Accounting Dimensions**: A Project or Cost Center can be linked here to track the costing separately.
  - iii. **Bank Account No**: If you've added a Bank Account, the number associated with that bank account will be fetched.
  - iv. **Reference Type**: If this Accounting Entry is associated with another transaction, it can be referenced here. Select the Reference Type and select the specific document. For example, if you're creating a Journal Entry against a specific Sales Invoice. Link this Journal Entry to the invoice. The "outstanding" amount of that invoice will be affected.

Following are the documents that can be selected in the Journal Entry under Reference Type:

- Sales Invoice
- Purchase Invoice
- Journal Entry
- Sales Order
- Purchase Order
- Expense Claim
- Asset
- Loan
- Payroll Entry
- Employee Advance
- Exchange Rate Revaluation
- Invoice Discounting

# Journal Entry

## 1. How to create a Journal Entry

- d. **Expand the table**, or select the arrow down button and select an Account from which amount is debited.
- v. **Is Advance:** If this is an advance payment by a Customer, set this option to 'Yes'. This is useful when you have linked a 'Reference Type' form to this Journal Entry. Selecting "Yes" will link this Journal Entry to the transaction selected in the 'Reference Name' field.
- vi. **User Remark:** Any additional remarks about the entry can be added in this field.

The screenshot shows the 'New Journal Entry 1' screen. At the top, there's a header with the application logo, 'Accounting > Journal Entry', a search bar, and navigation buttons for 'Settings' and 'Help'. A red notification badge '99+' is visible in the top right corner. The main area is titled 'REFERENCE' and contains fields for 'Reference Type' (set to 'Sales Invoice'), 'Is Advance' (set to 'No'), 'Reference Name' (set to 'ACC-SINV-2019-00064'), and 'User Remark' (empty). Below the reference section is a 'Project' field. At the bottom of the screen is a table for journal entries. The first row of the table has the following data:

<input type="checkbox"/>	2	1000 - Axis Bank - UP	Party	1,000.00	Credit	<input type="button" value="▼"/>
--------------------------	---	-----------------------	-------	----------	--------	----------------------------------

There are buttons for 'Insert Below', 'Add Multiple', and 'Add Row' at the bottom of the table area.

- e. **Add a row where the amount will be credited.**
- f. Note that, in the end, total debit and credit amounts should add up to be the same.
- g. **Finance Book:** You can post this entry to a specific Finance Book. On leaving this field blank, this Journal Entry will show up in all Finance Books.
- h. **SAVE and SUBMIT.**

# Journal Entry

## 2. Other Fields in the Journal Entry

### a. Referencing

A Reference Number can be entered manually and a Reference Date can be set. On entering a Reference Number here, a 'Remark' will be seen, for example:

*Note: supplier*

*Reference #2321 dated 30-09-2019 ₹ 1,000.00 against Sales Invoice ACC-S/INV-2019-00064*

In the Reference section, the following fields can be entered manually if the bill was recorded offline and not in the ERPNext system. This is only for reference purposes.

- Bill No
- Bill Date
- Due Date

### b. Multi Currency entries

If the accounts selected are in different currencies, tick the 'Multi Currency' checkbox. If this checkbox is not enabled, you will not be able to select any foreign currencies in the Journal Entry. This will show the different currency and fetch the 'Exchange Rate'.

# Journal Entry

## 2. Other Fields in the Journal Entry

### c. Print Settings

- **Pay To / Recd From:** The name entered here will show up in the Sales Invoice. [This is useful for printing cheques.](#) Go to the print view in the Journal Entry and select the 'Cheque Printing Format'.
- **Letterhead:** You can print your Journal Entry on your company's letterhead. Know more [here](#).
- **Print Headings:** Journal Entries can also be titled differently for printing purposes. You can do this by selecting a Print Heading. To create new Print Headings go to: [Home > Settings > Printing > Print Heading](#)

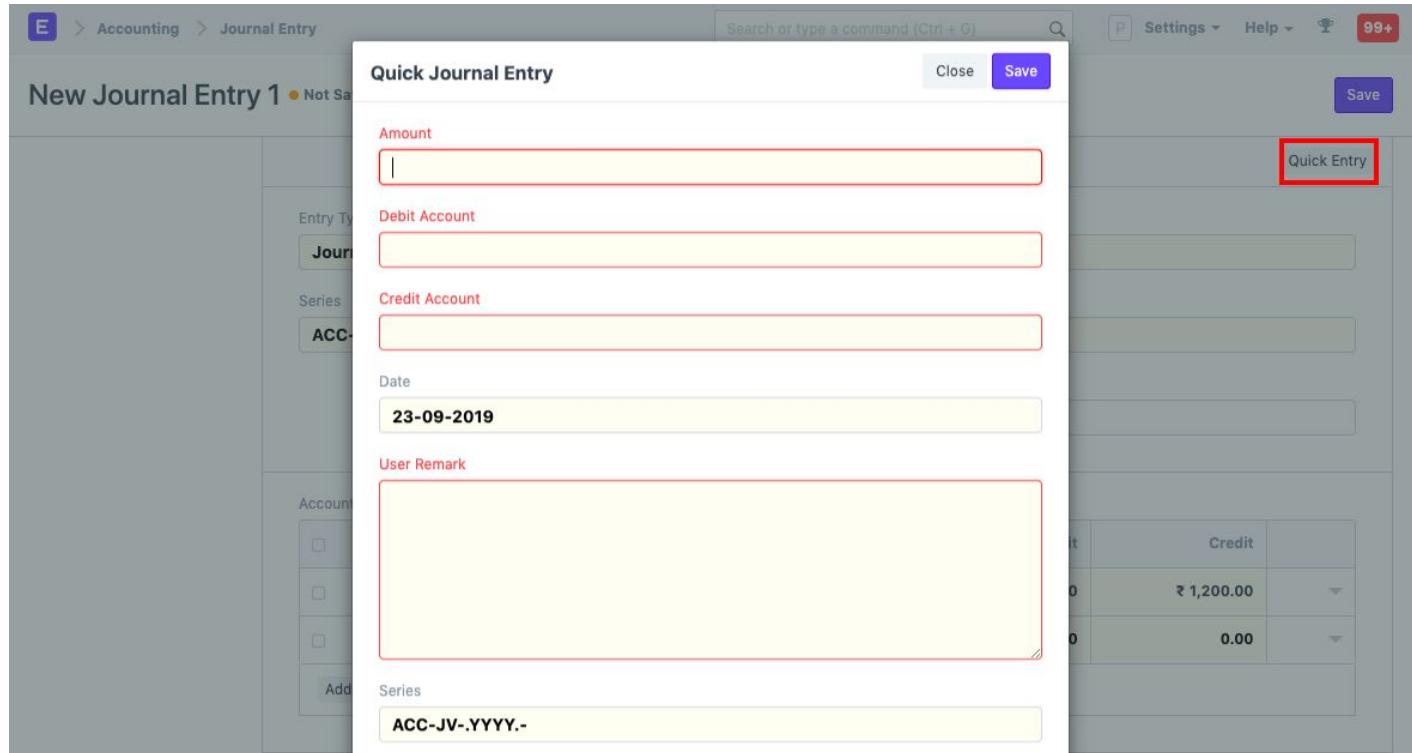
### d. More Information

- **Mode of Payment:** Whether the payment was done using Wire Transfer, Bank Draft, Credit Card, Cheque, or Cash. New Modes of Payment can also be created. If a Bank Account is set in Mode of Payment, it will be fetched here when the Mode of Payment is selected.
- **Is Opening:** If the Journal Entry is of type 'Opening Entry' this field will be set to 'Yes'.

# Journal Entry: Other Features

## QUICK ENTRY

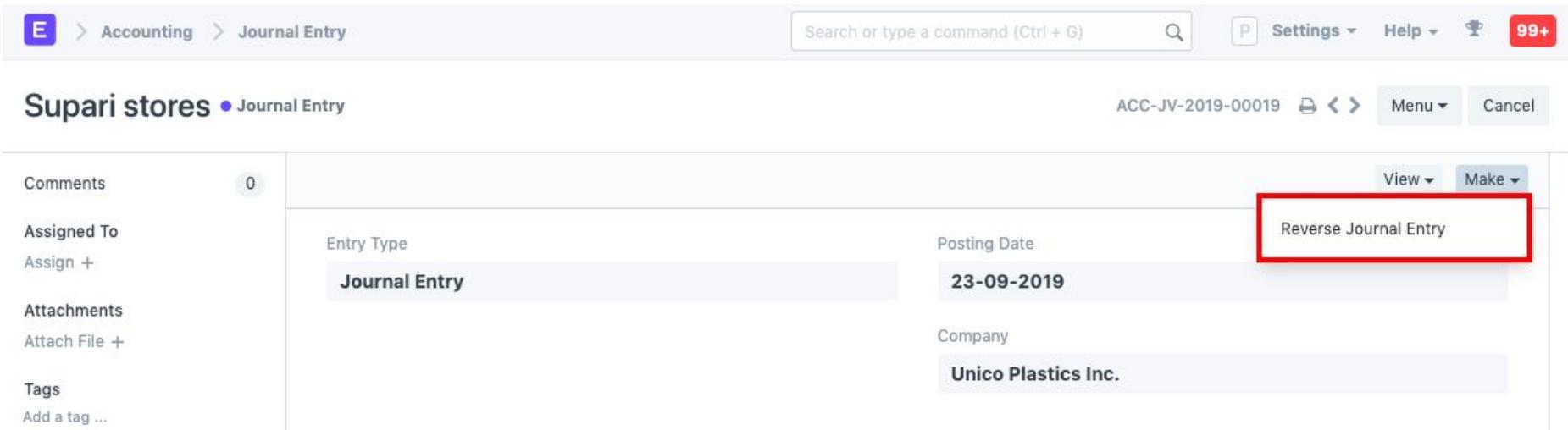
When creating a Journal Entry, a **Quick Entry button** can be seen on the top right. This makes creating the Journal Entry a bit easier. Enter the amount, select the accounts, add a remark. This will populate the 'Accounting Entries' table with the selected details.



# Journal Entry: Other Features

## REVERSE JOURNAL ENTRY

In any submitted Journal Entry, there is a dedicated button to reverse the Journal Entry. On clicking the '[Reverse Journal Entry](#)' button, the system creates a new Journal Entry by reversing debit and credit amount against the respective accounts.



The screenshot shows a software interface for managing journal entries. At the top, there's a navigation bar with icons for Home, Accounting, Journal Entry, a search bar, Settings, Help, and a notifications badge (99+). Below the header, the title 'Supari stores • Journal Entry' is displayed, along with a document number 'ACC-JV-2019-00019' and standard document control buttons (Print, Previous, Next, Menu, Cancel).

The main content area contains several input fields and buttons:

- Comments:** A field showing '0'.
- Assigned To:** A button labeled 'Assign +'.
- Attachments:** A button labeled 'Attach File +'.
- Tags:** A button labeled 'Add a tag ...'.
- Entry Type:** A dropdown menu set to 'Journal Entry'.
- Posting Date:** A field showing '23-09-2019'.
- Company:** A field showing 'Unico Plastics Inc.'
- Action Buttons:** 'View', 'Make', and a red-bordered button labeled 'Reverse Journal Entry'.

# Journal Entry: Other Features

## Difference Entry

The “Difference” is the difference that remains after summing all debit and credit amounts.

As per accounting standards, debit in an accounting entry must be equal to credit. If not, system does allow submission of accounting transaction, thereby stops ledger posting. In ERPNext, on saving accounting entry, system validates if debit and credit is tallying.

As per double entry accounting system, the total debit should be equal to the total credit.

This should be zero if the Journal Entry is to be “Submitted”. If this number is not zero, you can click on “Make Difference Entry” and the system will automatically add a new row with the amount required to make the total as zero. Select the account to debit/credit and proceed.

# Journal Entry: Other Features

To have entry balanced, you should **add one more row**, select another account, and update different amount in it. Or you can **add difference amount** in one of the Account's row itself.

On clicking 'Make Difference Entry' button, new Row will be added under Journal Entry Accounts table, with difference amount. You can edit that row to select appropriate Account.

The screenshot shows a software application window for 'Journal Entry'. At the top, there's a navigation bar with 'E > Accounts > Journal Entry', a search bar, and a user profile 'James Al Pacino'. A red notification badge '273' is visible. A modal dialog box titled 'Message' contains the text: 'Total Debit must be equal to Total Credit. The difference is 10.0'. Below the message are two buttons: 'Close' and 'Save'. The main window has sections for 'Journal Entry', 'Series' (containing 'JV-'), 'Document ID', 'Posting Date' (set to '12-30-2015'), and a table of accounts. The table has columns: 'Account', 'Party', 'Debit', 'Credit', and 'Reference Name'. It contains two rows:

Account	Party	Debit	Credit	Reference Name
1 Travel Expenses - WPL		\$ 90.00		
2 Cash - WPL			\$ 80.00	

Below the table are buttons for 'Add new row' and 'Add multiple rows'. At the bottom, there are fields for 'Reference Number' (Total Debit: \$ 90.00) and 'Reference Date', and a field for 'Total Credit' (\$ 80.00). A 'ProTip' at the bottom right suggests using 'Ctrl+S' to save.

# Journal Entry Types

## 1. Journal Entry

This is a general purpose entry type which can be used for different purposes. Let's see a few examples.

### **Expenses (non accruing)**

Many times it may not be necessary to accrue an expense, but it can be directly booked against an expense Account on payment. For example, a travel allowance or a telephone bill. You can directly debit Telephone Expense (instead of your telephone company) and credit your Bank on payment.

- Debit: **Expense Account (like Telephone expense).**
- Credit: **Bank or Cash Account.**

### **Crediting Salaries**

For crediting employee salaries, 'Journal Entry' type is used. In this case,

- Debit: **The salary components.**
- Credit: **The bank account.**

# Journal Entry Types

## 2. Inter Company Journal Entry

An **Inter Company Journal Entry** is done between organizations that belong to the same group. If a transaction occurs between a parent and child company, or sister companies, or two companies belonging to the same group.

Before creating an Inter Company Journal Entry, you need to set up your Chart of accounts.

[Go to: Accounts > Company and Accounts > Chart Of Accounts.](#)

Select the Account which you would like to set as an Internal Account for the transaction, and check the '['Inter Company Account'](#)' checkbox. This account can now be used for Inter Company Journal Entry transactions. It is recommended to create a new account for inter company transactions.

You need to do the same for all the Companies' Accounts which you want to use for Inter Company Journal Entry transactions.

# Journal Entry Types

## 2. Inter Company Journal Entry

### 1. Prerequisites

Before creating an Inter Company Journal Entry, you need the following:

- At least two Companies
- Setting inter company accounts in Chart of Accounts

The screenshot shows the Zoho Books interface for creating a new account. The top navigation bar includes 'Accounts > Account', a search bar, and user information. The main area is titled 'Cash - T' (Not Saved). On the left, there are sections for 'Comments' (0), 'ASSIGNED TO' (with an 'Assign +' button), 'ATTACHMENTS' (with an 'Attach File +' button), and 'TAGS' (with an 'Add a tag ...' button). A 'SHARED WITH' section has a plus sign icon. On the right, the account details are listed:

	Update Account Number	Chart of Accounts	Ledger	Non-Group to Group
Comments	0			
ASSIGNED TO				
Assign +				
ATTACHMENTS				
Attach File +				
TAGS				
Add a tag ...				
SHARED WITH				
+				

Account details:

- Is Group:
- Company: **Test Company 1**
- Root Type: **Asset**
- Report Type: **Balance Sheet**
- Currency: **INR**
- Inter Company Account

Right side fields:

- Parent Account: **Cash In Hand - T**
- Account Type: **Cash**
- Setting Account Type helps in selecting this Account in transactions.
- Frozen: **No**
- If the account is frozen, entries are allowed to restricted users.
- Balance must be:

Buttons at the bottom right: **Menu** **Save**

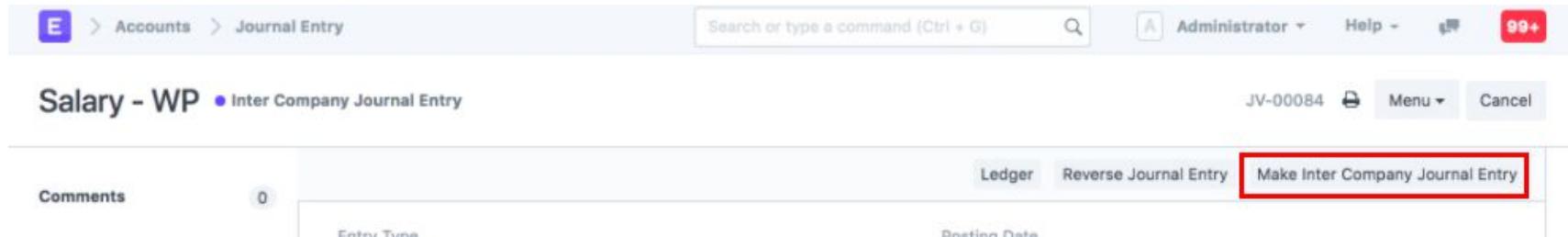
# Journal Entry Types

## 2. Inter Company Journal Entry

### 2. How to create an Inter Company Journal Entry

- a. Go to the Journal Entry list, and click on New button.
- b. Select **Entry Type** as 'Inter Company Journal Entry'.
- c. Set the **Company** that is buying Items on behalf of another company.
- d. Add rows for the individual accounting entries. Only inter company accounts can be fetched here.
- e. In each row, you must specify:
  - i. The Internal account that will be affected.
  - ii. The amount to Debit or Credit.

- f. The Cost Center (If it is an Income or Expense).
- g. On submitting the Journal Entry, you will find a button on the top right corner, **Make Inter Company Journal Entry**.



# Journal Entry Types

## 2. Inter Company Journal Entry

### 2. How to create an Inter Company Journal Entry

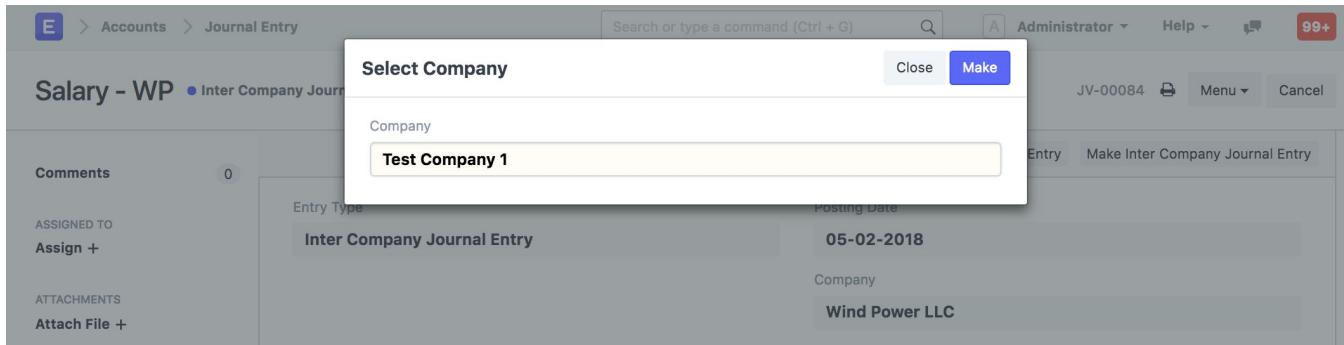
h. After clicking on the button. Now, you will be asked to **select the Company** against which you wish to create the linked Journal Entry.

i. On selecting the Company, you will be **routed to another Journal Entry** where the relevant fields will be mapped, i.e. Company, Voucher Type, Inter Company Journal Entry Reference etc.

j. Select the Internal accounts for the second Company in the table.

k. Submit the Journal Entry.

l. Make sure the total Debit and Credit Amounts are same as the previously created Journal Entry's total Credit and Debit Amounts respectively but the debits and credits will be opposite.



# Journal Entry Types

2. Inter Company Journal Entry
2. How to create an Inter Company Journal Entry

**Note:** The accounts in second Journal Entry should be the opposite of what you did in the first Journal Entry. For example, Company A is buying something from Company B. This is how the payment cycle between the two companies will look like using Inter Company Journal Entry.

1. Debit Bank Account by 500 and credit Debtors account of Company B by 500.
2. Now, in the Inter Company Journal Entry, debit Creditors account of Company A by 500 and credit Bank Account by 500.
3. You also need to select the parties for Creditors and Debtors account before proceeding with the Journal Entry.

You can also find the reference link at the bottom, which will be added in both the linked Journal Entries and will be removed if any of the Journal Entries are cancelled.

# Journal Entry Types

## 3. Bank Entry

Use this type when making or receiving a payment using a Bank Account only if you are creating a manual journal entry. But if you are making or receiving a payment through transactions such as Invoices, it is better to use Payment Entry.

For example, paying for entertainment charges etc using the Company's bank account.

## 4. Cash Entry

This is the same as 'Bank Entry' but the payment is made via Cash Account. And same with Bank Entry you can use the Payment Entry.

## 5. Credit Card Entry

This is a type of entry to easily identify all credit card entries. And same with Bank Entry you can use the Payment Entry.

# Journal Entry Types

## 6. Debit Note

This is a document sent by a customer (your Company) to a supplier (your Supplier) when returning goods/items.

You can also create a Debit Note directly from a Purchase Invoice.

"**Debit Note**" is made for a Supplier against a Purchase Invoice or accepted as a credit note from Supplier when a company returns goods. ***When a Debit Note is made, the Company can either receive a payment from the Supplier or adjust the amount in another invoice.***

- Debit: Supplier Account.
- Credit: Purchase Return Account.

To know more, visit the *Debit Note Manual*.

# Journal Entry Types

## 7. Credit Note

This is a document sent by a supplier to a customer when returning goods/items.

"**Credit Note**" is made for a Customer against a Sales Invoice when the company needs to adjust a payment for returned goods. When a Credit Note is made, **the seller can either make a payment to the customer or adjust the amount in another invoice.**

- Debit: Sales Return Account.
- Credit: Customer Account.

To know more, visit the *Credit Note Manual*.

**A debit/credit note is usually issued for the value of the goods returned or lesser.**

# Journal Entry Types

## 8. Contra Entry

A Contra Entry is booked when the transaction is booked within the same Company of types:

- Cash to Cash
- Bank to Bank
- Cash to Bank
- Bank to Cash

This is used to record withdrawing or depositing money from a Bank Account. When this entry is used, the money does not leave the company unless it is again used to pay for something.

# Journal Entry Types

## 9. Excise Entry

When a Company buys goods from a Supplier, company pays excise duty on these goods to Supplier. And when a company sells these goods to Customers, it receives excise duty. Company will deduct payable excise duty and deposit balance in Government account.

- When a Company buys goods with Excise duty:
  - Debit: Purchase Account, Excise Duty Account.
  - Credit: Supplier Account.
  
- When a Company sells goods with Excise duty:
  - Debit: Customer Account.
  - Credit: Sales Account, Excise Duty Account.

# Journal Entry Types

## **10. Write Offs or Bad Debts**

If you are writing off an Invoice as a bad debt, you can create a Journal Voucher similar to a Payment, except instead of debiting your Bank, you can debit an Expense Account called Bad Debts.

- Debit: Bad Debts Written Off
- Credit: Customer

## **11. Opening Entry**

This entry is useful when moving from another software to ERPNext during any time of the year. Your outstanding bills, equities etc. can be recorded to ERPNext using this entry type. Selecting type will fetch the Balance Sheet accounts.

## **12. Exchange Rate Revaluation**

If your Chart of Accounts has accounts with multiple currencies, a Journal Entry of type 'Exchange Rate Revaluation' helps in dealing with this situation. This entry is intended to be created from an Exchange Rate Revaluation form. To know more visit the *Exchange Rate Revaluation manual*.

# Journal Entry Types

## 13. Depreciation

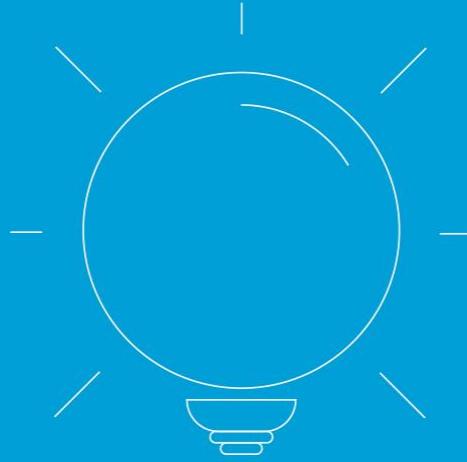
Depreciation is when you write off certain value of your assets as an expense. For example if you have a computer that you will use for say 5 years, you can distribute its expense over the period and pass a Journal Entry at the end of each year reducing its value by a certain percentage.

- Debit: Depreciation (Expense).
- Credit: Asset (the Account under which you had booked the asset to be depreciated).

To know more, visit the *Asset Depreciation manual*.

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# ERPNext: Accounting Bank Reconciliation



# Bank Reconciliation Tool

A **Bank Reconciliation** entry is used to match ERPNext account statements with your bank account statements.

If you are receiving payments or making payments via cheques, the bank statements will not accurately match the dates of your entry, this is because the bank usually takes time to “clear” these payments.

Also, you may have mailed a cheque to your Supplier and it may be a few days before it is received and deposited by the Supplier. In the system you can synchronize your bank statements and your Journal Entries using the transaction dates.

To access Bank Reconciliation, go to:

[Home > Accounting > Banking and Payments > Update Bank Transaction Date](#)

## 1. How to Update Bank Transaction Dates

- a. First is to input the data on the Bank Reconciliation Statement; [Accounts > Banking and Payments > Bank Reconciliation Statement](#).
- b. Go to Update Bank Transaction Dates.
- c. Select your Bank Account.
- d. Select a from and to date.
- e. You can choose to include reconciled entries and POS transactions.
- f. Click on the Get Payment Entries button.
- g. Now you will get all the “Bank Voucher” type entries.
- h. In each of the entries, on the rightmost column, update the “Clearance Date” field and click on the [Update Clearance Date button](#).



# Bank Reconciliation Tool

By doing this you will be able to sync your bank statements and entries into the system.

The screenshot shows the 'Bank Reconciliation' screen with the following details:

- Editing Row #1**
- Payment Document:** Journal Entry
- Posting Date:** 12-04-2019
- Payment Entry:** ACC-JV-2019-00006
- Clearance Date:** (empty)
- Against Account:** Cash - PT
- Amount:** ₹ 299.00 Dr
- Navigation:** ⏪ - Ctrl + Up, Ctrl + Down, ESC
- Actions:** Insert Below, Insert Above, Duplicate, Move

	2	ACC-JV-2019-00005	Cash - PT	₹ 200.00 Cr			▼
	3	ACC-JV-2019-00008	InterSupp	₹ 99.00 Cr			▼
	4	ACC-PAY-2019-00009	Aamir	₹ 10,000.00 Dr	123		▼

# Bank Reconciliation Statement

## Manual Bank Reconciliation Tool

To view this report, go to Accounts > Banking and Payments > Bank Reconciliation Statement. In the report, check whether the field 'Balance as per bank' matches the Bank Account Statement. If it is matching, it means that the Clearance Date is correctly updated for all the bank entries. If there is a mismatch, it's because the Clearance Date is not yet updated for the bank entries.

## Semi-automatic Bank Reconciliation Tool

- Bank statement upload:** You can upload a Bank Statement in CSV or XLS format into ERPNext using the Bank Reconciliation tool.
- Download a bank statement from your bank's website

Bank Account	Text	Booking	Order	Debit	Credit Currency
AT096000000002110321	1512567 BG/000002918 OPSKATTUZWX <del>XXX</del> AT776000000098709837 Herr G	23.12.2015	23.12.2015		120 EUR
AT096000000002110321	Re 95282925234 FE/000002917 AT171513000281183046 Conrad Electronic	23.12.2015	23.12.2015		69.42 EUR
AT096000000002110321	Auszahlung Karte MC/000002916 AUTOMAT 698769 K002 27.12. 14:07	23.12.2015	23.12.2015		390 EUR
AT096000000002110321	Zahlungsausgang VA/000002915 TRN 151223034562E12T7 TRN 15122307563452T7 I2429439	23.12.2015	23.12.2015		1708 EUR
AT096000000002110321	I2015000011 VD/000002514 ATW <del>XXX</del> AT470134500003510057 Bio	23.12.2015	23.12.2015	10908	EUR
AT096000000002110321	Re 150012 FE/000002913 AT2044510003510069876 Labor	22.12.2015	22.12.2015		2175 EUR
AT096000000002110321	VK-2015-0008 BG/000002912 OPSKATWW <del>XXX</del> AT906000000081063468 Armin Felder	22.12.2015	22.12.2015		5016 EUR
AT096000000002110321	Abbuchung Onlinebanking BG/000002911 BAWABTW <del>WWW</del> AT861400013510009940 DA Re 0513 EDI P	18.12.2015	18.12.2015		7280 EUR
AT096000000002110321	Bezahlung Karte MC/000002910 2108 K002 16.12. 21:41 OEBB 6850 FSA\\Dornbir n\\6850 0400340	17.12.2015	16.12.2015		73.2 EUR
AT096000000002110321	I2015000011 VD/000002909 BUNDATWW <del>IzuX</del> AT56710000005010067 Bio	17.12.2015	17.12.2015	1880	EUR
AT096000000002110321	Bezahlung Karte MC/000004908 5410 K002 15.12. 17:46 A-TEC ELECTRONIC GMBH\\ IZU 50	16.12.2015	15.12.2015		22.54 EUR



# Bank Reconciliation Statement

## Semi-automatic Bank Reconciliation Tool

Make sure you have at least the date, the debit/credit and the currency on every row of your bank statement.

- Configure the import format in the Bank DocType

Citi

Comments 0

ASSIGNED TO Assign +

ATTACHMENTS Attach File +

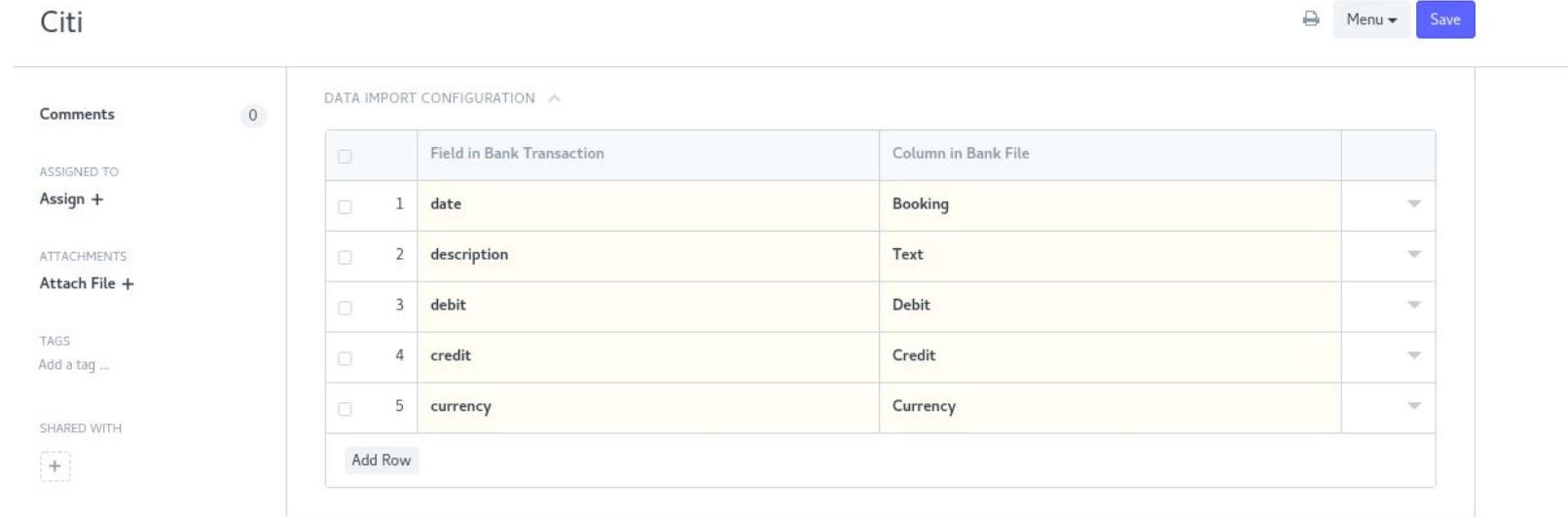
TAGS Add a tag ...

SHARED WITH +

DATA IMPORT CONFIGURATION ▾

	Field in Bank Transaction	Column in Bank File	
1	date	Booking	▼
2	description	Text	▼
3	debit	Debit	▼
4	credit	Credit	▼
5	currency	Currency	▼

Add Row



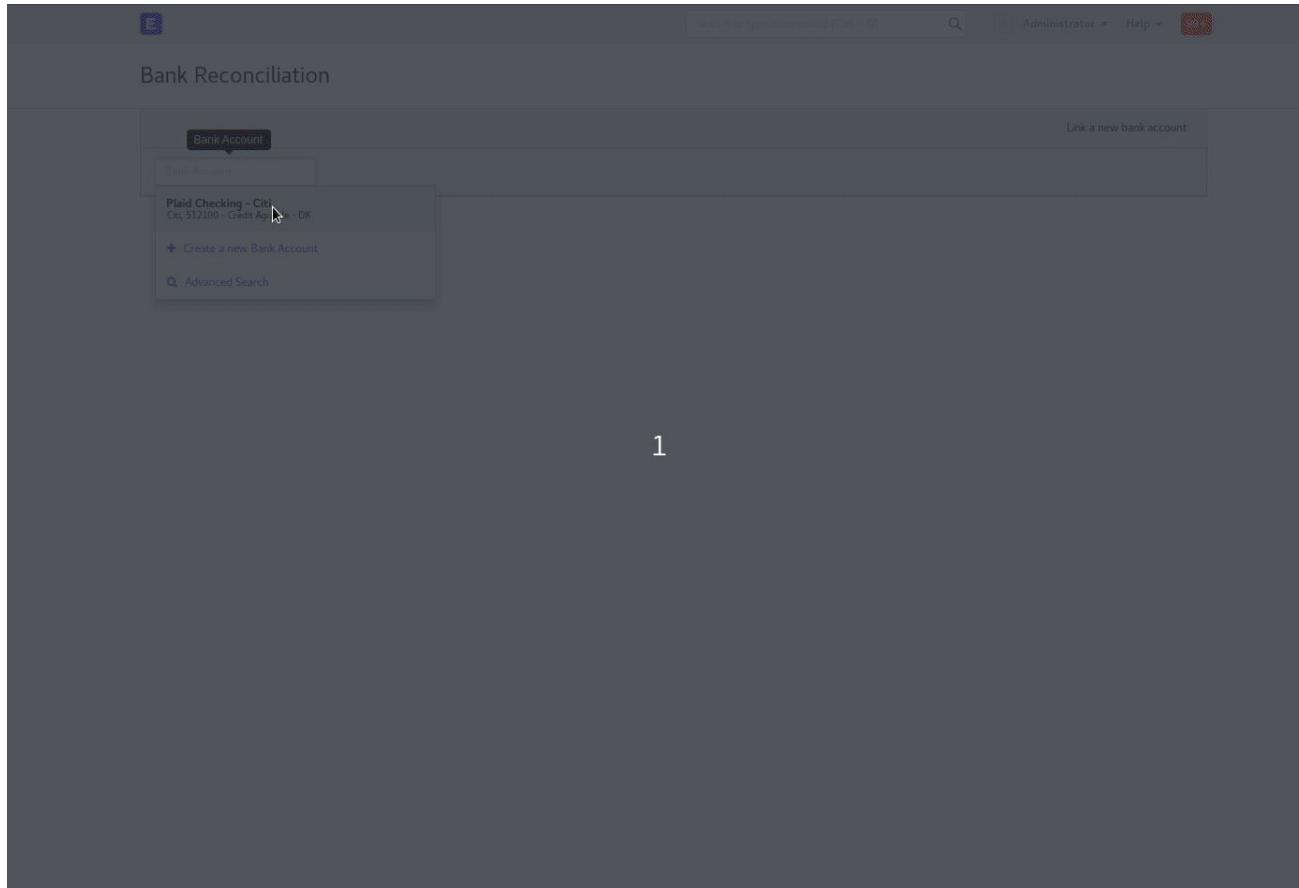
Your file will be read and then ERPNext will use this mapping to dispatch all information into the corresponding fields in the Bank Transaction DocType.



# Bank Reconciliation Statement

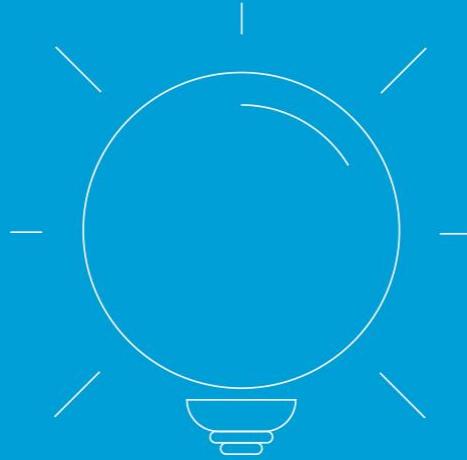
## Semi-automatic Bank Reconciliation Tool

- Upload your file into ERPNext



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# ERPNext: Accounting Subscription



# Auto Repeat

System Manager Only.

**Auto Repeat** feature helps you create certain documents automatically in a given time period.

To access Auto Repeat, go to:

[Home > Settings > Automation > Auto Repeat](#)

## 1. How to set up Auto Repeat

- a. Go to: Home > Customization > Form Customization > Customize Form.
- b. Select the form in which you want to allow creation of repeatable documents.
- c. Check '**Allow Auto Repeat**' to allow the creation of repeatable documents for that Form. This is necessary for the document type to show up in the Reference Document field under the Auto Repeat doctype.

# Auto Repeat

System Manager Only.

## 2. Set up Auto Repeat

New

- a. Go to Home > Settings > Automation > Auto Repeat > New button.
- b. Select the Reference Document Type, like Journal Entry or Sales Invoice, etc.
- c. Select the Reference Document. This is the individual document that you want to repeat.
- d. Set the Start Date and End Date (optional). If End Date is not specified, recurring documents will be created, unless the Auto Repeat is disabled.
- e. Set the Frequency for creating repeatable documents (Daily, Weekly, Monthly, Quarterly, Half-yearly, Yearly).
- f. Save.

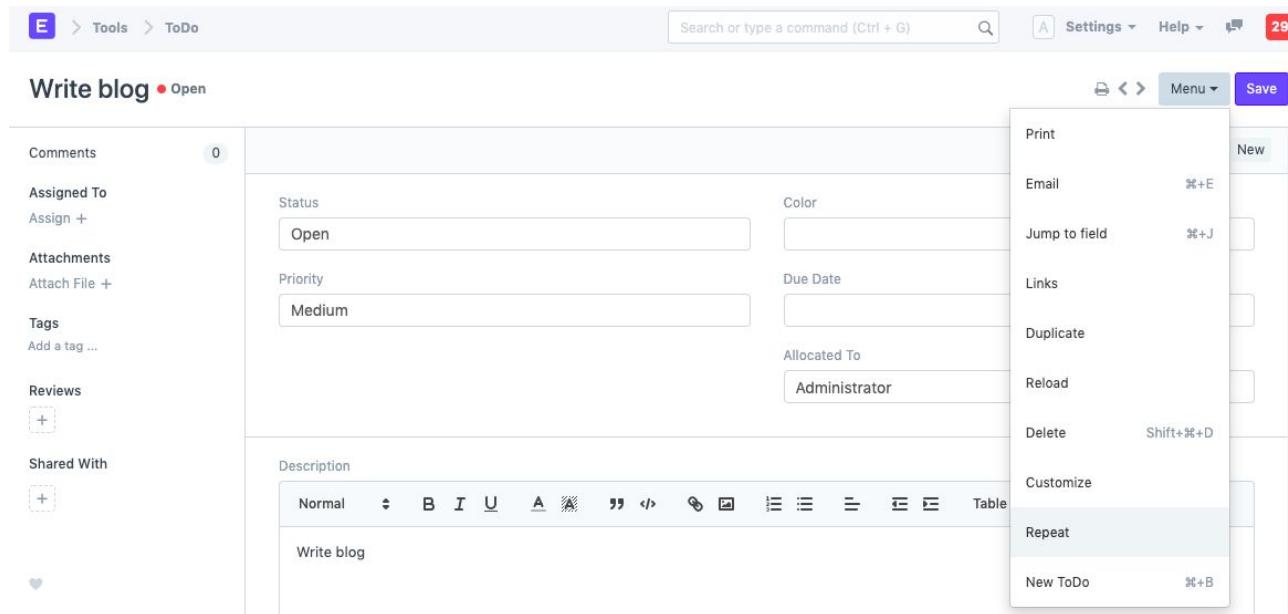
# Auto Repeat

System Manager Only.

## 3. Set up Auto Repeat directly from the document

You can also set a document on **Auto Repeat** by clicking the **Repeat** option from the Menu in the Toolbar.

**Note:** If a document is already on Auto Repeat, the Repeat option is not available.



# Auto Repeat

System Manager Only.

## 3. Set up Auto Repeat directly from the document

Once you click on Repeat, a prompt for Auto Repeat will show up. Fill in the details and click on Save.

### Repeat on a particular day

If the frequency is set as Monthly, Quarterly, Half-yearly or Yearly, then it will create recurring documents in the respective months on the same day as the 'Start Date' of Auto Repeat. If you want to create recurring documents on some other day then you can set one of the following:

**Repeat on Day:** Day of the month on which recurring document will be created. For example, if frequency is Monthly and you enter 7 then it will generate recurring document on 7th of the respective month.

**Repeat on Last Day of the Month:** This option is available as the last day of every month is different. For example, in a leap year last day of Feb is 29th, and it is 28th otherwise. If you check this option, it will create recurring documents on the last day of the respective months.

The screenshot shows a 'Auto Repeat' dialog box with the following fields:

- Frequency:** Daily
- Start Date:** 16-07-2019
- End Date:** (empty)

At the top right are 'Close' and 'Save' buttons.

# Auto Repeat

System Manager Only.

## 4. Auto Repeat Frequency on the sidebar

When a document is set on Auto Repeat you can see the Auto Repeat frequency on the sidebar. You can click on the status to see the linked Auto Repeat document.

## 5. Notify by Email

If you want to notify certain contacts whenever the recurring documents are created, you can check 'Notify by Email' in the Notification section of Auto Repeat. This will send the auto-generated recurring documents to the specified Email Addresses. Fields for the same are explained below:

- **Recipients:** Defines the Email IDs of the recipients for recurring document creation emails.
- **Get Contacts:** This button will fetch the contacts linked to the document that is set on Auto Repeat and fill up the Recipients field with the same.

The screenshot shows a document sidebar with the following fields:

- Comments: 0
- Assigned To: Assign +
- Attachments: Attach File +
- Tags: Add a tag ...
- Reviews: +
- Shared With: +
- Repeats Monthly (highlighted with a red box)

# Auto Repeat

System Manager Only.

## 5. Notify by Email

- **Template:** You can choose an Email Template for the email. This will fill up the Subject and Message fields as well.
- **Subject:** Subject for your Email (example: Recurring ToDo created successfully).
- **Message:** Message to be sent in the Email.
- **Preview Message:** This button will show a preview of the message.
- **Print Format:** Select a print format to define document view which should be emailed to customer.

**Note:** If the document you are setting up Auto Repeat for, is submittable, ensure that "Allow Print for Draft" is enabled in Print Settings to receive the new recurring document in Auto Repeat Notification Email. If this is not enabled, you will be notified about the recurring document creation without the document.

# Auto Repeat

System Manager Only.

