



## **FPO (Inventory & Finance Module)**

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## Revision History & Sign-off Sheet

### Change Record

Version	Date	Name	Revision Description
1.001	28-Nov-2018	Sivaraman PJ	Inventory & Finance
1.001	30-Nov-2018	Sivaraman PJ	Purchase Voucher & Bank Transaction

This is the minimum what we need. More than this any thing you can add.

On clicking of Inventory, the following menu should appear in the left side

#### SaaS

- Inventory Templates (Admin access only)
  - 1) Purchase
    - a. Purchase enquiry
    - b. PO issuance (3 templates)
  - 2) Store (Godown)
  - 3) Stock (Grains, Farming)

POPI / Federation -> All FPO under this group (\*)

FPO level -> Dashboard (QTY) (Trend Analysis, X- QTY, Y-Month)

- Raw material
- SIP/WIP (Stock In Process/Work In Process) – Semi finished stock
- FG (Finished Goods)
- NON Moving Stock

#### Masters (Create / Display / Edit)

- Stock Group
- Stock Category
- Stock Item
- Godown / Location

#### Transactions

- Indent
- Stock Journal (Transfer of Material).
- Rejection In
- Rejection Out
- Delivery Note
- Receipt Note (GRN)
- Physical Stock
- Material In
- Material Out

#### Order Processing

- Sales Order
- Purchase Order
- Job Order

#### Reports

- Stock Summary
- Group Summary

- Stock Item
- Physical Stock Register
- Movement Analysis
- Ageing Analysis (Provision for selecting the period)
- Non Moving Stock (Provision for selecting the period)
- Brand wise Stock
- Batch wise Stock
- Expiry date wise Stock
- Season wise Stock
- Godown wise Stock
- Re-Order Level
- PO Pending
- SO Pending

**Settings / Configuration** – Use Yes / No. Default option is No. If Yes then, enable the option in the entry screen otherwise not required to show.

- Use Order Processing
- Use Batch Number
- Use Expiry Date
- Use Brand
- Use Season
- Use Godown
- Use Indent
- Use Rejection Inward & Outward Vouchers
- Use Material In & Out Vouchers
- Use Multiple Unit of Measurement (e.g. Bag & KG's)
- Use Multiple Godowns
- Use Separate actual and billed quantity columns
- Warn on Negative stock Balance
- Show balance as on voucher date



## Finance

### Dashboard

- Sales (Month-wise for financial year)
- Purchase (Month-wise for financial year)
- Receivables
- Payables
- Profit

### Masters (Create / Display / Alter)

- Ledger (Customers/ Suppliers / Expenses / Income)
- Group (According to me we need not allow to create any new group, maximum possible group we can create)
  - Direct Expense
  - Direct Income
  - In Direct Expense
  - In Direct Income

Transaction (We need shortcut key) On clicking of transaction last used voucher should display. If the user wants to change, then they can change by pressing short cut key like F4, F5 etc. Need to create leader / customer from voucher entry by pressing a short cut key like Ctrl + C = Create, Ctrl + S = Save. Ctrl + P = Print etc...

- Sales
- Receipt
- Purchase
- Payment
- Contra
- Journal
- Credit Note
- Debit Note

### Head of Account

#### Profit & Loss Account

1. Income
  - 1.1. Direct Income
    - 1.1.1. Sales
      - 1.1.1.1. Domestic Sales
        - 1.1.1.1.1. Local Sales
        - 1.1.1.1.2. Exempted Sales
        - 1.1.1.1.3. Inter State Sales
      - 1.1.1.2. Export Sales
    - 1.1.2. Service
      - 1.1.2.1. Hire Charges
      - 1.1.2.2. Service Charges
  - 1.2. Indirect Income
    - 1.2.1. Interest Income