## 6. Dashboard

You can see the Auto Repeat schedule in the Dashboard of Auto Repeat document. If you don't specify the End Date then the schedule will show only the Next Schedule Date.

## 7. Disable Auto Repeat

If you check this field it will stop creating recurring documents and unlink the Auto Repeat document from the Reference Document.

The screenshot shows the 'Auto Repeat' document's dashboard. The top navigation bar includes 'Settings > Auto Repeat'. The main area displays a table of scheduled tasks:

Reference Document	Frequency	Next Scheduled Date
9fbf07801c	Monthly	31-08-2019
9fbf07801c	Monthly	30-09-2019
9fbf07801c	Monthly	31-10-2019
9fbf07801c	Monthly	30-11-2019

On the left sidebar, there are links for 'Comments' (0), 'Assigned To', 'Attachments', 'Tags', 'Reviews', and a '+' button. The top right corner shows the document ID 'SUB-00024', a 'Save' button, and a 'Menu' dropdown.

# Loyalty Program

A **Loyalty Program** allows Customers to earn points by spending a certain amount and lets them redeem the points in future purchases.

A **Customer Loyalty Program** is a structured and long-term marketing effort that provides incentives to repeat Customers. Successful programs are designed to motivate Customers in a business's target market to return often, make frequent purchases, and shun competitors.

To access the Loyalty Program list, go to:

[Home > Retail > Retail Operations > Loyalty Program](#)

## 1. Prerequisites

Before creating and using a Loyalty Program, it is advised to create the following first:

- Customer
- Sales Invoice

# Loyalty Program

## 2. How to Create a Loyalty Program

New

- a. Go to the Loyalty Program list and click on New button.
- b. Enter a **Name** for the Loyalty Program.
- c. Select whether the program is **Single Tiered or Multi Tiered** (gold, silver, etc).
- d. Set a **start and end date** for the program.
- e. Select the Customer Group and Territory for which this program is applicable, the default is all.
- f. For opting in all Customers by default, tick on '**Auto Opt In (For all customers)**'. Otherwise, the program needs to be assigned from the Customer master.
- g. In the Collection Rule table, enter:
  - i. **Tier name:** To be assigned to a Customer based on his eligibility.
  - ii. **Collection Factor:** How much amount needs to be spent to gain 1 Loyalty Point in ERPNext.
  - iii. **Minimum Amount:** Minimum amount to be spent to qualify into a tier.
  - iv. Set the **Conversion Factor**, eg: 10 USD = 1 point.

# Loyalty Program

LP01

Back Forward Menu Save

## 2. How to Create a Loyalty Program

### h. Redemption section

- Conversion Factor:** When redeeming loyalty points, this factor decides how much money is 1 Loyalty Point worth. For example, if a Customer has 100 Loyalty Points, and 1 Loyalty Point = 1 USD, then the Customer uses Items up to 100 USD with their loyalty points for future purchases.
- Expense Account:** Set an Expense Account from where you'll offer the benefits. This is useful to track the benefits offered separately.
- Expiry Duration (in days):** The collected loyalty points will expire after the number of days set in this field.

DASHBOARD ▾

Loyalty Program Type	Customer Group
Multiple Tier Program	All Customer Groups
From Date	Customer Territory
11-10-2019	All Territories
To Date	<input checked="" type="checkbox"/> Auto Opt In (For all customers)
31-12-2019	

COLLECTION TIER

Collection Rules			
	Tier Name	Collection Factor (=1 LP)	
<input type="checkbox"/>	1 Platinum	₹ 100.00	▼
<input type="checkbox"/>	2 Gold	₹ 200.00	▼
<input type="checkbox"/>	3 Silver	₹ 300.00	▼

Add Row

REDEMPTION

Conversion Factor	Expense Account
10.000	Loyalty Program - UP
1 Loyalty Points = How much base currency?	
Expiry Duration (in days)	Company
180	Unico Plastics Inc.

# Loyalty Program

## 3. Loyalty Points in Customer

To manually set the loyalty program, go to the Customer Record/Master and on the Loyalty Program section, assign the active loyalty program or applicable loyalty program for the Customer

The screenshot shows the NetSuite interface for a customer named "Noelle". In the top navigation bar, the path is "Selling > Customer". The main content area is titled "LOYALTY POINTS" and contains a section for "Loyalty Program" with the value "LP01" displayed in a text input field. The top right corner of the screen shows a notification badge with the number "99+".

Loyalty points earned can be viewed in the Customer's dashboard.

The screenshot shows the NetSuite interface for a customer named "Noelle". The top navigation bar is identical to the previous screenshot. The main content area is titled "DASHBOARD" and includes a timeline from October to October. Below the timeline, there is a note: "This is based on transactions against this Customer. See timeline below for details". At the bottom of the dashboard, there are three summary metrics: "Annual Billing: ₹ 600.00", "Total Unpaid: ₹ 600.00", and "Loyalty Points: 6". The "Loyalty Points: 6" entry is highlighted with a red rectangular box.

# Loyalty Program

## 4. Loyalty Point Entry

Go to: Accounts > Retail Operations > Loyalty Point Entry. This acts as a log to give an overview of which Customer earned how many points against which Sales Invoice. It holds the data Invoice and Customer.

The screenshot shows the Loyalty Point Entry screen with the following details:

Field	Value
Comments	0
Assigned To	LP01
Attachments	Platinum
Tags	Noelle
Reviews	ACC-SINV-2019-00080-1
Shared With	6
Purchase Amount	₹ 600.00
Expiry Date	08-04-2020
Posting Date	11-10-2019

Additional information visible on the screen includes:

- Search bar: Search or type a command (Ctrl + G)
- Header buttons: Settings, Help, and a red notification badge showing 99+.
- User info: 557bed1235
- Navigation icons: Back, Forward, and Menu.
- Customer activity logs:
  - You edited this a few seconds ago
  - You created this a few seconds ago

# Loyalty Program

## 5. How does a Loyalty Program work?

### a. Earning Points

- Firstly, a **Loyalty Program needs to be created** as explained in the first section.
- **Assign** this Loyalty Program to a Customer.
- **Create a new Sales Invoice** for the Customer to whom you have assigned Loyalty Program.
  - For this example, an invoice is created with a grand total of 3,000 USD and according to the Loyalty Program for a minimum spent of 2,000 USD, the Silver Tier collection factor will be eligible and for each 300 USD spent, the Customer will receive 1 point (hence the total points earned on this transaction is 15).
- Upon submission of the invoice, a **Loyalty Point Entry will be created for this invoice**
- In our Loyalty Program upon minimum spent of 6,000, Gold Tier would be eligible. So, when another invoice is submitted with the same value, the total sales from this Customer becomes 6,000. So now, the **Customer will be automatically upgraded** to the Gold tier.

**Note:** The minimum spent in Loyalty Program does not mean a minimum value for a single invoice. Rather it means the sum of amount of invoices for the Customer under a particular Loyalty Program scheme.



# Loyalty Program

## 5. How does a Loyalty Program work?

### b. Redeeming Points

- Let's continue from the above example where we created 1 invoice and earned 15 points from it. When creating another invoice for the same Customer, go to the Loyalty Points section and enable the checkbox to '**Redeem Loyalty Points**'.
- The fields for 'Loyalty Point', 'Redemption Account' and 'Redemption Cost Center' will become visible under this section. The account and Cost Center will be fetched from the Loyalty Program assigned to the Customer.
  - Since the Customer has earned 15 points, we can use all of it until expiry. If we try to use more than what we have an error will be thrown.
- For this example, we'll use all 15 points to be redeemed. Doing so will enable another field that will display the amount calculated using (loyalty point \* Conversion Factor). So, '150' USD will be deducted from the amount since the 'Conversion Factor' was '10'.

# Loyalty Program

## 5. How does a Loyalty Program work?

### b. Redeeming Points

LOYALTY POINTS REDEMPTION ▾	
Loyalty Points	Loyalty Program
15	LP01
Loyalty Amount	Redemption Account
₹ 150.00	Loyalty Program - UP
<input checked="" type="checkbox"/> Redeem Loyalty Points	Redemption Cost Center
	Loyalty points - UP
ADDITIONAL DISCOUNT ▾	
	Grand Total (INR)
	₹ 3,000.00
	Rounding Adjustment (INR)
	₹ 0.00
	Rounded Total (INR)
	₹ 3,000.00
	In Words (INR)
	INR Three Thousand only.
	Total Advance (INR)
	₹ 0.00
	Outstanding Amount (INR)
	₹ 2,850.00

# Loyalty Program

## 5. How does a Loyalty Program work?

### b. Redeeming Points

When submitted, 2 Loyalty Point Entries will be created. One for redeemed, which will be a negative value and one for the current invoice (as the amount is still eligible under a tier). The Customer was also upgraded to Gold since the minimum amount to be spent for Gold was 6,000.

**Note:** For an invoice on which points have been earned, if a return invoice is created, it will delete the original Loyalty Point Entry and create a new one after subtracting the returned amount from the original amount. Also, when canceling an invoice, its subsequent Loyalty Point Entry will be deleted.

The screenshot displays the 'Loyalty Point Entry' screen in the Dynamics 365 application. At the top, there is a navigation bar with icons for Home, Accounting, and Loyalty Point Entry, followed by a search bar. The main area shows a record for a customer named 'Noelle'. The record includes the following fields and values:

Field	Value
Comments	0
Assigned To	Loyalty Program LP01
Attachments	Loyalty Program Tier Gold
Tags	Customer Noelle
Reviews	Sales Invoice ACC-SINV-2019-00084
Shared With	Redeem Against c033e11643
Loyalty Points	-15
Purchase Amount	₹ 3,000.00

A note at the bottom indicates that the user edited the record a minute ago.

# Subscription

If you offer a service that requires renewal in a certain time period (yearly, monthly, quarterly, etc.), you can use the Subscription feature in ERPNext to track them. The Subscription master captures all the details required for the **auto-creation of Sales Invoice on subscription expiry**.

**To manage the client's subscription expiry and auto-generation of Sales Invoice for the renewal**, we use the Subscription feature.

To access the Subscription list, go to:

[Home > Accounting > Subscription Management > Subscription](#)

## 1. Prerequisites

Before creating and using a Subscription, it is advisable to create the following first:

- Subscription Plan

# Subscription Plan

A **Subscription Plan** stores information about the Item being subscribed, its price, and billing interval.

To access the Subscription Plan list, go to:

[Home > Accounting > Subscription Management > Subscription Plan](#)

## 1. How to create a Subscription Plan

New

- a. Go to the Subscription Plan list and click on New button.
- b. Select the item that will be subscribed.
- c. Select a Price Determination whether Fixed or based on a Price List.
- d. Set a Billing Interval whether Daily, Weekly, Monthly, or Yearly.
- e. Set a Billing Interval Count. If you select Year as your interval and count as 5, the billing will be done for every 5 years.
- f. **SAVE.**

# Subscription Plan

You can also set up additional payment details and link a Payment Gateway.

A Subscription Plan is linked to an Item, for which a Sales Invoice is created.

The screenshot shows a software application window titled "Internet Subscription". The top navigation bar includes "Accounting > Subscription Plan", a search bar, settings, help, and a notification badge (99+). The main form fields are:

- Comments:** 0
- Assigned To:** Assign +
- Attachments:** Attach File +
- Tags:** Add a tag ...
- Reviews:** +
- Shared With:** +
- Currency:** INR
- Item:** Internet Subscription
- Price Determination:** Fixed rate
- Cost:** 12,000.00
- Billing Interval:** Year
- Billing Interval Count:** 1
- Number of intervals for the interval field e.g if Interval is 'Days' and Billing Interval Count is 3, invoices will be generated every 3 days

# Subscription

## 2. How to set a Subscription

New

- a. Go to the Subscription list and click on New button.
- b. Select a Customer.
- c. Set the Start Date from when the subscription will be active.
- d. Days Until Due is the number of days within which Customer has to pay a generated Sales Invoice.
- e. Select the Subscription Plans.
- f. **SAVE.**

**Based on the subscription start and end date, actual dates for invoices will be calculated.**

The screenshot shows the Odoo interface for managing subscriptions. At the top, there's a breadcrumb navigation: E > Accounting > Subscription. On the right, there's a search bar, settings, help, and a notifications badge (99+). Below the header, the title of the record is "ACC-SUB-2019-00002" with a green "Active" status indicator. To the right of the title are buttons for "Cancel Subscription" and "Fetch Subscription Updates". The main form area contains the following fields:

Customer	Jerry	Status	Active
SUBSCRIPTION PERIOD		Current Invoice Start Date	
Subscription Start Date	01-10-2019	Current Invoice End Date	01-10-2019
Trial Period Start Date	01-10-2019	Trial Period End Date	30-09-2020
Days Until Due	365	Number of days that the subscriber has to pay invoices generated by this subscription	
<input checked="" type="checkbox"/> Cancel At End Of Period		<input type="checkbox"/> Generate Invoice At Beginning Of Period	

On the left side of the form, there are sidebar tabs for Comments (0), Assigned To, Attachments, Tags, Reviews, and Shared With. At the bottom left, there are audit logs: "You edited this a few seconds ago" and "You created this 13 minutes ago".

# Subscription

## 3. Features

### a. Trial Period

If you're offering a trial period for the subscription, a Trial Period Start Date and a Trial Period End Date can be set. Invoices will not be generated during the trial period and the Subscription status will show 'Trialling'.

The screenshot shows the NetSuite interface for managing a subscription. The top navigation bar includes links for Accounting > Subscription, a search bar, Settings, Help, and a notification badge for 99+ items. The main view displays a subscription record for 'ACC-SUB-2019-00003'. The status is shown as 'Trialling' in green text, which is highlighted with a red box. The left sidebar contains sections for Comments (0), Assigned To (Customer: Jerry, Status: Trialling), Attachments (Attach File +), Tags (Add a tag ...), Reviews (+), and Shared With (+). The right panel is titled 'SUBSCRIPTION PERIOD' and contains fields for Subscription Start Date (13-10-2019), Current Invoice Start Date (13-10-2019), Trial Period Start Date (13-10-2019), Current Invoice End Date (21-10-2019), Trial Period End Date (21-10-2019), Days Until Due (7), and a note explaining the number of days for paying invoices. Buttons for Cancel Subscription and Fetch Subscription Updates are also present.

# Subscription

## 3. Features

### b. Cancel Auto Renewal

On enabling the '**Cancel At End Of Period**' the Subscription will be canceled at the end of its period. For example, if it is a yearly subscription, the system will stop generating invoices after one year of subscription.

### c. Taxes

You can apply Taxes to a Subscription by using a **Sales Taxes and Charges Template**.

### d. Applying discounts

The screenshot shows the Zoho Books software interface. The top navigation bar has items like 'E', 'Accounting', 'Subscription', a search bar, 'Settings', 'Help', and a notifications badge. The main content area displays a subscription record with the ID 'ACC-SUB-2019-00002' and status 'Active'. Below the record, there's a 'DISCOUNTS' section with options to apply a discount on 'Grand Total' or 'Net Total'. For 'Grand Total', the 'Additional Discount Percentage' is set to 2.000 and the 'Additional Discount Amount' is 240.00. There are also 'Save' and 'Menu' buttons at the bottom right.

You can apply additional discounts on the Subscription based on Grand Total (pre tax) or Net Total (post tax). A discount percentage can also be set. For example, a discount of 2% on 12,000 would be 240 in discount.

# Subscription

The screenshot shows the 'INVOICES' section of the Subscription module. It displays a table with two rows. The first row has an empty checkbox and the word 'Invoice'. The second row has a checked checkbox and the identifier 'ACC-SINV-2019-00086'. A button labeled 'Add Row' is located at the bottom left of the table.

E > Accounting > Subscription

Search or type a command (Ctrl + G)

P Settings Help 99+

ACC-SUB-2019-00002 • Active

INVOICES

Invoices

	Invoice
<input type="checkbox"/>	Invoice
<input checked="" type="checkbox"/>	ACC-SINV-2019-00086

Add Row

## 3. Features

### e. Automatically create invoices

Based on the Subscription Plans interval, invoices will be created automatically. The 'Generate Invoice At Beginning Of Period' needs to be enabled if you want to generate invoices as soon as the subscription is active.

### f. Canceling a Subscription

If the Customer decides to cancel a Subscription, it can be canceled in the system using the Cancel Subscription. The system will stop generating invoices when a Subscription is canceled.

The screenshot shows the 'Comments' and 'Status' sections of the Subscription module. The 'Comments' section has a count of 0. The 'Status' section shows the subscription is 'Active'. A red box highlights the 'Cancel Subscription' button.

E > Accounting > Subscription

Search or type a command (Ctrl + G)

P Settings Help 99+

ACC-SUB-2019-00002 • Active

Comments 0

Assigned To

Customer Jerry

Status Active

Cancel Subscription Fetch Subscription Updates

### g. Updating a Subscription

Clicking on the Fetch Subscription Updates button will update the Subscription with the latest generated invoices.

# Subscription

## 4. Difference Between Subscription and Auto-Repeat

Auto Repeat	Subscription
Is applicable on transactions	Is applicable on Items
Multiple transactions like Sales Order, Purchase Order, Invoices, Journal Entry, etc. are auto created	Only Sales Invoices are auto-created
Has only a few controls	Has many control options to define trials, billing due date, and creating Subscription Plans

## 5. The Subscription Settings

The Subscription Settings page allows configuring settings for your ERPNext subscriptions.

To access the Subscription list, go to:

[Home > Accounting > Subscription Management > Subscription Settings](#)

- **Grace Period:** Number of days after invoice date has elapsed before canceling subscription or marking subscription as unpaid.
- **Cancel Invoice After Grace Period:** Instead of displaying 'Unpaid', the Subscription will be canceled in ERPNext if the Customer does not pay.



# Subscription

## 6. Subscription Status

ERPNext Subscription has five status values: -

- **Trialling** - A subscription that is in trial period
- **Active** - A subscription that does not have any unpaid invoice
- **Past Due** - A subscription whose most recent invoice is unpaid but is still within the grace period
- **Unpaid** - A subscription whose most recent invoice is unpaid and past the grace period
- **Canceled** - A subscription whose most recent invoice is unpaid and past the grace period. In this state, ERPNext no longer monitors the subscription.

## 7. Manually Updating Subscriptions

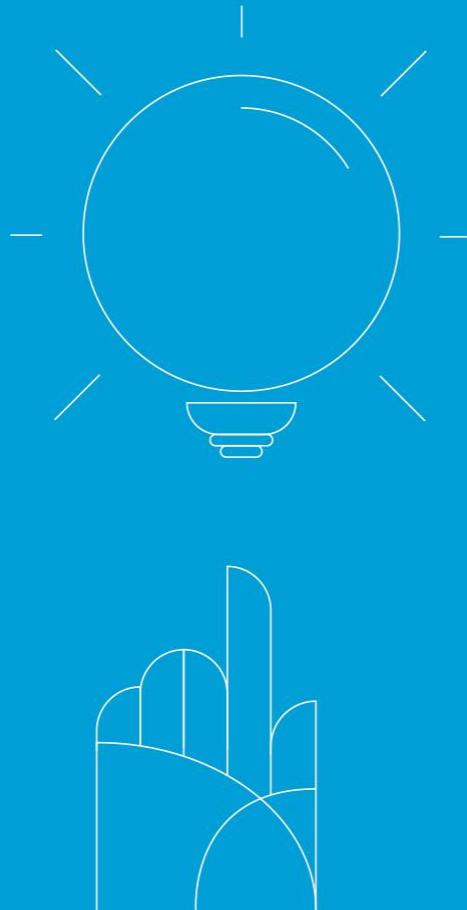
Once you have saved a subscription, you can change the 'Days Until Due', 'Quantity', 'Plans', 'Sales Taxes and Charges Template', 'Apply Additional Discount On', 'Additional Discount Percentage' and 'Additional Discount Amount' fields.

Note that changing any of the values will reflect in newly generated invoices only. Previously generated invoices will not be changed.



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# ERPNext: Accounting Shareholder Management



# Shareholder

## Accountant or Owner Only.

A **Shareholder** is someone who owns shares of a Company.

A **Shareholder** is any person, company or other institution that owns at least one share of a company's stock. Because shareholders are a company's owners, they reap the benefits of the company's successes in the form of increased stock valuation. If the company does poorly, shareholders can lose money if the price of company stock declines.

Any profit or loss made by a Company belongs to the Shareholders and hence the Shareholders are a liability to the Company.

The system allows you to keep a track of all your Shareholders and maintain Share Transfers, Share Ledger and Share Balances. A shareholder is uniquely identified by the Shareholder ID. Normally this ID is a Naming Series starting with 'ACC-SH-'. Also as soon as the Shareholder makes even a single transaction, a Folio number is allocated to him. This also is unique to the Shareholder.

To access the Shareholder list, go to:

[Home > Accounting > Share Management > Shareholder](#)



# Shareholder

Tony Stark

ACC-SH-2019-00004



Menu ▾



## Accountant or Owner Only.

### 1. How to create a Shareholder

- a. Go to the Shareholder list and click on New.
- b. Enter the name of the Shareholder.
- c. Add Address and Contact details.
  - i. Contacts and Addresses in ERPNext are stored separately so that you can attach multiple Contacts or Addresses to Shareholders and other parties.
- d. SAVE.

A Shareholder can avail the features (operations) in the Share Transfer process. Only after shares are issued to them, a Folio Number and the shares will be visible.

Tony Stark

Folio no. FN00003 Company Unico Plastics Inc.

ADDRESS AND CONTACTS

1. Billing  
1708, Avengers Tower, 19th Lane  
Manhattan, New York

Tony – Shareholder  
Email: tony@example.com

New Address

SHARE BALANCE

	Share Type	Rate	No of Shares	Amount	
<input type="checkbox"/>	1 Equity	300	3000	900000	

# Share Transfer

## Accountant or Owner Only.

A **Share Transfer** is the Issue, Transfer, or Purchase of Company shares from one party to another.

There may be times when you want to change the share structure of your Company; either by adding new Shareholders or by changing the existing proportion of shares between Shareholders. A Share Transfer is the process of transferring existing shares from one person to another; either by sale or gift.

When creating a new Shareholder, they need to be issued shares first. Only then a Folio Number is visible and further transfer can be done using that Shareholder.

To access the Share Transfer list, go to:

[Home > Accounting > Share Management > Share Transfer](#)

# Share Transfer

Accountant or Owner Only.

After submitting, a Journal Entry can be created to update the ledger using the Create Journal Entry button.

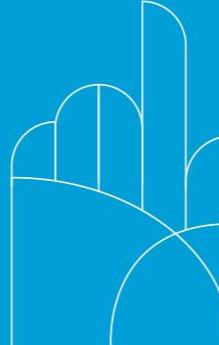
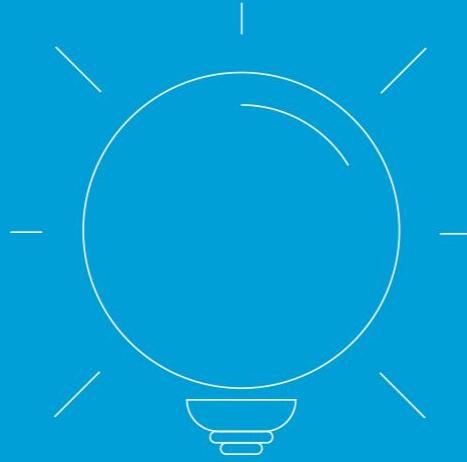
**Note:** Before you can Purchase or Transfer shares between shareholders, shares need to be issued.

The screenshot shows the 'Share Transfer' module interface. At the top, there's a navigation bar with 'E Accounting > Share Transfer'. A search bar says 'Search or type a command (Ctrl + G)'. On the right of the search bar are 'Settings', 'Help', and a red notification badge showing '99+'. Below the navigation is a header with 'ACC-SHT-2019-00003' and a status 'Submitted'. To the right of the header is a 'Create Journal Entry' button. The main area is divided into sections: 'Comments' (0), 'Assigned To' (with 'Assign +' button), 'Attachments' (with 'Attach File +' button), 'Tags' (with 'Add a tag ...' button), 'Reviews' (with '+'), and 'Shared With' (with '+'). The main content area contains fields for 'Transfer Type' (set to 'Issue'), 'Date' ('13-10-2019'), 'Equity/Liability Account' ('Shareholders Funds - UP'), 'To Shareholder' ('ACC-SH-2019-00004'), 'Asset Account' ('Tony Stark - UP'), 'To Folio No' ('FN00003'), 'Share Type' ('Equity'), 'No of Shares' ('3000'), 'From No' ('1'), 'To No' ('3000'), 'Rate' ('₹ 300.00'), and 'Amount' ('₹ 9,00,000.00'). There are also 'including' and 'Amount' fields at the bottom. On the left side of the main content area, there are two small sections: one with a heart icon and the text 'You edited this a few seconds ago', and another with a heart icon and the text 'You created this a few seconds ago'.

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# ERPNext: Accounting

Opening and Closing Accounting Books



# Opening Account Balances

**System Managers Only**

## Opening Account Balances from Migration

If you were using another accounting software before, you should close financial statements in that software first. The closing balance of the accounts should be updated as an opening balance in the ERPNext. Before starting to update opening balance, ensure that your Chart of Accounts has all the Accounts required.

1. Gather all the data needed.
  - a. Balance Balance Sheet
  - b. If invoices are needed for encoding:
    - i. Account Receivable details; amount, date, customer name, exchange rate (if currencies are not the same)
    - ii. Accounts Payable details; amount, date, customer, exchange rate (if currencies are not the same), payable to: supplier or employee
2. If **B** is considered, Opening entries can be created using the Opening Invoice Creation Tool in ERPNext.
3. Create Journal Entry with journal type of Opening entry. This is only for Balance Sheet accounts and not for Profit and Loss Accounts. *Enter Payables and Receivables on **Temporary Opening Account** if **B** is considered.*



# Opening Account Balances

System Managers Only

## Opening Account Balances from Migration

### 1. Asset

#### Update Fixed Assets

To import all the existing fixed assets first create the asset record and then create a Journal Entry to update the General Ledger.

1. **Create Asset Records** - Read more on the Asset Manual.

2. **Create Journal Entry to Update the Ledgers**

When you create an Asset with '*Is Existing Asset*' checkbox ticked, the General Ledger is not updated. You will have to update the value via a Journal Entry.

# Opening Account Balances

System Managers Only

## Opening Account Balances from Migration

### 1. Asset

#### Update Fixed Assets

##### 1. Create Journal Entry to Update the Ledgers

To create a new Journal Entry:

- a. Go to: Accounting > Masters and Accounts > Journal Entry > New button.
- b. Enter Posting Date.
- c. Select the appropriate fixed asset ledgers in Account column and enter the value in Debit column.
- d. Select '**Temporary Opening**' ledger in Account column and enter the balancing amount in Credit column.  
Set '**Is Opening**' to Yes.

The screenshot shows the Frappe ERP Journal Entry screen. The top navigation bar includes 'Accounts' and 'Journal Entry'. The search bar says 'Search or type a command (Ctrl + G)'. The top right shows 'Administrator', 'Help', and a user icon. A red box highlights the 'Is Opening' checkbox in the 'MORE INFORMATION' section, which is checked 'Yes'. The main area shows a table of journal entries:

	Account	Party	Debit	Credit
1	Electronic Equipments - FT		₹ 63,000.00	₹ 0.00
2	Temporary Opening - FT		₹ 0.00	₹ 63,000.00

Total Debit: ₹ 63,000.00  
Total Credit: ₹ 63,000.00  
Multi Currency: [unchecked]

PRINTING SETTINGS ▾  
MORE INFORMATION ▾



# Opening Account Balances

System Managers Only

## Opening Account Balances from Migration

### 1. Asset

#### Opening Stock

**Opening Stock** is the amount and value of materials that a company has available for sale or use at the beginning of an accounting period.

The closing Stock of the previous accounting period becomes the opening Stock of the current accounting period.

### 1. Prerequisites

- a. Create Warehouses.
- b. Link Warehouse to appropriate accounting ledgers.

### 2. Opening Stock for Non-serialized Items - To post opening stock visit the *Stock Reconciliation manual*.



# Opening Account Balances

***System Managers Only***

## Opening Account Balances from Migration

### 1. Asset

#### Opening Stock

### 3. Opening Stock for Serialized and Batched Items

Create the Batch and Serial No records beforehand. To post opening stock for serialized and batched items:

New

- a. Go to Stock > Stock Transactions > Stock Entry > New button.
- b. Select 'Material Receipt' in 'Stock Entry Type'.
- c. Select the Warehouse in 'Default Target Warehouse'.
- d. In Items table select Item Code, Qty and Basic rate.
- e. For batched items select Batch No.
- f. For serialized items select Serial No.
- g. **SAVE and SUBMIT.**

# Opening Account Balances

System Managers Only

## Opening Account Balances from Migration

### 1. Asset and Liability

#### Update Accounts Receivables and Update Accounts Payables

**Accounts Receivables** is the balance amount your Customer owes you towards the Sales Invoices you have already sent to them while **Accounts Payables** is the balance amount you owe your Suppliers towards the invoices they have already sent you.

You can import the accounts receivables details using the ***Opening Invoice Creation Tool***. To access it, go to:

[Home > Accounting > Opening and Closing > Opening Invoice Creation Tool](#)

### 1. How to import outstanding invoices

- a. Go to the Opening Invoice Creation Tool.
- b. Select the Company.
- c. Select Sales in Invoice Type.
- d. Click on Add Row and select customer in party, select Posting Date, Due Date, Item Name and add Outstanding Amount.
- e. Click on Create Invoices.
- f. Sales Invoices will be created. You can post Payment Entry against these invoices as and when you receive payment from your customer.



# Closing Accounting Books

As the financial year ends, it is the time to start the books fresh. Closing the books is an essential part for every business owner as it helps to gauge business's general performance, highlights balances that will carry forward to the next year, helps remove inconsistencies from the books and creates an outline for the next year's financial reports.

Here's the year end guide to close your books in ERPNext.

- Review your Receivables and Payables
- Reconcile your Accounts
- Post a Period Closing Voucher
- Set your new Fiscal Year as default

## 1. Review your Receivables and Payables

Verify the list of orders against which invoices are yet to be made, check the list of outstanding invoices and ensure to remunerate them, this will give you a better idea of what you owe and own. Check for the oldest unpaid invoices present, it may cause a hidden uncertainty in your books. Once done, send out outstanding reports against your clients to ensure the balances are accurate.



# Closing Accounting Books

## 2. Reconcile your accounts

- a. **Bank Reconciliation:** The process to match your transactions entered in the system from your bank statement which also helps to record other charges incurred not recorded in the books.
  - i. Use ***Update Bank Transaction Dates tool*** to match balances as per your bank statement.

[Home > Accounting > Banking and Payments > Update Bank Transaction Date](#)

- b. **Invoice Reconciliation:** The process to allocate your Payment Entries against your Customers and Suppliers to get accurate Receivables and Payables.
  - i. Use ***Payment Reconciliation tool*** to link your unallocated payments against pending invoices.

[Home > Accounting > Banking and Payments > Match Payments with Invoices](#)

- c. **Stock Reconciliation:** This helps you keep the physical stock and book stock in sync.
  - i. Use ***Stock Reconciliation*** to keep your stock up-to-date.

[Home > Stock > Tools > Stock Reconciliation](#)



# Closing Accounting Books

To audit your books, your accountant will need the following reports:

- Financial Statements: Balance Sheet, Profit and Loss Statement and Cash flow Statement.
- Bank Statements and Loans.
- Asset Depreciation and Balances.

## **3. Post a Period Closing Voucher**

This step will ensure all your incomes and expenses are balanced and you start your books from zero for the next financial year.

It resets your income and expense accounts and posts it to the account selected while creating it.

A **Period Closing Voucher** indicates that the profit/loss for an accounting period has been balanced and the books can start fresh.

# Closing Accounting Books

## 3. Post a Period Closing Voucher

At the end of every year or (quarterly or maybe even monthly), after completing auditing, you can close your books of accounts. This means that you make all your special entries like:

- Depreciation
- Change in value of Assets
- Defer taxes and liabilities
- Update bad debts

Then book your Profit or Loss.

To access the Period Closing Voucher list, go to:

[Home > Accounting > Opening and Closing > Period Closing Voucher](#)



# Closing Accounting Books

## 3. Post a Period Closing Voucher

### 1. How to create a Period Closing Voucher

New

- a. Go to the Period Closing Voucher list and click on New button.
- b. **Transaction Date** will be Period Closing Voucher's creation date.
- c. Set a **posting date** will be when this entry should be executed. If your Fiscal Year ends on 31st December, then that date should be selected as Posting Date in the Period Closing Voucher.
- d. Select the **account**, usually this is the '*Reserves and Surplus*' account.
- e. **Closing Fiscal Year** will be an year for which you are closing your financial statement.
- f. Enter any remarks.
- g. **SAVE and SUBMIT**

### 2. What happens on submitting?

The Period Closing Voucher will make accounting entries (GL Entry). This will make all your Income and Expense Accounts zero and transfer Profit/Loss balance to the Closing Account. You should select a liability account like Reserves and Surplus, or Any Revenue Reserve account or into Owners Capital account as Closing Account.



# Closing Accounting Books

## 3. Post a Period Closing Voucher

**Note:** If accounting entries are made in a closing Fiscal Year, even after Period Closing Voucher was created for that Fiscal Year, you should create another Period Closing Voucher. Later voucher will only transfer the pending P&L balance into Closing Account Head.

E > Accounting > Period Closing Vouc...

Reserves and Surplus - UP • Submitted

Comments	0	Ledger
Assigned To	Assign +	Transaction Date
Attachments	Attach File +	09-10-2019
Tags	Add a tag ...	Posting Date
Reviews	+	09-10-2019
Shared With	+	Closing Fiscal Year
		2019-2020
		Company
		Unico Plastics Inc.

E > Accounting

Search or type a command (Ctrl + G)

Settings Help 99+

General Ledger Refresh

Unico Plastics Inc.		Finance Book	09-10-2019	09-10-2019	Account	ACC-PCV-2019-00002
Party Type	Party	Group by Voucher (Consol)			Cost Center	Project
<input type="checkbox"/> Show Opening Entries <input type="checkbox"/> Include Default Book Entries						
Posting D...	Account	Debit (INR)	Credit (INR)	Balance (INR)	Voucher Type	Voucher No
3 09-10-2019	Deferred Revenue - UP	5,017.570	0.000	-15,98,647.540	Period Closing V...	ACC-PCV-2019-00002
4 09-10-2019	Depreciation - UP	0.000	20,474.240	-14,19,321.580	Period Closing V...	ACC-PCV-2019-00002
5 09-10-2019	Exchange Gain/Loss - UP	0.000	303.560	-14,19,625.140	Period Closing V...	ACC-PCV-2019-00002
6 09-10-2019	Expenses Included In Valua...	68.070	0.000	-14,19,557.070	Period Closing V...	ACC-PCV-2019-00002
7 09-10-2019	Gain/Loss on Asset Dispos...	0.000	11,500.000	-14,31,057.070	Period Closing V...	ACC-PCV-2019-00002
8 09-10-2019	Miscellaneous Expenses - ...	0.000	1,000.000	-14,32,057.070	Period Closing V...	ACC-PCV-2019-00002
9 09-10-2019	Reserves and Surplus - UP	6,00,253.430	0.000	-8,31,803.640	Period Closing V...	ACC-PCV-2019-00002
10 09-10-2019	Rounded Off - UP	0.000	0.570	-8,31,804.210	Period Closing V...	ACC-PCV-2019-00002
11 09-10-2019	Sales - UP	61,634.270	0.000	-7,70,169.940	Period Closing V...	ACC-PCV-2019-00002



# Closing Accounting Books

## 3. Post a Period Closing Voucher

Once your accountant has made all the adjustment entries to balance your accounts, you can freeze your accounts.

To freeze, you can:

[Go to Account Settings](#), enter the date till when you want to freeze your account.

The screenshot shows the 'Accounts Settings' page. At the top, there is a header bar with a search field, settings, help, and notification icons. Below the header, the title 'Accounts Settings' is displayed, along with 'Menu' and 'Save' buttons. On the left, there are sections for 'Comments' (0), 'Assigned To' (with an 'Assign +' button), and 'Attachments'. The main area contains two input fields: 'Accounts Frozen Upto' and 'Credit Controller'. The 'Accounts Frozen Upto' field is highlighted with a blue border and contains the instruction: 'Accounting entry frozen up to this date, nobody can do / modify entry except role specified below.' The 'Credit Controller' field also has a blue border and contains the instruction: 'Role that is allowed to submit transactions that exceed credit limits set.' There is also a checkbox labeled 'Check Supplier Invoice Number Uniqueness'.

Create an [Accounting Period](#) to avoid creation of any financial transactions for the period.

# Closing Accounting Books

## Accounting Period

An **Accounting Period** defines a period of time in which financial statements are recorded.

In ERPNext, defining an Accounting Period ***freezes the entries*** for the selected transactions in the selected time frame.

This means that the selected transactions will not be submittable in the defined Accounting Period.

Consider that you want to generate financial reports for business in Quarter 3 and you want to allow submitting only specific entries in that period. Or you want to freeze all entries that affect the General Ledger. Accounting Period in ERPNext allows doing exactly this.

### 1. How to create an Accounting Period

- a. Enter a name for the Accounting Period.
- b. Define a time frame by setting Start and End Dates.
- c. Add or remove transactions from the table. Note that all transactions listed in the table will be frozen.
- d. **SAVE.**

# Closing Accounting Books

## Accounting Period

Accounting > Accounting Period

Search or type a command (Ctrl + G) Settings Help 99+

New Accounting Period 1 • Not Saved Save

Period Name	Company	
Q4	Unico Plastics Inc.	
Start Date		
01-10-2019		
End Date		
31-12-2019		
Closed Documents		
Document Type	Closed	
Sales Invoice	✓	▼
Purchase Invoice	✓	▼
Journal Entry	✓	▼
Payroll Entry	✓	▼
Bank Reconciliation	✓	▼
Asset	✓	▼

# Closing Accounting Books

## Accounting Period

If you try to submit a transaction defined in the Accounting Period, a message will appear.

The screenshot shows a software application window titled "Accounting > Sales Invoice". The main area displays a document for "Babloo" in draft mode. A modal dialog box is centered over the screen with the title "Message". The message content reads: "You can't create accounting entries in the closed accounting period Q3 - UP". In the top right corner of the main window, there is a red badge with the number "99+" indicating unread notifications. The bottom right corner of the window has a "Submit" button.

**Note:** No role can submit transactions defined in the Accounting Period, even the Role set in 'Role Allowed to Set Frozen Accounts & Edit Frozen Entries' in Account Settings.

# Closing Accounting Books

## 4. Change Fiscal Year

A **Fiscal Year** is used to record and report the transactions for the year.

It is also known as a financial year or a budget year. It is used for calculating financial statements in businesses and other organizations. The Fiscal Year may or may not be the same as a calendar year.

To access the Fiscal Year list, go to:

Home > Accounting > Setup > Fiscal Year

2019-2020 • Not Saved

Set as Default

Companies

	Company
<input type="checkbox"/>	1 Unico Plastics Inc.
<input type="checkbox"/>	2 Mac Hardware Ltd

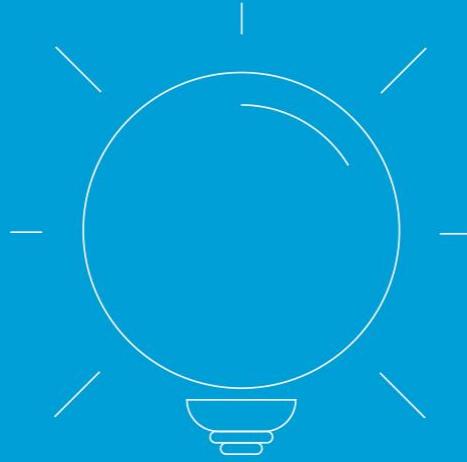
Add Row

### 1. How to set up Fiscal Year

- a. Go to the Fiscal Year list.
- b. To set the Fiscal Year as default, click on the Set as Default button.
- c. In case you have multiple companies sharing the same Fiscal Year, you can add it as shown on the picture.

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# ERPNext: Stocks Item Setup



# Inventory (Stock) Management

Businesses have a large part of their financial resources invested in the stock items they trade. With ERPNext, you can always keep a bird's eye view on your stock availability, replenishment, procurement, sales, and much more.

## 1. Core Stock Transactions

There are three main types of entries:

- **Purchase Receipt:** Items received from Suppliers against Purchase Orders.
- **Stock Entry:** Items transferred from one Warehouse to another.
- **Delivery Note:** Items shipped to Customers.

Apart from these core transactions, there are other documents available in ERPNext Stock module to manage Stock Reconciliation, Item Prices, deliveries, serial numbers, batch numbers, quality inspections, returns, etc.

# Inventory (Stock) Management

Here's a view of Item Stock Summary in ERPNext.

E  Q P Settings Help 99+

### Stock Summary

Park Pens - UP	Raw Plastic Crystals	0   2	<span>Move</span>	<span>Add</span>
Park Pens - UP	Ballpoint pen nib	0   2	<span>Move</span>	<span>Add</span>
Park Pens - UP	Blue Ink for BPP	0   2	<span>Move</span>	<span>Add</span>
Stores - UP	5x1 screw	0   2 (1)	<span>Move</span>	<span>Add</span>
Stores - UP	op6 (OnePlus 6)	1   10	<span>Move</span>	<span>Add</span>
Stores - UP	O1 (Redmi Note 5 pro)	0   10	<span>Move</span>	<span>Add</span>
Stores - UP	DTCloth (Dinner table cloth)	0   10	<span>Move</span>	<span>Add</span>
Finished Goods - UP	Plastic Cane	0   0 (10)	<span>Add</span>	
Finished Goods - UP	Brush Bristles Thin	0   0 (10)	<span>Add</span>	
Stores - UP	Plastic Cane	0   0 (11)	<span>Add</span>	
<span>More</span>				

# Inventory (Stock) Management

2. Below are the Prerequisite document/record that need to be setup:
  - a. Warehouse

A **warehouse** is a commercial building for storage of goods. Warehouses are used by manufacturers, importers, exporters, wholesalers, transport businesses, customs, etc.

They are usually large plain buildings in industrial areas of cities, towns, and villages. They mostly have loading docks to load and unload goods from trucks.

The terminology of 'Warehouse' in ERPNext is a bit broader though and maybe can be regarded as "storage locations". You can create a sub-Warehouse which could be a shelf inside your actual location.

This can become quite a detailed Tree like the following:

[Warehouse > Room > Row > Shelf > Bin](#)

To access the Warehouse list, go to:

[Home > Stock > Settings > Warehouse](#)



# Inventory (Stock) Management

2. Below are the Prerequisite document/record that need to be setup:

a. **Warehouse**

1. **How to create a Warehouse**

- a. Go to the Warehouse list, click on New button.
- b. Enter a name for the Warehouse.
- c. Set/check the Parent Warehouse. If you tick on 'Is Group', you can create sub-Warehouses under this group Warehouse.
- d. **SAVE.**

Warehouses are saved with their respective Company's abbreviations. This facilitates identifying which Warehouse belongs to which company at a glance.

2. **Additional options when creating a Warehouse**

- **Account:** Set a default account here for all transactions with this Warehouse. Setting this account will show transactions from this Warehouse in the Accounting Ledger.



# Inventory (Stock) Management

2. Below are the Prerequisite document/record that need to be setup:

a. Warehouse

2. Additional options when creating a Warehouse

- **Warehouse Type:** You can create a Warehouse Type to classify Warehouses. For example, Supplier Warehouses, Stock Warehouses, WIP Warehouses, Rooms, etc. can be tagged. This classification is useful when generating reports or in certain stock transactions.
- **Address and contact:** You can add Billing, Shipping, and other types of addresses for the Warehouse. You can also add a contact, this could be the Warehouse Manager for example.

3. After Saving

After saving a Warehouse, you'll see the following options:

- **Stock Balance:** This will open the Stock Balance report to display the quantity, valuation, balance, etc.
- **General Ledger:** This will open the General Ledger to display the accounting transactions.
- **Non-Group to Group:** If the Warehouse is a Non-Group Warehouse, i.e. cannot contain other Warehouses under it, this button will make this a Group Warehouse.



# Inventory (Stock) Management

2. Below are the Prerequisite document/record that need to be setup:

a. Warehouse

4. Tree View

You can also switch to 'Tree' View which will show all the group and child Warehouses.

The screenshot displays a software application window titled "Warehouse Tree". At the top, there's a navigation bar with icons for Home, Stock, Settings, Help, and a notification badge showing "99+". A search bar is also present. The main area shows a hierarchical tree structure under "Unico Plastics Inc.". Each node in the tree has a corresponding value column to its right. The tree structure is as follows:

- Unico Plastics Inc.
  - All Warehouses - UP
    - Big Store - UP (₹ 0.00)
    - Finished Goods - UP (₹ 1,395.00)
    - Store 2 - UP (₹ 59,565.00)
    - Stores - UP (₹ 10,37,379.20)
    - Subcontract - UP (₹ 0.00)
    - Work In Progress - UP (₹ 2,595.00)
  - Chawla Traders - UP (₹ 7,156.50)
  - Sample Retention - UP (₹ 0.00)
  - Scraps - UP (₹ 0.00)

At the top right of the tree view area, there's a "Expand All" button. On the far right of the interface, there's a large blue "h." logo.

# Inventory (Stock) Management

2. Below are the Prerequisite document/record that need to be setup:

a. Warehouse

4. Tree View

If you have a more detailed Warehouse Tree, most likely it's a good idea to link the sub-locations (room, row, shelf, etc.) to the account of the actual Warehouse (the root Warehouse of that Tree) as most scenarios do not require to account for value of stock items per Shelf or Bin. For example, if you have Warehouse A, and the room, rows are B, C, etc., then link B and C to the account of A.

**Note:** ERPNext maintains stock balance for every distinct combination of Item and Warehouse. Thus you can get the stock balance for any specific Item in a particular Warehouse on any particular date.

In ERPNext, if you enable **Perpetual Inventory**, every Warehouse must belong to a specific company to maintain company-wise stock balance. To do so, each Warehouse should be linked with an Account in the Chart of Accounts (the same name as the Warehouse itself). This account captures the monetary equivalent of the goods or materials stored in that specific warehouse.



# Inventory (Stock) Management

## Accounting Of Inventory Stock

The value of available inventory is treated as a Current Asset in the company's Chart of Accounts. To prepare a Balance Sheet, you should make the accounting entries for those assets. There are generally two different methods of accounting for inventory.

### 1. Auto/Perpetual Inventory

In this process, for each stock transaction, the **system posts relevant accounting entries** to sync stock balance and accounting balance. **This is the default setting in ERPNext for new accounts.** By default, Perpetual Inventory is enabled in the Company.

When you buy and receive items, those items are booked as the company's assets (stock-in-hand). When you sell and deliver those items, an expense (Cost of Goods Sold) equal to the landed cost of the items is booked. General Ledger entries are created after every stock transaction. As a result, the value as per Stock Ledger always remains the same with the relevant account balance. This improves the accuracy of the Balance Sheet and the Profit and Loss statement.



# Inventory (Stock) Management

## Accounting Of Inventory Stock

### 1. Auto/Perpetual Inventory

#### Advantages of Perpetual Inventory

Perpetual Inventory system will make it easier for you to maintain the accuracy of the company's asset and expense values. Stock balances will always be synced with relevant account balances, so no more periodic manual entry needs to be done to balance them.

In case of new back-dated stock transactions or cancellation/amendment of an existing transaction, all the future Stock Ledger entries and GL Entries will be recalculated for all items of that transaction. The same is applicable if any cost is added to the submitted Purchase Receipt later through the Landed Cost Voucher.

**Note:** Perpetual Inventory completely depends upon the item valuation rate. Hence, you have to be more careful entering the valuation rate while making any incoming stock transactions like Purchase Receipt, Material Receipt, or Manufacturing/Repack.

# Inventory (Stock) Management

## Accounting Of Inventory Stock

### 1. Auto/Perpetual Inventory

#### How to activate perpetual inventory

Activate Perpetual Inventory:

[Home > Accounting > Company > Enable Perpetual Inventory](#)

If you disable perpetual inventory, users will have to manage the account entries manually.

The screenshot shows the 'Stock Settings' section of the company setup in QuickBooks. The 'Wind Power LLC' company name is at the top left, and the 'Save' button is at the top right. The 'STOCK SETTINGS' section contains the following fields:

- Enable Perpetual Inventory
- Default Inventory Account: Stock In Hand - WP
- Stock Adjustment Account: Stock Adjustment - WP
- Stock Received But Not Billed: Stock Received But Not Billed - WP
- Expenses Included In Valuation: Expenses Included In Valuation - WP

At the bottom, there is a 'FIXED ASSET DEPRECIATION SETTINGS' section.

# Inventory (Stock) Management

## Accounting Of Inventory Stock

### 2. Periodic Inventory

In this method, accounting entries need to be created manually in order to sync stock balance and relevant account balance. The system does not create accounting entries automatically for assets at the time of material purchases or sales.

In an accounting period, when you buy and receive items, an expense is booked in your accounting system. You sell and deliver some of these items.

At the end of an accounting period, the total value of items to be sold, need to be booked as the company's assets, often known as stock-in-hand.

The difference between the value of the items remaining to be sold and the previous period's stock-in-hand value can be positive or negative. If positive, this value is removed from expenses (Cost of Goods Sold) and is added to assets (stock-in-hand). If negative, a reverse entry is passed.

This complete process is called **Periodic Inventory**. If you are an existing user using Periodic Inventory and want to use Perpetual Inventory, you need to follow a few steps to migrate.



# Inventory (Stock) Management

2. Below are the Prerequisite document/record that need to be setup:
  - b. Unit of Measurement (UoM)

A **UoM** is a unit using which an Item is measured. **UoM** stands for Unit of Measurement. Few examples of UoM are Numbers (Nos), Kgs, Litre, Meter, Box, Carton etc.

By default, there are many UoMs created in the system. However, more can be added depending on your business use case. In the UoM there is an option '**Must be Whole Number**'. If this is checked, you cannot use fraction numbers in this UoM.

There are few UoMs which cannot have value in decimal places. For example, if we have television for an item, with Nos as its UoM, we cannot have 1.5 Nos. of television, or 3.7 Nos. of computer sets. The value of quantity for these items must be whole number.

You can configure if particular UoM can have value in decimal place or no. By default, value in decimal places will be allowed for all the UoMs. To restrict decimal places or value in fraction for any UoM, you should follow these steps.

For UoM list, go to:

[Stock > Setup > UoM](#)



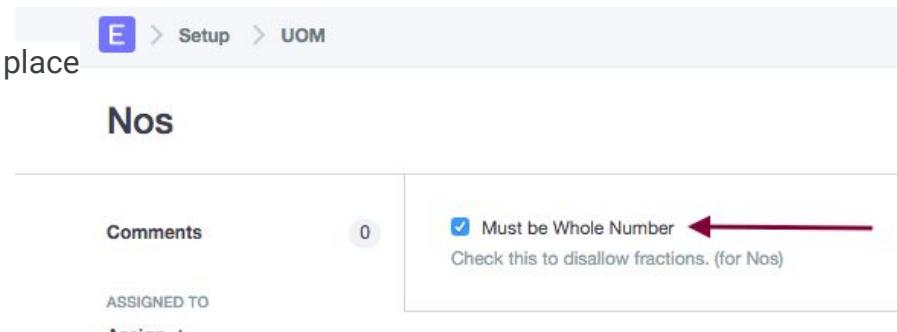
# Inventory (Stock) Management

2. Below are the Prerequisite document/record that need to be setup:

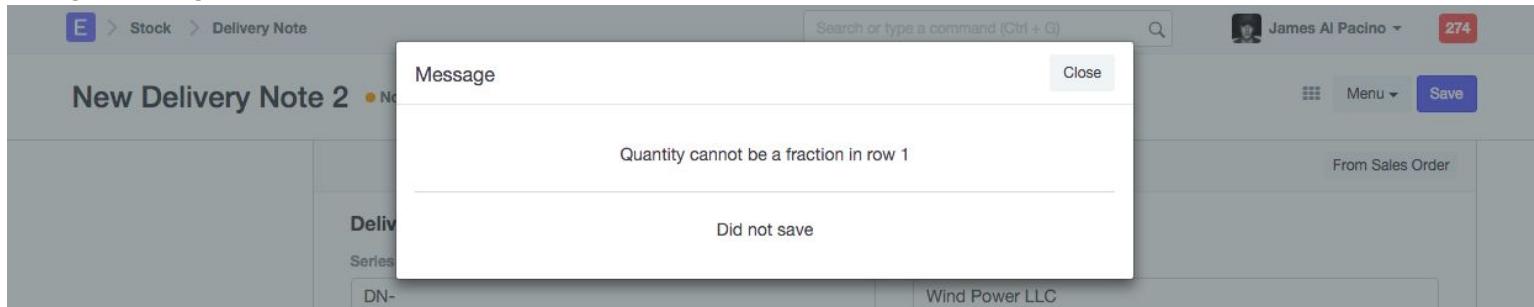
## b. Unit of Measurement (UOM)

From the list of UOM, select UOM for which value in decimal place is to be restricted. Let's assume that UoM is Nos.

In the UoM master, you will find a field called "Must be whole number". Check this field to restrict user from enter value in decimal places in quantity field, for item having this UoM.



While creating transaction, if you enter value in fraction for item whose UoM has "Must be whole number" checked, you will get error message stating:



# Inventory (Stock) Management

2. Below are the Prerequisite document/record that need to be setup:

b. Unit of Measurement (UOM)

The actual conversion rates are stored in a document called '**UoM Conversion Factor**'. If you add new UoMs and plan to use it in transactions where it'll be converted to other UoMs, it is advised that you add it to this list. [You can go to the list by search on the search bar the UoM Conversion Factor list.](#)

For example, here 1 Kg is approximately 2.2 Pounds and the exact conversion factor is stored:

The screenshot shows a software application window for managing Unit of Measurement Conversion Factors. The title bar indicates the current location is 'UoM Conversion Fac...'. The main content area displays a record with the identifier 'MAT-UOM-CNV-00069'. On the left, there is a sidebar with various settings and status indicators. The main form contains the following fields:

- Category:** Mass
- From:** Kg
- To:** Pound
- Value:** 2.204623000

At the top right of the form, there are buttons for 'Save' and 'Cancel'.

# Inventory (Stock) Management

2. Below are the Prerequisite document/record that need to be setup:

c. **Item Group**

An **Item Group** is a way to classify items based on types.

Depending on the type of product, you can categorize an item under its respective field. If the product is service-oriented, assign it under the Item Group - service. If the product is used as a raw-material, assign it under the Raw Material category. In case, an item is used only in trading, you can categorize it under an Item Group called Trading.

To access the Item Group list, go to:

[Home > Stock > Items and Pricing > Item Group](#)

1. **How to create an Item Group**

New

- a. Go to the Item Group list, click on New button.
- b. Select a group node under which you wish to create the Item Group, the default root is 'All Item Groups'.
- c. Select 'Add Child' or click on the New button.
- d. To make this child a category/group node, tick on Group Node.
- e. **CLICK CREATE NEW.**

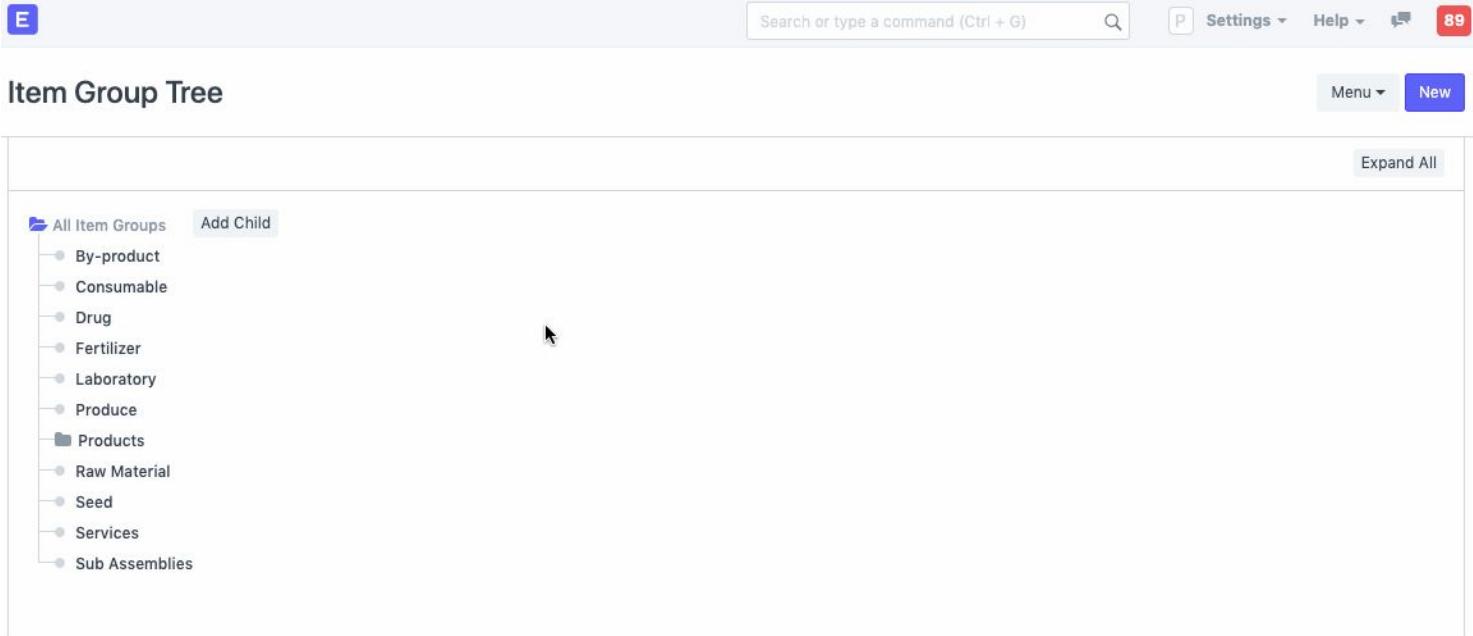
# Inventory (Stock) Management

2. Below are the Prerequisite document/record that need to be setup:

c. Item Group

2. Delete an Item Group

- a. Select the Item Group you want to delete.
- b. Select 'Delete'. 
- c. Click on Yes.



The screenshot shows a software interface for managing item groups. At the top, there is a header bar with a search bar containing "Search or type a command (Ctrl + G)", a magnifying glass icon, and several dropdown menus labeled "Settings", "Help", and "89". Below the header is a toolbar with "Menu" and "New" buttons. The main area is titled "Item Group Tree". On the left, there is a tree view of item groups under "All Item Groups". The groups listed are: By-product, Consumable, Drug, Fertilizer, Laboratory, Produce, Products (which is selected), Raw Material, Seed, Services, and Sub Assemblies. A cursor arrow is pointing towards the "Products" node. On the right side of the tree view, there is a button labeled "Expand All".

# Inventory (Stock) Management

2. Below are the Prerequisite document/record that need to be setup:

c. Item Group

3. Other fields on the item group.

To see the following options, click on an Item Group, click on Edit.

a. **Parent Item Group:** You can change the parent Item Group of an item by choosing another one under General Settings.

No need to encode anything on the below fields if it will not be default for all items on that item group. This is OPTIONAL.

b. **Default Price List:** A default price list that'll determine the Item Prices for this Item Group.

c. **Default Warehouse:** Default Warehouse set in transactions for the items that belong to this group.

d. **Default Buying/Selling Cost Center:** The default Buying/Selling Cost Center to which items in this group will be billed against.

e. **Default Expense/Income Account:** The default accounts for items that belong to this group.

f. **Default Supplier:** On setting a Supplier here, this supplier will be chosen in purchase transactions by default for items in this group.

g. **Item Tax:** A default item tax template will be applied to all items belonging to this group. Similarly a Tax Category can also be selected, visit [tax categories manual](#).



# Inventory (Stock) Management

2. Below are the Prerequisite document/record that need to be setup:

c. Item Group

3. Other fields on the item group.

No need to encode anything on the below fields if it will not be default for all items on that item group. This is OPTIONAL.

h. Website Settings

- **Show in Website:** Items belonging to this group will be shown on your website under the Item Group.
- **Weightage:** This is the weight for the Item Groups themselves, item groups with higher weights will be shown first.
- **Slideshow:** A slideshow for the Item Group, just like in an Item. Visit the Homepage page in Website module to know more.
- **Description:** This will appear on the Item Group page.
- **Website Specifications:** Label and its description for an item group.

# Inventory (Stock) Management

2. Below are the Prerequisite document/record that need to be setup:

## d. Stock Settings

You can set default settings for your stock related transactions from the Stock Settings.

- **Item Naming By** - By default, the Item Name is set as per the Item Code entered. If you want Items to be named by a set Naming Series choose the 'Naming Series' option.
- **Defaults**
  - **Default Item Group** - This will be the default item group allocated to a newly created item. Item groups are useful for classification and setting properties for the whole group.
  - **Default Stock UOM** - The default unit of measure for stock is set as numbers (Nos), it can be changed from here.
  - **Default Warehouse** - Set the default Warehouse from which the stock transactions are done. This will be fetched into the Default Warehouse in the Item master/record.
- **Sample Retention Warehouse** - This is the Warehouse where sample retentions are stored. See the *Retention Stock Manual*.
- **Default Valuation method** - FIFO - first in first out or moving average valuation for your items. The default method is FIFO. If you select **Moving Average**, new Items will be valued on Moving Average. You can change this when creating new Items in the Item form. Once the Item is saved, the Valuation Method cannot be changed.

# Inventory (Stock) Management

## Inventory Valuation Method - FIFO vs. Moving Average

Inventory valuation is the cost of unsold goods in a company's inventory. It includes all costs incurred to get the item ready for sale, like material expenses, direct labor, freight, handling, import duties etc.

Inventory is an important asset on the company's balance sheet for small and medium businesses. So, it is very important to calculate correct inventory value.

There are several valuation methods, but for small businesses, it is generally restricted to FIFO and Moving Average.

- **FIFO (First In First Out):** In FIFO it is assumed that, in a warehouse, items that arrive first, are sold first. Hence, it is calculated by summing the actual cost of the stock of an item, available in the warehouse.

$$\text{FIFO stock value} = \text{Qty1} * \text{Rate1} + \text{Qty2} * \text{Rate2} + \dots$$

- **Moving Average:** In Moving Average, the value of an item is the average cost weighed by the quantities available in the warehouse.

$$\text{Moving Average Rate} = \left( (\text{Available Qty in stock} * \text{Average Rate}) + (\text{Incoming Stock} * \text{Incoming Rate}) \right) / (\text{Available Qty in Stock} + \text{Incoming Stock})$$

# Inventory (Stock) Management

## Inventory Valuation Method - FIFO vs. Moving Average

### **Advantages and Disadvantages:**

In real world, generally price of the item rises over time, so products that come into inventory earlier have lower cost than newer ones. That's why using FIFO, valuation rate generally shows higher value compared to moving average, and hence higher gross profit and net income.

On the other hand, since it increases gross profit and income, it also increases tax liabilities to the company.

Determining the average unit cost of goods available for sale effectively smoothes any price fluctuations in a material that may occur. That's why, if cost of any item fluctuates very regularly, it is recommended to use moving average method.

### **What if stock goes into negative?**

Negative stock is only allowed if valuation method is Moving Average. If stock goes into negative, stock value treated as zero. When stock comes back to positive, valuation rate is again calculated for positive qty.

### **What happens when back-dated entries are made?**

Posting date and time of any stock transaction plays a vital role in calculating stock value on a given date. If there is any back-dated entry entered in the system, then the valuation for all the future transactions from that date should be recalculated.

The system handles both FIFO and Moving Average and also allows you to make back-dated entries. Negative stock though is only allowed if your valuation system is Moving Average.



# Inventory (Stock) Management

2. Below are the Prerequisite document/record that need to be setup:

d. Stock Settings

You can set default settings for your stock related transactions from the Stock Settings.

- **Limit Percent** - This is the percentage you are allowed to receive or deliver more against the quantity ordered. For example: If you have ordered 100 units, Supplier sends 120 units and the percentage is set to 10% then you are allowed to receive 110 units. By default, this is set to 0. Be careful on this since you can deliver more quantity against the Sales Order too.
- **Show Barcode Field** - A field to enter Barcode details for an item. If unticked, the field won't be visible in the Item form.
- **Convert Item Description to Clean HTML** - Usually, descriptions are copy-pasted from a website or Word/PDF file and they contain a lot of embedded styles. This messes up the Print view of your invoices or quotes.

To fix this, you can check "Convert Item Description to Clean HTML" in Stock Settings. This will ensure that when you save the items, their descriptions will be cleaned up.

If you want to control your description, views, and allow any HTML to be embedded, you can uncheck this property.



# Inventory (Stock) Management

2. Below are the Prerequisite document/record that need to be setup:

d. Stock Settings

You can set default settings for your stock related transactions from the Stock Settings.

- **Auto insert Price List rate if missing** - Enabling this will insert an Item Price to the Price List of an Item automatically when using the Item in its first transaction. This price is fetched from the 'Rate' set in the first transaction with the Item. The Price List depends on whether you're using a Purchase or Sales transaction.

Note that, the Item Price will be automatically inserted only in the first transaction if not already present.

If this is unticked, the 'Standard Selling Rate' set in the Item when creating the Item will be added as Item Price.

- **Automatically Set Serial Nos based on FIFO** - Serial numbers for stock will be set automatically based on the Items entered based on first in first out. The Serial Numbers will be set automatically in transactions like Purchase/Sales Invoices, Delivery Notes, etc.

# Inventory (Stock) Management

2. Below are the Prerequisite document/record that need to be setup:

d. Stock Settings

You can set default settings for your stock related transactions from the Stock Settings.

- **Allow Negative Stock** - This will allow stock items to be displayed in negative values. Using this option depends on your use case. For example, the stock transaction entries are entered at the weekend or month-end. In this case, negative stock needs to be enabled so that you can continue with your purchase/sales transaction entries.
- **Set Qty in Transactions based on Serial No Input** - The quantity of items will be set according to the serial numbers. For example, if the user has added serial nos like A001, A002, and A003 then the system will set the quantity as 3 in the transaction.
- **Raise Material Request when the stock reaches re-order level** - This option is useful if you want to ensure a constant supply of raw materials/products and avoid shortage. A Material Request will be raised automatically when stock reached the re-order level defined in the Item form.
- **Notify by Email on the creation of automatic Material Request** - An email will be sent to notify the User with the role 'Purchase Manager' when an automatic Material Request is created.



# Inventory (Stock) Management

2. Below are the Prerequisite document/record that need to be setup:
  - d. Stock Settings

You can set default settings for your stock related transactions from the Stock Settings.

- **Freeze Stock Entries** - The User will not be allowed to make stock postings beyond this date.
- **Stock Frozen Upto:** A threshold date till which stocks will be frozen.

The screenshot shows the 'Stock Settings' page with the following fields:

Setting	Value
Item Naming By	Item Code
Default Valuation Method	FIFO
Default Item Group	(empty)
Over Delivery/Receipt Allowance (%)	0.000
Default Stock UOM	Nos
Action if Quality inspection is not submitted	(empty)
Default Warehouse	Stores - UP
Show Barcode Field	<input checked="" type="checkbox"/>
Sample Retention Warehouse	Sample Retention - UP
Convert Item Description to Clean HTML	<input type="checkbox"/>

- **Freeze Stocks Older Than [Days]:**  
Stocks older than x days will be frozen. This is calculated based on the creation date of the item.
- **Role Allowed to edit frozen stock:**  
The role you choose here will be allowed to edit frozen stock.
- **Batch identification - Global setting** for batches of stocks to be identified by a Naming Series



# Inventory (Stock) Management

2. Below are the Prerequisite document/record that need to be setup:

e. **Manufacturer (Optional)**

A manufacturer created or produces an Item.

A Manufacturer may not be the same person/company that sells the Item under a specific Brand. For example, Unico Plastics can be the Manufacturer of plastic brushes but it may be sold under a Brand, say, Super Brushes.

In the system, a Manufacturer can be used to identify Items using a specific part number.

To access the Manufacturer list, go to:

[Home > Stock > Manufacturer](#)

## 1. How to Create a Manufacturer

- a. Go to the Manufacturer list and click on New.
- b. Enter a Manufacturer name and enter a description if needed.
- c. Set Address and Contact
- d. **SAVE.**



# Inventory (Stock) Management

2. Below are the Prerequisite document/record that need to be setup:
  - e. Manufacturer (*Optional*)

After creating a Manufacturer, it can be set in the Item form with a Manufacturer Part Number for identification.

## Additional details

The following details can be set for a Manufacturer:

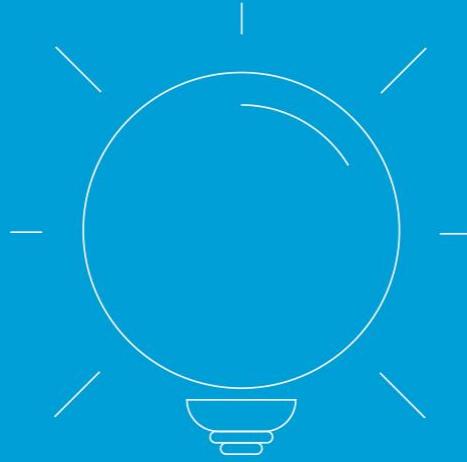
- Website
- Country
- Logo

The screenshot shows the Odoo Item form for a product named "5x1 screw". The form includes fields for Item Code ("5x1 screw"), Item Name ("5x1 screw"), Manufacturer ("Dev fasteners"), Description ("5x1 screw"), and Manufacturer Part Number ("SCR3ABC1231"). A "Manufacturers" section is also visible, listing the selected manufacturer. The top right of the screen shows the Odoo interface with a search bar, settings menu, and other navigation options.

hooman.

# ERPNext: Stocks

## Item



# Item

An **Item** is a product or a service offered by your company.

The term Item is also applicable to raw materials or components of products yet to be produced (before they can be sold to customers). The system allows you to manage all sorts of items like raw-materials, sub-assemblies, finished goods, item variants, and service items.

The system is optimized for itemized management of your sales and purchase. If you are in services, you can create an Item for each service that you offer. Completing the Item Master is very essential for the successful implementation of ERPNext.

To access the Item list, go to:

**[Home > Stock > Items and Pricing > Item](#)**

## 1. Prerequisites

Before creating and using an Item, it is advised that you create the following first:

- Item Group
- Warehouse
- A Unit of Measure if required



# Item

## 2. How to create an Item

- a. Go to the Item list, click on new button.
- b. Enter an Item Code, the name will be auto-filled the same as Item Code on clicking inside the Item Name field.
- c. Select an Item Group.
- d. Enter the opening stock units and standard selling rate.
- e. Below are the fields.
  - i. **Item Name:** Item name is the actual name of your product or service.
  - ii. **Item Code:** Item Code is a short-form to denote your Item. If you have very few Items, it is advisable to keep the Item Name and the Item Code same. This helps new users to recognize and update Item details in all transactions. In case you have a lot of Items with long names and the list runs in hundreds, it is advisable to code. You can also generate Item Code based on a **Naming Series** by enabling this feature in *Stock Settings*.
  - iii. **Item Group:** Item Group is used to categorize an Item under various criteria like products, raw materials, services, sub-assemblies, consumables or all Item groups. Read more on the *item groups manual*.



# Item

## 2. How to create an Item

e. Below are the fields.

- iv. **Default Unit of Measure:** This is the default measuring unit that you will use for your product. It could be Nos, Kgs, Meters, etc. These can be preselected while filling New Item by using % sign to get a pop up of the UOM list. *Read more on the UOM Manual.*
- v. **Disabled:** If you disable an Item, it cannot be selected in any transaction.
- vi. **Allow Alternative Item:** Sometimes when manufacturing a finished good, specific material may not be available. If you tick this, you can create and select an alternative item from the Item Alternative list.

An **Item Alternative** is an Item similar to the original one and can be used instead of the original Item in manufacturing.

If the raw material defined in the BOM is not available during the production process then their respective available alternative Item can be used to complete the production process.

**First** you need to enable the "Allow Alternative Item" in the Item.



# Item Alternative

To access the Item alternative list, go to:

[Home > Stock > Items and Pricing > Item Alternative](#)

You can enable Two-Way replacement between an Item and their alternative item if both can be used as an alternative to each other.

The screenshot shows the 'Raw Plastic Crystals' item alternative configuration page. The top navigation bar includes 'Stock > Item Alternative', a search bar, settings, help, and notifications (99+). The main form fields are:

Comments	0	Item Code	Raw Plastic Crystals	Item Name	Raw Plastic Crystals
Assigned To		Alternative Item Code	Raw Plastic beads	Alternative Item Name	Raw Plastic beads
Attachments		<input checked="" type="checkbox"/> Two-way			
Tags					

# Item Alternative

## For Manufacturing use

### Item Alternative for Work Order

To allow to use an alternative Items in the manufacturing process, the user can configure to 'Allow Alternative Item' in the BOM/Work Order

#### Provision to allow the alternative item in the BOM

You can enable 'Allow Alternative Item' in a BOM then select the alternative item in the Stock Entry. This can also be done with a Work Order.

The screenshot shows the Odoo Manufacturing BOM (Bill of Materials) interface. At the top, there's a breadcrumb navigation: E > Manufacturing > BOM. A search bar says 'Search or type a command (Ctrl + G)'. On the right, there are buttons for 'Settings', 'Help', 'Menu', and a red 'Save' button. Below the header, the BOM number is 'BOM-Plastic Cane-002' with a note 'Not Saved'. There's a 'Submit this document to confirm' button. Under the 'DASHBOARD' section, there's a large placeholder box with 'BC' in it. To the right, under 'Item', the item 'Plastic Cane' is selected. Several checkboxes are available: 'Is Active' (checked), 'Is Default', 'With Operations', 'Manage cost of operations', 'Inspection Required', 'Allow Alternative Item' (checked and highlighted with a red border), and 'Allow Same Item Multiple Times'. Below these, there's a 'Quantity' field set to '1.000' and a note about quantity calculation. At the bottom right, there's a 'Set rate of sub-assembly item based on BOM' checkbox.

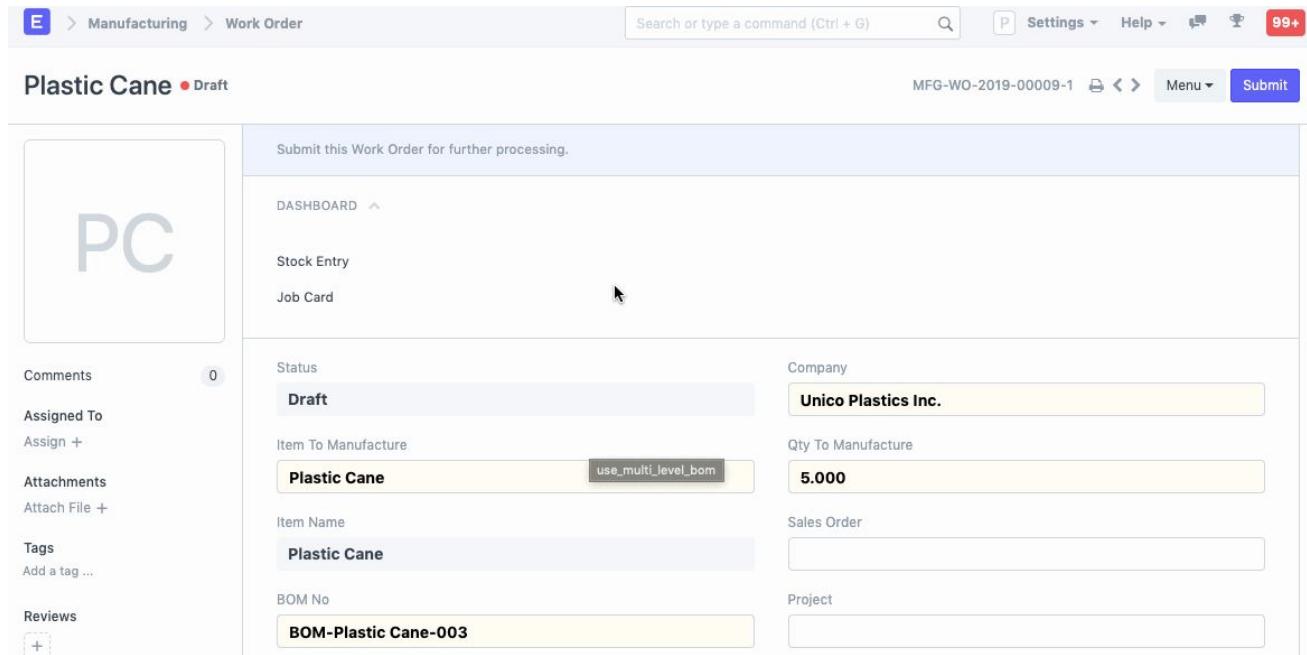
# Item Alternative

## For Manufacturing use

### Provision to Allow Alternative Item in the Work Order

User can also enable/disable allow alternative item for individual Work Orders.

Ticking on the '**Allow Alternative Item**' checkbox will show a button named '**Alternate Item**'. You can click on this to set the Item Alternative in the Work Order. This is how you use Item Alternative in a Work Order:



# Item Alternative

## For Manufacturing use

This is how you use Item Alternative with a Stock Entry:

If the 'Allow Alternative Item' checkbox in the Item table is disabled, you cannot set an Alternate Item for this Item.

The screenshot shows a software interface for manufacturing. At the top, there's a navigation bar with 'Manufacturing > Work Order'. A search bar says 'Search or type a command (Ctrl + G)'. On the right of the bar are 'Settings', 'Help', and a notification badge for '99+'. Below the bar, the title 'Plastic Cane • Not Started' is displayed. To the right of the title are buttons for 'Status' (dropdown), 'Start' (blue button with a cursor over it), and 'Cancel'. The main area has a sidebar on the left with sections for 'Comments' (0), 'Assigned To' (with an 'Assign +' button), 'Attachments' (with an 'Attach File +' button), 'Tags' (with an 'Add a tag ...' button), and 'Reviews' (with a '+'). The main content area has a 'DASHBOARD' section showing '0 items produced'. Below that is a 'Stock Entry' section with a 'Job Card +' button. The main configuration area contains the following data:

Status	Not Started	Company	Unico Plastics Inc.
Item To Manufacture	Plastic Cane	Qty To Manufacture	5
Item Name	Plastic Cane	Material Transferred for Manufacturing	0

# Item Alternative

For Manufacturing use

The screenshot shows the Zoho Inventory software interface for creating a Purchase Order. The top navigation bar includes 'Buying' and 'Purchase Order'. The search bar says 'Search or type a command (Ctrl + G)'. The top right has 'Settings', 'Help', and other system icons. A blue banner at the top right indicates '99+' notifications.

The main form fields are:

- Supplier:** Piyush (Not Saved)
- Date:** 20-08-2019
- Company:** Unico Plastics Inc.
- Reqd By Date:** 30-08-2019

Below these are sections for 'ADDRESS AND CONTACT' and 'CURRENCY AND PRICE LIST'.

In the 'Set Target Warehouse' section, there is a checkbox labeled 'Supply Raw Materials' which is checked ('Yes') and highlighted with a cursor icon.

Other sections include 'Scan Barcode' and 'Items'.

## Item Alternative for subcontract

In subcontract, the user has to transfer raw materials to the subcontracted supplier to get finished good from them. If the raw material is not available in the stock, with this feature, the user can transfer the alternate item of the subcontracted raw material to the supplier. This is done in the Stock Entry.

After this, when you create a Purchase Receipt from the Work Order, the alternate item will be shown.

# Item

## 2. How to create an Item

- e. Below are the fields.
  - vii. **Maintain Stock:** If you are maintaining stock of this Item in your Inventory, ERPNext will make a stock ledger entry for each transaction of this item. Ensure to keep this option unchecked when creating a non-stock Item (make to order/engineer) or a service.
  - viii. **Include Item in Manufacturing:** This is for raw material Items that'll be used to create finished goods. If the Item is an additional service like 'washing' that'll be used in the BOM, keep this unchecked.
  - ix. **Valuation Rate:** There are two options to maintain valuation of stock. FIFO (first in - first out) and Moving Average.
  - x. **Standard Selling Rate:** When creating an Item, entering a value for this field will automatically create an Item Price at the backend. Entering a value after the Item has been saved will not work. In this case, the Item Price is created from any transactions with the Item. The rate at which you'll sell the item. This will be fetched in Sales Orders and Sales Invoices.

# Item

## 2. How to create an Item

e. Below are the fields.

- xi. **Is Fixed Asset:** Tick this checkbox if this item is a company Asset.
- xii. **Auto Create Assets on Purchase:** If Item is a Company Asset, tick this checkbox if you want to auto create assets while purchasing this item through Purchase Cycle.
- xiii. **Allowance Percentage:** This option will be available only when you create and save the item. This is the percent by which you will be allowed to over-bill or over-deliver this Item. If not set, it will select from Stock Settings.
- xiv. **Uploading an Image:** To upload an image for your icon that will appear in all transactions, save the partially filled form. Only after your file is saved the 'Change' button will appear on the Image icon. Click on Change, then click on Upload, and upload the image.

# Item

## 2. How to create an Item

f. Other item feature you can use.

- Brand and Description

- **Brand:** If you have more than one brand save them under Stock > Settings > Brand and pre-select them while filling a New Item.
- **Description:** Description of the item. The text from the Item Code will be fetched by default.

The screenshot shows the Zoho Inventory software interface for creating a new item. The top navigation bar includes 'Stock' and 'Item' under a blue 'E' icon, a search bar, 'Settings', 'Help', and a notification badge '99+'. The main area displays the item details for 'Plastic bottle 1L'. The item is marked as 'Enabled'. The 'DESCRIPTION' section contains a 'Brand' field with 'Sippy' entered. Below it is a rich text editor toolbar with various styling options like bold, italic, underline, and tables. The description text in the editor reads: '1 Liter plastic bottle made from durable strong plastic. It has low Bisphenol A (BPA) amounts as compared to standard bottles in the market.' The bottom right corner features a blue 'Save' button.

Plastic bottle 1L • Enabled

PB1L Menu

DESCRIPTION ▾

Brand

Sippy

Description

Normal

1 Liter plastic bottle made from durable strong plastic. It has low Bisphenol A (BPA) amounts as compared to standard bottles in the market.

# Item

## 2. How to create an Item

f. Other item feature you can use.

- **Barcodes**

Barcodes can be recorded in Items to quickly scan and add them in transactions. In the Barcodes table you can add an Item's barcode for scanning. There are two types of barcodes in the system:

- **EAN:** The European Article Number is a 13 digit number. EAN is used internationally and recognized by more POS systems.
- **UPC:** The Universal Product Code is a 12 digit number. UPC is generally used only in USA and Canada.

- **Inventory**

- **Shelf Life In Days:** This is for a product Batch. The number of days after which product batch will be unusable. For example, medicines.

# Track Items Using Barcode

A **barcode** is a value decoded into vertical spaced lines. Barcode scanners are the input medium, like Keyboard. When it scans a barcode, the data appears in the computer screens at the point of a cursor.

To set the barcode of a particular item, you will have to open the Item record. You can also enter barcode while creating a new item.

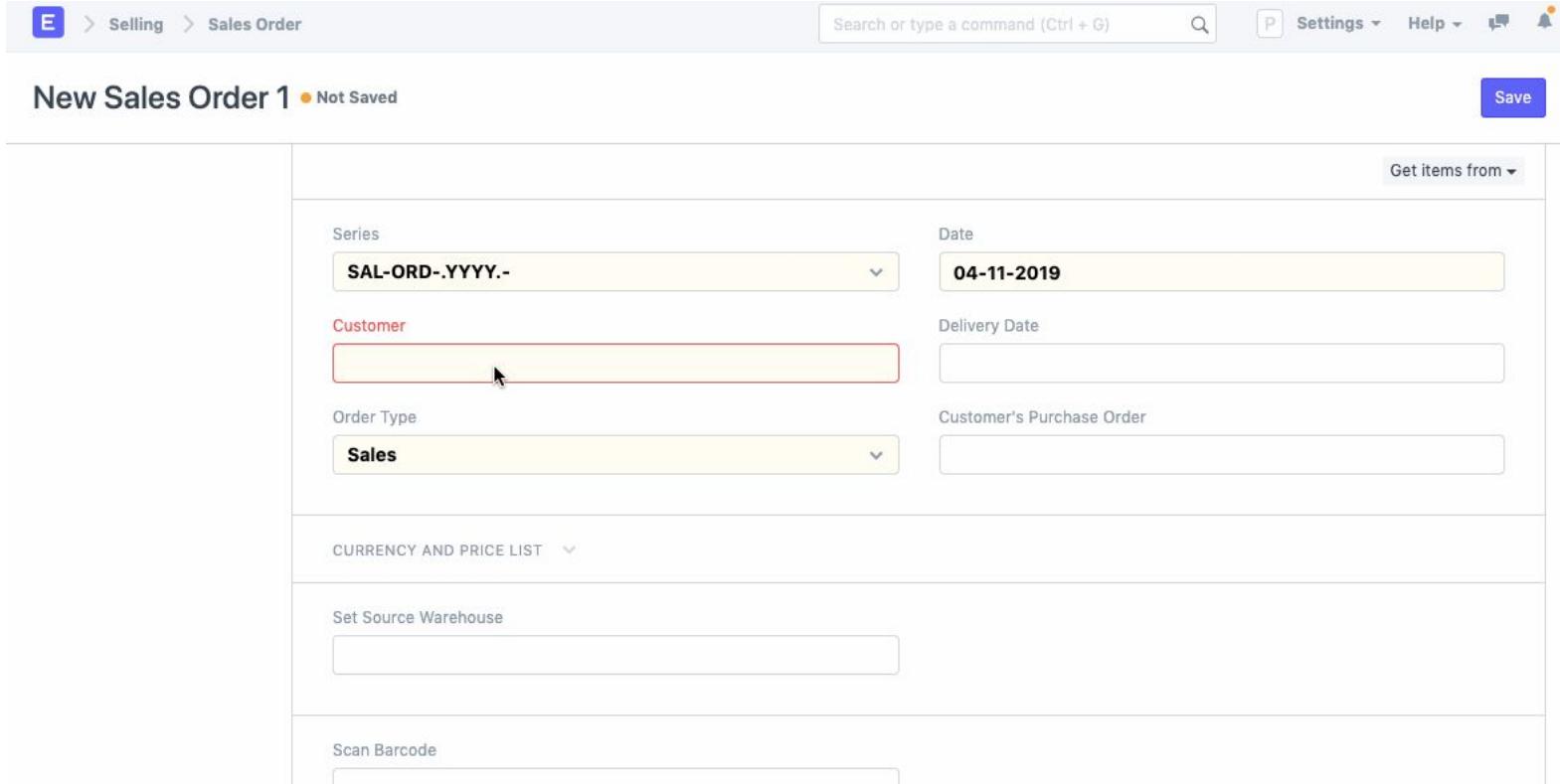
The screenshot shows a software application window for managing item records. At the top, there's a navigation bar with icons for 'E', 'Stock', 'Item', a search bar containing 'Search or type a command (Ctrl + G)', and various system settings like 'Settings', 'Help', and notifications. Below the navigation bar, the title 'Facewash tube' is displayed with a status indicator 'Enabled'. On the right side of the title bar are buttons for printing, navigating between items, opening the menu, and saving changes. The main content area is titled 'BARCODES' and contains a table labeled 'Barcodes'. The table has three columns: a checkbox column, a 'Barcode' column, and a 'Barcode Type' column. There is one row in the table with the following data: the checkbox is unchecked, the barcode value is '4005808919574', and the barcode type is 'EAN'. At the bottom of the table, there is a button labeled 'Add Row'.