- 1.2.1.1. FD Interest
    - 1.2.1.2. EB deposit interest
  - 1.2.2. Discount Received
  - 1.2.3. Commission Received
  - 1.2.4. Other Income
  - 1.2.5. Rounding Off
- 2. Expenses
  - 2.1. Direct Expenses
    - 2.1.1. Purchase
      - 2.1.1.1. Purchase Domestic
      - 2.1.1.2. Purchase Import
      - 2.1.1.3. Freight Inward
    - 2.1.2. Wages
    - 2.1.3. Power
      - 2.1.3.1. Electricity Charges
      - 2.1.3.2. Fuel Charges
      - 2.1.3.3. Others
    - 2.1.4. Other Manufacturing Expenses
      - 2.1.4.1. Consumables
      - 2.1.4.2. Others
  - 2.2. Indirect Expenses
    - 2.2.1. Administrative Expenses
      - 2.2.1.1. Audit Fees
      - 2.2.1.2. Accounting Charges
      - 2.2.1.3. Bank Charges
      - 2.2.1.4. Betta Charges
      - 2.2.1.5. Books & Periodicals
      - 2.2.1.6. Celebration Expenses
      - 2.2.1.7. Certification Charges
      - 2.2.1.8. Conveyance Expenses
      - 2.2.1.9. Establishment Expenses
        - 2.2.1.9.1. Salary including allowances
        - 2.2.1.9.2. Incentives
        - 2.2.1.9.3. Bonus
        - 2.2.1.9.4. Employers Contribution to EPF
      - 2.2.1.10. Insurance
        - 2.2.1.10.1. Building Insurance
        - 2.2.1.10.2. Key Man Insurance
        - 2.2.1.10.3. Stock Insurance
        - 2.2.1.10.4. Vehicle Insurance
      - 2.2.1.11. General Expenses
      - 2.2.1.12. Miscellaneous Expenses
      - 2.2.1.13. Petrol & Other Charges
      - 2.2.1.14. Pooja Expenses
      - 2.2.1.15. Postage & Courier
      - 2.2.1.16. Printing & Stationary
      - 2.2.1.17. Professional Charges

- 2.2.1.18. Rates & Taxes
- 2.2.1.19. Rent
- 2.2.1.20. Staff Welfare
- 2.2.1.21. Telephone Expenses
- 2.2.1.22. Testing Charges
- 2.2.1.23. Toll Charges
- 2.2.1.24. Transport Charges
- 2.2.1.25. Travelling Expenses
- 2.2.2. Repairs & Maintenance
  - 2.2.2.1. Maintenance Building
  - 2.2.2.2. Maintenance Computer
  - 2.2.2.3. Maintenance Factory
  - 2.2.2.4. Maintenance Machinery
  - 2.2.2.5. Maintenance Office
  - 2.2.2.6. Maintenance Vehicles
- 2.2.3. Selling & Distribution Expenses
  - 2.2.3.1. Advertisement
  - 2.2.3.2. Business Promotion
  - 2.2.3.3. Commission
  - 2.2.3.4. Clearing & Forwarding Expenses
  - 2.2.3.5. Discount
  - 2.2.3.6. Freight Outward
  - 2.2.3.7. Packing Expenses
  - 2.2.3.8. Sales Promotion
- 2.2.4. Interest
  - 2.2.4.1. Bank Term Loan Interest
  - 2.2.4.2. Bank Cash Credit Interest
  - 2.2.4.3. Finance Charges
  - 2.2.4.4. Others Term Loan Interest
  - 2.2.4.5. Others Cash Credit Interest
  - 2.2.4.6. Others
- 2.2.5. Depreciation
- 2.2.6. Income Tax

## Balance Sheet

- 3. Liabilities
  - 3.1. Capital
    - 3.1.1. Share Capital
      - 3.1.1.1. Authorised Capital
      - 3.1.1.2. Paid up Capital
        - 3.1.1.2.1. Tag Members
    - 3.1.2. Reserves & Surplus
      - 3.1.2.1. Profit & Loss Account
      - 3.1.2.2. Share Premium
      - 3.1.2.3. Revaluation Reserves
      - 3.1.2.4. Capital Reserves
  - 3.2. Long Term Loans