	Barcode	Barcode Type
<input type="checkbox"/>	4005808919574	EAN

Add Row

# Track Items Using Barcode

Once barcode field is updated in item master, items can be fetched using barcode. This feature will be available in Delivery Note, Sales Invoice, Purchase Receipt, and Stock Reconciliation transactions only.



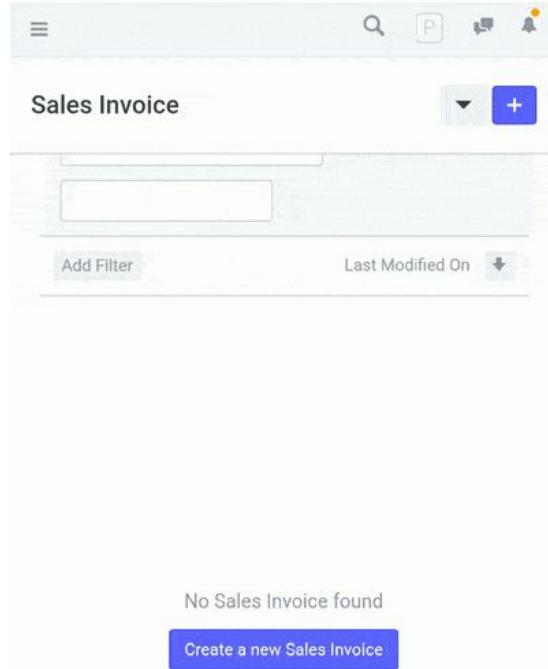
The screenshot shows the Zoho Inventory interface for creating a new sales order. The top navigation bar includes icons for Home, Selling, Sales Order, a search bar, Settings, Help, and notifications. The main title is "New Sales Order 1" with a status of "Not Saved". On the right, there is a "Save" button. The form fields include:

- Series:** SAL-ORD-.YYYY.-
- Date:** 04-11-2019
- Customer:** (Field highlighted with a red border)
- Delivery Date:** (Empty field)
- Order Type:** Sales
- Customer's Purchase Order:** (Empty field)
- CURRENCY AND PRICE LIST:** (Dropdown menu)
- Set Source Warehouse:** (Empty field)
- Scan Barcode:** (Field highlighted with a red border)

# Track Items Using Barcode

## Using mobile phone / smartphone to scan and add items

Log in to your ERPNext account, go to the Item master and you'll be able to scan barcodes and add Items right from your smartphone.



The screenshot shows the Sales Invoice list page in ERPNext. At the top, there is a header with a search icon, a print icon, and a bell icon. Below the header, the title "Sales Invoice" is displayed, followed by a dropdown arrow and a plus sign (+) button. A large, empty table area is shown below the title, with a placeholder box for a barcode or QR code. At the bottom of the table area, there are two buttons: "Add Filter" and "Last Modified On" with a dropdown arrow. In the center of the page, a message states "No Sales Invoice found". Below this message is a blue button labeled "Create a new Sales Invoice".

# Item

## 2. How to create an Item

f. Other item feature you can use.

- **Inventory**

- **End of Life:** For a single item/product, the date after which it'll be completely unusable. That is, the item will be unusable in transactions and manufacturing. For example, you're using plastic crystals for manufacturing Items for the next 5 years after which you want to use plastic beads.
- **Warranty:** To track a warranty period, it is necessary that the Item is serialized. When this Item is delivered, the delivery date and the expiry period is saved in the Serial Number master. Through the serial number master, you can track the warranty status. **A warranty period is a time period in which a purchased product may be returned or exchanged.**
- **Weight UOM:** The Unit of Measure for the item. This can be Nos, Kilo, etc. The Weight UoM which you use internally can be different from the purchase UoM.
- **Weight Per Unit:** The actual weight per unit of the item. Eg: 1 kilo biscuits or 10 biscuits per pack.
- **Default Material Request Type:** When you create a new Material Request for this item, the field set here will be selected by default in the new Material Request. This is also known as an 'indent'.



# Item

## 2. How to create an Item

f. Other item feature you can use.

- **Inventory**

- **Valuation Method:** Select the Valuation Method whether FIFO or Moving Average.

The screenshot shows a software interface for creating a new item. The top navigation bar includes a logo (E), Stock, Item, a search bar, Settings, Help, and a notification badge (86). The main area displays the item details for "5x1 screw" (Not Saved). The "INVENTORY" section contains fields for Shelf Life In Days (2000), Warranty Period (in days) (365), End of Life (31-12-2099), Weight Per Unit (2.000), Default Material Request Type (Purchase), and Weight UOM (Gram/Litre). A "Save" button is visible in the top right corner.

INVENTORY	
Shelf Life In Days	2000
Warranty Period (in days)	365
End of Life	31-12-2099
Weight Per Unit	2.000
Default Material Request Type	Purchase
Weight UOM	Gram/Litre

# Item

## 2. How to create an Item

f. Other item feature you can use.

- Automatic Reordering

When the stock of an item reach under a certain quantity, you can set an automatic reorder under '**Auto Reorder**' section.

**This should be enabled in Stock Settings.** This **will raise a Material Request** for the Item. The user with roles Purchase Manager and Stock Manager will be notified when the Material Request is created.

- **Check in (group):** In which group warehouses to check the quantity of the item.
- **Request for:** Which warehouse to stock the item reorder.
- **Re-order Level:** When this quantity is reached, the reorder will be triggered. Re-order level can be determined based on the lead time and the average daily consumption. For example, you can set the reorder level of Motherboard at 10. When only 10 Motherboards are remaining in stock, the system will either automatically create a Material Request in the system.

# Item

## 2. How to create an Item

f. Other item feature you can use.

- Automatic Reordering

When the stock of an item reach under a certain quantity, you can set an automatic reorder under '**Auto Reorder**' section.

This should be enabled in Stock Settings. This **will raise a Material Request** for the Item. The user with roles Purchase Manager and Stock Manager will be notified when the Material Request is created.

- **Re-order Qty:** The number of units to be reordered so that the sum of ordering cost and holding cost is at its minimum. The re-order quantity is based on the '**Minimum Order Qty**' specified by the supplier and many other factors.

For example, If reorder level is 100 items, your reorder quantity may not necessarily be 100 items. The Reorder quantity can be greater than or equal to the reorder level. It may depend upon lead time, discount, transportation and average daily consumption.

- **Material Request Type:** The Material Request type with which the stock will be reordered. This depends whether you buy the Item, manufacture it yourself or transfer it between Warehouses.



# Item

## 2. How to create an Item

f. Other item feature you can use.

- Automatic Reordering

- Material Request Type: is created at 12 midnight depending on the set reorder level.

The screenshot shows a software application window titled "Plastic bottle 1L" with a status of "Not Saved". The top navigation bar includes "E > Stock > Item", a search bar, settings, help, and a notification badge "99+". The main area is titled "Editing Row #1" and contains the following fields:

- Check in (group): All Warehouses - UP
- Request for: Stores - UP
- Re-order Level: 10.000
- Re-order Qty: 15.000
- Material Request Type: Manufacture

At the bottom of the editing panel, there are keyboard shortcuts ("Ctrl + Up, Ctrl + Down, ESC") and buttons for "Insert Below", "Add Row", and "Move". The top right of the main window has buttons for "Save" and "PB1L".

# Item

## 2. How to create an Item

f. Other item feature you can use.

- **Multiple Units of Measure:** You can add alternate UoMs for an Item. If the default UoM in which you sell is numbers (Nos) but you receive it in Kilos, you can set an additional UoM with an appropriate **conversion factor**. For example, 500 Nos of screws = 1 Kilogram, so select Kilogram/Litre as UoM and set the conversion factor as 500.

For example an Item Pen is stocked in Nos, but sold in Box. Hence we will make Sales Order for Pen in Box.

**Step 1:** In the Item master/record, under Unit of Measure section, you can list all the possible UoM of an item, with its UoM Conversion Factor.

# Conversion Factor

In one Box, if you get 10 Nos. of Pen, UoM Conversion Factor would be 10.

E > Stock > Item Search or type a command (Ctrl + G) A Administrator Help 20+

Ink Pen • Not Saved Pen Print Menu Save

UNITS OF MEASURE ▾

Will also apply for variants

	UoM	Conversion Factor	
1	Nos	1	▼
<input type="checkbox"/> 2	Box	10	▼

Add new row

# Conversion Factor

**Step 2:** In the Sale Order or Purchase Order, you will find two UoM fields

- UoM
- Stock UoM

In both the fields, default UoM of an item will be fetched by default. You should edit UoM field, and select Sale UoM (Box in this case). Updating Sales UoM is mainly for the reference of the Customer. In the print format, you will see item quantity in the Sales UoM.

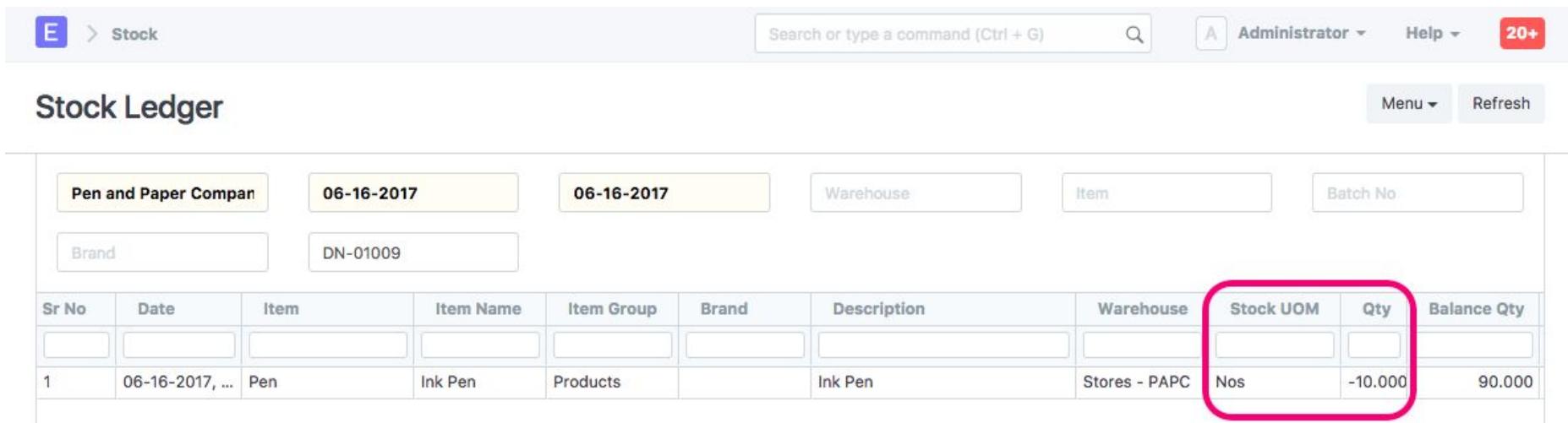
Based on the Qty and Conversion Factor, qty will be calculated in the Stock UoM of an item. If you sell just one Box, then Qty as per stock UoM will be set as 10.

The screenshot shows the Odoo Sales Order interface. At the top, it says "New Sales Order 1". Below that, there's a "QUANTITY AND RATE" section with a "Quantity" field containing "1.000" and a "Stock UoM" field containing "Nos". To the right, there's a "UoM" field containing "Box" and a "UoM Conversion Factor" field containing "10.000". Below these, a "Qty as per Stock UoM" field contains the value "10". A red rectangle highlights the "UoM Conversion Factor" field.

# Conversion Factor

## Stock Ledger Posting

Irrespective of the Sales UoM selected in the Sale Order, stock ledger posting will be done in the Default UoM of an item. Hence you should ensure that conversion factor is entered correctly while selling item in different UoM.



The screenshot shows the Odoo Stock Ledger interface. At the top, there are search and filter fields, and a header bar with user information. Below the header is a section titled "Stock Ledger". The main area contains several input fields: "Pen and Paper Compan", "06-16-2017", "06-16-2017", "Warehouse", "Item", and "Batch No". Below these are dropdowns for "Brand" and "DN-01009". The main data table has columns for Sr No, Date, Item, Item Name, Item Group, Brand, Description, Warehouse, Stock UoM, Qty, and Balance Qty. A specific row is highlighted with a red box around the "Stock UoM" and "Qty" columns, which show "Nos" and "-10.000" respectively, indicating a conversion from a different unit of measurement.

Sr No	Date	Item	Item Name	Item Group	Brand	Description	Warehouse	Stock UoM	Qty	Balance Qty
1	06-16-2017, ...	Pen	Ink Pen	Products		Ink Pen	Stores - PAPC	Nos	-10.000	90.000

# Item

## 2. How to create an Item

f. Other item feature you can use.

- **Serial Numbers:** With Serial Numbers, you can track warranty and returns. In case any individual Item is recalled by the supplier the number system helps to track individual Item. The numbering system also manages expiry dates.

Please note that if you sell your items in thousands, and if the items are very small like pens or erasers, you need not serialize them.

You will have to mention the Serial Number in some accounting entries in the system. *If your product is not a big consumer durable item, if it has no warranty and has no chances of being recalled, avoid giving serial numbers.*

# Item

## 2. How to create an Item

f. Other item feature you can use.

- **Serial Numbers:**

The screenshot shows a software interface for creating a stock entry. The top navigation bar includes 'Stock' and 'Stock Entry' buttons, a search bar, and user information ('Administrator'). A red badge indicates '20+'. The main title is 'New Stock Entry 1' with a status 'Not Saved'. On the right is a 'Save' button. The central area contains a table for entering items. The columns are: Row Number (checkbox), Source Warehouse, Target Warehouse, Item Code, Qty, and a dropdown arrow. The first five rows show entries for 'Stores - A' with 'batched1' as the item code and quantities 2, 3, 4, and 5 respectively. The last row is labeled '5' and 'Source Warehouse' with 'Item Code' in the input field, which has a cursor. Buttons at the bottom include 'Add Row' and 'Update Rate and Availability'. A large blue 'h.' logo is in the bottom right corner.

Row	Source Warehouse	Target Warehouse	Item Code	Qty	
1	Stores - A		batched1	2	▼
2	Stores - A		batched1	3	▼
3	Stores - A		batched1	4	▼
4	Stores - A		batched1	5	▼
5	Source Warehouse		Item Code	Qty	▼

Add Row

Update Rate and Availability

# Item

## 2. How to create an Item

### f. Other item feature you can use.

- **Batches:** A set of Items can be manufactured in batches. This is useful for moving the batch and associate an expiry date with a certain batch.
  - **Has Batch No:** Options for batch number, expiry date, and retaining sample stock will be revealed on ticking this checkbox. You cannot activate this if there is any pre-existing transaction for this item. *If this is disabled*, you'll have to enter the serial numbers manually for every transaction.
  - **Batch Number Series:** Prefix that'll be applied to batch numbers. If you set 5x1SCR, then the first batch will be named like 5x1SCR00001 on first transaction/manufacture.
  - **Automatically Create New Batch:** If the batch number is not mentioned in transactions, then they will be automatically created according to a format like AAAA.00001. If you always want to manually create a batch number for this item, leave this field blank. *This setting will override 'Naming Series Prefix' in Stock Settings.* Batch numbers can be set to be generated automatically if you manufacture the Items or can be entered manually if it comes from an external manufacturer.



# Item

## 2. How to create an Item

### f. Other item feature you can use.

- **Batches:** A set of Items can be manufactured in batches. This is useful for moving the batch and associate an expiry date with a certain batch.
  - **Has Expiry Date:** If you tick this, the batch number will be created according to the expiry date. The expiry dates can be set in the 'Batch' master.
  - **Has Serial No:** This is similar to Batch Number Series, it'll be created when you make transactions / manufacture. If you set Serial Number Series as AA, then on the first transaction a serial number like AA00001 will be created.
  - **Retain Sample:** To retain a minimum number of sample stock of the item. You need to set a Sample Retention Warehouse in Stock Settings for this. The Item for which sample stock is stored can be raw material, packaging material, or finished product.

# Retaining Sample Stocks

## 1. Prerequisites

Before using sample retention, it is advised that you create the following first:

- Item
- Batch
- Warehouse

## 1. How to Set Sample Retention Warehouse in Stock Settings

It is advised to create a new Warehouse separately for retaining samples and not use it in production.

The screenshot shows the 'Stock Settings' page. At the top, there is a navigation bar with icons for E (Employee), Stock, a search bar, Settings, Help, and a notifications badge (99+). Below the navigation bar, the title 'Stock Settings' is displayed. On the left, there is a 'Shared With' section with a plus sign icon. The main area contains a form with two input fields: 'Sample Retention Warehouse' and 'Sample Retention - UP'. A red box highlights the 'Sample Retention Warehouse' field. To the right of the fields are two checkboxes: 'Show Barcode Field' (checked) and 'Convert Item Description to Clean HTML' (unchecked). At the bottom right, there are 'Menu' and 'Save' buttons.

Stock Settings

Shared With

Sample Retention Warehouse

Sample Retention - UP

Show Barcode Field

Convert Item Description to Clean HTML

Save

# Retaining Sample Stocks

## 2. Enable Retain Sample in Item master

Retain Sample is based on Batch hence Has Batch No should be enabled first. Check Retain Sample and set the Maximum allowed samples for a batch.

SERIAL NOS AND BATCHES ▾

Has Batch No       Has Serial No

Automatically Create New Batch

Has Expiry Date

Retain Sample

Max Sample Quantity  
5

Maximum sample quantity that can be retained

Serial Number Series

Example: ABCD.##### If series is set and Serial No is not mentioned in transactions, then automatic serial number will be created based on this series. If you always want to explicitly mention Serial Nos for this item, leave this blank.

# Retaining Sample Stocks

## 3. Make Stock Entry

Whenever a Stock Entry is created with the purpose as Material Receipt, for items which have Retain Sample enabled, the Sample Quantity can be set during that Stock Entry. You need to select the Batch Number for the Item/Items. Sample quantity cannot be more than the Maximum sample quantity set in Item Master.

The screenshot shows a Material Receipt Stock Entry screen. On the left, there's a sidebar with a tree view: E > Stock > Stock Entry. The main area has a title 'Material Receipt • Draft'. The 'QUANTITY AND RATE' section contains fields for Qty (80.000), Basic Rate (40.00), and Basic Amount (₹ 3,200.00). Below that are fields for Additional Cost (₹ 0.00), Amount (₹ 3,200.00), and Valuation Rate (₹ 40.00). To the right, under 'UOM', the field 'Nos' is populated. Under 'Conversion Factor', the value '1' is shown. Under 'Stock UOM', the field 'Nos' is also populated. Under 'Qty as per Stock UOM', the value '80' is shown. At the bottom right, there's a checkbox labeled '✓ Retain Sample' which is checked, and a field for 'Sample Quantity' containing the value '5'. A red rectangular box highlights the '✓ Retain Sample' checkbox and the 'Sample Quantity' field.

# Retaining Sample Stocks

On submission of this Stock Entry, button 'Make Retention Stock Entry' will be available to make another Stock Entry for the transfer of sample items from the mentioned batch to the retention warehouse set in Stock Settings.

The screenshot shows the SAP Stock Entry interface. At the top, the path is E > Stock > Stock Entry. The search bar contains 'Search or type a command (Ctrl + G)'. The top right includes settings, help, and a notification icon (99+). The main title is 'Material Receipt • Submitted'. To the right, the document number is MAT-STE-2019-00050 with standard navigation icons. A red box highlights the 'Create Sample Retention Stock Entry' button in the top right corner of the entry area. The entry details show Type: Receipt, Posting Date: 28-08-2019, Posting Time: 18:42:22.281754, and a checked 'Inspection Required' checkbox.

Clicking this button will direct you to new Stock Entry of type 'Material Transfer'. This entry is transferring your sample retention from your Target Warehouse (Stores) to the Sample Retention Warehouse. It will contain all the information, verify and click Submit.

The screenshot shows the SAP Stock Entry interface. The path is E > Stock > Stock Entry, search bar is empty, and the top right includes settings, help, and a notification icon (99+). The main title is 'Material Transfer • Draft'. To the right, the document number is MAT-STE-2019-00051 with standard navigation icons. A red box highlights the 'Submit' button in the top right corner of the entry area. The entry details show Source Warehouse: Stores - UP, Target Warehouse: Sample Retention - ..., Item Code: PB1L: Plastic bot..., Item Group: Products, and Qty: 5.

# Item

## 2. How to create an Item

### f. Other item feature you can use.

- **Batches:**

The screenshot shows a 'Stock Entry' screen with a 'New Stock Entry 1' dialog open. A pop-up window titled 'Select Batch Numbers' is displayed, listing items and their available quantities. The table has columns for Item Code, Source Warehouse, Total Qty, Select Batch, Available, and Qty.

Item Code	Source Warehouse	Total Qty	Select Batch	Available	Qty
batched1	Stores - A	27			
BATCHES					
<input type="checkbox"/>	Select Batch		Available	Qty	
<input type="checkbox"/>	1 1687		25	12	
<input type="checkbox"/>	2 1246		14	10	
<input type="checkbox"/>	3 1345	20.000	5.000		
<a href="#">Add Row</a>					

**Note:** Once you mark an item as serialized or batched or neither, you cannot change it after you have made a Stock Entry.

# Item

## 2. How to create an Item

f. Other item feature you can use.

- **Variants :** An Item Variant is a version of an Item with different attributes like sizes or colors.

Eg: Suppose t-shirt is an Item and it comes in different sizes and colors like small, medium, large and red, blue, green. In the system the t-shirt will be considered as an Item template and each of the variations will be an Item Variant.

A blue t-shirt in size small rather than just a t-shirt. Item variants let you treat the small, medium, and large versions of a t-shirt as variations of one Item 't-shirt'.

Without Item variants, you would have to treat the small, medium and large versions of a t-shirt as three separate Items.

### 1. Using Item Variants

Variants can be based on two things:

- Item Attributes
- Manufacturers

Once an item template is created, when you update this template, all the variants are also updated accordingly.



# Item Variant

## 2. Creating the Item Variant Template

To use Item Variants in the system, **create first an Item** and tick 'Has Variants' under Variants.

The Item then shall be referred to as a so-called '**Template**'. Such a Template is not identical to a regular 'Item' any longer.

For example, it (the Template) **cannot be used directly in any transaction** (Sales Order, Delivery Note, Purchase Invoice) itself.

The screenshot shows a software interface for managing item variants. At the top, there is a navigation bar with icons for Home, Stock, Item, Search (Ctrl + G), Settings, Help, and a notification badge showing '89'. Below the navigation bar, the title 'T-shirt' is displayed with a yellow dot indicating it is a 'Template'. On the left, there is a sidebar with the heading 'VARIANTS' and a checkbox labeled 'Has Variants' which is checked. A note below states: 'If this item has variants, then it cannot be selected in sales orders etc.' Under 'Variant Based On', the value 'Item Attribute' is selected. In the main area, there is a table titled 'Attributes' with columns for 'Attribute' and 'Attribute Value'. There are three rows in the table:

	Attribute	Attribute Value
<input type="checkbox"/>	1	Colour
<input type="checkbox"/>	2	Size

At the bottom of the table, there is a button labeled 'Add Row'.

Only the **Variants** of the Item (blue t-shirt in size small) **can be practically used**.

Therefore it would be ideal to decide whether an item 'Has Variants' or not directly when creating it.

# Item Variant

Variants can be based on two things:

## 1. Creating the Item Variants Based on Item Attributes

To create 'Item Variants' against a 'Template' click on 'Create'. From there, choose whether to create a **single variant** or **multiple**. Single is simple where you create just one or more attributes and one Item will be created. When choosing multiple variants, tick the attributes and multiple items will be created. For example, if you choose Color: Red, Green and Size: Small, Medium, Large, 6 variants will be created.

The screenshot shows a software interface for managing item templates. At the top, there's a header with the item name "Ball Pen" and a yellow dot labeled "Template". To the right are buttons for "Menu", "Save", and a redacted user ID. Below the header, a message states: "This Item is a Template and cannot be used in transactions. Item attributes 'Copy' is set". On the far left is a "DASHBOARD" button. In the center, there's a "Create" dropdown menu with two options: "Single Variant" and "Multiple Variants". The "Multiple Variants" option is highlighted with a red border. A blue logo is visible in the bottom right corner.

# Item Attributes

**Item Attributes** are characteristics given to Item Variants based on which Item Variants are created.

Item Attributes can be color, size, length, etc. Multiple attributes like multiple colors can be defined.

To access the Item Attribute list, go to:

[Home > Stock > Settings > Item Attribute](#)

## 1. How to create an Item Attribute

New

- a. Go to the Item Attribute list, click on New button.
- b. Enter a name for the Attribute.
- c. Enter the attribute values in the table.
- d. **SAVE.**

# Item Attributes

The attribute values can be numeric or non-numeric.

- 1. Non Numeric Attributes:** For Non Numeric Attributes, specify attributes values along with its abbreviation in the Attribute Values table.

The screenshot shows the Odoo 'Item Attribute' interface. On the left, there's a sidebar with options like 'Assign +', 'Attachments', 'Attach File +', 'Tags', 'Add a tag ...', 'Reviews', and 'Shared With'. The main area is titled 'Colour' and contains a table for 'Item Attribute Values'. The table has columns for 'Attribute Value' and 'Abbreviation'. A new row is being edited, labeled 'Editing Row #1'. The 'Attribute Value' field contains 'Red' and the 'Abbreviation' field contains 'RED'. Below the table, a note states: 'This will be appended to the Item Code of the variant. For example, if your abbreviation is "SM", and the item code is "T-SHIRT", the item code of the variant will be "T-SHIRT-SM"'. At the bottom of the table, there are keyboard shortcuts: 'Esc - Ctrl + Up, Ctrl + Down'. To the right of the table, there are buttons for 'Insert Below', 'Insert Above', 'Duplicate', and 'Move'. The top navigation bar includes a search bar, settings, help, and a notifications badge showing '99+'. The top right corner has a 'Save' button.

	Attribute Value	Abbreviation
Editing Row #1		
	Red	RED
This will be appended to the Item Code of the variant. For example, if your abbreviation is "SM", and the item code is "T-SHIRT", the item code of the variant will be "T-SHIRT-SM"		
Esc - Ctrl + Up, Ctrl + Down, Esc		
	2	Green
	3	Blue

# Item Attributes

The attribute values can be numeric or non-numeric.

## 2. Numeric Attributes

If your attribute is Numeric, select Numeric Values. Specify the Range and the Increment Value. In the following example the pipe length is of range 0.25 to 3.0 and the range is 0.25 so the variants will be 0.25, 0.5, 0.75...3.0.

The screenshot shows a software interface for managing item attributes. At the top, there's a navigation bar with icons for Home (E), Stock, Item Attribute, a search bar, Settings, Help, and a notifications badge (99+). Below the navigation is a title bar for 'Pipe Length'. On the left, there's a sidebar with options: Comments (0), Assigned To, Attachments, Tags, and Reviews. The main area contains settings for a numeric attribute:

- Numeric Values:** A checked checkbox.
- From Range:** A text input field containing "0.250".
- To Range:** A text input field containing "3.000".
- Increment:** A text input field containing "0.250".

At the bottom right of the main area are back/forward, menu, and save buttons.

# Item Variant

Sample of creating multiple variants.

The screenshot shows a software interface for managing stock items. A modal window titled "Select Attribute Values" is open, prompting the user to "Select at least one value from each of the attributes". The window contains two columns of checkboxes: "Colour" and "Size".

**Colour:**

- Red
- Green
- Blue
- Black
- White

**Size:**

- Extra Small
- Small
- Medium
- Large
- Extra Large

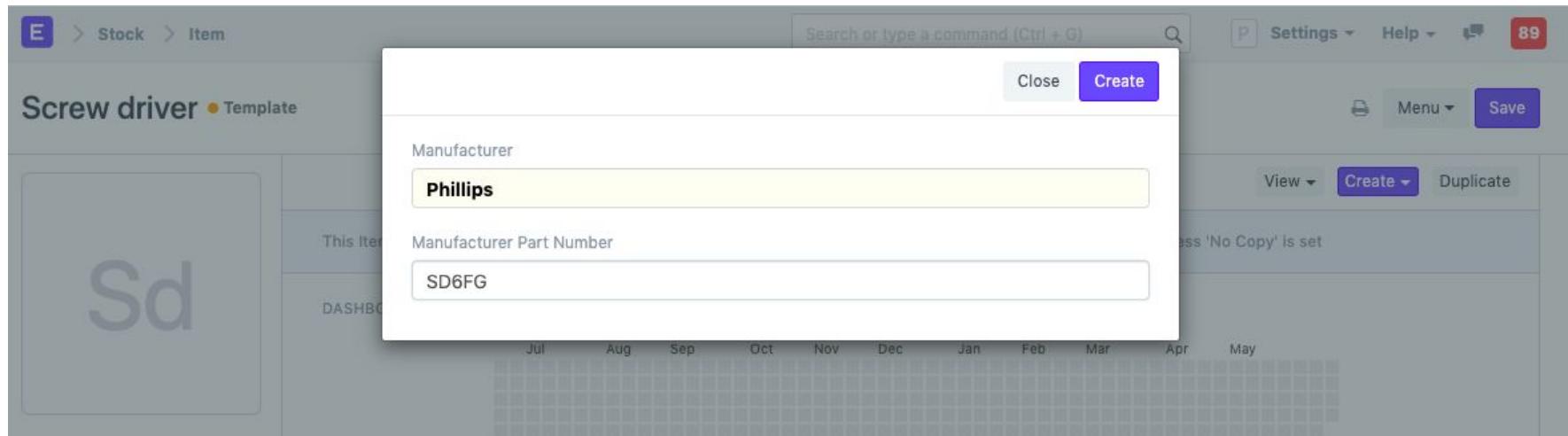
At the top right of the modal is a purple button labeled "Make 6 Variants". The background of the interface shows a list of items, with "T-shirt" currently selected. The status bar indicates "Not Saved". The top right corner of the screen shows a notification badge with the number "89".

# Item Variant

Variants can be based on two things:

## 2. Item Variants Based on Manufacturers

To setup variants based on Manufacturers, in your Item template, set "Variants Based On" as "Manufacturers" In this case, to create variants, click on Create > Make Variant. The system will prompt you to select a Manufacturer. You can also optionally put in a Manufacturer Part Number.



The naming of the variant will be based on the name (ID) of the template Item with a number suffix. e.g. "Screwdriver" will have variant "Screwdriver-1".

# Item Variant

## Update Item Variants Based on Template

When creating a new variant on the TEMPLATE item, some fields on the template item will be copied over the new variant.

To update the value in the variants items from the template item, select the respective fields first in the Item Variant Settings page.

1. [Go to: Home > Stock > Items and Pricing > Item Variant Settings.](#)
2. Add or remove the field on the list of the fields on the settings.
3. After that system will update the value of that fields in the variants if that values has been changed in the template item.

# Item Variant

## Update Item Variants Based on Template

The fields displayed here will be copied over to the variants as well. By default, all fields are shown, delete any rows you don't want to be updated from the item template to the variants.

### Item Variant Settings

 Menu 

Comments 

ASSIGNED TO

Assign +

ATTACHMENTS

Attach File +

TAGS

SHARED WITH



#### VARIANT FIELDS

<input type="checkbox"/>	Field Name	
<input type="checkbox"/>	1 item_group	▼
<input type="checkbox"/>	2 is_stock_item	▼
<input type="checkbox"/>	3 description	▼

Add Row

h.

# Item

## 2. How to create an Item

### f. Other item feature you can use.

- **Item Defaults:** In this section, you can define Company-wide transaction-related defaults for this Item.
  - **Default Warehouse:** This is the Warehouse that is automatically selected in your transactions with this item.
  - **Default Price List:** Whether Standard Selling or Standard Buying. Likewise, you can also set the purchasing and selling default accounts
  - **Supplier:** If a default supplier is set, this supplier will be selected for new purchase transactions.
  - **Default Expense Account:** It is the account in which cost of the Item will be debited.
  - **Default Income Account:** It is the account in which income from selling the Item will be credited.
  - **Default Cost Center:** It is used for tracking expense for this Item.

# Item

## 2. How to create an Item

### f. Other item feature you can use.

- **Item Defaults:** You can add more rows for multiple companies.

The screenshot shows the NetSuite Item Record interface for an item named "Plastic bottle 1L". The top navigation bar includes "Stock > Item" and a search bar. The main area displays the item details and the "Item Defaults" section. The "Editing Row #1" row contains fields for Company ("Unico Plastics Inc."), Default Price List ("Standard Selling"), and Default Warehouse ("Stores - UP"). Below this, sections for PURCHASE DEFAULTS and SALES DEFAULTS are shown, each with two empty input fields. A toolbar at the top right of the defaults section includes "Delete", "Insert Below", "Insert Above", "Duplicate", and "Move" buttons. The status bar at the bottom indicates "PB1L" and "99+".

Editing Row #1	
Company	Default Price List
Unico Plastics Inc.	Standard Selling
Default Warehouse	
Stores - UP	
PURCHASE DEFAULTS	
Default Buying Cost Center	Default Expense Account
Default Supplier	
SALES DEFAULTS	
Default Selling Cost Center	Default Income Account
Main - UP	Sales - UP

# Item

## 2. How to create an Item

f. Other item feature you can use.

- **Purchase, Replenishment Details**

- **Default Purchase Unit of Measure:** The default UoM that will be used in Purchase transactions.
- **Minimum Order Qty:** The minimum quantity required for purchase transactions like Purchase Orders. If set, the system will not let you proceed with the purchase transaction if the item quantity in the purchase transaction is lesser than the quantity set in this field.
- **Safety Stock:** is used in the report "*Item-wise Recommended Reorder Level*". Based on Safety Stock, average daily consumption and the lead time, the system suggests Reorder Level of an item. **Reorder Level = Safety Stock + (Average Daily Consumption \* Lead Time)**
- **Last Purchase Rate:** The rate at which you last purchased this item using a Purchase Invoice will be displayed here. *Value will show if with transaction only*
- **Is Purchase Item:** If unticked, you won't be able to use this item in purchase transactions.
- **Lead time days:** Lead time days are the number of days between ordering the Item and it to reach the Warehouse.

# Item

## 2. How to create an Item

f. Other item feature you can use.

- Purchase, Replenishment Details

- Is Customer Provided Item: Checked if Item is provided by a customer and received through [Stock Entry > Material Receipt](#). If Checked, Customer field is Mandatory as the default customer for Material Request.

In Contract Manufacturing, in some cases, the Customer provides specific items as one or few of the BOM components. These items cannot be received using a 'Buying Cycle' since that will mean making Customer as a Supplier at the same time. It will also go through each doctype in the cycle.

In this feature, **Customer Provided Item** is received through 'Stock Entry' with type 'Material Receipt' from a 'Material Request' with type 'Customer provided'. This feature is used when someone subcontracts the manufacturing process to you and supplies the raw materials.

# Customer Provided Items

Here are the steps on how to setup a 'Customer Provided' item.

- a. Create an item.
- b. In the 'Purchase, Replenishment Details' section, **check 'Is Customer Provided'** and set a default Customer. Note that 'Is Purchase Item' needs to be unticked to use this feature.

The screenshot shows a software interface for managing stock items. At the top, there's a navigation bar with icons for Home (E), Stock, Item, a search bar, Settings, Help, and a notification badge (99+). Below the navigation is a header for the item 'Plastic pellets A' with a status of 'Enabled'. On the right side of the header are buttons for Print, Back, Forward, Menu, and Save. The main content area is divided into sections: 'PURCHASE, REPLENISHMENT DETAILS' and 'Customer'. In the purchase details section, the 'Is Purchase Item' checkbox is unchecked. The 'Default Purchase Unit of Measure' field is empty. The 'Minimum Order Qty' field contains '0.000'. The 'Safety Stock' field also contains '0.000'. In the customer section, the 'Lead Time in days' field contains '0'. The 'Last Purchase Rate' field contains '0'. The 'Is Customer Provided Item' checkbox is checked, and the 'Customer' dropdown menu is open, showing the option 'Peter'.

PURCHASE, REPLENISHMENT DETAILS

Is Purchase Item

Default Purchase Unit of Measure

Minimum Order Qty  
0.000

Safety Stock  
0.000

Lead Time in days  
0

Average time taken by the supplier to deliver

Last Purchase Rate  
0

Is Customer Provided Item

Customer

Peter

# Customer Provided Items

## How to receive a 'Customer Provided' Item?

1. If a 'Production Plan' is used, 'Material Request' for this item can be auto created. That is, the item to be manufactured is fetched first via Sales Order or Material Request, Items are fetched for the Work Order using the 'Get Items for Work Order' button, then click on the 'Get Raw Materials for Production' button.

The screenshot shows the Odoo Manufacturing Production Plan interface. At the top, there's a breadcrumb navigation: Manufacturing > Production Plan. A search bar says "Search or type a command (Ctrl + G)". On the right, there are settings, help, and a notifications icon (99+). The main title is "New Production Plan 1" with a status "Not Saved". A "Save" button is on the right.

**MATERIAL REQUEST PLANNING**

Include Non Stock Items

Include Subcontracted Items

Ignore Existing Projected Quantity

If enabled, then system will create the material even if the raw materials are available

For Warehouse: [empty field]

Download Materials Required

Get Raw Materials For Production

**Material Request Plan Item**

	Item Code	Warehouse	Required Quantity	Projected Qty	Actual Qty	
<input type="checkbox"/>	1 Plastic pellets A	Stores - UP	2	20		<input type="button" value="▼"/>

Add Row

# Customer Provided Items

## How to receive a 'Customer Provided' Item?

2. Once a component in a BOM is set as 'Customer Provided' and 'Material Request' is created from a 'Production Plan', it will create both 'Material Request' with type 'Purchase' and 'Customer Provided'. From there, a 'Stock Entry' with purpose 'Material Receipt' can be created.
3. A 'Material Request' can have multiple 'Stock Entry' - Material Receipt. It will reflect it in the status.
4. Customer will be able to track their 'Material Requests' in a Web Portal 'Material Requests'. The portal is filtered to show only the 'Material Request' of the customer.

The screenshot shows a software interface for managing production plans. At the top, there's a navigation bar with icons for Manufacturing, Production Plan, and a search bar. On the right side of the header, there are settings, help, and notification icons (showing 99+ notifications).

The main content area displays a production plan with the identifier "MFG-PP-2019-00005" and a status of "Not Started". Below the identifier, there are sections for Comments (0), Assigned To (with an "Assign +" button), Attachments (with an "Attach File +" button), and Tags (with an "Add a tag ..." button). There's also a "Reviews" section with a plus sign icon.

In the center, there's a "DASHBOARD" section showing a message: "Item PB1L: 0 qty produced,". To the right of this dashboard, there's a "Create" dropdown menu with options for "Work Order" and "Material Request".

At the bottom left, there's a "Related" section with links for "Work Order" and "Material Request", each with a plus sign icon to add new ones.



# Item

## 2. How to create an Item

f. Other item feature you can use.

- **Supplier Details**

- **Delivered by Supplier (Drop Ship):** If the item is delivered directly by the supplier to the customer, tick this checkbox.

Drop shipping is a supply chain management technique in which the retailer does not keep goods in stock. Instead they transfer customer orders and shipment details to either the manufacturer, another retailer, or a wholesaler, who then ships the goods directly to the customer

In ERPNext, you can create a Drop Shipping by creating Purchase Order against Sales Order.

[Selling > Documents > Sales Order > Purchase Order](#)



# Drop Ship

1. **Setup on Item Master :** Set Delivered by Supplier (Drop Ship) and Default Supplier in Item Master.

The screenshot shows the Zoho Inventory Item Master setup page for an item named "Air Ticket". The page has a header with navigation (E > Stock > Item), search bar, user profile (Saurabh), and notifications (4). The main content includes sections for "Is Fixed Asset Item" (unchecked), "Weight UOM" (empty), "Auto re-order" (dropdown), "Variants" (dropdown), "Purchase Details" (dropdown), and "Supplier Details" (dropdown). The "Supplier Details" section is highlighted with a red box around the "Default Supplier" field containing "Wam" and the checked "Delivered by Supplier (Drop Ship)" checkbox. To the right is a table titled "Item Code for Suppliers" with columns "Supplier" and "Supplier Part Number", showing "No Data" and an "Add new row" button.

Selecting "Yes" will give a unique identity to each entity of this item which can be viewed in the Serial No master.

Is Fixed Asset Item

Weight UOM

Auto re-order

Variants

Purchase Details

Supplier Details

Default Supplier

Wam

Delivered by Supplier (Drop Ship)

Manufacturer

Manufacturer Part Number

Supplier	Supplier Part Number
No Data	
<a href="#">Add new row</a>	

# Drop Ship

## 2. Setup on Sales Order

The screenshot shows the Odoo Sales Order setup interface. At the top, there's a breadcrumb navigation: E > Selling > Sales Order. A search bar says "Search or type a command (Ctrl + G)". On the right, there's a user profile for "Saurabh" and a red notification badge with the number "4". The main area is titled "New Sales Order 1". It has sections for "Quantity and Rate", "Rate (INR)", and "Amount (INR)". A red box highlights the "Drop Ship" section, which contains a checked checkbox for "Supplier delivers to Customer" and a dropdown menu for "Supplier" with "Wam" selected.

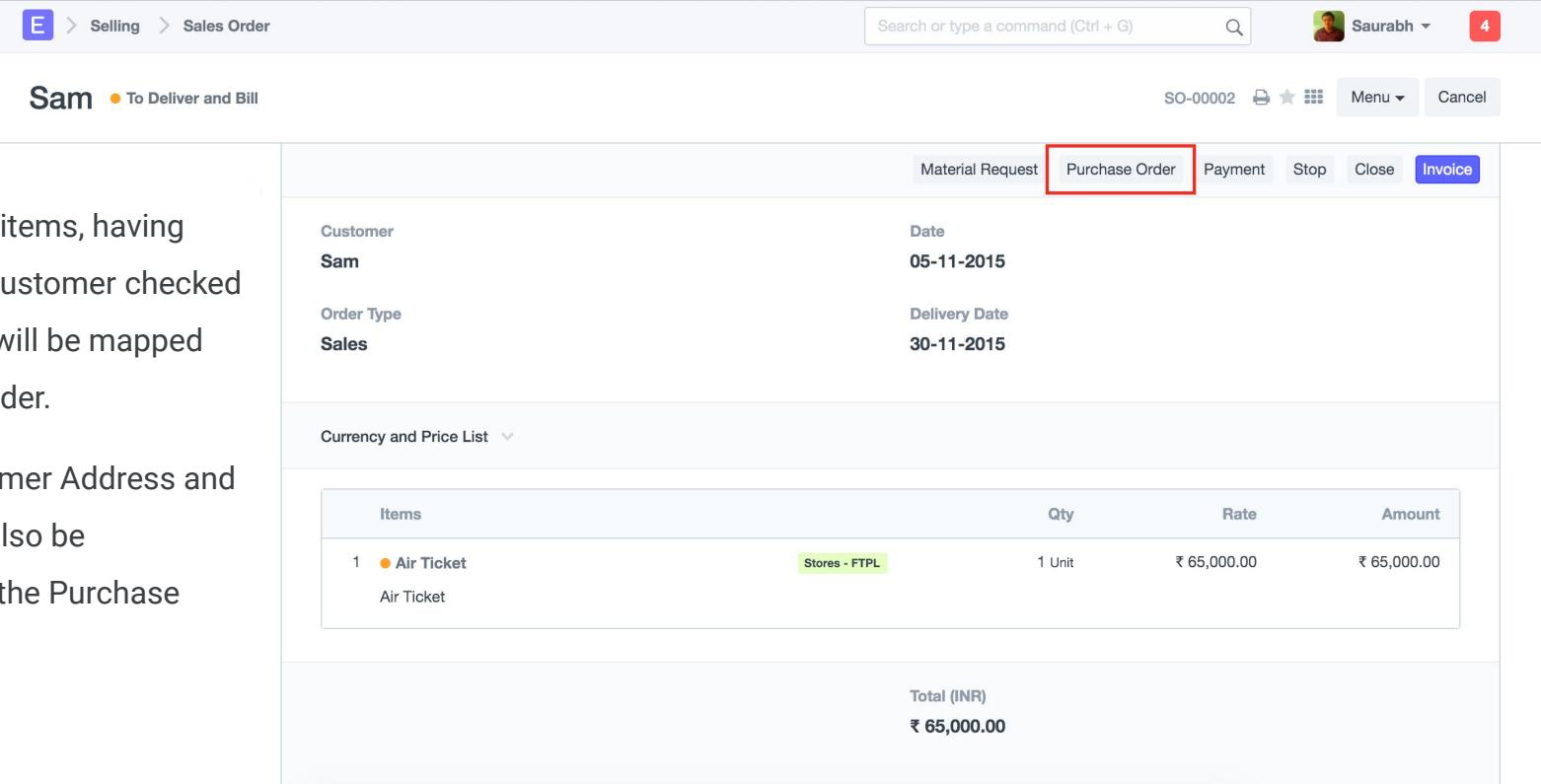
If Drop Shipping has set on Item master, it will automatically set Supplier delivers to Customer and Supplier on Sales Order Item.

You can setup Drop Shipping, on Sales Order Item. Under Drop Ship section, set Supplier delivers to Customer and select Supplier against which Purchase Order will get created.

# Drop Ship

## 3. Create Purchase Order

After submitting a Sales Order, create Purchase Order.



The screenshot shows the Odoo application interface for creating a Purchase Order. At the top, the navigation bar displays 'E > Selling > Sales Order'. The search bar contains 'Search or type a command (Ctrl + G)'. On the right, there is a user profile for 'Saurabh' and a notification badge with the number '4'. Below the header, the customer information 'Sam' is shown with a status 'To Deliver and Bill'. The document number 'SO-00002' is displayed. A toolbar at the top right includes buttons for 'Material Request', 'Purchase Order' (which is highlighted with a red box), 'Payment', 'Stop', 'Close', and 'Invoice'. The main form fields include 'Customer' (Sam), 'Date' (05-11-2015), 'Order Type' (Sales), and 'Delivery Date' (30-11-2015). A 'Currency and Price List' dropdown is present. The 'Items' section lists one item: '1 Air Ticket' from 'Stores - FTPL' with a quantity of 1 Unit, rate of ₹ 65,000.00, and amount of ₹ 65,000.00. The total amount is also shown as ₹ 65,000.00.

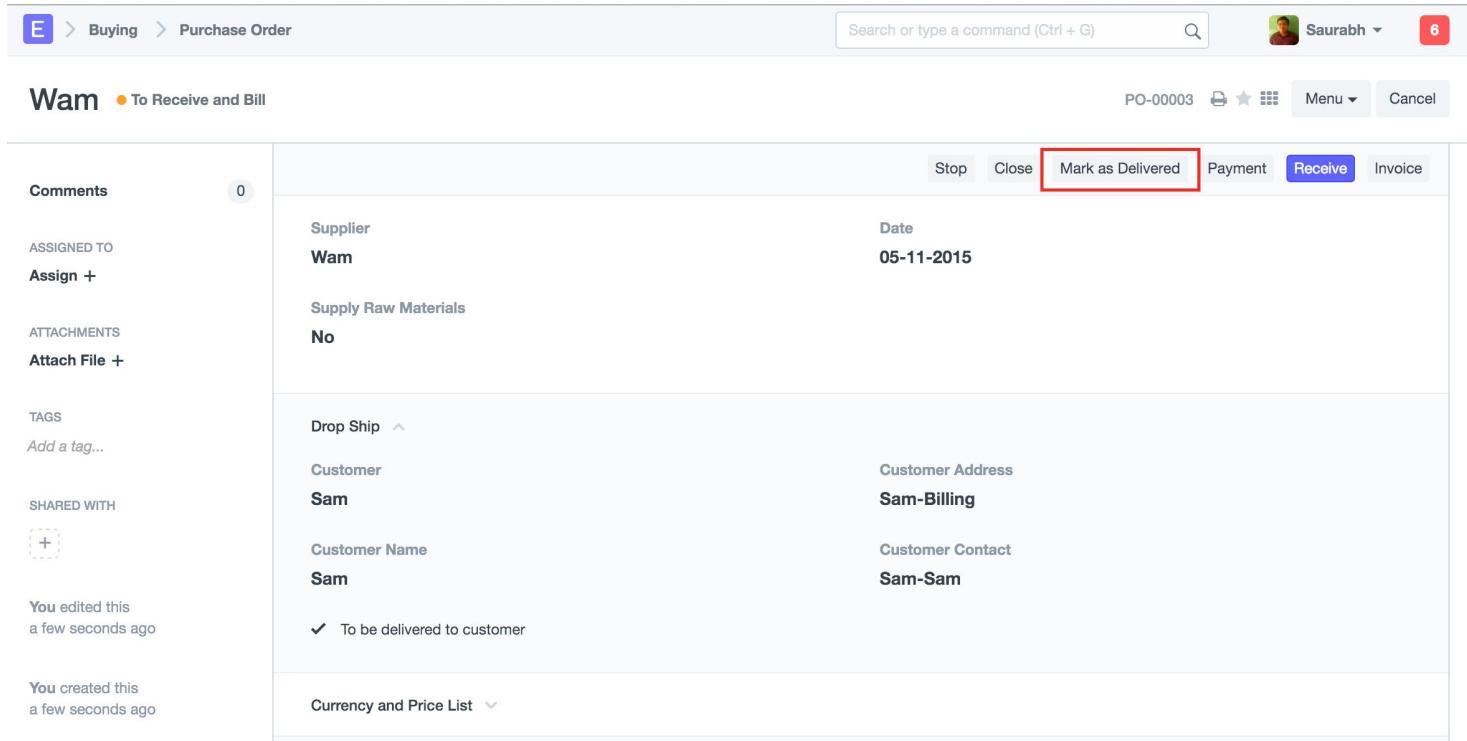
From Sales Order, all items, having Supplier delivers to Customer checked , the supplier details will be mapped onto the Purchase Order.

The Customer, Customer Address and Contact Person will also be automatically set on the Purchase Order.

# Drop Ship

## 3. Create Purchase Order

After submitting Purchase Order, to update delivery status, use **Mark as Delivered** button on Purchase Order. It will update delivery percentage and delivered quantity on Sales Order.



The screenshot shows the Zoho Inventory Purchase Order creation interface. At the top, there's a navigation bar with 'E > Buying > Purchase Order'. A search bar says 'Search or type a command (Ctrl + G)'. On the right, there's a user profile for 'Saurabh' with a red notification badge showing '6'. Below the navigation, the purchase order details are listed:

Comments	Supplier	Date
ASSIGNED TO Assign +	Wam	05-11-2015
ATTACHMENTS Attach File +	Supply Raw Materials No	
TAGS Add a tag...	Drop Ship	Customer Address
SHARED WITH +	Customer Sam	Customer Address <b>Sam-Billing</b>
You edited this a few seconds ago	Customer Name Sam	Customer Contact <b>Sam-Sam</b>
	✓ To be delivered to customer	
	Currency and Price List	

A red box highlights the 'Mark as Delivered' button in the top right corner of the main form area. Other buttons visible include 'Stop', 'Close', 'Payment', 'Receive', and 'Invoice'.

# Drop Ship

Close, is a new feature introduced on Purchase Order and Sales Order, to close or to mark fulfillment.

The screenshot shows the Zoho Inventory Sales Order interface for a customer named Sam. The top navigation bar includes links for Selling > Sales Order, a search bar, and a user profile for Saurabh with a notification count of 6. The main form displays basic order details: Customer (Sam), Date (05-11-2015), Order Type (Sales), and Delivery Date (30-11-2015). On the right side of the form, there are several buttons: Payment, Stop, Close (which is highlighted with a red box), and Invoice. The left sidebar contains sections for Comments (0), Assigned To (Sam), Attachments (Attach File +), and Tags (Add a tag...). The Shared With section shows a plus icon for adding users. A note indicates that the user edited the order a few seconds ago. The bottom section shows the order items table:

Items	Qty	Rate	Amount
1 ● Air Ticket Air Ticket	Stores - FTPL	1 Unit	₹ 65,000.00

Total (INR)  
₹ 65,000.00

# Item

## 2. How to create an Item

f. Other item feature you can use.

- **Supplier Details**

- **Manufacturer:** Select the Manufacturer who manufactured this item.
- **Manufacturer Part Number:** Enter the manufacturer part number that the manufacturer has assigned to this item.
- **Supplier Codes:** Track Item Code defined by the Suppliers for this Item. In the Purchase transactions, on selecting an Item, a Supplier Part No. will be fetched as well for the Supplier's reference.

For each item, code assigned might differ from the code your supplier has given to that same item. ERPNext allows you to track Supplier's Item Code in the item master. Also you can fetch Supplier's Item Code in your purchase transactions, so that they can easily recognize item referring to their Item Code.

Supplier Item Code will only be fetched in the purchase transaction, if both Supplier and Item Code selected in purchase transaction is mapped with value mentioned in the Item master.



# Item

## 2. How to create an Item

### f. Other item feature you can use.

- **Foreign Trade Details:** If you're sourcing the item from another country, you can set the details here.
  - **Country of Origin:** The country from which you're sourcing the item.
  - **Customs Tariff Number:** You can create a customs tariff number with a description and use it for reference here to share with custom agencies. Later it can be used to add in Delivery Notes.
- **Sales Details**
  - **Default Sales Unit of Measure:** The default UoM that'll be fetched for sales transactions.
  - **Max Discount (%):** You can define the maximum discount in % to be applied to an item. Eg: if you set 20%, you cannot sell this item with a discount greater than 20%.
  - **Is Sales Item:** If unticked, you won't be able to use this item in sales transactions.

# Item

## 2. How to create an Item

f. Other item feature you can use.

- **Deferred Revenue and Deferred Expense**

You can enable deferred revenue or expense from the item. Once you tick the checkbox, you'll see options to set the Deferred Expense Account and the number of months through which the revenue/expense is deferred.

For example, consider a yearly gym membership, you pay the money upfront at once but the service is given throughout the year. For the gym owner, this is deferred revenue and for the customer, it is a deferred expense.

The screenshot shows a software interface for managing items. At the top, there's a navigation bar with icons for Stock, Item, a search bar, Settings, Help, and a notification badge (99+). Below the navigation bar, the item name "Plastic bottle 1L" is displayed, along with a status indicator "Not Saved". On the right side, there are buttons for PB1L, Print, Menu, and Save.

The main area is titled "DEFERRED REVENUE" and contains the following fields:

- Deferred Revenue Account: Creditors - UP
- No of Months: 3
- A checked checkbox labeled "Enable Deferred Revenue"

# Item

## 2. How to create an Item

f. Other item feature you can use.

- **Customer Details:** The Customer may identify an Item with a different Item Code. this is Similar to Supplier Code.
  - **Customer Name:** Select a customer here.
  - **Customer Group:** This will be fetched based on the Customer you selected in the previous field.
  - **Ref Code:** A customer can identify this item with a different number. You can track Item Code assigned by the Customer for this Item. When you create a Sales Order, the Customer's Reference Code for this Item will be shown.
- **Item Tax:** These settings are required only if a particular Item has a different tax rate than the rate defined in the standard tax Account.

You need to create a new '**Item Tax Template**' or choose an existing one. For example, if you have a tax Account, "VAT 14%" and this particular Item is exempted from tax, then you select "VAT 14%" in the first column, and set "0" as the tax rate in the second column.



# Item

## 2. How to create an Item

f. Other item feature you can use.

- **Inspection Criteria**

- **Inspection Required before Purchase:** If an inspection is mandatory before the item is purchased, i.e., before you generate Purchase Receipt, tick this checkbox.
- **Inspection Required before Delivery:** If an inspection is required at the time of delivery from your Supplier is mandatory for this Item, tick this checkbox. That is, before you generate a Delivery Note.
- **Quality Inspection Template:** If a Quality Inspection is prepared for this Item, then this template of criteria will automatically be updated in the Quality Inspection table of the Quality Inspection. Examples of Criteria are: Weight, Length, Finish, etc.

Quality Inspection can be done with Quick View and you need not go to a different page to update the details inspection in the system.

# Item

## 2. How to create an Item

f. Other item feature you can use.

- **Manufacturing**
  - **Default BOM:** The default Bill of Materials used to manufacture this Item.
  - **Supply Raw Materials for Purchase:** If you're subcontracting to a vendor, you can choose to provide them with the raw materials to manufacture the item using the default BOM.
  
- **Website**
- **Show in Website:** Choose if you want to show this Item on your website. Once you tick this, additional options will be visible to configure the item on your website. To view the item on the website click on the 'See on Website' link on the top left just above the item image.

# Item

## 2. How to create an Item

f. Other item feature you can use.

- **Website**
  - Additional Options
    - **Weightage:** Items with higher weight will be displayed first on the website. The limit for the number you can enter here is very high.
    - **Slideshow:** A slideshow can be displayed at the top of the page.
    - **Image:** You can attach an image instead of a Slideshow.
    - **Website Warehouse:** Select an existing or create a new warehouse for transactions via your website. This Warehouse will be different from your offline Warehouses. Stock for any online transactions will be deducted from the Warehouses set under Website Warehouse.
    - **Website Item Groups:** In this table you can select existing or create new Item Groups to classify items on your website.
    - **Set Meta Tags:** Meta tags help with SEO.

# Item

## 2. How to create an Item

f. Other item feature you can use.

- Website

- Additional Options

- **Website Specifications:** This section is for configuring other details about the item.

- **Copy from Item Group:** The 'Website Specifications' details will be fetched as set in a specific Item Group chosen on the previous section.
      - **Website Specifications:** Label and its description for the item. For example, 'Warranty: 1 year'.
      - **Website Description:** This will appear on the item page.
      - **Website Content:** You can create additional styling, etc., use Bootstrap 4 markup to display on the item page.

# Item

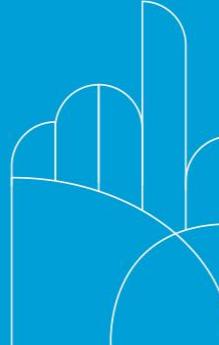
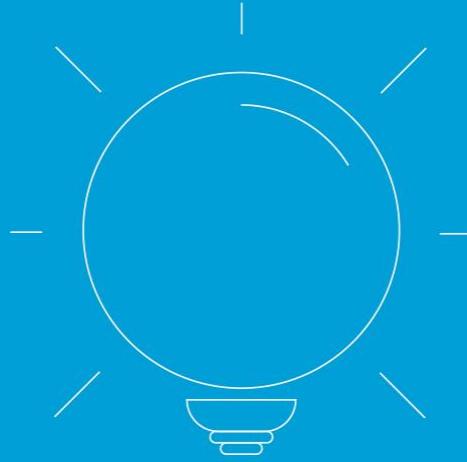
## 2. How to create an Item

### f. Other item feature you can use.

- **Hub Publishing Details :** The hub is a free online marketplace where Suppliers and Customers can transact. If both parties are on ERPNext, the transactions happen seamlessly. You can visit the hub at: <https://hubmarket.org>.
- **Publish in Hub:** Choose if you want to publish your item on <https://hubmarket.org/>. It is a free marketplace. If your supplier/customer is also on ERPNext, the transactions will be seamless. For example, on creating a Purchase Order from your end, a Sales Order will be created on the Supplier's end.
- **Hub Warehouse:** This is a separate Warehouse to maintain the stock for your hub transactions.
- **Synced With Hub:** Sync item and other details with the hub when transactions take place.

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# ERPNext: Stocks Item Pricing



# Price Lists

A **Price List** is a collection of Item Prices either Selling, Buying, or both.

The system lets you maintain multiple Selling and Buying Item Prices using Price Lists.

**Price Lists** can be used in scenarios where you have different prices for different zones (based on the shipping costs), for different currencies, etc. An Item can have multiple prices based on customer, currency, region, shipping cost, etc, which can be stored as different rate plans.

In the system, all the Item Prices are stored separately. Buying Price for an item is different from Selling Price and thus they're stored separately.

To access a Price List go to:

[Home > Selling/Buying/Stock > Items and Pricing > Price List](#)

# Price Lists

## 1. How to use a Price List

- Price Lists will be used when creating an Item Prices to track selling or buying price of an item.
- Specific countries can be assigned in the Price List.
- To disable specific Price List, untick the 'Enabled' checkbox. Disabled Price List will not be available for selection in the Sales and Purchase transactions.
- **Price Not UOM Dependent:** Consider an item, Tomatoes which you buy in Boxes and sell in Kilos. 1 Box = 10 Kilos and 1 Kilo buying price is 10rs. If this Box is **unchecked** and you select 1 Box in your transaction, the price will show up only for a Kilo since that's the only Item Price saved.

Now, if you **tick** this checkbox and make a transaction with a Box of Tomatoes, then the price will be automatically set as 100 since the price of 1 Box (10 Kilos) is 100.

Standard Buying and Selling Price Lists are created by default.

**Note:** If you have multiple Price Lists, you can select a Price List or tag it to a Customer (so that it is auto-selected). Your Item Prices will automatically be updated from the Price List.



# Item Price

**Item Price** is the record in which you can log the selling and buying rate of an item.

## 1. How to create Item Price

There are two ways to reach a new Item Price form:

1. Selling/Buying/Stock > Items and Pricing > Item Price > New.

Or

2. Stock > Item > Select the item > (on the Dashboard) Click on "+" next to Item Price.
  - a. Select the Item. The name, UoM and description will be fetched.
  - b. Select the Price List whether Selling/Buying price or any other price list you may have created.
  - c. Enter the actual rate in the Rate field.
  - d. **SAVE.**

# Item Price

## Selecting the Price List

You can create multiple Price Lists for one Item in the system to track Selling and Buying Price of an Item separately. Also if the Item's selling prices change based on Territory or due to other criteria, you can create multiple Selling Price Lists for it.

On selection of Price List, its currency and applicability whether for selling/buying or both will be fetched as well. To have Item Price fetching in the sales or purchase transaction, you should have 'Price List' selected in the transaction under Currency and Price List.

To check all Item Prices together, go to:

[Stock > Stock Reports > Item Price Stock](#)

## Packing Unit

This is the quantity that must be bought or sold per unit of measure. For example, if Packing Unit is two, and UOM is one, two items in quantity will be transacted. The default is 0, you can use non-integer UoM like 1.5Kg Oats for 1 Packing Unit. If you leave it as 0, it'll not affect any transaction.



# Item Price

## Minimum quantity

This is the minimum quantity of items to be transacted for this price to be applicable and updated in the Item Price list.

## Applying Price List to a specific Customer/Supplier

If you select a Selling Price list, a customer field will appear where you can assign this Item Price to a specific customer.

Likewise, if you select a Buying Price List, a Supplier field will appear where you can select a specific Supplier

## Validity

There are two fields here—'Valid From' and 'Valid Upto'. Valid from is set to the date you created the Item Price, you can also set the Valid Upto date on which the Item Price will expire.

## Lead Time in days

The approximate number of days it takes the product to reach the warehouse. You can set different Item Prices based on how much time the same product will reach you from different vendors.

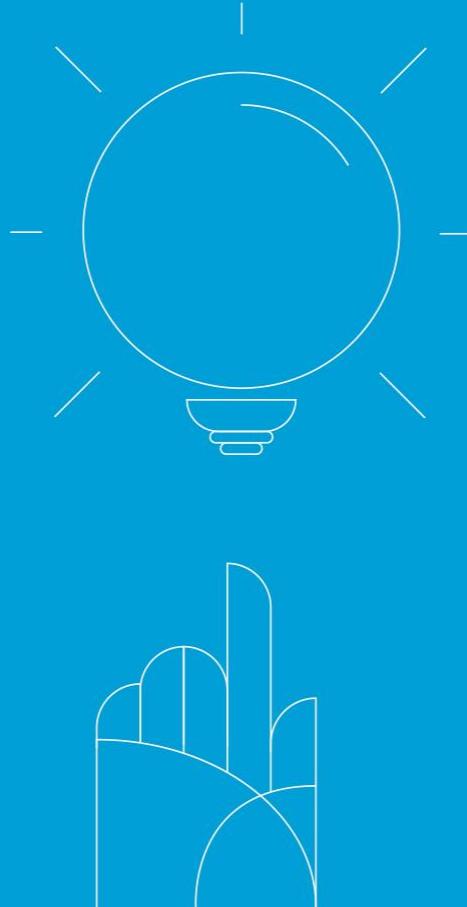
## Note

You can add any note about the Item Price in this field.



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# ERPNext: Stocks: Receiving Stock Transactions

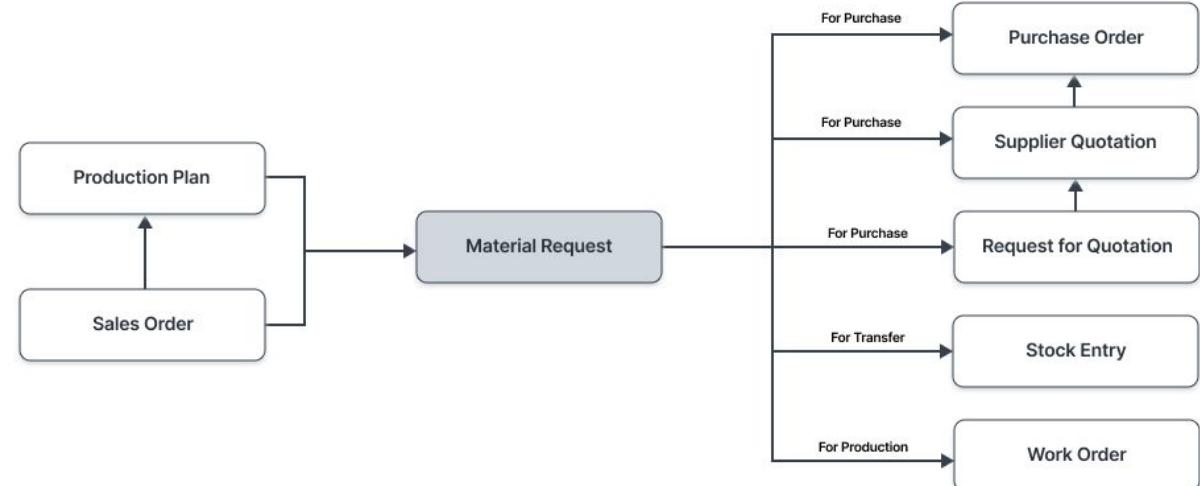


# Material Request

A **Material Request** is a simple document identifying a requirement of a set of Items (products or services) for a particular reason.

A Material Request can be of the following types:

- **Purchase:** If the material being requested is to be purchased.
  - **Material Transfer:** If the material being requested is to be shifted from one Warehouse to another.
  - **Material Issue:** If the material being requested is to be issued for some purpose like manufacturing.
- 
- **Manufacture:** If the material being requested is to be produced.
  - **Customer Provided:** If the material being requested is to be provided by Customer. Go to the *item manual* to understand more about the Customer Provided.



# Material Request

To access the Material Request list, go to:

Home > Stock > Stock Transactions > Material Request

## 1. How to create a Material Request

New

- a. Go to the Material Request list, click on New button.
- b. Enter the required by date.
- c. Select from one of the types as listed above.
- d. You can fetch Items from a BOM, Sales Order, or Product Bundle.
- e. Select the Item and set the quantity.
- f. Select the Warehouse for which Items are required.

The screenshot shows the 'New Material Request' screen in Odoo. At the top, there's a breadcrumb navigation: E > Stock > Material Request. To the right are search, settings, help, and a notifications icon showing 99+. Below the header, the title 'New Material Request 2' is displayed with a 'Not Saved' status. On the right, there's a 'Save' button. The main form has fields for Series (containing 'MAT-MR-.YYYY.-'), Required Date (set to '20-09-2019'), Type (set to 'Purchase'), Company ('Unico Plastics Inc.'), and a dropdown menu 'Get items from' with options: Bill of Materials, Sales Order, and Product Bundle. A red box highlights the 'Get items from' dropdown menu.

g. You can change the  
Required by Date for  
individual Items in this table.

h. **SAVE and SUBMIT.**

# Material Request

## 1. How to create a Material Request

### Alternate ways of creating a Material Request

A Material Request can be generated automatically:

- a. From a Sales Order.
- b. When the Projected Quantity of an Item in Stores (Warehouses) reaches a particular level.
- c. From your Production Plan to plan your manufacturing activities.

If your Items are inventory items, you must also mention the Warehouse where you expect these Items to be delivered.

This helps to keep track of the Projected Quantity for this Item.

**Material Request is not mandatory.** It is ideal if you have centralized buying so that you can collect this information from various departments.

# Material Request

## 1. How to create a Material Request

### Other fields available on the form:

- **Items table**



- **Barcode:** You can track Items using barcodes.
- The Item Code, name, description, Image, and Manufacturer will be fetched from the Item master.
- **Scan Barcode:** You can add Items in the Items table by scanning their barcodes if you have a barcode scanner.
- The UoM, Conversion Factor, and Amount will be fetched. You change the Warehouse for which the material is being requested.
- Accounting details like Expense Account and Accounting Dimensions can be set for the Items.
- Page Break will create a page break just before this item when printing.

- More Information

In the 'Requested For' field, you can set a Reference from where Material Request was generated.

# Material Request

## 1. How to create a Material Request

### Other fields available on the form:

- Printing Details

- **Letterhead:** you can print your Material Request on your company's letterhead.
- Print Headings: Purchase Receipt headings can also be changed when printing the document. You can do this by selecting a Print Heading. *To create new Print Headings go to: Home > Settings > Printing > Print Heading.*

- **Terms and Conditions**

In Sales/Purchase transactions there might be certain Terms and Conditions based on which the Supplier provides goods or services to the Customer. You can apply the Terms and Conditions to transactions and they will appear when printing the document.

# Material Request

## After Submitting

You can create the following documents:

- Request For Quotation
- Purchase Order
- Supplier Quotation

The screenshot shows a software interface for managing material requests. At the top, there's a navigation bar with 'Stock' and 'Material Request' selected. A search bar and various system settings are also visible. The main area displays a 'Purchase Request for Raw Plastic Crystals' with a status of 'Pending'. On the left, there are sections for 'Comments' (0), 'Assigned To' (with an 'Assign +' button), 'Attachments' (with an 'Attach File +' button), 'Tags' (with an 'Add a tag ...' button), and 'Reviews' (with a '+'). In the center, there are 'DASHBOARD' and 'Related' sections. The 'Related' section includes links for 'Request for Quotation +', 'Supplier Quotation +', and 'Purchase Order +'. To the right, there are 'Manufacturing' and 'Work Order' sections. A prominent feature is a red-bordered dropdown menu titled 'Create' that lists three options: 'Purchase Order', 'Request for Quotation', and 'Supplier Quotation'. The 'Stop' button is located at the bottom right of this menu.

# Material Request

## Automatically generate Material Requests

Material Requests can be generated automatically by enabling the setting in Stock Settings and setting the level in the Item form. When the stock level dips below a certain quantity, setting a reorder will automatically create material requests for the Item.

These are the statuses a Material Request can be in:

- **Draft:** A draft is saved but yet to be submitted to the system.
- **Submitted:** Document is submitted to the system.
- **Stopped:** If no more materials are needed the Material Request can be stopped.
- **Canceled:** The materials are not needed at all and the request is canceled.
- **Pending:** The Purchase/Manufacture is pending to complete the Material Request.
- **Partially Ordered:** Purchase Orders for some Items from the Material Request are made and some are pending.
- **Ordered:** All Items in the Material Request are ordered via Purchase Orders.
- **Issued:** The materials are issued using a Material Issue Stock Entry.
- **Transferred:** The required materials are transferred from one Warehouse to another using a Stock Entry.
- **Received:** The materials were ordered and have been received at your Warehouse using a Purchase Receipt.



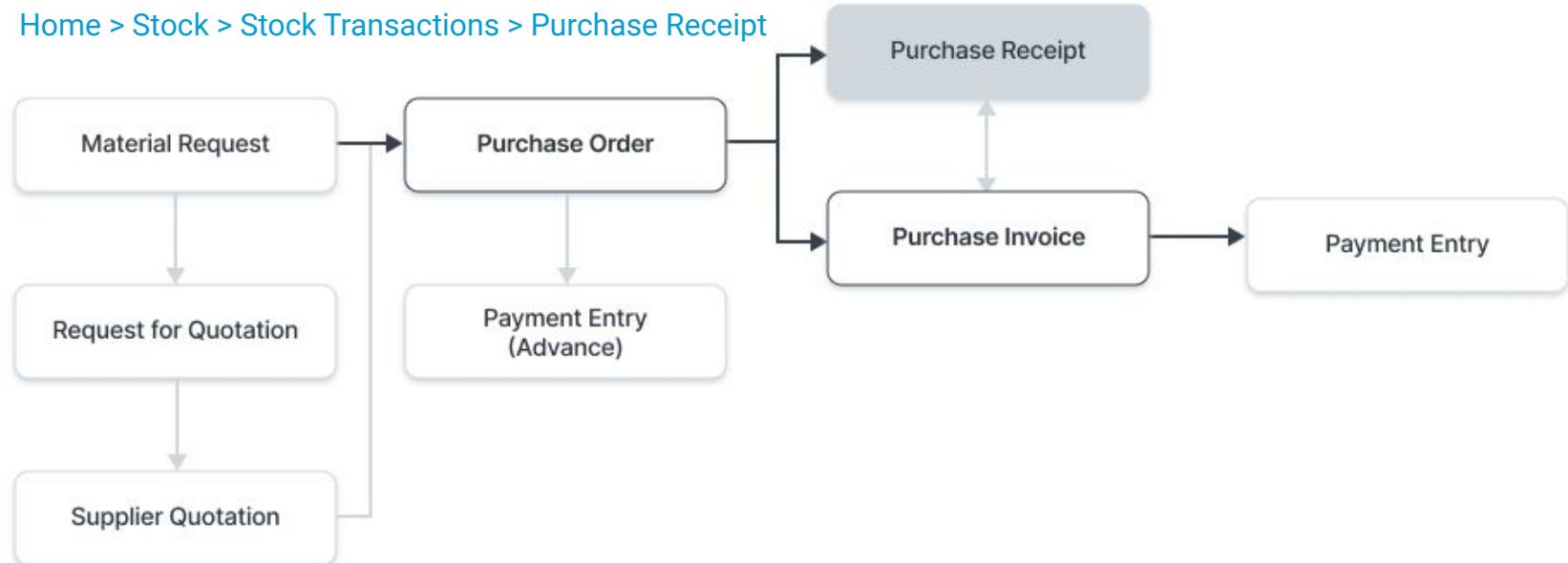
# Purchase Receipt

**Purchase Receipts** are made when you accept Items from your Supplier usually against a Purchase Order.

You can also accept Purchase Receipts directly without the need for a Purchase Order. To do this, set Purchase Order Required as “**No**” in Buying Settings.

To access the Purchase Receipt list, go to:

Home > Stock > Stock Transactions > Purchase Receipt



# Purchase Receipt

## 1. Prerequisites

Before creating and using a Purchase Receipt, it is advised that you create the following first:

- Purchase Order

## 2. How to create a Purchase Receipt

A Purchase Receipt is usually created from a Purchase Order. In the Purchase Order, click on [Create button > Purchase Receipt](#).

To create a Purchase Receipt **manually** (not recommended), follow these steps:

New

- Go to the Purchase Receipt list, click on New.
- The Supplier name and the Items can be fetched from the Purchase Order by clicking on 'Get Items from > Purchase Order'.
- You can set the Accepted Warehouse for all items in this Purchase Receipt. This is fetched if set in Purchase Order.
- In case any Items are defective, set the Rejected Warehouse where those Items will be stored.
- Select the Item and enter the quantity in the Items table.
- The rate will be fetched and the amount will be calculated automatically.
- You can expand the item row to change the Accepted Warehouse for an Item.

# Purchase Receipt

## 2. How to create a Purchase Receipt

- You can also add a '**Supplier Delivery Note**' to the Purchase Receipt if your Supplier has added some notes.
- Using the '**Edit Posting Date and Time**' checkbox you can edit the posting time and date of the Purchase Receipt. By default, the date and time are set when you click on the New button.
- **Is Return:** Tick this checkbox if you're returning Items that were not accepted to your Warehouse. This is also called Purchase Return and can be related on the Debit Note if payment is already made.

## Purchase Return

A purchased Item being returned is known as a Purchase Return.

With the Purchase Return feature, you can return products to the Supplier. This may be on account of a number of reasons like defects in goods, quality not matching, the buyer not needing the stock, etc.

# Purchase Return

## 1. How to create a Purchase Return

First open the original Purchase Receipt, against which supplier delivered the Items. Click on '[Create > Return](#)', it will open a new Purchase Receipt with 'Is Return' checked.

The screenshot shows the NetSuite interface for creating a Purchase Return. The top navigation bar includes 'Stock > Purchase Receipt'. The search bar says 'Search or type a command (Ctrl + G)'. The top right has 'Settings', 'Help', and a notification badge '99+'. The main area shows a purchase receipt for 'Park Pens' with a status of 'To Bill'. The 'Create' button in the top right dropdown menu is highlighted with a red box, and the 'Return' option is also highlighted with a red box. A list of other options includes 'Make Stock Entry', 'Invoice', 'Retention Stock Entry', and 'Subscription'. On the left, there are sidebar links for 'Comments' (0), 'Assigned To' (with an 'Assign +' button), 'Attachments' (with an 'Attach File +' button), 'Tags' (with an 'Add a tag ...' button), and 'Reviews' (with a '+'). The main content area shows related items like 'Purchase Invoice', 'Landed Cost Voucher', 'Asset', 'Returns', and 'Purchase Receipt'.

# Purchase Return

## 1. How to create a Purchase Return

Items, Rate, and taxes will negative numbers.

The screenshot shows the 'Purchase Receipt' screen in a software application. The title bar includes the logo 'E', the path 'Stock > Purchase Receipt', a search bar, and various system icons. The main area displays a table titled 'Items' with three rows of data. The table columns are: Item Code, Accepted Quantity, Rate, and Amount. The items listed are:

Item Code	Accepted Quantity	Rate	Amount
Ballpoint pen plastic	-240	₹ 12.00	₹ -2,880.00
penB: Pen Blue	-12	₹ 8.00	₹ -96.00
Raw Plastic Crystals	-20	₹ 200.00	₹ -4,000.00

At the bottom of the table are buttons for 'Add Multiple' and 'Add Row'. To the right are 'Download' and 'Upload' buttons. Below the table, there is a section titled 'PRICING RULES' with a 'Get current stock' button. At the very bottom, summary fields show 'Total Quantity: -272', 'Total (INR): ₹ -6,976.00', and 'Total Net Weight: 0'.

# Purchase Return

## 1. How to create a Purchase Return

On submission of Return Purchase Return, the system will decrease item quantity from the mentioned Warehouse. To maintain correct stock valuation, stock balance will also go up according to the original purchase rate of the returned items.

E > Stock

Search or type a command (Ctrl + G)

P Settings ▾ Help ▾ 99+

### Stock Ledger

Menu ▾ Refresh Set Chart

Unico Plastics Inc.		29-08-2019		29-08-2019		Warehouse	Item		Item Group	
Batch No		Brand		MAT-PRE-2019-00020		Project	Include UOM			
Date	Item	Item Name	Item Group	Brand	Description	Warehouse	Stock UOM	Q ▾	Balance Qty	
1	29-08-2019...	Ballpoint pen plastic	Ballpoint pen...	Products		Ballpoint pen plastic	Finished Goo...	Nos	-240.000	240.000
2	29-08-2019...	penB: Pen Blue	Pen Blue	Products		Blue ballpoint pen with rubber grip	Finished Goo...	Nos	-12.000	30.000
3	29-08-2019...	Raw Plastic Crystals	Raw Plastic C...	Raw Material		Raw Plastic	Finished Goo...	Kg	-20.000	0.000

For comparison, use >5, <10 or =324. For ranges, use 5:10 (for values between 5 & 10). Execution Time: 0.1 sec

# Purchase Return

## 1. How to create a Purchase Return

In the Accounting Ledger, the Stock In Hand account will be credited and the Stock Received but Not Billed account will be debited.



The screenshot shows the General Ledger interface with the following details:

Header:

- E > Accounting
- Search or type a command (Ctrl + G)
- Settings, Help, etc.
- 99+

Section:

### General Ledger

Buttons:

- Menu ▾
- Refresh
- Set Chart

Filters:

Unico Plastics Inc.	Finance Book	29-08-2019	29-08-2019	Account	MAT-PRE-2019-00020
Party Type	Party	Group by Voucher (Consol)		Cost Center	Project
Purchase Order	<input type="checkbox"/> Show Opening Entries	<input type="checkbox"/> Include Default Book Entries			

Table:

Posting D...	Account	Debit (INR)	Credit (INR)	Balance (INR)	Voucher Type	Voucher No	Against Account	Party Type
1	Opening	0.000	0.000	0.000				
2	29-08-2019 Expenses Included In Valua...	200.000	0.000	200.000	Purchase Receipt	MAT-PRE-2019-00020	Stock In Hand - ...	
3	29-08-2019 Stock In Hand - UP	0.000	7,176.000	-6,976.000	Purchase Receipt	MAT-PRE-2019-00020	Stock Received ...	
4	29-08-2019 Stock Received But Not Bill...	6,976.000	0.000	0.000	Purchase Receipt	MAT-PRE-2019-00020	Stock In Hand - ...	
5	Total	7,176.000	7,176.000	0.000				
6	Closing (Opening + Total)	7,176.000	7,176.000	0.000				

Footnote:

For comparison, use >5, <10 or =324. For ranges, use 5:10 (for values between 5 & 10).

Execution Time: 0.1 sec

# Purchase Receipt

## 2. How to create a Purchase Receipt

- **Currency and Price List:** The currency of the Purchase Receipt is shown in this section, it is fetched from the Purchase Order. The item prices will be fetched from the set Price list. Ticking on Ignore Pricing Rule will ignore the Pricing Rules set in Accounts > Pricing Rule.

Since the incoming Item affects the value of your inventory, it is important to convert it into your base currency if you have ordered in another Currency. You will need to update the Currency Conversion Rate if applicable.

- **Warehouse details :** The following Warehouses set will apply to all Items in the Items table of the Purchase Receipt. You can change the Warehouses for individual Items via the table.
  - **Accepted Warehouse:** This is the Warehouse in which you'll accept and store the incoming Items. Usually, this is the 'Stores' Warehouse.
  - **Rejected Warehouse:** This is the Warehouse in which you'll keep the rejected Items which were either defective or not up to the quality mark.

# Purchase Receipt

## 2. How to create a Purchase Receipt

- **Subcontracting: Raw Materials Supplied** - In case you're subcontracting, select 'Yes' to supply the Raw Materials to the vendor. *Read Subcontracting on the Manufacturing Manual.*
- **Items table**
  - **Barcode:** You can track Items using barcodes.
  - **Scan Barcode:** You can add Items in the Items table by scanning their barcodes if you have a barcode scanner. Know how to track them here
  - The Item Code, name, description, Image, and Manufacturer will be fetched from the Item master.
  - **Received and Accepted:** Set the received, accepted and rejected quantity. The UoM is fetched from the Item master. You will need to update the "UOM Conversion Factor" if your Purchase Order for an Item is in a different Unit of Measure (UOM) than what you stock (Stock UOM).
  - **Rate:** The Rate is fetched if set in the Price List and the total Amount is calculated.
  - **Item Tax Template:** You can set an Item Tax Template to apply a specific Tax amount to this particular Item.
  - The **Item Weight** details per unit and Weight UoM are fetched if set in the Item master.

# Purchase Receipt

## 2. How to create a Purchase Receipt

- **Items table**



- **Warehouse and Reference:** You can set the accepted and rejected Warehouses and also add a Quality Inspection.

## Tracking Quality Inspection

If for certain Items, it is mandatory to record Quality Inspections (if you have set it in your Item master), you will need to update the "Quality Inspection" field. The system will only allow you to "Submit" the Purchase Receipt if you update the "Quality Inspection".

After enabling Inspection Criteria in the Item form for Purchase and attaching a Quality Inspection Template there, Quality Inspections can be recorded in Purchase Receipts.

To know more, visit the Quality Inspection manual.

# Purchase Receipt

## 2. How to create a Purchase Receipt

- **Items table**



- **Serial No, Batch No, and BOM:** If your Item is serialized or batched, you will have to enter Serial Number and Batch in the Items table. You are allowed to enter multiple Serial Numbers in one row (each on a separate line) and you must enter the same number of Serial Numbers as the quantity.

There are separate fields for entering Serial Numbers of both accepted and rejected Items here. A Batch Number can also be set if you're storing a batch of plastic medicines for example.

Ticking on 'Allow Zero Valuation Rate' will allow submitting the Purchase Receipt even if the Valuation Rate of the Item is 0. This can be a sample item or due to a mutual understanding with your Supplier.

- You can link a BOM here if the Item is being subcontracted. Linking the BOM here will affect the Stock ledger, i.e. the raw material stock will be deducted from the Supplier Warehouse.

**Note:** The Item has to be serialized or batched for these features to work. If the Item is serialized a popup will appear where you can enter the Serial Numbers.

# Purchase Receipt

## 2. How to create a Purchase Receipt

- **Items table**



- **Accounting Dimensions** help to tag each transaction with different Dimensions without the need for creating new Cost Centers.
- **Page Break** will create a page break just before this item when printing.

- **Pricing Rules** : The [Get Current Stock button](#) will fetch the current number of stock Items from the selected Target Warehouse.
- **Taxes and Valuation:** The Taxes and Charges will be fetched from the Purchase Order.
- The total taxes and charges will be displayed below the table. To add taxes automatically via a Tax Category.
- Make sure to mark all your taxes in the Taxes and Charges table correctly for an accurate valuation.
- **Shipping Rule:** A Shipping Rule helps set the cost of shipping an Item. The cost will usually increase with the distance of shipping. *Read more on the Shipping Rule.*

# Purchase Receipt

## 2. How to create a Purchase Receipt

- **Additional Discount:** Any additional discounts to the whole order can be set in this section.
- **More Information:** The Status of the Purchase Receipt is shown here and at the top. The various statuses are: Draft, To Bill, Completed, Canceled, and Closed. This section also shows % Amount Billed, i.e. the percentage of amount for which Sales Invoices are created.
- **Printing Settings**
  - **Letterhead:** you can print your Purchase Receipt on your company's letterhead.
  - '**Group same items**' will group the same items added multiple times in the items table. This can be seen when you print.
  - **Print Headings:** Purchase Receipt headings can also be changed when printing the document. You can do this by selecting a Print Heading.

# Purchase Receipt

## After Submitting

A Stock Ledger Entry is created for each Item adding the Item in the Warehouse by the “Accepted Quantity” If you have rejections, a Stock Ledger Entry is made for each Rejection. The “Pending Quantity” is updated in the Purchase Order.