### 3.2.1. Secured Loans

#### 3.2.1.1. Bank

##### 3.2.1.1.1. Create own

#### 3.2.1.2. Financial Institution

##### 3.2.1.2.1. Create own

### 3.2.2. Unsecured Loans

#### 3.2.2.1. Banks

##### 3.2.2.1.1. Create own

#### 3.2.2.2. Financial Institution

##### 3.2.2.2.1. Create own

### 3.3. Current Liabilities & Provisions

#### 3.3.1. Sundry Creditors

##### 3.3.1.1. Sundry Creditors Trade

##### 3.3.1.1.1. Create own

##### 3.3.1.2. Sundry Creditors Expenses

##### 3.3.1.2.1. Create own

##### 3.3.1.3. Sundry Creditors Capital Goods

##### 3.3.1.3.1. Create own

##### 3.3.1.4. Sundry Creditors Import

##### 3.3.1.4.1. Create own

#### 3.3.2. Short Term Loans

##### 3.3.2.1. Bank OD/ OCC

##### 3.3.2.1.1. Create own

#### 3.3.3. Outstanding Expenses

#### 3.3.4. Provisions

##### 3.3.4.1. Income Tax

##### 3.3.4.1.1. Create own

##### 3.3.4.2. Deferred Tax Liabilities

##### 3.3.4.2.1. Create own

##### 3.3.4.3. Others

##### 3.3.4.3.1. Create own

## 4. Assets

### 4.1. Fixed Assets

#### 4.1.1. Land

##### 4.1.1.1. Create Own

#### 4.1.2. Building

##### 4.1.2.1. Create Own

#### 4.1.3. Furniture & Fittings

##### 4.1.3.1. Create Own

#### 4.1.4. Electrical Fittings

##### 4.1.4.1. Create Own

#### 4.1.5. Plant & Machinery

##### 4.1.5.1. Create Own

#### 4.1.6. Computer

##### 4.1.6.1. Create Own

#### 4.1.7. Vehicles



- 4.1.7.1. Create Own
- 4.2. Current Assets
  - 4.2.1. Closing Stock
  - 4.2.2. Sundry Debtors
    - 4.2.2.1. Sundry Debtors Domestic
      - 4.2.2.1.1. Create own
    - 4.2.2.2. Sundry Debtors Export
      - 4.2.2.2.1. Create own
  - 4.2.3. Loans and Advances
    - 4.2.3.1. Work Advance
    - 4.2.3.2. Tour Advance
    - 4.2.3.3. Other Advance
  - 4.2.4. Cash at Bank
    - 4.2.4.1. Create own
  - 4.2.5. Cash in Hand
    - 4.2.5.1. Cash
- 4.3. Non-Current Assets
  - 4.3.1. Advance
    - 4.3.1.1. Prepaid expenses
    - 4.3.1.2. Rent Advance
      - 4.3.1.2.1. Create own
    - 4.3.1.3. Others
      - 4.3.1.3.1. Create own
  - 4.3.2. Deposits
    - 4.3.2.1. Electricity Deposit
      - 4.3.2.1.1. Create own
    - 4.3.2.2. Others
      - 4.3.2.2.1. Create own
- 4.4. Misc. Assets
  - 4.4.1. Preliminary Expenses not w/off
  - 4.4.2. Intangible Assets

**Note:**

Accounting is based on the ledger entry. 1<sup>st</sup> we need to create the group before creating the ledger. Group is the deciding factor. Under the group we need to create the ledger. Wherever possible we can give the ledger predefined to avoid confusion in the reporting. Ledger creation option should be given in voucher entry option for time saving and easy UI other than the master screen. Consolidation of report at any level based on the group only.

**There are four major groups**

1. Income
2. Expense
3. Liability
4. Asset

Again another 2 to 3 level of group will be there based on the nature. Whatever ledger created should confine to particular group and show report accordingly.



## **Purchase Voucher**

### **Fields required**

Date : Input calendar

Day : Autogenerate

PO Number : Input box (Once the PO number entered then, the supplier information needs to be auto filled).

GRN : Input box (Once the PO number entered then, the supplier information with quantity information needs to be auto filled). (GRN to be shown if in configuration set as yes)

Supplier : Dropdown (if the above two not available then allow to enter manually) (If the particular supplier is not available, then we need to give option to create new supplier)

Supplier Invoice No.: Input Box alpha numeric

Supplier Invoice Date : Calendar

Purchase Ledger: Select from Ledger created (Purchase 5%, Purchase 12%, Purchase 18%)

Brand : Select from Local Master (All the brand name we can't create, hence we can allow them to create) (Entire Invoice from one brand only)

Location: Godown where it is deposited / stored

Stock Item : Input Box (if entered in GRN, then auto fill from GRN otherwise select manually)

If all the configuration set yes then

*Batch No.: Input Box*

*Expiry Date: Calendar*

*EAN Code : Input Box*

*Item Code: Input Box*

*Season : Select from Master*

*Colour : Select from Master*

*Size: Select from Master (1 ltr, 2 ltr, 1 kg etc)*

*Range : Select from Master*

*Style Name: Select from Local Master*

*Style Description : Select from Local Master*

*Style No.: Select from Local Master*

*Class: Select from Master*

Quantity : Input Box

UOM: Select from Master



Price : Input Box

Value : Auto Calculate

GST : Auto calculate (Based on the purchase ledger i.e. 5% or 12%. Based on the Place of supply i.e. state code need to decide IGST or CGST/SGST)

Note: According to me 90% of the FPO will use direct purchase Invoice & Sales Invoice.