After submitting the Purchase Receipt, the following can be created:

- Purchase Return
- Stock Entry
- Purchase Invoice
- Retaining Sample Stock

The screenshot shows the Odoo Purchase Receipt module for a vendor named "Ruhi Hardware". The main interface displays the purchase receipt details, including the supplier ("Ruhi Hardware"), date ("23-08-2019"), and posting time ("16:36:41.158587"). A context menu is open on the right side, listing several options: "Return", "Make Stock Entry", "Invoice", "Retention Stock Entry", and "Subscription". The "Create" button in the top right corner is also visible.

Ruhi Hardware • To Bill

MAT-PRE-2019-00017

Comments 0

Assigned To

Attachments

Tags

Reviews

Shared With

DASHBOARD

Related

Reference

Purchase Invoice + Purchase Order 1

Landed Cost Voucher + Quality Inspection

Asset + Project

Returns

Subscription

Purchase Receipt + Auto Repeat +

Supplier

Date

Ruhi Hardware 23-08-2019

Posting Time

16:36:41.158587

Time at which materials were received

Company

View Status Create

Return

Make Stock Entry

Invoice

Retention Stock Entry

Subscription

You edited this 3 days ago

You created this 3 days ago

# Purchase Receipt

## Statuses

These are the statuses a Purchase Receipt can be in:

- **Draft:** A draft is saved but yet to be submitted to the system.
- **To Bill:** Yet to be billed using a Purchase Invoice.
- **Completed:** Submitted and received all the Items.
- **Canceled:** Canceled the Purchase Receipt.
- **Closed:** The purpose of the Close is to manage short-closing. For example, you ordered 20 qty, but closing at 15 qty. The remaining 5 is not to be received or billed.

## Returning a Purchase Order

Once you've received a Purchase Order using a Purchase Receipt, you can create a return entry in case the Item needs to be returned to the Supplier. To know more, visit the *Purchase Return manual*.



# Purchase Receipt

## Skipping Purchase Receipt

If you don't want to create a Purchase Receipt after a Purchase Order and directly want to create a Purchase Invoice, enable the feature for it in [Buying Settings](#).

## Changing the value of Items post Purchase Receipt:

Sometimes, certain expenses that add to the total of your purchased Items are known only after a while. Common example is, if you are importing the Items, you will come to know of Customs Duty, etc only when your "Clearing Agent" sends you a bill. If you want to attribute this cost to your purchased Items, you will have to use the Landed Cost Voucher. Why "Landed Cost"? Because it represents the charges that you paid when it landed in your possession.

**Landed Cost** is the final total cost associated with a product for it to reach the buyer's doorstep.

**Landed costs** include the original cost of the item, complete shipping costs, customs duties, taxes, insurance, currency conversion fees, etc. All of these components might not be applicable in every shipment, but relevant components must be considered as a part of the landed cost.



# Landed Cost Voucher

## What is Landed Cost?

To understand landed cost better, let's take an example based on our daily lives. You need to purchase a new washing machine for your home. Before making an actual purchase, you probably do some research to know the best price. In this process, you often found a better deal from a store which is long away from your home. But you should also consider shipping cost while buying from that store. Total cost including shipping might be more than the price you get in your nearby store. In that case, you will choose to buy from your nearest store, as the landed cost of the item is cheaper in the nearest store.

Similarly in business, identifying landed cost for an Item/product is very crucial, as it helps to decide selling cost of that item and impacts the company's profitability. Hence all applicable landed cost charges should be included in Item's valuation rate.

To access the Landed Cost Voucher list, go to:

[Home > Stock > Tools > Landed Cost Voucher](#)



# Landed Cost Voucher

## 1. Prerequisites

Before creating and using Landed Cost Voucher, it is advised that you create the following first:

- Purchase Receipt

Or

- Purchase Invoice

## 2. How to create a Landed Cost Voucher

New

- a. Go to the Landed Cost Voucher list, click on New button.
- b. Select Receipt Document Type whether Purchase Invoice or Receipt. You can select multiple documents.
- c. Select the specific Invoice or Receipt. The supplier name and Grand Total will be fetched automatically.
- d. Click on the Get Items from Purchase Receipts button to fetch the item details from the Purchase Invoice/Receipt.
- e. Select whether Distribute Charges Based On should be on quantity or Amount.

# Landed Cost Voucher

## 2. How to create a Landed Cost Voucher

- f. Enter the Expense Account and the Amount for Additional Costs in the Taxes and Charges table. The amount will be distributed equally based on the quantity or amount as per your selection.
- g. **SAVE and SUBMIT.**

In the document, you can select multiple Purchase Receipts/Invoices and fetch all items from those Purchase Receipts. Then you should add applicable charges in “Taxes and Charges” table. You can easily delete an item if the added charges do not apply to that item.

The added charges are proportionately distributed among all the items based their amount or quantity. If you selected based on the amount, the Item with the highest amount will be allocated the highest proportion of the charges. In case of quantity, Item with the highest quantity will be allocated most of the charges and the other Items will be allocated lesser amounts. This is shown in the following screenshot:

# Landed Cost Voucher

E > Stock > Landed Cost Voucher

Search or type a command (Ctrl + G)  🔍

A Settings Help 🖨️ 🔔

LCV00004 • Draft

🖨️ ◀ ▶ Menu Submit

Shared with

+

PURCHASE RECEIPT ITEMS

Get Items From Purchase Receipts

Purchase Receipt Items

<input type="checkbox"/>	Item Code	Description	Qty	Amount	Applicable Charges	
<input type="checkbox"/>	1	Battery 2300 mAh	400	₹ 2,00,000.00	₹ 51.95	▼
<input type="checkbox"/>	2	Motherboard	3,000	₹ 45,00,000.00	₹ 389.61	▼
<input type="checkbox"/>	3	Mobile Display 5"	4,000	₹ 80,00,000.00	₹ 519.48	▼
<input type="checkbox"/>	4	Mobile Outer Body...	300	₹ 60,000.00	₹ 38.96	▼

Add Row

## APPLICABLE CHARGES

### Taxes and Charges

<input type="checkbox"/>	Expense Account	Description	Amount	
<input type="checkbox"/>	1	Shipping Charges - GTPL	₹ 1,000.00	▼

Add Row



# Landed Cost Voucher

## What happens on submission?

1. On submission of Landed Cost Voucher, the applicable landed cost charges are updated in Purchase Receipt Item table.
2. Valuation Rate of items is recalculated based on new landed cost.
3. If you are using “Perpetual Inventory”, the system will post general ledger entries to correct Stock-in-Hand balance. It will debit (increase) corresponding “warehouse account” and credit (decrease) Expense Account mentioned in Taxes and Charges table. If items are already delivered, the Cost-of-Goods-Sold (CoGS) value has been booked as per the old valuation rate. Hence, general ledger entries are re-posted for all future outgoing entries of associated items, to correct CoGS value.

# Purchase Receipt

## Return Rejected Items

In the Purchase Receipt, you can **receive the Items** in the Accepted or the Rejected Warehouse.

If you are creating Purchase Return for the items received in the Rejected Warehouse, then create return entry following these steps.

- a. In the Purchase Receipt Item table, for the item to be returned, in the Received Qty field, enter return entry in negative.
- b. In the Accepted Warehouse field, set value as zero.
- c. In the Rejected Warehouse field, set the quantity to be returned in negative.
- d. For detailed steps on how to create Purchase Return Entry for the Rejected Item, refer to the below example.

# Purchase Receipt

## Return Rejected Items

https://baba.erpnext.com/desk#Form/Purchase%20Receipt/PREC-00044

E > Stock > Purchase Receipt Search or type a command (Ctrl + G) Eric Bana Help 20+ PREC-00044 Menu Cancel

Angel Broking ● To Bill

Comments	0	View ▾	Status ▾	Make ▾
ASSIGNED TO	Related Documents	RELATED	REFERENCE	
Assign +	Purchase Invoice		Purchase Order 1	
ATTACHMENTS	Landed Cost Voucher		Quality Inspection	
Attach File +			Project	
TAGS	RETURNS			
Add a tag...	Stock Entry			
SHARED WITH	Supplier	Date		
+ 0	SUPP-00001	14-12-2016		
You edited this	Supplier Name	Posting Time		
	Angel Broking	10:46:32.840557		

h.

# Purchase Receipt

## Purpose of Stock Received but not Billed

When purchased items are received, an accounts posting is done based on the value of the purchased items in the Stock-in-hand / fixed-assets account. When you sell and deliver those items, an expense (cost-of-goods-sold) is booked, equal to the buying cost of the items.

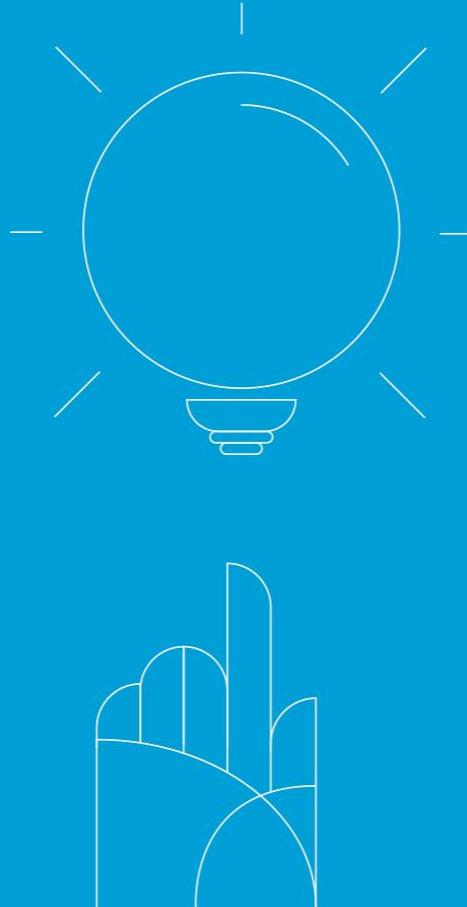
As stock balance increases through Purchase Receipt, Warehouse account is debited and an adjustment account called **Stock Received But Not Billed account** is credited. At the same time, the negative expense is booked in account head having category as "Valuation" or "Total and Valuation" in taxes and charges table for the amount added for valuation purpose, to avoid double expense booking.

On receiving Bill from the supplier, you will make Purchase Invoice against a Purchase Receipt. Here **Stock Received But Not Billed account is debited**, hence nullifies the balance in the Stock Received but not Billed Account.

*The balance in the Stock Received but not Billed account indicates the value of items for which Purchase Receipt has been made, but billing is pending.*

hooman.

# ERPNext: Stocks: Fulfillment and Delivering of Stock Transactions



# Pick List

A **Pick List** is a document that indicates which items should be taken from your inventory to fulfill orders.

This is particularly useful for shippers with a large amount of inventory, volume of orders, or customers ordering many

**Stock Keeping Unit(SKU)**. Pick list selects Warehouse where an Item is available on FIFO (First-In-First-Out) basis.

Selection of Warehouse for a batched item is different. In case of batched items, Warehouse where the batch is nearer to its expiry will be selected.

To access Pick List, go to:

[Home > Stock > Stock Transactions > Pick List](#)

## 1. Prerequisites

Before creating and using a Pick List, it is advised that you create the following first:

- Item
- Warehouse

# Pick List

## 1. How to create Pick List Manually

- a. Go to the Pick List list, click on New.
- b. Set the Company.
- c. Select the Purpose of Pick List. These are the options under Purpose:
  - i. **Delivery:** This option will let you add Items from a Sales Order, to deliver. After submitting Pick List a new Delivery Note can be created based on the Warehouse from which items were picked.
  - ii. **Material Transfer for Manufacture:** This will let you select a Work Order from which raw materials will be pulled for picking. You will be presented with an option to select the number of finished goods for which you want to pick raw materials. After picking the stock you can create Stock Entry for the picked items i.e., raw materials.
  - iii. **Material Transfer:** This will let you select a Material Request for which you want to pick items. After picking the stock you can create a Stock Entry for the picked items.
- d. Add **Item and the quantity** you want to pick in the Item Locations table. Click on [Get Item Locations](#) to get the Warehouse and other details for each Item.
- e. **Parent Warehouse:** If a parent Warehouse is selected, Warehouses only under that parent Warehouse will be suggested.



# Pick List

## 1. How to create Pick List

f. **Get Item Locations:** Once items to be picked is finalized you can click on the Get Item Locations button to get Warehouse selection for each item. Since Warehouse will be automatically fetched if you get an Item from any reference document, this button can be useful to manually add additional Items or change the quantity of existing Items in the Item Locations table. Pick list selects Warehouse where ***an Item is available on FIFO (First-In-First-Out) basis.***

g. **Item Locations:** This will have the information of the item location (Warehouse), Serial Number for serialized items and batch no for batched items.

h. If Serial Numbers are involved, the Item row will look like this:

Editing Row #4

Item	ITEM-00028: Macbook Pro - Serial	Description	Macbook Pro
Item Name	Macbook Pro - Serial		
Warehouse	Finished Goods - GTPL		
QUANTITY		UOM	
Qty	5	UOM	Nos
Stock Qty	5	UOM Conversion Factor	1
Picked Qty	5	Stock UOM	Nos
SERIAL NO AND BATCH			
Serial No	MAC000001 MAC000002 MAC000003 MAC000004 MAC000005		



# Pick List

## 1. How to create Pick List

### i. SAVE and SUBMIT.

E > Stock > Pick List

Search or type a command (Ctrl + G)

Settings Help Menu Cancel

Comments 0

Assigned To Assign +

Attachments Attach File +

Tags Add a tag ...

Reviews +

Shared With +

DASHBOARD

Stock Entry +

Delivery Note

Company Unico Plastics

Parent Warehouse All Warehouses - UP

Purpose Material Transfer

Items under this warehouse will be suggested

Item Locations

	Item	Warehouse	Qty	Stock Qty	Picked Qty	
<input type="checkbox"/>	1 Variant Item-L: Te...	Finished Goods - UP	1	1	1	▼
<input type="checkbox"/>	2 Hydro Flask	Finished Goods - UP	1	1	1	▼
<input type="checkbox"/>	3 Lunch Box	Finished Goods - UP	1	1	1	▼

Add Row

# Pick List

## 2. Create Pick List from a Sales Order

- a. Go to a Sales Order.
- b. Click on the Create button on the top right of the form and then click the Pick List option.
- c. Once you click Pick List, all the data required for Pick List will be fetched from the Sales Order.
- d. You should be able to see the Item Locations Table with the Warehouse selected for each item.
- e. Save this document and it can be used for stock picking by the person performing this activity.
- f. Submit the document once the stock picking is done and picked item quantities are updated in the document.

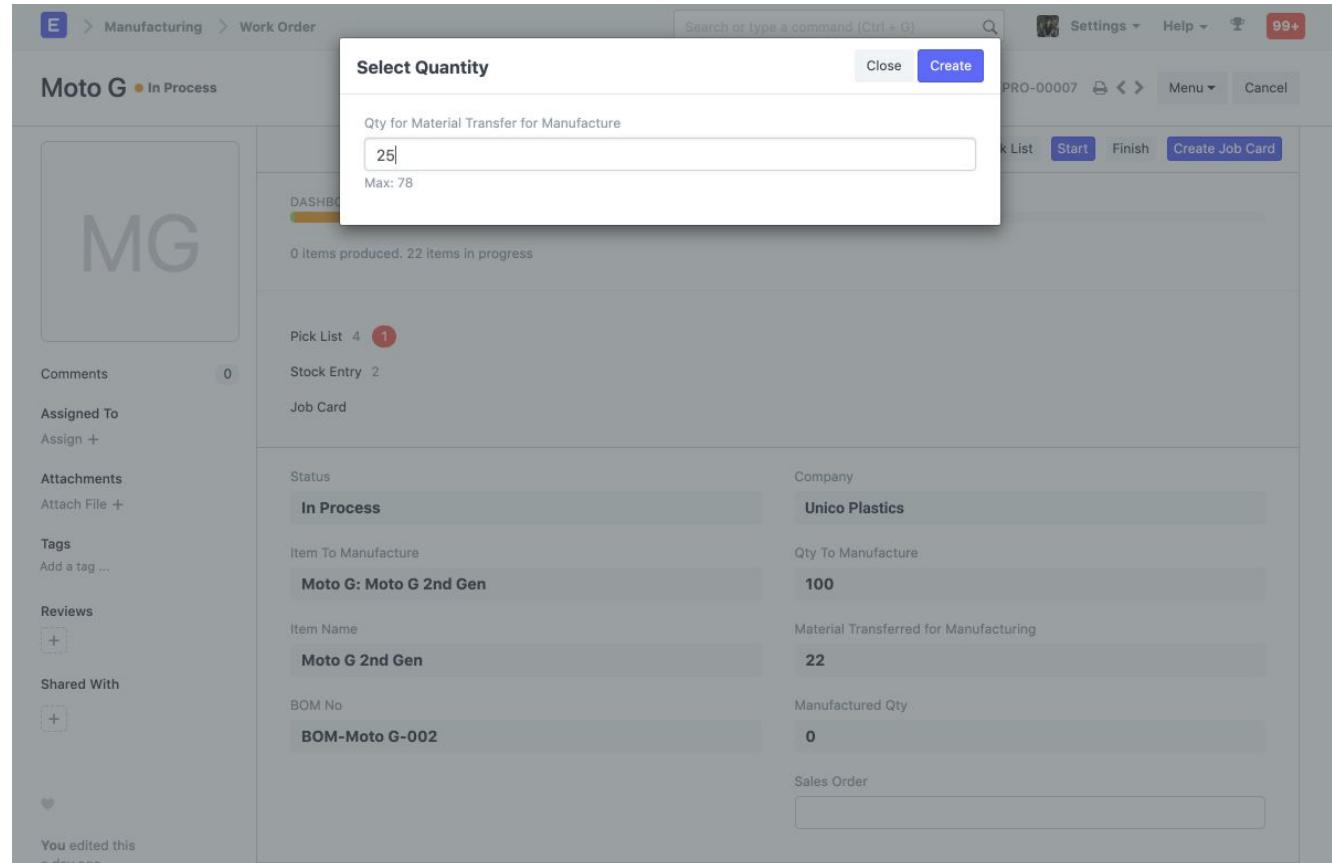
**Tip:** You can create a Pick List for multiple Sales Order from the same Customer. Click on Get Items and select the Sales Orders.

**Note:** Pick list can only be created for Sales Orders which has pending Items to be delivered. **A Delivery Note can be created only if the Pick List is submitted.**

# Pick List

## 3. Create Pick List from a Work Order

- a. Go to a Work Order.
- b. Click Create Pick List button.
- c. You'll see the dialog box asking for the quantity of Finished Goods Item. This is required to calculate the number of raw material items required to manufacture the entered quantity of Finished Goods Item.



## Pick List

### 3. Create Pick List from a Work Order

- d. You should be able to see the Item locations table with the Warehouse selected for each raw material item.
- e. Save this document and then this document can be forwarded to the person who is picking the stock.
- f. Submit the document once the stock picking is done and the picked item is updated in the document accordingly.

**Note:** Pick list can only be created for Work Orders that are still in the state of '[Not Started](#)' or '[In Progress](#)'.

A Stock Entry can be created only after the Pick List is submitted.

# Pick List

## 4. Create Pick List from Material Request

- a. Go to a Material Request.
- b. Click on Create button and then click Pick List option.
- c. You should be able to see the Item Locations table with the Warehouse selected for each item in Material Request.
- d. Save this document and then this document can be forwarded to the person picking the stock.
- e. Submit the document once the stock picking is done and the picked item is updated in the document accordingly.

**Note:** Only Material Requests with type '[Material Transfer](#)' can be used for Pick List creation.

A Stock Entry of type 'Material Transfer' can be created after the Pick List is submitted.

# Pick List

The screenshot shows the 'New Pick List 1' screen with the status 'Not Saved'. The interface includes a top navigation bar with 'E > Stock > Pick List', a search bar, settings, help, and a notifications icon (99+). The main form has sections for Series (STO-PICK-YYYY-), Parent Warehouse, Company (Gadget Technologies Pvt. Ltd.), Purpose (Material Transfer for Manufacture), Work Order, and Item Locations. The Item Locations section contains a table with columns: Item, Warehouse, Qty, Stock Qty, and Picked Qty. A note states: 'Items under this warehouse will be suggested' and 'Get Item Locations'. A 'Save' button is located in the top right corner.

**Update Current Stock**

If a Pick List is outdated, there could be a shift in stock availability by the time a Delivery Note or Stock Entry is created against it.

Clicking Update Current Stock will update the quantities and warehouses in the Item Locations table.

**Note:** This button is visible as long as there are no Delivery Notes or Stock Entries against the Pick List.

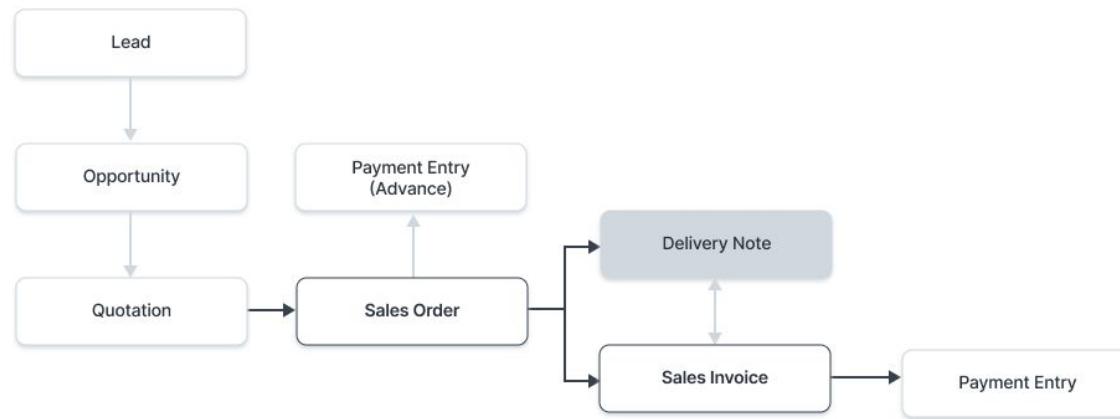
# Delivery Note

A **Delivery Note** is made when a shipment is shipped from the company's Warehouse to the customer.

A copy of the Delivery Note is usually sent with the transporter. The Delivery Note contains the list of Items that are sent in the shipment and updates the inventory. The Delivery Note is an optional step and a Sales Invoice can be created directly from a Sales Order.

To access the Delivery Note list, go to:

[Home > Stock > Stock Transactions > Delivery Note](#)



# Delivery Note

## 1. Prerequisites

Before creating and using a Delivery Note, it is advised that you create the following first:

- Sales Order

## 2. How to create a Delivery Note

The entry of the Delivery Note is very similar to a Purchase Receipt. It is usually created from a "Submitted" Sales Order (that is not shipped) by clicking on [Create > Delivery](#).

To create a Delivery Note manually (not recommended), follow these steps:

New

- Go to the Delivery Note list, click on New button.
- The Customer and Item details can be fetched by clicking on 'Get Items from > Sales Order'.
- The UOM and Rates will be fetched automatically.
- SAVE and SUBMIT.**

## **Delivery Note**

To fetch Items from a Sales Order, click on Get Items from > Sales Order. This will open a popup from where you can search for Sales Orders and select one.

You will notice that all the information about unshipped Items and other details are carried over from your Sales Order if you create the Delivery Note from there.

You can also edit the posting date and time, the current date and time are set when you create the Delivery Note.

### **Partial Deliveries**

When you create a Delivery Note from a Sales Order, the quantities can be changed. So if the Sales Order contains 10 Items to be delivered and you're delivering only 5 this week and the remaining next week, then you can create 2 Delivery Notes in two weeks.

# Delivery Note

## Scenario

**When submitting a Delivery Note, receiving a message says that item's stock is insufficient, but you still have item's stock available in the Warehouse.**

On submission of Delivery Note, stock level is checked as on Posting Date and Posting Time of a Delivery Note. It's possible that you have stock of an Item available in the Warehouse. But if you are creating backdated Delivery Note, and if item was not available in the warehouse on the Posting Date and Posting Time of Delivery Note, you are likely to receive an error message on the negative stock. You can refer to the Stock Ledger report to confirm the same.

If this is the case, you should edit the Posting Date and Time of a Delivery Note, and ensure that it is after the Posting Date and Time of item's receipt entry.

# Delivery Note

## Other fields available:

- **Customer Purchase Order Details:** You can enter the Customer's Purchase Order number here for Reference.
- **Address and Contact**
  - **Shipping Address:** The Customer's address where the Items will be shipped.
  - **Contact Person:** If the Customer is an organization, add the Contact person in this field.
- **Currency and Price List:** You can set the currency in which the Deliver Note is to be sent. This is usually fetched if set in the Sales Order. If you set a Pricing List, then the item prices will be fetched from that list. Ticking on Ignore Pricing Rule will ignore the Pricing Rules set in Accounts > Pricing Rule.
- **Warehouses**
  - **Set Source Warehouse:** This is where the Items will be sourced from to send to the Customer.
  - **To Warehouse:** In a regular Sales scenario, the Item exits your Warehouse and reaches the Customer. However, if you wish to retain sample stock, enter a Warehouse here.



# Delivery Note

## Other fields available:



- **Items Table**

- **Barcode:** You can track Items using barcodes.
- The Item Code, name, description, Image, and Manufacturer will be fetched from the Item master.
- **Scan Barcode:** You can add Items in the Items table by scanning their barcodes if you have a barcode scanner. *Read more on the item manual.*
- **Discount and Margin:** You can apply a discount on individual Items percentage-wise or the total amount of the Item. *Read Applying Discount manual.*
- **Rate:** The Rate is fetched if set in the Price List and the total Amount is calculated.
- **Item Tax Template:** You can set an Item Tax Template to apply a specific Tax amount to this particular Item.
- The **Item Weight** details per unit and Weight UOM are fetched if set in the Item master.
- **Warehouse and Reference:** The Warehouse from which the Items are sent to the Customer is shown. Also, a Sales Order will be shown if this Delivery Note was the creation flow: 'Sales Order > Delivery Note'.

# Delivery Note

## Other fields available:



- **Items Table**
  - **Batch No and Serial No:** If your Item is serialized or batched, you will have to enter Serial Number and Batch in the Items table. You are allowed to enter multiple Serial Numbers in one row (each on a separate line) and you must enter the same number of Serial Numbers as the quantity.

The 'Available Qty at From Warehouse', 'Available Batch Qty at From Warehouse', and 'Installed Qty' will be shown. To know more about installation, *read the Installation Manual*.

- **Note: The Item has to be serialized or batched for these features to work. If the Item is serialized a popup will appear where you can enter the Serial Numbers.**
- **Expense Account** is the account from which the amount will be debited. Ticking on '[Allow Zero Valuation Rate](#)' will allow submitting the Delivery Note even if the Valuation Rate of the Item is 0. This can be a sample item or due to a mutual understanding with your Supplier.
- **Accounting Dimensions** help to tag each transaction with different Dimensions without the need for creating new Cost Centers.
- **Page Break** will create a page break just before this Item when printing.

# Delivery Note

## Other fields available:

- **Tracking Quality Inspection**

If for certain Items, it is mandatory to record Quality Inspections (if you have set it in your Item master/record), you will need to update the "Quality Inspection" field. The system will only allow you to "Submit" the Delivery Note if you update the "Quality Inspection".

After enabling Inspection Criteria in the Item form for Sales and attaching a Quality Inspection Template there, Quality Inspections can be recorded in Delivery Notes.

- **Taxes and Charges**

- The Taxes and Charges will be fetched from the Sales Order.
- Make sure to mark all your taxes in the Taxes and Charges table correctly for an accurate valuation.

- **Shipping Rule:** A Shipping Rule helps set the cost of shipping an Item. The cost will usually increase with the distance of shipping. Using the Shipping Rule you can define the cost for delivering the product to the customer the supplier. You can define different shipping rules or a fixed shipping amount for the same item across different territories.

# Shipping Rule

To access Shipping Rule, go to:

[Home > Selling > Items and Pricing > Shipping Rule](#)

## 1. How to create a Shipping Rule

New

- a. Go to the Shipping Rule list, click on New button.
- b. Enter the Shipping Rule label, for example 'Priority Shipping' or 'Next Day Shipping'.
- c. Proceed with accounting details like Shipping Account, Cost Center to which amount will be charged, and Shipping Amount.
- d. Under Calculate Based On, you can also change the calculation on which the Shipping Rule will be applied like net total quantity or net total weight, by default it is "Fixed". On selecting Net Total or Net Weight, a Shipping Rule Condition table will appear where you can set the from and to values for the amount or weight.

Enter the Shipping Amount to be calculated for the entered range. Add more conditions as necessary. You can select only one of the three calculation methods in one Shipping Rule.



# Shipping Rule

## 1. How to create a Shipping Rule

### e. Restrict to Countries

You can restrict the Shipping Rule to certain countries, add the countries in the table. By default, the Shipping Rule will be applicable globally.

### f. SAVE.

Disabled

Shipping Rule Type

Selling

ACCOUNTING

Company

Prasad tech

Shipping Account

Sales - PT

Cost Center

Main - PT

Calculate Based On

Fixed

Shipping Amount

399.00



# Delivery Note

## Other fields available:

- **Additional Discount:** Any additional discounts to the whole order can be set in this section. This discount could be based on the Grand Total i.e., post tax/charges or Net total i.e., pre tax/charges. The additional discount can be applied as a percentage or an amount.
- **Terms and Conditions:** In Sales/Purchase transactions there might be certain Terms and Conditions based on which the Supplier provides goods or services to the Customer. You can apply the Terms and Conditions to transactions to transactions and they will appear when printing the document.
- **Transporter Information:** If you outsource transporting Items to their delivery location, the transporter details can be added. This is not the same as drop shipping.
  - **Transporter:** The Supplier who will transport the Item to your Customer. The transporter feature should be enabled in the Supplier master to select the Supplier here.
  - **Driver:** You can add a Driver here who will drive the mode of transport.
    - **The following details can be recorded:**
      - Distance in km
      - Mode of Transport whether road, air, rail, or ship.

# Delivery Note

## Other fields available:

- **More Information:** The Delivery Note can be linked to the following for tracking purposes:
  - Project
  - Campaign
  - Source
- **Printing Settings**
  - **Letterhead:** You can print your Delivery Note on your company's letterhead.
  - '**Group same items**' will group the same items added multiple times in the Items table. This can be seen when you print.
  - **Print Headings:** Delivery Note headings can also be changed when printing the document. You can do this by selecting a Print Heading. To create new Print Headings go to: Home > Settings > Printing > Print Heading.
  - There are additional checkboxes for **printing the Delivery Note without the amount**, this might be useful when the Item is of high value. You can also group the same Items in one row when printing.

# Delivery Note

## Other fields available:

- **Status:** The status of the document and installation percentage is shown here. Any additional instructions for delivery can be entered here.
- **Commission:** If the sale took place via one of your Sales Partners, you can add their commission details here. This is usually fetched from the Sales Order.
- **Sales Team - Sales Persons:** the system allows you to add multiple Sales Persons who may have worked on this deal.

This is usually fetched from a Sales Order, for example:

The screenshot shows the Zoho CRM interface for a Sales Order. The top navigation bar includes 'E' (Employee), '> Selling > Sales Order', a search bar ('Search or type a command (Ctrl + G)'), and 'Settings', 'Help', and '78' notifications. The main content area displays a Sales Order for 'Rohan' (Status: Not Saved). The 'SALES TEAM' section is expanded, showing a table of sales team members:

	Sales Person	Contribution (%)	Contribution to Ne...	Commission Rate	Incentives	
<input type="checkbox"/>	Ramu	70	₹ 26,327.24		₹ 500.00	<input type="button" value="▼"/>
<input type="checkbox"/>	Karan	30	₹ 11,283.10		₹ 150.00	<input type="button" value="▼"/>

At the bottom of the table, there is a button labeled 'Add Row'.

# Delivery Note

## Other fields available:

- **Shipping Packets or Items with Product Bundle**

If you are shipping Items that have a Product Bundle, the system will automatically create a “Packing List” table for you based on the sub-Items in that Item.

If your Items are serialized, then for Product Bundle type of Items, you will have to update the Serial Number in the “Packing List” table.

- **Packing Items into Cases, for Container Shipment**

If you are doing making the delivery via container shipment or by weight, then you can use the Packing Slip to break up your Delivery Note into smaller units.

You can create multiple Packing Slips for your Delivery Note and the system will ensure that the quantities in the Packing Slip do not exceed the quantities in the Delivery Note.

***Note that you can create a Packing Slip from a Delivery Note only when the Delivery Note is in the Draft stage.***



# Delivery Note

## Other fields available:

- **After Submitting:** When the Delivery Note is submitted, a Stock Ledger Entry is made for each Item and stock is updated. Pending Quantity in the Sales Order is updated (if applicable).

The screenshot shows a software interface with a header bar containing a logo, navigation links (Stock > Delivery Note), a search bar, and various system icons. Below the header is a user profile section for 'Archie' with a 'To Bill' status indicator. To the right of the profile is a document identifier 'MAT-DN-2019-00006' and standard document control buttons (Print, Back, Forward, Menu, Cancel). The main area is a dashboard titled 'DASHBOARD'. It displays several cards: 'Related' (Sales Invoice, Packing Slip, Delivery Trip +), 'Reference' (Sales Order 1, Quality Inspection), 'Returns' (Stock Entry), and 'Subscription' (Auto Repeat +). A 'Create' button is located at the top right of the dashboard. A context menu is open over the 'Delivery Trip' card, listing options: Installation Note, Sales Return, Delivery Trip, Sales Invoice, and Subscription.

The Dashboard will show the following options:

- Installation Note
- Sales Return
- Delivery Trip
- Sales Invoice

# Delivery Note

## Other fields available:

- **Returning a Sales Order:** Once you've delivered a Sales Order using a Delivery Note, you can create a return entry in case the Customer returns the Item. To know more, *visit the Sales Return manual*.
- **Skipping Delivery Note:** If you don't want to create a Delivery Note after a Sales Order and directly want to create a Sales Invoice, enable the feature for it in [Selling Settings](#).

## Sales Return

A sold Item being returned is known as a **Sales Return**.

Goods sold being returned happens commonly in business. They could be returned by the customer due to quality issues, non-delivery on the agreed date, or any other reason.

### 1. Prerequisites

Before creating and using a Sales Return, it is advised that you create the following first:

- Item
- Sales Invoice
- Or
- Delivery Note



# Sales Return

## 2. How to create a Sales Return

- First open the original Delivery Note / Sales Invoice, against which Customer returned the Items.

The screenshot shows a software application interface for managing stock and delivery notes. The top navigation bar includes 'Stock' and 'Delivery Note' tabs, a search bar, and various system settings like 'Settings', 'Help', and a notification badge '99+'. The main area displays a delivery note for 'Archie' (To Bill) with reference number 'MAT-DN-2019-00007'. On the left, there's a sidebar with sections for 'Comments' (0), 'Assigned To' (with an 'Assign +' button), 'Attachments' (with an 'Attach File +' button), 'Tags' (with an 'Add a tag ...' button), 'Reviews' (with a '+'), and 'Shared With' (with a '+'). The main content area shows a 'DASHBOARD' section with 'Related' items: 'Sales Invoice', 'Packing Slip 1', 'Delivery Trip +', 'Returns', and 'Stock Entry'. To the right, there are 'Reference' and 'Quality Inspection' sections, each with a 'Subscription' button. A 'Create' dropdown menu is open, listing options: 'Sales Return' (which is highlighted in blue), 'Delivery Trip', 'Sales Order', 'Sales Invoice', and 'Subscription'. At the bottom, the 'DELIVERY TO' section shows 'Customer' as 'Archie' and 'Company' as 'Unico Plastics Inc.'.

# Sales Return

## 2. How to create a Sales Return

- Then click on 'Create > Sales Return', it will open a new Delivery Note with 'Is Return' checked, Items, Rate, and taxes will negative numbers.

The screenshot shows a delivery note for 'Archie' in draft mode. The header includes navigation (E, Stock, Delivery Note), search bar, settings, help, and notifications (99+). The main area displays a table of items:

	Item Code	Quantity	UOM	Rate	Amount
<input type="checkbox"/>	1 ● Shaving Brush	-1	Nos	₹ 30.00	₹ -30.00

Buttons at the bottom of the table: Add Multiple, Add Row, Download, Upload.

Below the table, summary fields show:  
Total Quantity: -1  
Total (INR): ₹ -30.00  
Total Net Weight: 0

# Sales Return

## 2. How to create a Sales Return

- Then click on 'Create > Sales Return', it will open a new Delivery Note with 'Is Return' checked, Items, Rate, and taxes will negative numbers.

The screenshot shows a Zoho Inventory interface for creating a Sales Return. The top navigation bar includes 'E Stock > Delivery Note', a search bar, and various settings and help links. The main area is titled 'Archie • Draft' and shows a delivery note with the identifier 'MAT-DN-2019-00009'. The 'Items' section lists a single item: 'Shaving Brush' with a quantity of '-1'. The total quantity is '-1' and the total amount is '₹ -30.00'. Below the table are buttons for 'Add Multiple' and 'Add Row', and download/upload options. Summary sections at the bottom show 'Total Quantity' as '-1', 'Total (INR)' as '₹ -30.00', and 'Total Net Weight' as '0'.

Item Code	Quantity	UOM	Rate	Amount
Shaving Brush	-1	Nos	₹ 30.00	₹ -30.00

Total Quantity: -1  
Total (INR): ₹ -30.00  
Total Net Weight: 0

- You can also create the return entry against the original Sales Invoice, to return stock along with credit note, check "Update Stock" option in Return Sales Invoice.

# Sales Return

## 2. How to create a Sales Return

- On submission of Return Delivery Note / Sales Invoice, the system will increase stock balance in the mentioned Warehouse. To maintain correct stock valuation, stock balance will go up according to the original purchase rate of the returned items.

The screenshot shows the Stock Ledger module interface. At the top, there is a header bar with a search bar, settings, help, and notifications (99+). Below the header, the title 'Stock Ledger' is displayed, along with 'Menu' and 'Refresh' buttons. A 'Set Chart' button is located in the top right corner of the main grid area. The main grid displays a table with columns for Description, Warehouse, Stock UOM, Qty, Balance Qty, Incoming Rate, Valuation Rate, Balance Value, Voucher Type, and Voucher #. The first row of the grid contains placeholder values: 'Unico Plastics Inc.', '29-08-2019', '29-08-2019', 'Warehouse', 'Item', and 'Item Group'. Subsequent rows show actual data for a 'Shaving Brush' item. The bottom of the screen includes a footer note about comparison operators and execution time.

Description	Warehouse	Stock UOM	Qty	Balance Qty	Incoming Rate	Valuation Rate	Balance Value	Voucher Type	Voucher #
Shaving Brush	Stores - UP	Nos	1.000	90.000	₹ 40.00	₹ 40.00	₹ 3,600.00	Delivery Note	MAT-DN-201...

For comparison, use >5, <10 or =324. For ranges, use 5:10 (for values between 5 & 10).

Execution Time: 0.1 sec

# Sales Return

## 2. How to create a Sales Return

- In case of Return Sales Invoice, Customer account will be credited and associated income and tax account will be debited as shown in the Accounting Ledger.

General Ledger

Posting D...	Account	Debit (INR)	Credit (INR)	Balance (INR)	Voucher Type	Voucher No	Against Account	Party Type
1	Opening	0.000	0.000	0.000				
2	29-08-2019 Debtors - UP	0.000	3,549.000	-3,549.000	Sales Invoice	ACC-SINV-2019-00059	Sales - UP	Customer
3	29-08-2019 Rounded Off - UP	0.410	0.000	-3,548.590	Sales Invoice	ACC-SINV-2019-00059	Aamir	
4	29-08-2019 Sales - UP	3,112.800	0.000	-435.790	Sales Invoice	ACC-SINV-2019-00059	Aamir	
5	29-08-2019 VAT 14% - UP	435.790	0.000	0.000	Sales Invoice	ACC-SINV-2019-00059	Aamir	
6	Total	3,549.000	3,549.000	0.000				
7	Closing (Opening + Total)	3,549.000	3,549.000	0.000				

For comparison, use >5, <10 or =324. For ranges, use 5:10 (for values between 5 & 10). Execution Time: 0.1 sec

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4	29-08-2019 Sales - UP	3,112.800	0.000	-435.790	Sales Invoice	ACC-SINV-2019-00059	Aamir	
5	29-08-2019 VAT 14% - UP	435.790	0.000	0.000	Sales Invoice	ACC-SINV-2019-00059	Aamir	
6	Total	3,549.000	3,549.000	0.000				
7	Closing (Opening + Total)	3,549.000	3,549.000	0.000				

For comparison, use >5, <10 or =324. For ranges, use 5:10 (for values between 5 & 10). Execution Time: 0.1 sec

## Installation Note

An **Installation Note** can be created when a product/item is being installed or set up at the Customer's place.

For example, if you sell an Air Conditioner, a service person generally accompanies the delivery to install the Air Conditioner at the Customer's place. The service person can create an "Installation Note", to track the date and details of the installation.

To access the Installation Note list, go to:

[Home > Stock > Serial No and Batch > Installation Note](#)

### 1. How to create an Installation Note

An Installation Note is usually created from a Delivery Note. You can also create it manually and click on the '[From Delivery Note](#)' button to fetch details from a selected Delivery Note.

New

- a. Go to the Installation Note list, click on New button.
- b. The Customer, Item, and quantity will be fetched from the Delivery Note.
- c. The date and time are set to when the note is created.
- d. **SAVE and SUBMIT.**

# Installation Note

ERPNext > Selling > Installation Note

Search or type a command (Ctrl + G)

Demo User

287

Adaptas • Submitted

IN-00001



Menu



Any additional remarks about the installation can be added. If the Item is serialized, the serial numbers can be added in Items table.

## Installation Note

Customer

Adaptas

Installation Date

04-21-2015

Customer Address

Adaptas-Office

Installation Time

22:11:17

Contact Person

January Václavík-Adaptas

Status

Submitted

Name

Adaptas

Company

Wind Power LLC

Contact Email

JanVaclavik@example.com

Fiscal Year

2015

Territory

Rest Of The World

Customer Group

Commercial

Item Code	Description	Serial No	Installed Qty
1 009992233			1

# Packing Slip

A **packing slip** is a document that lists the items in a shipment.

It is usually attached to the goods delivered.

From a single Delivery Note, multiple Packing Slips can be created. It is useful when the shipment is packed in different boxes. Each box can have a weight and number of Items it contains. For example, if you're shipping 20 chairs in 4 boxes, each box can contain 5 chairs with different Packing Slips for each box.

To access the Packing Slip list, go to:

[Home > Stock > Tools > Packing Slip](#)

**Note:** In order to create Packing Slips from a Delivery Note, the Delivery Note needs to be in the Draft stage.

## 1. Prerequisites

Before creating and using a Packing Slip, it is advised that you create the following first:

- Delivery Note



# Packing Slip

## 2. How to create a new Packing Slip

Usually, you **should create a Packing Slip from a Delivery Note** when it is in the Draft stage, however, if you want to create a Packing Slip manually, follow these steps [as long as Delivery Note is still not submitted.](#)

New

- a. Go to the Packing Slip list, click on New button.
- b. Select the Delivery Note.
- c. Enter the From Package No of this Packing Slip.
  - i. **To Package No:** If there are multiple packages of the same type to be shipped at once then set the From and To Package numbers. For example, package numbers 1 to 5 in one Packing Slip, then package numbers 6 to 10 in the next Packing Slip and so on. This will be shown if you print the Packing Slip. Note that this will only work if you Shipment has that many quantities of the Items.
- d. Click on the **Get Items button** to fetch the Items and Quantities into the Items table.
  - i. If this is a Batched Item, you'll have to select the Batch Number.
  - ii. The Quantity, UoM, Net Weight, and Weight UoM will be fetched from the Delivery Note.
  - iii. **The quantity encoded should be how much quantity was packed on the box or per package.**
  - iv. Page Break will create a page break just before this item when printing.

# Packing Slip

## 2. How to create a new Packing Slip

### e. Package Weight

- **Net Weight:** This is calculated as the sum of weights of all Items in the table.
- **Gross Weight:** This is the final total weight including the weight of the packing materials used.
- **Gross Weight UOM:** A UoM can be set here for the final weight of the product.

### f. Letterhead:

You can print your Packing Slip on your company's letterhead.

### g. SAVE.

The screenshot shows the ERPNext application interface for creating a new Packing Slip. The top navigation bar includes 'ERPNext > Stock > Packing Slip'. The search bar contains 'Search or type a command (Ctrl + G)'. On the right, there are buttons for 'Demo User', a trash icon, and a red '319' badge. Below the header, the document number 'PS0000019' is displayed with a status 'Submitted'. The main form fields include 'Delivery Note' (set to 'DN-00045'), 'Series' (set to 'PS-'), and a note indicating it's a part of a delivery note (Only Draft). Other fields include 'From Package No.' (set to '1') and 'To Package No.' (set to '1'). A note for multiple packages states: 'Identification of the package for the delivery (for print)' and 'If more than one package of the same type (for print)'. At the bottom, a table lists items with columns: Item Code, Item Name, Quantity, Net Weight, and Page Br... The first item listed is '1 panel' with a quantity of '10'.

Item Code	Item Name	Quantity	Net Weight	Page Br...
1	panel	10	x	

Most of these details will be fetched if you create the Packing Slip from the Delivery Note.

# Delivery Trip

A **Delivery Trip** records Customer Deliveries in one vehicle.

Multiple stops can also be added and Submitted Delivery Note can be tagged per Customer.

## 1. How to create a Delivery Trip

A Delivery Trip can be created from a Delivery Note by clicking on '[Create > Delivery Trip](#)'.

New

- a. Go to: Stock > Stock Transactions > Delivery Trip > New button
- b. Select the Driver and Vehicle, create both if not present.
- c. Set the date, departure date and time.
- d. Add any customers for delivery stops. The address will be fetched if already set on the Customers.  
Customers can also be fetched by clicking on '[Get customers from > Delivery Note](#)'.
- e. **SAVE and SUBMIT.**

If the Customer address and the Driver address are set, you can calculate the estimated arrival time for the deliveries. This data is fetched from Google Maps.



# Delivery Trip

Additional Delivery Stops can be added by clicking on the Add Row button before submitting:

The screenshot shows a software interface for managing delivery trips. At the top, there's a navigation bar with icons for Home (E), Stock, Delivery Trip, a search bar, Settings, Help, and notifications (99+). Below the navigation is a header with the user name "Raju" (Draft) and a trip identifier "MAT-DT-2019-00002". On the right are buttons for "Menu" and "Submit".

The main area is titled "DELIVERY STOPS" and contains a table labeled "Delivery Stop". The table has columns for a checkbox, Customer, Address Name, Lock, Delivery Note, Estimated Arrival, and a dropdown menu. One row is visible, showing a stop for "Aamir" at "Home-Billing-1". Below the table is a red-bordered button labeled "Add Row".

At the bottom, there are two buttons: "Calculate Estimated Arrival Times" and "Optimize Route", each with a descriptive subtitle.

<input type="checkbox"/>	Customer	Address Name	Lock	Delivery Note	Estimated Arrival	
<input type="checkbox"/>	1 Aamir	Home-Billing-1		MAT-DN-2019-00010	30-08-2019, 3:21 p...	

# Delivery Trip

Using Google Maps,  
the best route for the  
deliveries will be  
calculated.

E > Stock > Delivery Trip

TOUR-00003 • Draft

Comments 0

ASSIGNED TO

Assign +

ATTACHMENTS

Attach File +

TAGS

Add a tag...

SHARED WITH

+

0

You edited this a few seconds ago

You created this an hour ago

Search or type a command (Ctrl + G)

A Administrator Help 99+

Submit

Initial Email Notification Sent

Company

ESO Electronic Service Ottenbreit GmbH

Date

01-11-2017

Driver

DRIVER-00001

Departure Time

04:13:49

Driver Name

asdasdasd

Europe/Berlin

Vehicle

KH-ES 250

DELIVERY STOPS

	Customer	Address Name	Contact Name	Estimated Arrival	
<input type="checkbox"/>	1 Sample Customer	Sample Customer-Billing	Sample Contact-Sam...	04:13:58	▼

Add Row

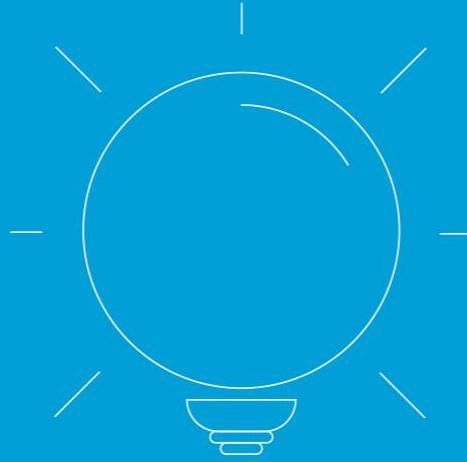
Calculate Estimated Arrival Times

Delivery Notification

Delivery Trip

hooman.

# ERPNext: Stocks: Quality Inspection



# Quality Inspection

In ERPNext, you can mark your **incoming or outgoing products** for Quality Inspection.

To enable this feature go to:

**Home > Stock > Tools > Quality Inspection**

The screenshot shows the Quality Inspection setup for the item 'Shaving Brush'. The top navigation bar includes 'Stock' and 'Item' under 'E', a search bar, and various system icons. The main section displays inspection criteria: 'Inspection Required before Purchase' is unchecked, while 'Inspection Required before Delivery' is checked. A 'Quality Inspection Template' field contains the value 'Shaving Brush Inspection'. On the right, there are standard ERPNext buttons for printing, navigating, and saving.

## 1. Prerequisites

Before creating and using a Quality Inspection, it is advised that you create the following first:

- Item
- Enable Quality Inspection Criteria in the Item master:

# Quality Inspection

## 2. How to create a new Quality Inspection

- a. From a **Purchase Receipt/Delivery note** in the **Draft stage**, go to the Item table's Quality Inspection field and click on Create a New Quality Inspection.
- b. Select the **inspection type** whether Incoming (Purchase), Outgoing (Sales), or In Process (Manufacturing). Select the Reference document type whether Purchase Receipt, Purchase Invoice, Delivery Note, Sales Invoice, or, Stock Entry.
- c. Select the Item and set the sample size which will be inspected. Note that only Items for which Inspection Criteria is enabled in the Item master will be fetched.
- d. The Quality Inspection Template set in the Item master will be fetched.
- e. You can change who it's inspected by and also add who it's verified by.
- f. Any additional Remarks about the Inspection can be added.
- g. **SAVE and SUBMIT.**

# Quality Inspection

E > Stock > Quality Inspection

Search or type a command (Ctrl + G)



P

Settings ▾

Help ▾



99+

MAT-QA-2019-00005 • Submitted



Menu ▾

Cancel

Comments

0

Report Date

29-08-2019

Inspection Type

Outgoing

Assigned To

Assign +

Attachments

Attach File +

Tags

Add a tag ...

Reviews



Shared With



You edited this

a minute ago

Item Code

Shaving Brush

Item Name

Shaving Brush

Sample Size

3

Description

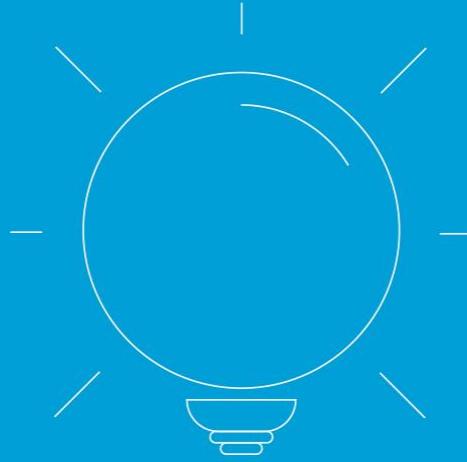
Shaving Brush

Status

Accepted

hooman.

# ERPNext: Stocks Details



# Opening Stock Balance

## System Managers Only

**Opening Stock** is the amount and value of materials that a company has available for sale or use at the beginning of an accounting period.

The closing Stock of the previous accounting period becomes the **Opening Stock** of the current accounting period.

### 1. Prerequisites

- a. Item (with ticked checkbox of maintain stock)
- b. Create Warehouses.
- c. Link Warehouse to appropriate accounting ledgers.

### 2. Opening Stock for Non-serialized Items

- You can use the Stock Reconciliation for non-serialized items only but it is best to use the Stock Entry with type of Material Receipt.

### 3. Opening Stock for Serialized and Batched Items

- Create the Batch and Serial No records beforehand. To post opening stock for serialized and batched items.
- Use the Stock ENtry with type of Material Receipt and “Is opening” as YES.



# Opening Stock Balance

## System Managers Only

**Question:** Why Opening Balance entry for the Serialized and Batch Item cannot be updated via Stock Reconciliation?

In the ERPNext, stock level of a serialized item is derived based on the count of Serial Nos for that item. Hence, unless Serial Nos. are created for the serialized item, its stock level will not be updated. In the Stock Reconciliation Tool, you can only update opening quantity of an item, but not the Serial No. and Batch No.

Since quantity type of serialized items are based on the serial created, the posted quantity of the Stock Reconciliation was not recognized or loaded on the stock level.

## Opening Balance for the Serialized Item and Non-Serialized Item

Following are the steps to create opening stock balance entry for the Serialized and Batch item and Non-Serialized.

**Step 1: New Stock Entry:** Stock > Stock Entry > New button

**Step 2: Select Purpose/Stock Entry Type:** Stock Entry Purpose should be updated as **Material Receipt**.



# Opening Stock Balance

System Managers Only

## Opening Balance for the Serialized Item and Non-Serialized Item

**Step 3: Update Posting Date:** Posting Date should be date on which you wish to update opening balance for an item. Tick the checkbox Edit Posting Date and Time for postdate or antedates.

**Step 4: Update Target Warehouse:** Target Warehouse will be one in which opening balance of an item will be updated or if they have the same Target Warehouse, just set the Default Target Warehouse field.



### Item Table

**Step 5: Select Items:** Select Items for which opening balance is to be updated. Encode the quantity and Basic Rate.

**Step 6: Update Opening Qty:** for the serialized item, update quantity as many Serial Nos are their.

*For the serialized item, mention Serial Nos. equivalent to its Quantity or if Serial Nos. are configured to be created based on Prefix, then no need to mention Serial Nos. manually. Read more on the Serial Number Manual.*

For a batch item, provide Batch ID in which opening balance will be updated. Keep batch master ready, and updated it for the Batch Item. *Read more on the Batch Manual.*



# Opening Stock Balance

## System Managers Only

### Opening Balance for the Serialized Item and Non-Serialized Item

**Step 7: Update Item Valuation Rate:** Update valuation rate, which will be per unit value of item. If different units of the same items having different valuation rate, they should be updated in a separate row, with different Valuation Rates. You can also, tick the checkbox for Allow Zero Valuation Rate.

### **Step 8: Difference Account**

As per perpetual inventory valuation system, accounting entry is created for every stock transaction. Double entry accounting system requires Total Debit matching with Total Credit in an entry. On the submission of Stock Entry, system debits Warehouse account by total value of items. To balance the same, we use Temporary Opening account as a Difference Account.

**Step 9: More Information:** Do not forget to make "Is Opening" as YES. And you can add other remarks.

**Step 10: Save and Submit Stock Entry:** On submission of Stock Entry, stock ledger posting will be posted, and opening balance will be updated for the items on a given Posting Date. Accounting Ledger will be updated too as well as the Stock Level. Serial numbers encoded will be created.



# Stock Reconciliation Tool

Used for a higher position only.

## How to Create a Stock Reconciliation to Reconcile Book and Physical Stock Count

**Stock Reconciliation** is the process of counting and evaluating stock-in-trade, periodically and at year-end in order to value the total stock for preparing accounting statements. In this process, the actual physical stocks are checked and recorded in the system. The actual stocks and the stock in the system should be in agreement and accurate. If they are not, you can use the Stock Reconciliation tool to reconcile stock balance and value with actuals.

To reconcile the stock:

- a. Go to the Stock Reconciliation list, click on New button.
- b. Select the Purpose as 'Stock Reconciliation'. You can edit the posting Date and Time.
- c. Set Item Code, Warehouse.
- d. The current Quantity and Valuation Rate will be fetched, change the quantity as required.
- e. The expense account in Difference Account will be set to 'Stock Adjustment' by default.
- f. The Cost Center default will be 'Main', change if needed.
- g. **SAVE and SUBMIT.**



# Stock Reconciliation Tool

[Used for a higher position only.](#)

## Upload Data Through Spreadsheet

If you have a lot of items, you can upload the details via a spreadsheet.

The screenshot shows the Odoo Stock Reconciliation tool. At the top, there's a breadcrumb navigation: E > Stock > Stock Reconciliation. To the right are search, settings, help, and notifications (99+). Below the header, the title "New Stock Reconciliation 1" is displayed with a "Not Saved" status. A large blue "Save" button is on the right. The main area has tabs for "Items" and "Series". Under "Series", fields include "MAT-RECO-.YYYY.-" for Series, "02-09-2019" for Posting Date, "Unico Plastics Inc." for Company, "16:04:07" for Posting Time, and "Stock Reconciliation" for Purpose. There's also a checkbox for "Edit Posting Date and Time". Under the "Items" tab, there's a table with columns: Item Code, Warehouse, Quantity, and Valuation Rate. One row is present with item code "1". At the bottom, there are "Add Row", "Download" (button highlighted with a red box), and "Upload" buttons.

**1. Download Template**

Open new Stock Reconciliation and click on Download button to download the template in CSV format.

# Stock Reconciliation Tool

Used for a higher position only.

## 2. Enter Data in CSV Template.

The CSV format is case-sensitive. Do not edit the headers which are pre-set in the template. In the Item Code and Warehouse column, enter exact Item Code and Warehouse as created in your ERPNext account. For quantity, enter the stock level you wish to set for that item, in a specific warehouse.

Items\_new

Bulk Edit Items											
Barcode	Item Code	Item Name	Warehouse	Quantity	Valuation Rate	Amount	Serial No	Batch No	Current Qty	Current Serial No	Current Valuation Rate
barcode	item_code	item_name	warehouse	qty	valuation_rate	amount	serial_no	batch_no	current_qty	current_serial_no	current_valuation_rate
<b>The CSV format is case sensitive</b>											
<b>Do not edit headers which are preset in the template</b>											
-----											
	Plastic bullets	"Plastic bullets"	Stores - UP	85	150				80		150
	Plastic Cane	"Plastic Cane"	Stores - UP	47	50				60		50
	PB1L	"PB1L"	Stores - UP	92	40				80		40
	PB 2L	"PB 2L"	Stores - UP	20	65				20		60
	Plastic pellets A	"Plastic pellets A"	Stores - UP	22	0				22		0



# Stock Reconciliation Tool

Used for a higher position only.

3. Upload the CSV file with the data by clicking on 'Upload' button.

The screenshot shows the 'Stock Reconciliation' tool interface. At the top, there's a navigation bar with icons for Home, Stock, and Stock Reconciliation, followed by a search bar and a notification badge for 99+ items. Below the header, the title 'New Stock Reconciliation 1' is displayed with a note 'Not Saved'. On the right, there's a 'Save' button. The main area is divided into sections: 'Series' (containing 'MAT-RECO-.YYYY.-'), 'Posting Date' ('02-09-2019'), 'Company' ('Unico Plastics Inc.'), 'Posting Time' ('16:04:07'), 'Purpose' ('Stock Reconciliation'), and an 'Edit Posting Date and Time' checkbox. A large 'Items' section at the bottom contains a table with columns for Item Code, Warehouse, Quantity, and Valuation Rate. An 'Add Row' button is at the bottom left of the table, and 'Download' and 'Upload' buttons are at the bottom right. The 'Upload' button is highlighted with a red box.

	Item Code	Warehouse	Quantity	Valuation Rate
<input type="checkbox"/>	1			

Add Row      Download      **Upload**

# Stock Reconciliation Tool

Used for a higher position only.

## 4. Review, Save and Submit.

The screenshot shows the 'Stock Reconciliation' screen. At the top, there's a navigation bar with icons for Home (E), Stock, Stock Reconciliation, a search bar ('Search or type a command (Ctrl + G)'), Settings, Help, and a notifications badge ('99+'). Below the header, the title 'New Stock Reconciliation 1' is displayed with a status 'Not Saved'. A large blue 'Save' button is on the right.

The main area is divided into two sections: 'Series' and 'Items'.

**Series:**

- Series: MAT-RECO-.YYYY.-
- Posting Date: 02-09-2019
- Company: Unico Plastics Inc.
- Posting Time: 16:44:46
- Purpose: Stock Reconciliation
- Edit Posting Date and Time

**Items:**

	Item Code	Warehouse	Quantity	Valuation Rate	
<input type="checkbox"/>					
<input type="checkbox"/>	1				

Buttons at the bottom include 'Add Row', 'Download', and 'Upload' (with a cursor pointing to it).

# Stock Reconciliation Tool

Used for a higher position only.

## 5. Check Stock Ledger Report for updated stock balance.

The screenshot shows a software interface for a 'Stock Ledger' report. At the top, there's a navigation bar with icons for 'E' (Edit), 'Stock', a search bar ('Search or type a command (Ctrl + G)'), settings, help, and a notification badge ('99+'). Below the header, the title 'Stock Ledger' is displayed, along with 'Menu' and 'Refresh' buttons. The main area contains a table with the following columns: Date, Item, Item Name, Item Group, Brand, Description, Warehouse, Stock UOM, Qty, Balance Qty, and Ir. The table has several rows of data, each representing a different item. The data includes:

Unico Plastics Inc.		02-09-2019		02-09-2019		Warehouse	Item	Item Group	Set Chart		
Batch No		Brand		MAT-RECO-2019-00005		Project	Include UOM				
	Date	Item	Item Name	Item Group	Brand	Description	Warehouse	Stock UOM	Qty	Balance Qty	Ir
1	02-09-2019...	Plastic bullets	Plastic bullets	Products		Plastic bullets	Stores - UP	Box	0.000	85.000	
2	02-09-2019...	Plastic Cane	Plastic Cane	Products		Plastic Cane	Stores - UP	Nos	0.000	47.000	
3	02-09-2019...	PB1L: Plastic bottl...	Plastic bottle...	Products		Plastic bottle 1L	Stores - UP	Nos	92.000	172.000	
4	02-09-2019...	PB 2L: Plastic bott...	Plastic bottle...	Products		PB 2L	Stores - UP	Nos	-20.000	0.000	
5	02-09-2019...	PB 2L: Plastic bott...	Plastic bottle...	Products		PB 2L	Stores - UP	Nos	20.000	20.000	

For comparison, use >5, <10 or =324. For ranges, use 5:10 (for values between 5 & 10). Execution Time: 0.1 sec

# Stock Reconciliation Tool

Used for a higher position only.

## 5. Check Stock Ledger Report for updated stock balance.

The screenshot shows a software interface for a 'Stock Ledger' report. At the top, there's a navigation bar with icons for 'E' (Edit), 'Stock', a search bar ('Search or type a command (Ctrl + G)'), settings, help, and a notification badge ('99+'). Below the header, the title 'Stock Ledger' is displayed, along with 'Menu' and 'Refresh' buttons. The main area contains a table with the following columns: Date, Item, Item Name, Item Group, Brand, Description, Warehouse, Stock UOM, Qty, Balance Qty, and Ir. The table has several rows of data, each representing a different item or product. The data includes:

Unico Plastics Inc.		02-09-2019		02-09-2019		Warehouse	Item	Item Group	Set Chart		
Batch No		Brand		MAT-RECO-2019-00005		Project	Include UOM				
	Date	Item	Item Name	Item Group	Brand	Description	Warehouse	Stock UOM	Qty	Balance Qty	Ir
1	02-09-2019...	Plastic bullets	Plastic bullets	Products		Plastic bullets	Stores - UP	Box	0.000	85.000	
2	02-09-2019...	Plastic Cane	Plastic Cane	Products		Plastic Cane	Stores - UP	Nos	0.000	47.000	
3	02-09-2019...	PB1L: Plastic bottl...	Plastic bottle...	Products		Plastic bottle 1L	Stores - UP	Nos	92.000	172.000	
4	02-09-2019...	PB 2L: Plastic bott...	Plastic bottle...	Products		PB 2L	Stores - UP	Nos	-20.000	0.000	
5	02-09-2019...	PB 2L: Plastic bott...	Plastic bottle...	Products		PB 2L	Stores - UP	Nos	20.000	20.000	

For comparison, use >5, <10 or =324. For ranges, use 5:10 (for values between 5 & 10). Execution Time: 0.1 sec

# Stock Reconciliation Tool

Used for a higher position only.

## How Stock Reconciliation Works

Once a stock reconciliation is posted to update the quantity on specific date and time for an item in a warehouse, it will not be modified by subsequent stock transactions even if such transactions have a posting date which is prior to the stock reconciliation date. In other words, backdated entries will not change the stock numbers after a Stock Reconciliation entry is posted.

Examples are as follows.

### 1. For non-serialized Items

Consider an item with code 'ABC001' in a 'Mumbai' warehouse. Let's assume that stock as on 10th January is 100 units. Stock Reconciliation is made on 12th January to set stock balance to 150 units.

Stock Ledger would look as shown below:

Posting Date	Qty	Balance Qty	Voucher Type
10/01/2014	100	100	Purchase Receipt
12/01/2014	150	150	Stock Reconciliation



# Stock Reconciliation Tool

Used for a higher position only.

Examples are as follows.

## 1. For non-serialized Items

If a new Purchase Receipt entry is made on 5th January 2014, which is prior to the date of Stock Reconciliation entry, Stock Ledger would look as shown below.

Posting Date	Qty	Balance Qty	Voucher Type
05/01/2014	20	20	Purchase Receipt
10/01/2014	100	120	Purchase Receipt
12/01/2014		<b>150</b>	Stock Reconciliation

As you can see, the Balance Qty as on 10th January got updated from 100 to 120. But the Balance Qty as on 12th January did not get updated from 150 to 170.

# Stock Reconciliation Tool

Used for a higher position only.

Examples are as follows.

## 2. For Serialized Items

For an Item, ITEM-00225 that has has the 6 serial nos HJF00020, HJF00021, HJF00022, HJF00023, HJF00024, HJF00025 with valuation rate as 530 per serial no. At the end of the year, the user has come to know that they have only 3 Serial Nos against that item with Valuation Rate 620. So to remove the old serial nos HJF00020, HJF00021, HJF00022, HJF00023, HJF00024, HJF00025 and add the new serial nos with new Valuation Rate, Stock Reconciliation can be used as follows:

Select the item ITEM-00225 in the stock reconciliation, on the selection of the Item the system will auto pull the existing serials nos. Then set Qty as 3, Valuation Rate as 530 and serial no as HJF00026, HJF00027, HJF00028.

The screenshot shows the 'Stock Reconciliation' tool interface. At the top, there's a navigation bar with 'Stock Reconciliation' and a search bar. The main area is titled 'Editing Row #1' for Item 'ITEM-00225'. The details are as follows:

Item Code	Quantity
ITEM-00225	3

Valuation Rate: ₹ 620.00

Warehouse: Nagpur - IAM

Amount: ₹ 1,860.00

**SERIAL NO AND BATCH**

Serial No:

- HJF00026
- HJF00027
- HJF00028

**BEFORE RECONCILIATION**

Current Qty	Current Valuation Rate
6	₹ 530.00

Current Serial No:

- HJF00025
- HJF00024
- HJF00023
- HJF00022
- HJF00021
- HJF00020

Current Amount
₹ 3,180.00

**Quantity Difference**: -3

**Amount Difference**: ₹ -1,320.00

At the bottom, there are keyboard shortcuts: ⌘ - Ctrl + Up, Ctrl + Down, ESC and Insert Below.

# Stock Reconciliation Tool

Used for a higher position only.

Examples are as follows.

## 2. For Serialized Items

Before reconciliation, the valuation rate was 530 and the available qty was 6, so the total stock value was 3,180. After reconciliation, the valuation rate has changed to 620 and available qty changed to 3, so the new stock value becomes 1,860. To adjust the stock value in the accounting, the system has credited extra amount  $3,180 - 1,860 = 1,320$  to Warehouse's account and debited to stock adjustment account. The GL entries for the above entry is as follows:

To view GL entries, click on button View > Accounting Ledger

Ind Aust Maritime	Finance Book	10-06-2019	10-06-2019	Account	SR/00018
Cost Center	Project	Party Type	Party	Group by Voucher (Consolidate)	
<input type="checkbox"/> Show Opening Entries					
	Posting Date	Account	Debit (INR)	Credit (INR)	Balance (INR)
1		Opening	0.000	0.000	0.000
2	10-06-2019	Nagpur - IAM	0.000	1,320.000	-1,320.000 Stock Reconcilia...
3	10-06-2019	Stock Adjustment - IAM	1,320.000	0.000	0.000 Stock Reconcilia...
4		Total	1,320.000	1,320.000	0.000
5		Closing (Opening + Total)	1,320.000	1,320.000	0.000

For comparison, use >5, <10 or =324. For ranges, use 5:10 (for values between 5 & 10).

Execution Time: 0.1 sec



# Stock Reconciliation Tool

Used for a higher position only.

Examples are as follows.

## 2. For Serialized Items

The stock balance after submission of the stock reconciliation:

### Stock Balance

Menu ▾ Refresh

10-05-2019		10-06-2019		Item Group		Brand		ITEM-00225		Nagpur - IAM	
Warehouse Type		Include UOM		<input type="checkbox"/> Show Variant Attributes							
Balance Qty	Balance Value	Opening Qty	Opening Value	In Qty	In Value	Out Qty	Out Value	Valuation Rate	Reorder Level	Reorder Qty	Company
3.000	₹ 1,860.00	0.000	0.000	9.000	5,040.000	6.000	3,180.000	₹ 620.00	0.000	0.000	Ind Aust Mari...
3.000	₹ 1,860.00	0.000	0.000	9.000	5,040.000	6.000	3,180.000	₹ 620.00	0.000	0.000	

For comparison, use >5, <10 or =324. For ranges, use 5:10 (for values between 5 & 10). Execution Time: 0.1 sec

# Stock Reconciliation Tool

Used for a higher position only.

Examples are as follows.

## 2. For Serialized Items

The general ledger for the warehouse account Nagpur after submission of the stock reconciliation:

**General Ledger**

Menu ▾ Refresh

Set Chart

Ind Aust Maritime	Finance Book	01-01-2014	10-06-2019	Nagpur - IAM	Voucher No				
Cost Center	Project	Party Type	Party	Group by Voucher (Consolidate)					
<input type="checkbox"/> Show Opening Entries									
	Posting Date	Account	Debit (INR)	Credit (INR)	Balance (INR)	Voucher Type	Voucher No	Against Account	Party Type
1		Opening	0.000	0.000	0.000				
2	10-06-2019	Nagpur - IAM	0.000	1,320.000	-1,320.000	Stock Reconcilia...	SR/00018	Stock Adjustmen...	
3	10-06-2019	Nagpur - IAM	3,180.000	0.000	1,860.000	Stock Entry	STE-00197-1	Cost of Goods S...	
4		Total	3,180.000	1,320.000	1,860.000				
5		Closing (Opening + Total)	3,180.000	1,320.000	1,860.000				

For comparison, use >5, <10 or =324. For ranges, use 5:10 (for values between 5 & 10).

Execution Time: 0.1 sec



# Stock Reconciliation Tool

Used for a higher position only.

Examples are as follows.

## 3. For Batch Items

Stock reconciliation for batch items will be used to add a new batch or to update the quantity of the existing batch. For example, the batch JHGJH00003 has the current quantity as 60 but if the user wants to make it 100 then by using stock reconciliation, user can update the batch quantity.

The screenshot shows the 'Stock Reconciliation' screen in a software application. The top navigation bar includes 'Stock' and 'Stock Reconciliation'. The main area displays a row for 'SR/00017 • Submitted'. A table lists a single item: 'OnePlus 3T: OnePlus 3T (Gunmetal, 64GB)' with a quantity of 100, valuation rate of ₹ 10,000.00, and amount of ₹ 1,000,000.00. Below this, sections for 'SERIAL NO AND BATCH' (Batch No: JHGJH00003) and 'BEFORE RECONCILIATION' (Current Qty: 60, Current Valuation Rate: ₹ 10,000.00, Current Amount: ₹ 600,000.00) are shown. At the bottom, 'Quantity Difference' is listed as 40 and 'Amount Difference' as ₹ 400,000.00. A note at the bottom indicates keyboard shortcuts: ⌘ - Ctrl + Up, Ctrl + Down, ESC. On the right, there are buttons for 'Settings', 'Help', 'Cancel', 'Menu', and 'Insert Below'.

# Stock Reconciliation Tool

Used for a higher position only.

Examples are as follows.

## 3. For Batch Items

Batch-Wise Balance History report after submission of the stock reconciliation:

Batch-Wise Balance History									<a href="#">Menu ▾</a>	<a href="#">Refresh</a>
									<a href="#">Set Chart</a>	
01-04-2019			10-06-2019							
Item	Item Name	Description	Warehouse	Batch	Opening Qty	In Qty	Out Qty	Balance Qty	UOM	
				JHGJH00003						
3	OnePlus 3T	OnePlus 3T (Gunmetal...)	OnePlus 3T (Gunmetal...)	Bandra Store...	JHGJH00003	0.000	160.000	60.000	100.000	Nos



# Stock Reconciliation Tool

Used for a higher position only.

Get Stock Balance and Valuation as of Specific Date and Time

The screenshot shows a software interface for a 'Stock Reconciliation Tool'. At the top, there's a navigation bar with icons for Home, Stock, and Stock Reconciliation, followed by a search bar and various settings and help links. A red notification badge '99+' is visible in the top right corner.

The main area is titled 'New Stock Reconciliation 1' with a note 'Not Saved'. It includes fields for Series ('MAT-RECO-.YYYY.-'), Company ('Unico Plastics Inc.'), Purpose ('Stock Reconciliation'), Posting Date ('02-09-2019'), and Posting Time ('16:53:28'). There's also a checkbox for 'Edit Posting Date and Time' which has a cursor icon hovering over it.

Below this is a table titled 'Items' with columns for Item Code, Warehouse, Quantity, and Valuation Rate. One row is present with Item Code '1'. At the bottom of the table are buttons for 'Add Row', 'Download', and 'Upload'.

To the left of the main form, a sidebar contains a text block: 'You can import the stock balance and valuation as of specific date and time by clicking on 'Items' button. You can update the Quantity and Valuation Rate as needed.'

# Stock Entry

A Stock Entry lets you record Item movement between Warehouses.

To access the Stock Entry list, go to:

**Home > Stock > Stock Transactions > Stock Entry**

Stock Entries can be made for the following purposes:

The screenshot shows a software application window titled "Stock Entry". The top navigation bar includes "E" (Employee), "Stock", "Stock Entry", a search bar ("Search or type a command (Ctrl + G)"), and user information ("James Al Pacino"). Below the header, the status is "Material Issue • Submitted". On the right, there are buttons for "Stock Ledger" and "Accounting Ledger", and a red badge indicating "275". The main content area displays a single stock entry row. The row details are as follows:

Purpose Material Issue	Posting Date 07-17-2015
<input type="checkbox"/> From BOM	Posting Time 12:24:04
	America/Adak

Below this, a section labeled "Default Source Warehouse" shows "Stores - WPL". The final part of the screen is a table of items with their details:

Item	Warehouse	Qty	Amount
1 Pen	Stores - WPL	4 Nos	\$ 2.00 \$ 0.50
2 Paper	Stores - WPL	10 Nos	\$ 1.00 \$ 0.10

- **Material Issue:** If the material is being issued to someone in or outside the company (Outgoing Material). The Items will be deducted from the Warehouse set under Source Warehouse.

Material Issue is generally made for the low value consumable items like office stationary, product consumables etc. Also you can create Material Issue to reconcile serialized and batched item's stock.

# Stock Entry

Stock Entries can be made for the following purposes:

E > Stock > Stock Entry      Search or type a command (Ctrl + G)      James Al Pacino - 275

### Material Receipt • Submitted

STE-00024    Menu ▾    Cancel

Stock Ledger    Accounting Ledger

Purpose	Posting Date
Material Receipt	01-01-2016

Posting Time  
3:31:42  
America/Adak

Default Target Warehouse	
Stores - WPL	

Item	Warehouse	Qty	Amount
1 Yellow Spray Paint	Stores - WPL	20 Nos	\$ 60.00 \$ 3.00
2 Blue Spray Paint	Stores - WPL	20 Nos	\$ 40.00 \$ 2.00
3 Green Spray Paint	Stores - WPL	20 Nos	\$ 80.00 \$ 4.00

- **Material Receipt:** If the material is being received (Incoming Material). The Items will be added to the Warehouse set under Target Warehouse.

This type of stock entry can be created for updating opening balance of serialized and batched item. Also items purchased without Purchase Order can be inwarded from Material Receipt entry.

For the stock valuation purpose, provided Item Valuation becomes a mandatory field in the Material Receipt entry.

# Stock Entry

Stock Entries can be made for the following purposes:

- **Material Transfer:** If the material is *being moved from one internal Warehouse to another*. Material Transfer entry is created for the inter-warehouse Material Transfer.

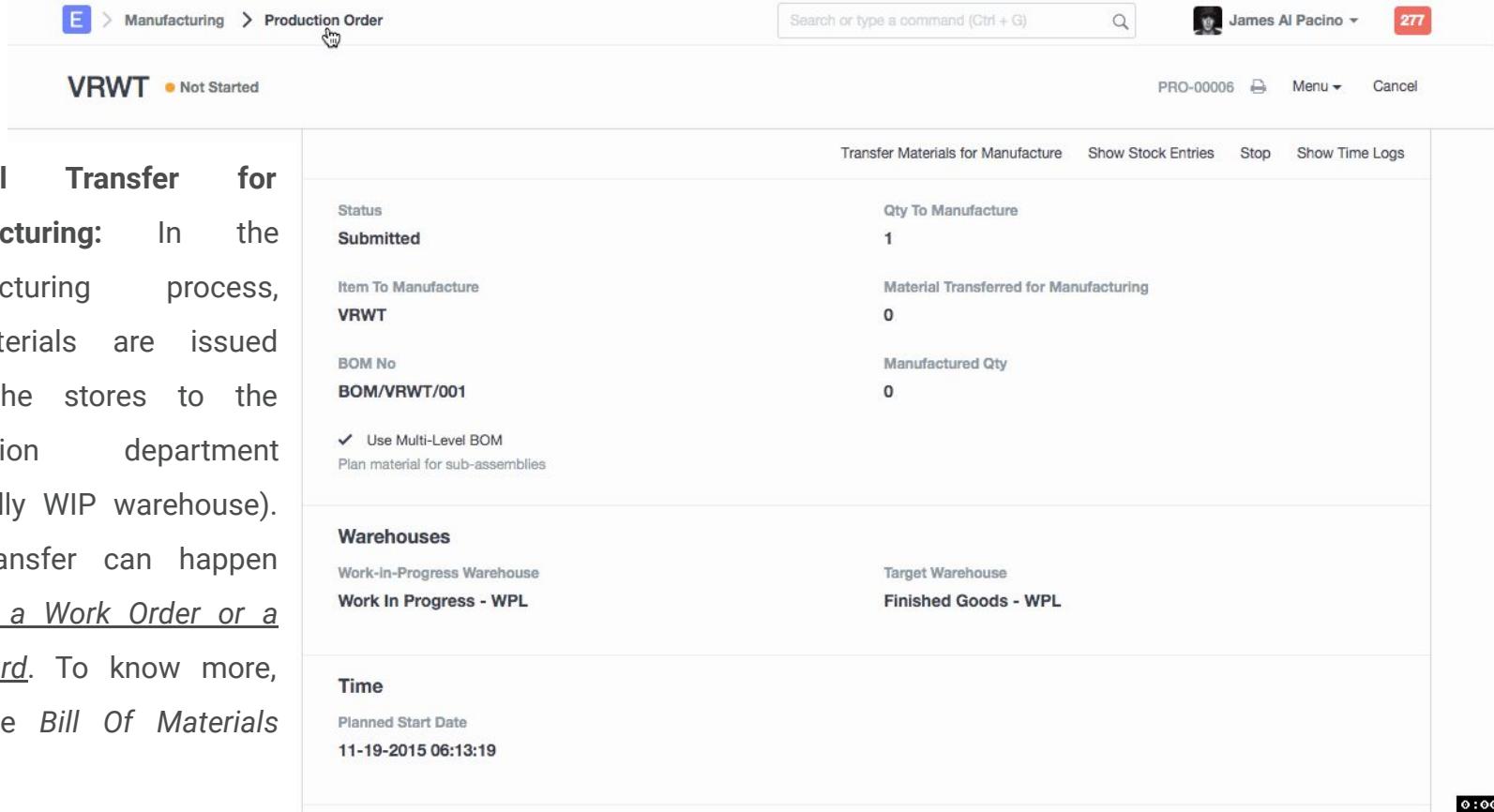
The screenshot shows the 'Material Transfer' entry screen. The top navigation bar includes 'E > Stock > Stock Entry', a search bar, and a user profile for 'James Al Pacino'. A red box highlights the 'Purpose' field, which is set to 'Material Transfer'. Another red box highlights the 'Default Source Warehouse' field, which is set to 'Stores - WPL'. A third red box highlights the 'Default Target Warehouse' field, which is set to 'Central Store - WPL'. The main table lists one item: '1 Ball Bearing' with a quantity of '1' and an amount of '\$ 4.00'. The table has columns for Item, Warehouse, Qty, and Amount.

Item	Warehouse	Qty	Amount
1 Ball Bearing	Stores - WPL	1	\$ 4.00



# Stock Entry

Stock Entries can be made for the following purposes:



The screenshot shows a software interface for a production order. At the top, the path is E > Manufacturing > Production Order. The title bar shows "VRWT • Not Started". On the right, there's a search bar ("Search or type a command (Ctrl + G)"), a user profile ("James Al Pacino"), and a notification badge ("277"). Below the title bar, there are buttons for "PRO-00006" (with a print icon), "Menu", "Cancel", and other options like "Transfer Materials for Manufacture", "Show Stock Entries", "Stop", and "Show Time Logs".

**Material Transfer for Manufacturing:** In the manufacturing process, raw-materials are issued from the stores to the production department (generally WIP warehouse). The transfer can happen against a Work Order or a Job Card. To know more, visit the *Bill Of Materials manual*.

Status		Qty To Manufacture
Submitted		1
Item To Manufacture		Material Transferred for Manufacturing
VRWT		0
BOM No		Manufactured Qty
BOM/VRWT/001		0
<input checked="" type="checkbox"/> Use Multi-Level BOM Plan material for sub-assemblies		
<b>Warehouses</b>		
Work-in-Progress Warehouse		Target Warehouse
Work In Progress - WPL		Finished Goods - WPL
<b>Time</b>		
Planned Start Date		11-19-2015 06:13:19

# Stock Entry

Stock Entries can be made for the following purposes:

- **Material Consumption for Manufacture:** There can be multiple consumption stock entries against a manufacturing Work Order.

Material Consumption functionality allows you to have multiple consumption [\*\*Stock Entry against a Work Order\*\*](#). To enable this, go to *Manufacturing > Manufacturing Settings*.

## Manufacturing Settings

Menu ▾

Save

You edited this  
4 hours ago

Allow Multiple Material Consumption  
Allow multiple Material Consumption against a Work Order

You created this  
17 days ago

Update BOM Cost Automatically  
Update BOM cost automatically via Scheduler, based on latest valuation rate / price list rate / last purchase rate of raw materials.



# Stock Entry

Stock Entries can be made for the following purposes:

- **Material Consumption for Manufacture:**

Once enabled, a Material Consumption button will be available in Work Order once started.

The screenshot shows the Odoo Work Order interface. At the top, there's a navigation bar with 'E' (Employee), 'Manufacturing', 'Work Order', a search bar, and user information ('Administrator'). Below the header, the work order details are shown: 'TB1' (Status: In Process), 'WO-00023', and buttons for 'Menu' and 'Cancel'. On the left, there are sidebar buttons for 'Comments' (0), 'ASSIGNED TO' (with 'Assign +' button), 'ATTACHMENTS' (with 'Attach File +' button), and 'TAGS' (with 'Add a tag ...' button). The main content area has a 'DASHBOARD' section showing '0 items produced. 1 items in progress'. Below it is a 'Stock Entry' section with a count of 1, and a 'Timesheet' button with a plus sign. At the top right of the main content area, there are buttons for 'Status', 'Make Timesheet', and 'Material Consumption' (which is highlighted with a red box). A blue vertical bar is visible on the far right edge of the screen.

# Stock Entry

Stock Entries can be made for the following purposes:

- **Material Consumption for Manufacture:**

When button is clicked, it will do the following:

1. It will create Stock Entry with purpose Material Consumption for Manufacture.
2. If the "**Backflush Raw Materials Based On**" in the Manufacturing Settings is set to BOM, it will propose **to consume all required qty for manufacture**.
3. If the "**Backflush Raw Materials Based On**" in the Manufacturing Settings is set to Material Transferred for Manufacture, it will propose to consume **all transferred qty for manufacture**.
4. Once submitted, it will update Consumed Qty column in the Work Order.
  - In succeeding Material Consumption, it will suggest unconsumed qty.
  - Once "Finish" button is clicked in Work Order, it will take into account consumed qty.

# Stock Entry

Stock Entries can be made for the following purposes:

- Material Consumption for Manufacture:

The screenshot shows a software interface for a stock entry. At the top, there's a navigation bar with icons for Home (E), Manufacturing, Work Order, a search bar, and user information (Administrator, Help, notifications, and a red box indicating 14 notifications). Below the header, the screen displays a work order (WO-00023) for TB1 (In Process). The main area is titled "Target Warehouse" and shows "Finished Goods - EE" selected. Under "REQUIRED ITEMS", there's a table with four rows. The last column, "Consumed Qty", is highlighted with a red border. The data in the table is as follows:

<input type="checkbox"/>	Item Code	Source Warehouse	Required Qty	Transferred Qty	Consumed Qty	
<input type="checkbox"/>	1 CH1: Chocolate Chips	Stores - EE	3	3	3	▼
<input type="checkbox"/>	2 MK: Milk	Stores - EE	3	3	3	▼
<input type="checkbox"/>	3 SG: Sugar	Stores - EE	4	4	4	▼

# Stock Entry

Stock Entries can be made for the following purposes:

- Material Consumption for Manufacture:

E > Stock > Stock Entry

Search or type a command (Ctrl + G)

A Administrator Help 14

New Stock Entry 2 Not Saved

Validations

If "Allow Multiple Material Consumption" is not set in Manufacturing Settings but "Material Consumption for Manufacture" is used in Stock Entry.