Additional Configuration

Use EAN Code

Use Item Code

Use Colour / Shade

Use Size

Use Style (Style Name, Style Description & Style No.)

Use Range (e.g. Premium, Regular)

Use Class

Auto Configure: Supplier and Brand (e.g. Ras Enterprises – SPIC, this is applicable for single dealer single brand) Once this configuration done then brand selection not required during voucher entry. (not now but for future)



Master / Maintenance

Bank Account Creation

Bank Name – Select from bank master

Branch Name – Select from bank master

IFSC Code – Normally it will be available in the master, if not available then they can enter manually (Alpha Numeric)

Account Number – Input Box

Account Type (Savings, Cash Credit, Current)

Save

### **Display**

Bank Account Name (Normally it should be like SBI 1126111111). while showing can we merge the account number with bank name for selection during voucher entry

In master we can have short form for bank name i.e. State Bank of India = SBI

Maintenance

GL Account / Group / Classes

I have already shared the chart of account. We can import the same. More than that if anyone needs then we call allow them to update. ID we can generate auto based on the information already given in the head of account. I think based on ID it will be easy for you to do accounting.

Tag many not be required.

Journal Entry

Date : Calendar

Day : Auto populate

Voucher Number: Auto generate from 1 starting from commencement of Financial Year (Configuration we need to give provision for giving prefix and suffix)

Transfer from Account (Heading)

Dropdown box (select from master only ledger or GL account should list, GL Group , class should not list)

Debit Amount – Input Box

Transfer to Account (Heading)

## The Golden Rules of Accounting

### 1. Debit The Receiver, Credit The Giver

This principle is used in the case of personal accounts. When a person gives something to the organization, it becomes an inflow and therefore the person must be credit in the books of accounts. The converse of this is also true, which is why the receiver needs to be debited.

### 2. Debit What Comes In, Credit What Goes Out

This principle is applied in case of real accounts. Real accounts involve machinery, land and building etc. They have a debit balance by default. Thus when you debit what comes in, you are adding to the existing account balance. This is exactly what needs to be done. Similarly when you credit what goes out, you are reducing the account balance when a tangible asset goes out of the organization.

### 3. Debit All Expenses And Losses, Credit All Incomes And Gains

This rule is applied when the account in question is a nominal account. The capital of the company is a liability. Therefore it has a default credit balance. When you credit all incomes and gains, you increase the capital and by debiting expenses and losses, you decrease the capital. This is exactly what needs to be done for the system to stay in balance.

We need to use the double entry system so that always our balance sheet will tally automatically. Basic principle is

- Increase in Liability increase in Asset e.g. capital inflow increases the cash or bank balance
- Increase in one asset decrease in another asset e.g. purchase of land or building decrease the cash or bank balance
- Decrease in liability decrease in asset e.g. repayment of loan or capital decreases the cash or bank balance
- Addition of Income increases the asset e.g. sales or other income transaction increases the Sundry debtors or cash or bank balance
- Addition of expenses increases the liability if it is credit based supply e.g. Purchase or expenses increase the sundry creditors
- Addition of expenses decreases the asset if it is a cash based supply e.g. Purchase or expenses decrease the cash or bank balance
- Increase in liability decrease in another liability e.g. conversion of unsecured loan into capital. Capital will increase and unsecured loan will decrease.

Other than this nothing will come. Once we familiar with this principle then accounting is very simple.

## Reports

- Balance Sheet
- Profit & Loss Account
- Receipts & Payments



- Trial Balance
- Cash Book
- Bank Book
- Ledger
- Sales Register
- Purchase Register
- Journal Register
- Statutory Reports
- Debtors Ageing Analysis
- Creditors Ageing Analysis
- Customer List
- Supplier List
- Ratio Analysis

**Settings / Configuration** – Use Yes / No. Default option is No. If Yes then, enable the option in the entry screen otherwise not required to show. Each Entry screen and ledger view, there should be a configuration menu which will change according to the screen.

- Show Percentage
- Ledger / Trail Balance Net Transaction only
- Search