Series		Posting Date	Make Material Request	Get items from
STE-		29-03-2018		
Purpose		Posting Time		
<input checked="" type="checkbox"/> Material Issue <input type="checkbox"/> Material Receipt <input type="checkbox"/> Material Transfer <input type="checkbox"/> Material Transfer for Manufacture <input checked="" type="checkbox"/> Material Consumption for Manufacture <input type="checkbox"/> Manufacture <input type="checkbox"/> Repack <input type="checkbox"/> Subcontract		17:07:54	<input type="checkbox"/> Edit Posting Date and Time	
Source Warehouse	Target Warehouse	Item Code	Qty	
<input type="checkbox"/> 1				
<input type="button" value="Add Row"/>				

# Stock Entry

Stock Entries can be made for the following purposes:

- Material Consumption for Manufacture:

Cannot cancel "Material Consumption for Manufacture" for completed Work Order.

Material Consumption for Manufacture		Submitted
Purpose	Material Consumption for Manufacture	
	Posting Date	29-03-2018
Work Order	WO-00026	
	Posting Time	13:53:58.126833
<input checked="" type="checkbox"/> From BOM		
<input type="checkbox"/> Inspection Required		
BOM No	<input checked="" type="checkbox"/> Use Multi-Level BOM Including items for sub assemblies	
BOM-TB1-001		
For Quantity	3	
As per Stock UOM		
Default Source Warehouse		
Work In Progress - EE		

# Stock Entry

Stock Entries can be made for the following purposes:

- **Manufacture:** If the Material is being received from a Manufacturing/Production Operation.

The screenshot shows a manufacturing software interface with the following details:

- Header:** E > Manufacturing > Production Order
- Search Bar:** Search or type a command (Ctrl + G)
- User:** James Al Pacino
- Production Order Details:** PRO-00006, In Process
- Buttons:** Update Finished Goods (highlighted with a cursor), Show Stock Entries, Stop, Show Time Logs
- Manufacturing Parameters:**
  - Status: In Process
  - Item To Manufacture: VRWT
  - BOM No: BOM/VRWT/001
  - Qty To Manufacture: 1
  - Material Transferred for Manufacturing: 1
  - Manufactured Qty: 0
  - Use Multi-Level BOM (checkbox checked): Plan material for sub-assemblies
- Warehouses:**
  - Work-in-Progress Warehouse: Work In Progress - WPL
  - Target Warehouse: Finished Goods - WPL
- Time:**
  - Planned Start Date: 11-19-2015 06:13:19
  - Actual Start Date: 11-19-2015 07:53:19
  - Actual End Date: 0:00

Manufacture is created from Work Order. In this entry, both raw-material item as well as production item are fetched from the BOM, selected in the Work Order. For the raw-material items, only Source Warehouse (generally WIP warehouse) is mentioned. For the production item, only target warehouse as mentioned in the Work Order is updated. On submission, stock of raw-material items are deducted from Source Warehouse, which indicates that raw-material items were consumed in the manufacturing process. Production Item is added to the Target Warehouse marking the completion of production cycle.

# Stock Entry

Stock Entries can be made for the following purposes:

- **Rpack:** If the Original item/items are being repacked into new item/items.

Rpack Entry is created for item bought in bulk, which is being packed into smaller packages. For example, item bought in tons can be repacked into Kgs.

**Notes:** 1. Purchase Item and repack will have different Item Codes.

2. Repack entry can be made with or without BOM (Bill of Material).

In a Repack Entry, there can be one or more than one repack items. **For Example:**

Assume we are buying boxes of spray paint of specific colour (Green, Blue etc). And later re-bundling to create packs having multiple colours of spray paint (Blue-Green, Green-Yellow etc.) in them.

# Stock Entry

Stock Entries can be made for the following purposes:

- **Rewrap:** If the Original item/items are being repacked into new item/items.

The screenshot shows the 'Stock Entry' interface with the 'Rework' tab selected. The header includes the title 'Stock Entry', a search bar, and user information. The main area displays a table of items being repackaged, with handwritten notes overlaid on specific rows.

Item	Warehouse	Qty	Amount
1 Blue Spray Paint	Stores - WPL	5 Nos	\$ 10.00 \$ 2.00
2 Yellow Spray Paint	Stores - WPL	5 Nos	\$ 15.00 \$ 3.00
3 Green Spray Paint	Stores - WPL	10 Nos	\$ 40.00 \$ 4.00
4 Blue-Green Spray Paints	Stores - WPL	5 Box	\$ 25.00 \$ 5.00
5 Green-Yellow Spray Paint	Stores - WPL	5 Box	\$ 25.00 \$ 5.00

*Purchase Items - only Source Warehouse*

*Rewrap Item - Only Target Warehouse*

For raw-material/input item, **only Source**

**Warehouse will be provided.**

For repacked/output items, **only Target**

**Warehouse will be provided.** You will have to provide valuation for the repack items.

Update Qty for all the items selected.

# Stock Entry

Stock Entries can be made for the following purposes:

- **Rewrap:** If the Original item/items are being repacked into new item/items.

## Submit Stock Entry

On submitting Stock Entry, stock of input item will be reduced from Source Warehouse, and stock of repack/output item will be added in the Target Warehouse. Which seems that the item was replaced by the repacked item.

Search or type a command (Ctrl + G) James Al Pacino ▾ 275

Stock Ledger Menu ▾ Refresh

Sr No	Date	Item	Item Name	Item Group	Brand	Description	Warehouse	Stock UOM	Qty	Balance Qty
1	01-18-2016 1...	Blue Spray Paint	Blue Spray Paint	Products		Blue Spray Paint	Stores - WPL	Nos	-5.000	15.000
2	01-18-2016 1...	Yellow Spray Paint	Yellow Spray P...	Products		Yellow Spray Paint	Stores - WPL	Nos	-5.000	15.000
3	01-18-2016 1...	Green Spray Paint	Green Spray P...	Products		Green Spray Paint	Stores - WPL	Nos	-10.000	10.000
4	01-18-2016 1...	Blue-Green Spray P...	Blue-Green Sp...	Products		Blue-Green Spray Paints	Stores - WPL	Box	5.000	5.000
5	01-18-2016 1...	Green-Yellow Spray ...	Green-Yellow ...	Products		Green-Yellow Spray Paint	Stores - WPL	Box	5.000	5.000

# Stock Entry

Stock Entries can be made for the following purposes:

- **Subcontract:** If the Material is being issued for a sub-contract activity. This entry is made from a Purchase Order.

The screenshot shows a software interface for managing inventory. At the top, there's a navigation bar with 'E' > 'Buying' > 'Purchase Order'. To the right is a search bar 'Search or type a command (Ctrl + G)' and user information 'James Al Pacino'. A red box highlights the 'PO-00046' ID and a redacted area. Below the header, the title 'Arcu Vel Quam Fabricators' is shown with a status 'To Receive and Bill'. On the right, there are buttons for 'Stop', 'Close', 'Payment', 'Receive' (which is blue), 'Transfer Material to Supplier', and 'Invoice' (which is also blue). The main body of the form includes sections for 'Supplier' (set to 'Arcu Vel Quam Fabricators'), 'Date' (set to '01-19-2016'), 'Company' (set to 'Wind Power LLC'), 'Currency and Price List' (with 'USD' selected for 'Currency' and 'Standard Buying' for 'Price List'), and an 'Ignore Pricing Rule' checkbox. At the bottom, a table lists an item: 'Wind Mill Base Tower' with quantity '1 Nos', rate '\$ 200.00', and amount '\$ 200.00'. A summary at the very bottom shows a total of '\$ 200.00'.

- Subcontracting transaction involves company transfer raw-material items to the sub-contractors warehouse. This requires adding a warehouse for the sub-contractor as well. Sub-contract entry transfers stock from the companies warehouse to the sub-contractors warehouse. Read more on the *Subcontracting Manual of the Manufacturing*.

# Stock Entry

Stock Entries can be made for the following purposes:

- **Send to Warehouse:** If the Material is being sent at a Warehouse and needs confirmation at the receiving end, this document will be selected in the Stock Entry with type 'Receive to Warehouse' to confirm how many items were received. The **status** will be '**Goods In Transit**' until all goods are received, after which the **status** will change to '**Goods Transferred**'.
- **Receive to Warehouse:** If the Material is being received at a Warehouse the Stock Entry with type '**Send to Warehouse**' will be selected here and the number of goods received will be updated.

The Type **Send to Warehouse** and **Receive to Warehouse** are interrelated to each other.

## 1. Prerequisites

Before creating and using a Stock Entry, it is advised that you create the following first:

- Warehouse
- Item



# Stock Entry

## 2. How to create a Stock Entry

Stock Entries for **Manufacturing** purposes are *usually created from a Work Order*. To create a Stock Entry manually for other purposes, follow these steps:

- a. Go to the Stock Entry list, click on New button.
- b. Select the Stock Entry Purpose/Type from the ones listed above.
  - i. You can also create a Stock Entry Type where only the name will be different, for example 'Scrap Entry'. The purpose will be Material Transfer but the name will be different. This is useful if you want certain Users to have access only to specific actions related to stock.

The screenshot shows the Odoo application interface for creating a new Stock Entry. The top navigation bar includes icons for Home (E), Stock, Stock Entry Type, a search bar, Settings, Help, and a notification badge showing '99+'. Below the navigation is a toolbar with Print, Back, Forward, Menu, and Save buttons. The main form is titled 'Scrap Entry' and contains fields for Comments (0), Assigned To (with an 'Assign +' button), and Purpose (set to 'Material Issue'). The bottom right corner features a decorative footer graphic with vertical bars and a blue circle.

Comments	0	Purpose
Assigned To	Material Issue	
Assign +		

# Stock Entry

## 2. How to create a Stock Entry

- c. If you set the Default Source or Target Warehouses, they'll be automatically filled for the rows in the Items table.
- d. Source/Target Warehouses will be available as per the Stock Entry Purpose you selected.
  - i. Usually, "Source Warehouse" and "Target Warehouse" both are set for recording a movement.
  - ii. Different Source and Target Warehouses can be set for different Items.
- e. Additional options when creating a Stock Entry
  - i. **Work Order:** If this is a Manufacturing entry, the Work Order will be shown in this field.
  - ii. **Edit Posting Date and Time:** Will allow you to edit the Stock Entry's date and time.
  - iii. **Inspection Required:** If a Quality Inspection needs to be performed on the Items before submitting the Stock Entry.
  - iv. **From BOM:** If this is a Manufacturing entry, the associated BOM for the Item being manufactured will be shown.

# Stock Entry

## 2. How to create a Stock Entry

f. Select Items and enter a quantity.



i. **The Items table:** Details about the Item, Rate, Quantity, etc. will be shown here.

- Ticking on '**Allow Zero Valuation Rate**' will allow submitting the Stock Entry even if the Valuation Rate of the Item is 0. This can be a sample item or due to a mutual understanding with your Supplier.

g. The basic rate will be fetched and the amount will be calculated automatically.

## Additional Costs

If the **stock entry** is an **incoming entry** i.e any item is receiving at a target warehouse, you can add related additional costs (like Shipping Charges, Customs Duty, Operating Costs, etc) associated with the process. The additional costs will be considered to calculate the Valuation Rate of the items.

To add additional costs:

- Select the Expense Account to which the expense from this Stock Entry will be recorded.
- Enter the description and amount of the cost in the Additional Costs table.

# Stock Entry

## 2. How to create a Stock Entry

### Additional Costs

The added Additional Costs will be distributed among the receiving items (where the Target Warehouse mentioned) proportionately based on the Basic Amount of the items. And the distributed additional cost will be added to the basic rate of the item, to calculate Valuation Rate.

The screenshot shows the 'Stock Entry' screen in a software application. The top navigation bar includes 'E', 'Stock', 'Stock Entry', a search bar ('Search or type a command (Ctrl + G)'), 'Settings', 'Help', and other icons. A sidebar on the left displays 'Material Transfer' and 'Not S'. The main area is titled 'QUANTITY AND RATE'. It contains fields for 'Qty' (5.000), 'Basic Rate (as per Stock UOM)' (40.00), 'Basic Amount' (₹ 200.00), and 'Additional Cost' (₹ 300.00, highlighted with a red box). To the right, there are fields for 'UOM' (Nos), 'Conversion Factor' (1), 'Stock UOM' (Nos), and 'Qty as per Stock UOM' (5).

QUANTITY AND RATE	
Qty	5.000
Basic Rate (as per Stock UOM)	40.00
Basic Amount	₹ 200.00
Additional Cost	₹ 300.00
Amount	₹ 500.00
Valuation Rate	₹ 100.00

UOM	
Conversion Factor	1
Stock UOM	Nos
Qty as per Stock UOM	5

Quantity and Rate is shown as follows  
when you expand the Items table.

# Stock Entry

## 2. How to create a Stock Entry

- **Accounting Dimensions:** You can tag different transactions based on different dimensions. By default, Projects can be considered as a dimension as it is a common practice to track costs of different projects.
- **Printing Settings**
  - **Letterhead:** You can print your Purchase Receipt on your company's letterhead.
  - **Print Headings:** Purchase Receipt headings can also be changed when printing the document. You can do this by selecting a Print Heading.
- **More Information**
  - **Is Opening:** If this entry is the opening stock entry for the Items.
  - **Remarks:** Any additional remarks about the Item.
  - **Percentage Transferred:** The percentage of Items transferred depending on Stock Entry purpose.
  - **Total Amount:** The total amount of Items transferred.

# Stock Entry

## 2. How to create a Stock Entry

- After Submitting

After submitting a Stock Entry, you can go to the stock ledger or the accounting ledger from the dashboard. You can also see the changes on the Dashboard Stock Level of each item that was encoded on the Stock Entry.

The screenshot shows a software interface for a 'Material Receipt' stock entry. The top navigation bar includes 'Stock' and 'Stock Entry'. A search bar and various settings icons are also present. The main content area displays the entry details: 'Stock Entry Type' is 'Material Receipt', 'Posting Date' is '27-08-2019', 'Posting Time' is '18:46:36.928038', and the company is 'Unico Plastics Inc.'. On the left, there are sidebar options for 'Comments' (0), 'Assigned To' (with an 'Assign +' button), 'Attachments' (with an 'Attach File +' button), and 'Tags' (with an 'Add a tag ...' button). To the right of the entry details, there is a red-bordered box containing two buttons: 'Stock Ledger' and 'Accounting Ledger'.

Comments	0
Assigned To	Assign +
Attachments	Attach File +
Tags	Add a tag ...

Stock Entry Type: Material Receipt

Posting Date: 27-08-2019

Posting Time: 18:46:36.928038

Company: Unico Plastics Inc.

Stock Ledger

Accounting Ledger

# Batch

Batch feature in ERPNext allows you to group multiple units of an Item and assign them a unique value/number/tag called Batch No.

This is done based on the Item. If the Item is batched, then a Batch number must be mentioned in every stock transaction. Batch numbers can be maintained manually or automatically. This feature **is useful to set the expiry date of multiple Items or move them together to different Warehouses.**

To access the Batch No list, go to:

Home > Stock > Serial No and Batch > Batch

The screenshot shows the 'Serial Nos and Batches' section for the item 'Plastic bottle 1L'. The section includes the following fields and settings:

- Has Batch No**: Checked
- Automatically Create New Batch**: Unchecked
- Has Expiry Date**: Unchecked
- Retain Sample**: Checked
- Max Sample Quantity**: Set to 5
- Has Serial No**: Unchecked
- Serial Number Series**: An empty input field.
- Note**: A note states: "Example: ABCD.##### If series is set and Serial No is not mentioned in transactions, then automatic serial number will be created based on this series. If you always want to explicitly mention Serial Nos for this item, leave this blank."

Before creating and using a Batch, it is advised that you create the following first:

- Item
- Enable 'Has Batch No' in the Item master

# Batch

## 2. How to create a new Batch

To set item as a batch item, "**Has Batch No**" field should be checked in the Item master. If you have not selected "[Automatically Create New Batch](#)" when creating an Item, you will have to make Batches Manually as you go along.

To create new Batch No. master for an item, go to:

New

- a. Go to the Batch list, click on New button.
- b. Set the Batch ID.
- c. Select the Item.
- d. If any transaction is done with an item, the batch cannot be set or unset.
- e. **SAVE.**

When Batches are enabled for an Item, the option to retain sample stock also becomes available.

# Batch

## 3. Batch Auto Creation

If you want automatic batch creation at the time of Purchase Receipt, you must tick 'Automatically Create New Batch' in the Item master:



The screenshot shows the 'Item' master settings for 'Plastic bottle 1L'. The top navigation bar includes 'Stock' and 'Item' under 'E', a search bar, and various system icons. The item name 'Plastic bottle 1L' is listed with an 'Enabled' status. The 'S SERIAL NOS AND BATCHES' section contains two checkboxes: 'Has Batch No' (checked) and 'Automatically Create New Batch' (checked and highlighted with a red box). Below these is a 'Batch Number Series' input field containing 'PB1L.#####'. A note explains that if a series is set and a batch number is not mentioned in transactions, it will be created based on the series. The right side of the screen shows 'Has Serial No' (unchecked), a 'Serial Number Series' input field, and a note about creating serial numbers based on the series.

Plastic bottle 1L • Enabled

S SERIAL NOS AND BATCHES ▾

Has Batch No

Automatically Create New Batch

Batch Number Series

PB1L.#####

Example: ABCD.##### If series is set and Serial No is not mentioned in transactions, then automatic serial number will be created based on this series. If you always want to explicitly mention Batch No for this item, leave this blank. Note: this setting will take priority over the Naming Series Prefix in Stock Settings.

Has Serial No

Serial Number Series

Example: ABCD.##### If series is set and Serial No is not mentioned in transactions, then automatic serial number will be created based on this series. If you always want to explicitly mention Serial Nos for this item, leave this blank.

# Batch

## 4. Splitting and Moving Batches

1. When you open a batch, you will see all the quantities that belong to that batch on the page.
2. To move the batch from one Warehouse to another, you can click on the Move button.

The screenshot shows a software application window for managing batches. On the left, there's a sidebar with a large 'P' icon and sections for 'Comments' (0), 'Assigned To', and 'Attachments'. The main area displays a batch record for 'PB1L'. The top navigation bar includes icons for 'E', 'Stock', 'Batch', a search bar ('Search or type a command (Ctrl + G)'), 'Settings', 'Help', and a notification badge ('99+'). The batch details show 'PB1L' as the item, a quantity of '80', and buttons for 'Move' and 'Split'. Below this, there are fields for 'Item' (set to 'PB1L'), 'Disabled' (unchecked), 'Manufacturing Date' ('28-08-2019'), and 'Expiry Date' (empty). A 'View Ledger' button is located at the top right of the main content area.

PB1L • Not Set

PB01 Menu

View Ledger

DASHBOARD ▾

Stock Levels

Stores - UP 80

Item: PB1L  Disabled

Manufacturing Date: 28-08-2019

Expiry Date:

Comments: 0

Assigned To

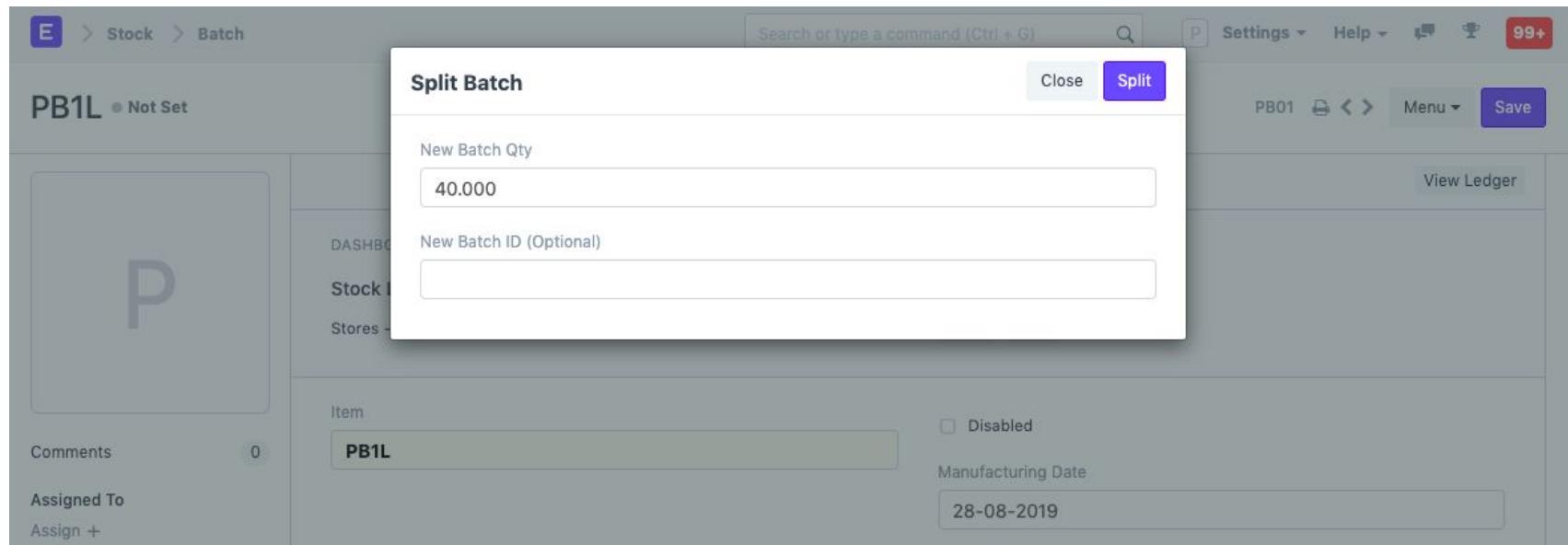
Attachments

Attach File +

# Batch

## 4. Splitting and Moving Batches

3. You can also split the batch into smaller one by clicking on the Split button. This will create a new Batch based on this Batch and the quantities will be split between the batches.
4. If you set expiry date, the Batch will show 'Not Expired' until the expiry date, after which it'll show 'Expired'. If a date is not set, the Batch will show 'Not Set'.



# Batch

## 5. Transacting Items with Batches

A Batch master should be created before the creation of Purchase Receipt. Hence, every time a Purchase Receipt or Work Order is being made for a batch item, you will first create its Batch No, and then select it in the Purchase order or Stock Entry.

On every stock transaction (Purchase Receipt, Delivery Note, Invoice) with a batch item, you should provide the Item's Batch Number.

**Note:** In stock transactions, Batch IDs will be filtered based on Item Code, Warehouse, Batch Expiry Date (compared with a Posting date of a transaction) and Actual Qty in Warehouse. While searching for Batch ID without value in the Warehouse field, Actual Qty filter won't be

# Batch

## 6. Managing Batch wise Inventory

### Purchase Receipt

When creating Purchase Receipt, you should create new Batch, or select one of the existing Batch master. One Batch can be associated with one Batch Item.

The screenshot shows a software interface for creating a 'Purchase Receipt'. The top navigation bar includes 'Stock' and 'Purchase Receipt'. A search bar at the top right contains the placeholder 'Search or type a command (Ctrl + G)'. On the far right, there's a user profile for 'James Al Pacino' with a notification count of '274'. The main form has fields for 'Project Name' (empty), 'Cost Center' (set to 'Main - WPL'), 'Quality Inspection' (empty), and 'Rejected Serial No' (empty). Below these is a section for 'Qty as per Stock UOM' with the value '1'. At the bottom, a dropdown menu titled 'Batch No' is open, listing two items: 'YW-DR-0002' and 'YW-DRV' (which is highlighted), and 'YW-DR-0001'. A blue link at the bottom of the dropdown says '+ Create a new Batch'.

Batch No	Description
YW-DR-0002	YW-DRV
YW-DR-0001	YW-DRV

+ Create a new Batch

# Batch

## 6. Managing Batch wise Inventory

### Delivery Note

Define Batch in Delivery Note Item table. If Batch item is added under Product Bundle, you can update it's Batch No. in the Packing List table as well.

The screenshot shows the Zoho Inventory software interface for creating a new delivery note. The top navigation bar includes 'Stock' and 'Delivery Note'. The main area is titled 'New Delivery Note 1'. A red box highlights the 'Batch No' input field, which contains 'YW-DR-0001'. Below this, the 'Available Qty at From Warehouse' is listed as '22', and the 'Available Batch Qty at From Warehouse' is listed as '17'. The top right corner shows a user profile for 'James Al Pacino' with a notification count of '274'. The bottom of the screen has keyboard shortcuts for navigating the grid.

E > Stock > Delivery Note

Search or type a command (Ctrl + G)

James Al Pacino 274

New Delivery Note 1

Billed Amt  
\$ 0.00

Page Break

Add Serial No

Batch No  
YW-DR-0001

Available Qty at From Warehouse  
22

Available Batch Qty at From Warehouse  
17

— Ctrl + Up, Ctrl + Down, ESC

Insert Below

# Batch

## 7. Batch-wise Stock Balance Report

To check batch-wise stock balance report, go to:

[Stock > Standard Reports > Batch-wise Balance History](#)

The screenshot shows a software application window titled "Batch-Wise Balance History". At the top, there's a navigation bar with "E" and "Stock" selected, a search bar containing "Search or type a command (Ctrl + G)", and a user profile for "James Al Pacino" with a notification count of "274". Below the header is a table with the following data:

Date Range		Batch-Wise Balance History								
Sr No	Item	Item Name	Description	Warehouse	Batch	Opening Qty	In Qty	Out Qty	Balance Qty	
1	YW-DRV	Yaw Drive	Yaw Drive	Stores - WPL	YW-DR-0001	0.000	20.000	3.000	17.000	
2	YW-DRV	Yaw Drive	Yaw Drive	Stores - WPL	YW-DR-0002	0.000	5.000	0.000	5.000	

## Serial Number

As discussed in the Item page, if an Item is serialized, a Serial Number (Serial No) record is maintained for each quantity of that Item. This information **helps track the location of the Serial No, its warranty and end-of-life (expiry) information.**

Serial Nos are also **useful to maintain fixed assets.** Maintenance Schedules can also be created against Serial Numbers for planning and scheduling maintenance activity for these assets (if they require maintenance).

You can also **track from which Supplier you purchased the Serial No and to which Customer you have sold it.** The Serial No status will tell you its current inventory status.

If your Item is serialized you will have to enter the Serial Nos in the related column with each Serial No in a new line. You can maintain single units of serialized items using Serial Number.

To access the Serial Number list, go to:

[Home > Stock > Serial No and Batch > Serial No](#)

# Serial Number

## 1. Prerequisites

Before creating and using a Serial Number, it is advised that you create the following first:

- Item
- Enable 'Has Serial No' in the Item master

The screenshot shows a software interface for managing items. At the top, there's a navigation bar with icons for Home (E), Stock, Item, a search bar, Settings, Help, and a notification badge (99+). Below the navigation bar, the main content area displays an item named "Plastic bottle 2L" which is marked as "Enabled". On the right side of the item card are buttons for Print, Back, Forward, Menu, and Save.

The main content area has a section titled "SERIAL NOS AND BATCHES" with a dropdown arrow. Under this section, there are two checkboxes: "Has Batch No" (unchecked) and "Has Serial No" (checked, indicated by a checkmark). Below these checkboxes, there's a field labeled "Serial Number Series" containing the value "PB2L.#####". A note below the field explains: "Example: ABCD.##### If series is set and Serial No is not mentioned in transactions, then automatic serial number will be created based on this series. If you always want to explicitly mention Serial Nos for this item, leave this blank." At the bottom right of the interface, there are three small colored squares (black, black, blue).

# Serial Number

## 2. How to create a Serial Number

Usually, Serial Numbers are auto-created when transactions are made against a serialized Item. This works only when 'Has Serial No' is enabled and a series is set in the Item master.

For example, a series was set for the following Item as 'PB2L.#####'. Then a Stock Entry was submitted to receive the Item. The Serial Numbers were created accordingly.

The screenshot shows a software interface for managing material receipts. On the left, there's a sidebar with options like 'Comments' (0), 'Assigned To', 'Attachments', 'Tags', and 'Reviews'. The main area is titled 'Material Receipt' and shows it's 'Submitted'. A message box is overlaid on the screen, titled 'Message', which contains the text: 'The following serial numbers were created: PB2L00001, PB2L00002, PB2L00003, PB2L00004, PB2L00005, PB2L00006, PB2L00007, PB2L00008, PB2L00009, PB2L00010, PB2L00011, PB2L00012, PB2L00013, PB2L00014, PB2L00015, PB2L00016, PB2L00017, PB2L00018, PB2L00019, PB2L00020'. The background shows a table with columns for 'Stock Entry Type' (set to 'Material Receipt'), 'Company' (set to 'Unico Plastics Inc.'), 'Posting Time' (set to '14:14:32.245730'), and 'Inspection Required' (checkbox checked). The top right of the screen shows standard application icons for search, settings, help, and notifications (99+).

# Serial Number

## 2. How to create a Serial Number

However, if you want to create a Serial No manually follow these steps:



- a. Go to the Serial Number list, click on New button.
- b. Enter a Serial Number.
- c. Enter the Item Code and details will be fetched.
- d. If any transaction is done with an item, Serial No cannot be set or unset.
- e. **SAVE.**

The screenshot shows the Odoo application interface. At the top, there is a navigation bar with icons for Home (E), Stock, and Serial No. To the right of the Stock icon is a search bar with the placeholder "Search or type a command (Ctrl + G)". Further to the right are buttons for Settings, Help, and a notification badge showing "99+". Below the navigation bar, the main content area has a title "DK002". On the left, there is a sidebar with sections for Item Code, Item Name, Description, and Item Group, each containing the value "Door Key". On the right, there are buttons for Print, Back, Forward, Menu, and Save. At the bottom right of the screen, there is a footer with three small icons.

Item Code	Item Name
DKey: Door Key	Door Key

Inventory of an Item can only be affected if the Serial No is transacted via a Stock transaction (Stock Entry, Purchase Receipt, Delivery Note, Sales Invoice). When a new Serial No is created directly, its Warehouse cannot be set.

# Serial Number

## Notes about Serial Number

- The **Status** is set based on Stock Entry.
- Only Serial Numbers with **status 'Available'** can be delivered.
- Serial Nos **can automatically be created** from a Stock Entry or Purchase Receipt. If you mention Serial No in the Serial Nos column, it will automatically create those serial Nos.
- If in the Item Master, the **Serial No Series is mentioned**, you can leave the Serial No column blank in a Stock Entry / Purchase Receipt. Serial Nos will automatically be set from that series.
- **Purchase/Manufacture details:** the document from which the Serial No was created will be shown. If you purchased it from a Supplier, it'll be linked here.
- **Delivery Details:** If the Serial No was generated from a Sales Order, the Customer will be linked here.
- **Warranty/AMC Details:** If the Item is under warranty or AMC (Annual Maintenance Contract), the expiry dates for these can be set.
- **More Information:** Any additional information about this specific Item unit can be set under '**Serial No Details**'.

# Serial Number

1. On submission of Purchase Receipt or Stock entry for the serialized item, Serial Nos. will be auto-generated.

The screenshot shows a software application window titled "New Purchase Receipt". The top navigation bar includes "Stock" and "Purchase Receipt". A search bar says "Search or type a command (Ctrl + G)". A user profile for "James Al Pacino" is shown with a notification count of "275".

**Warehouse and Reference**

Accepted Warehouse: Stores - WPL

Rejected Warehouse: (empty)

Project Name: (empty)

Cost Center: Main - WPL

Quality Inspection: (empty)

**BOM**: (empty)

**Serial No**: HI723G4C5E3C  
S8G0RYOJ8U05  
MUXTCF5840FR  
LBCSGO8TH685

**Enter serial nos. manually**

**Rejected Serial No**: (empty)

# Serial Number

- Generated Serial numbers will be updated for each item.

E > Stock > Purchase Receipt

Search or type a command (Ctrl + G)

James Al Pacino 275

Eleifend Corporation

ATTACHMENTS  
Attach File +

TAGS  
Add a tag...

SHARED WITH  
+

0

You edited this a few seconds ago

You created this a few seconds ago

68MB (0%) used

Message

Close

Serial No HI723G4C5E3C created

Serial No S8G0RYOJ8U05 created

Serial No MUXTCF5840FR created

Serial No LBCSGO8TH685 created

Serial Nos. created

Items	Stores - WPL	Qty	Rate	Amount
1 Brushed DC Motor Serial No: HI723G4C5E3C S8G0RYOJ8U05 MUXTCF5840FR LBCSGO8TH685		4 Nos	\$ 70.00	\$ 280.00

# Serial Number

3. Or items with defined Series for Serial Number.

The screenshot shows a software application window for 'Stock > Purchase Receipt'. A message box titled 'Serial Nos. generated in series' is displayed, containing four entries: 'Serial No BRGA0014 created', 'Serial No BRGA0015 created', 'Serial No BRGA0016 created', and 'Serial No BRGA0017 created'. The background shows a purchase receipt for 'Bearing Assembly' with a quantity of 4, rate of \$40.00, and total amount of \$160.00. The receipt also lists the serial numbers BRGA0014, BRGA0015, BRGA0016, and BRGA0017.

Message

Serial Nos. generated in series

Close

Serial No BRGA0014 created

Serial No BRGA0015 created

Serial No BRGA0016 created

Serial No BRGA0017 created

Primis In Associates

Stock > Purchase Receipt

Search or type a command (Ctrl + G)

James Al Pacino

275

PREC-00018

Menu Cancel

TAGS  
Add a tag...

SHARED WITH  
+

0

You edited this  
a few seconds ago

You created this  
a few seconds ago

68MB (0%) used

1 Bearing Assembly

Serial No:

BRGA0014

BRGA0015

BRGA0016

BRGA0017

Stores - WPL

4 Nos

\$ 40.00

\$ 160.00

Total (USD)

\$ 160.00

## Projected Quantity

**Projected Quantity** is the level of stock that is predicted for a particular Item based on the current stock levels and other requirements.

It is the quantity of gross inventory that includes supply and demand in the past which is done as part of the planning process.

The projected inventory is used by the planning system to monitor the reorder point and to determine the reorder quantity.

The projected Quantity is used by the planning engine to monitor the safety stock levels. These levels are maintained to serve unexpected demands.

Having tight control of the projected inventory is crucial to determine shortages and to calculate the right order quantity.

The formula to calculate projected quantity is as follows:

$$\text{Projected Qty} = \text{Actual Qty} + \text{Planned Qty} + \text{Requested Qty} + \text{Ordered Qty} - \text{Reserved Qty} - \text{Reserved Qty for Production} \\ - \text{Reserved Qty for Subcontracting}$$

## Projected Quantity

- **Actual Qty:** Quantity available in the Warehouse. This is the actual physical stock you have.
- **Planned Qty:** Quantity, for which, Work Order has been raised, but is pending to be manufactured.
- **Requested Qty:** Quantity requested via a Material Request. It is added on submission of Material Request and subtracted when Purchase Order/Work Order/Stock Entry is created against it based on the Material Request type.
- **Ordered Qty:** Quantity ordered for purchase (Purchase Order), but not received (via a Purchase Receipt or a Purchase Invoice).
- **Reserved Qty:** Quantity ordered for sale by your Customer (Sales Order), but not delivered (via a Delivery Note). This quantity increases when a Sales Order is submitted and decreases when a Delivery Note or Sales Invoice is created against that Sales Order is submitted.
- **Reserved Qty for Production:** Raw materials are reserved on submission of Work Order and is reduced when raw materials are transferred to Work in Progress warehouse via a Stock Entry.
- **Reserved Qty for Subcontracting:** Raw materials reserved when a subcontracting Purchase Order is submitted. When raw materials are transferred to Supplier Warehouse via a Stock Entry, this quantity reduces. To know more about subcontracting, read on the Manufacturing Manual.

# Projected Quantity

E > Stock

Search or type a command (Ctrl + G)   99+

P Settings ▾ Help ▾

## Stock Projected Qty

Menu ▾ Refresh

Unico Plastics Inc.		Warehouse		Item		Item Group		Brand		Include UOM	
	Item Code	Item Name	Description	Item Group	Brand	Warehouse	UOM	Actual Qty	Planned Qty	Rec	
33	penl: Ink Pen	Ink Pen	Blue Ink Pen with extra cartridges	Products		Stores - UP	Nos	80.000	0.000		
34	Plastic Cane	Plastic Cane	Plastic Cane	Products		Finished Goods ...	Nos	0.000	10.000		
35	Plastic Cane	Plastic Cane	Plastic Cane	Products		Stores - UP	Nos	60.000	0.000		
36	Plastic pellets A	Plastic pellet...	Plastic pellets A	Raw Material		Stores - UP	Nos	0.000	0.000		
37	Plastic Pipe	Plastic Pipe	Plastic Pipe	Sub Assembl...		Finished Goods ...	Meter	0.000	126.000		
38	Plastic Pipe	Plastic Pipe	Plastic Pipe	Sub Assembl...		Stores - UP	Meter	20.000	0.000		
39	Plastic residue waste	Plastic residu...	Plastic residue waste	By-product		Scraps - UP	Nos	20.000	0.000		
40	Post Note: Post it no...	Post it note	Post it note	Products		Stores - UP	Nos	0.000	0.000		
41	Quilt: Quilt Pen	Quilt Pen	Quill	Products		Stores - UP	Nos	300.000	0.000		
42	Raw Plastic beads	Raw Plastic b...	Raw Plastic beads	Raw Material		Stores - UP	Nos	0.000	0.000		
43	Raw Plastic Crystals	Raw Plastic C...	Raw Plastic	Raw Material		Finished Goods ...	Kg	0.000	0.000		
44	Raw Plastic Crystals	Raw Plastic C...	Raw Plastic	Raw Material		Park Pens - UP	Kg	0.000	0.000		



# Quick Stock Balance

**Quick Stock Balance** is a tool that can be used to quickly retrieve the current stock balance (quantity) and value of an item, in the specified warehouse, on the specified date.

It comes in **handy during audits**, while verifying stock details before transactions, etc.

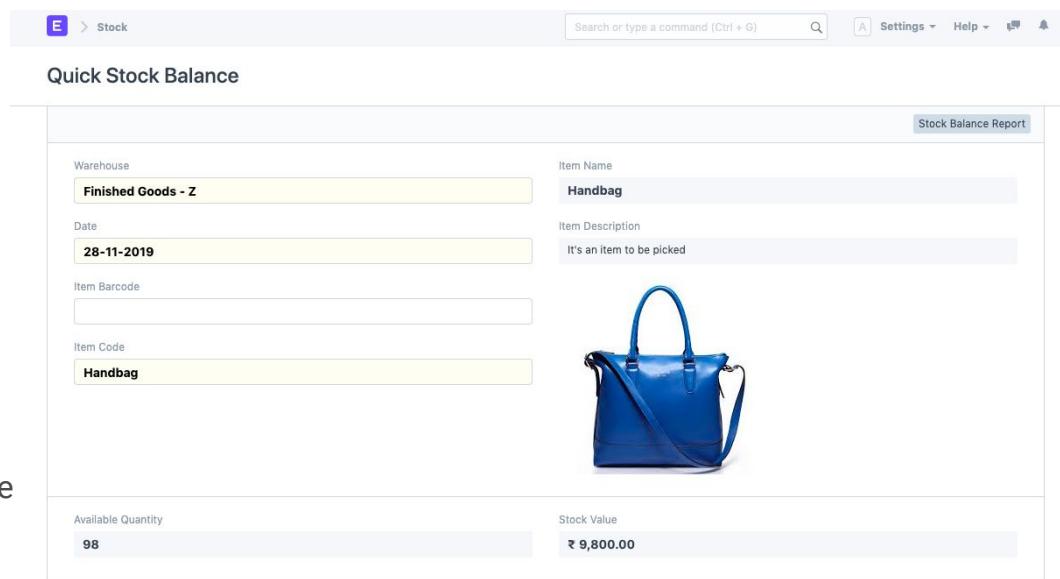
To access this tool, go to:

[Home > Stock > Tools > Quick Stock Balance](#)

## 1. Using Quick Stock Balance

Item and Warehouse are the basic fields required to fully utilize Quick Stock Balance. Item Barcode can also be used to fetch stock details.

You can opt to select a different warehouse or date. The stock value and quantity, will be fetched real-time according to the specified values.



## Quick Stock Balance

You can also view the Stock Balance report by clicking on 'Stock Balance Report' . It will redirect you to the report with the Item and Warehouse filters populated.

E > Stock Search or type a command (Ctrl + G) A Settings Help

### Stock Balance

Menu Refresh Generate New Report

Download Report

28-10-2019	28-11-2019	Item Group	Brand	Handbag	Finished Goods - Z					
Warehouse Type	Include UOM	<input type="checkbox"/> Show Variant Attributes	<input type="checkbox"/> Show Stock Ageing Data							
● This report was generated an hour ago. To get the updated report, click on Rebuild. See all past reports.										
Item	Item Name	Item Group	Brand	Description	Warehouse	Stock UOM	Balance Qty	Balance Va...	Opening Qty	Op
1	Handbag	Handbag	All Item Grou...		It's an item to be picked	Finished Goo...	Nos	98.00	₹ 9,800.00	99.00
								98.00	₹ 9,800.00	99.00

For comparison, use >5, <10 or =324. For ranges, use 5:10 (for values between 5 & 10). Execution Time: 0.1 sec

# Accounting Management

In the system, **accounting operations** consists of 3 main transactions:

- Sales Invoice: The bills that you raise to your Customers for the products or services you provide.
- Purchase Invoice: Bills that your Suppliers give you for their products or services.
- Journal Entries: For accounting entries, like payments, credit and other types.

## 1. Below are the Prerequisite document/record that need to be setup:

- b. **Chart of Accounts** - The Chart of Accounts is the blueprint of the accounts in your organization. The overall structure of your Chart of Accounts is based on a system of double entry accounting that has become a standard all over the world to quantify how a company is doing financially.

Chart of Accounts is a tree view of the names of the Accounts (Ledgers and Groups) that a Company requires to manage its books of accounts. ERPNext sets up a simple chart of accounts for each Company you create, but you can modify it according to your needs and legal requirements.

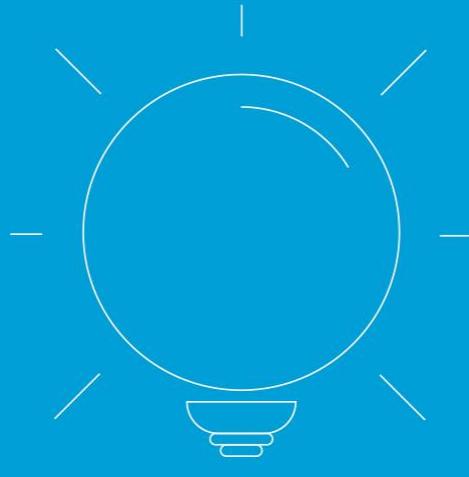
New



For each company, Chart of Accounts signifies the way to classify the accounting entries, mostly based on statutory

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# ERPNext: Defaults



# ERPNext Settings / Global Settings

## System Managers Only

Default values for documents like Currency, Fiscal Year, etc, can be set from Global Defaults. **The values set here will impact all users and the default values** for various fields will be set for them.

To access Global Defaults, go to:

[Home > Settings > Global Defaults](#) Or search from the search bar.

**Whenever a new document is created, these values will be set as default.**

The screenshot shows the 'Global Defaults' settings page. On the left, there's a sidebar with 'Comments' (0), 'Assigned To' (with an 'Assign +' button), 'Attachments' (with an 'Attach File +' button), 'Tags' (with a '+'), 'Reviews' (with a '+'), and 'Shared With' (with a '+'). The main area has several input fields and checkboxes:

- Default Company:** Unico Plastics Inc.
- Default Currency:** INR
- Current Fiscal Year:** 2019-2020
- Hide Currency Symbol:** An empty checkbox field.
- Country:** India
- Default Distance Unit:** An empty input field.
- Disable Rounded Total:** A checkbox with the note: "If disable, 'Rounded Total' field will not be visible in any transaction".
- Disable In Words:** A checkbox with the note: "If disable, 'In Words' field will not be visible in any transaction".

At the top right, there are 'Settings', 'Help', and a notification badge showing '99+'. At the bottom right are 'Menu' and 'Save' buttons.



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