

Project-GTA One

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Introduction

GTA is a Goods Transport Agency (GTA) has 10 branches around Karnataka, Tamil Nadu & Puducherry and the goods are transported from one branch another branch to and fro. They maintained ten different tally (separate tally for each branch) to record transactions. Since the transactions are taking place between all the branches, it became difficult to reconcile the debtors and track receipts. We have to merge all branches trial balance to create single trial balance while preparing financials, hence we came up with "Project-GTA One" maintaining single tally with cost centres for all the ten branches.

Place of Supply in for GTA

The place of supply of services by way of transportation of goods, including by mail or courier to-

- (a) a registered person, shall be the location of such person
- (b) a person other than a registered person, shall be the location at which such goods are handed over for their transportation

Problems in earlier system of accounting

OPS has ten branches in three different states, since it is a Goods Transport Agency they are using "*** Cargo" software for recording booking and for issuing Lorry Receipts. The problems faced by us during accounting are as follows.

- In some cases bookings were made in one branch and receipt of cash in another branch, it lead us into difficulty in debtors reconciliations and tracking receipts status.
- Lot of duplicate parties were created in all the branches. For example Shree Enterprises created as Shree Enterprises, Sree Enterprises, Shri enterprises, Sri Enterprises etc.
- There are around Eight Thousand Debtors and around twenty thousand sales, Bank, Cash entries in each branch.
- Since the sales made in one branch and receipt in another branch we have to verify each and every branch debtors for receipt status.
- We have to transfer receipts made in one branch to another branch through journal voucher which is time consuming and requires lot of workings since the volume of entries/debtors are very high.
- It is difficult to update cash and bank entries due to duplicate ledgers and the volume of entries
- It is difficult to merge trial balances of all branches to create single trial balance

Steps taken to overcome the problems-

- Identification of duplicate parties(debtors) created in all branches during FY 2018-19 for merging balances of each debtor to ONE balance to one debtor and eliminate multiple OB's.
- Creation of cost centre for all ten branches in a single tally.
- Creation of single expenses and debtors as per GST numbers.
- Updating of opening balances as per audited balance sheet.
- Consolidation of Sales exported from "*** Cargo" Software, Cash & Bank entries and uploading the same to single tally with cost centre using excel to tally software.

What is a cost centre?

A cost centre is nothing but a separate department/branch within a business to which costs can be allocated. This also includes departments which do not produce directly but incur costs to the business. For example, the manager and employees of the cost centre are not accountable for the profitability and investment decisions of the business but they are responsible for some of its costs.

Major categories of cost centre

There are two main types of cost centres

Cost centres related to production- where the products are manufactured or processed. Example of this is an assembly area.

Cost centres related to provision of services- where services are provided to other cost centres. A simplest example for our understanding could be personnel department or the canteen.

Cost centre and Tally ERP 9

In Tally ERP 9, the cost centre could refer to an organizational unit to which costs or expenses can be allocated during transactions while the cost category is used to accumulate costs or profits for parallel sets of cost centres.

For example, we can use cost centre to track expenses of each employee while cost category can be used to see the effectiveness of each project.

Steps to enable cost centre and cost category in Tally ERP 9

It's a three step process which can be tabularized as under:

Step 1	Go to Gateway of Tally > F - 11: Features > F - 1: Accounting Features
Step 2	Set 'Maintain Cost Centres to 'Yes'
Step 3	Set 'More than ONE Payroll/ Cost Category' to 'Yes'

How to use Cost centres in Tally ERP 9?

- **Creating cost centres and cost categories:** - The first thing is to create the cost centre to which the costs can be allocated.

To create Cost centre: Follow these steps

Step 1	Go to Gateway of Tally ERP 9 > Accounts Info. > Cost Centres > Select 'Create' under Single Cost Centres.						
Step 2	Select the Cost Category under which we want to classify the cost centre created and to do this follow: <table border="1" data-bbox="432 405 1385 589"> <tr> <td>Step 1</td> <td>Go to Gateway of Tally > Accounts Info. > Cost Categories</td> </tr> <tr> <td>Step 2</td> <td>Select 'Create' under 'Single Cost Category'</td> </tr> <tr> <td>Step 3</td> <td>Enter the Cost Category name and accept the screen.</td> </tr> </table>	Step 1	Go to Gateway of Tally > Accounts Info. > Cost Categories	Step 2	Select 'Create' under 'Single Cost Category'	Step 3	Enter the Cost Category name and accept the screen.
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- **Allocating expenses to cost centre:** - To allocate expenses to each cost centres while making payment the first thing which needs to be done is to create the expense ledger in Accounting vouchers section and then pass entry for payment transaction.

To pass the entry for payment transaction:

Step 1	Go to Gateway of Tally > Accounting Vouchers > F5: Payment
Step 2	Debit the 'Expense' ledger with the required amount
Step 3	Press Enter to open 'Cost Allocation' screen
Step 4	Select the 'Cost Category'
Step 5	Allocate each cost centre created with the required amount
Step 6	Credit Bank or Cash to complete the payment transaction

Generating cost centres report in Tally ERP 9

For speedy identification and detailed analysis of how costs are allocated to your business units, Tally ERP 9 provides reports to show complete details of all the cost centres and their related transactions in different ways. These reports are:

- Category Summary
- Cost Centre Break up
- Ledger Break up
- Group Break up

Cost Centre report type	How to generate report
Category Summary	<p>Purpose: Cost Category Summary displays the information on all cost categories to which we have allocated the voucher transactions.</p> <p>The pathway to generate this report is as follows</p> <p>Go to Gateway of Tally > Display > Statements of Accounts > Cost Centres.</p>
Cost Centre Break-up	<p>Purpose: Cost centre Break up shows the ledger accounts that are used in vouchers, the cost centre they</p>

	<p>were allocated to, their total transaction values and the balance.</p> <p>To access the Cost Centre Break up screen,</p> <ul style="list-style-type: none"> • Go to Gateway of Tally > Display > Statements of Accounts > Cost Centres > Cost Center Break up • Select a cost centre • Click F1: Detailed to see the ledgers.
Ledger Break-up	<p>To access the Ledger break up screen,</p> <ul style="list-style-type: none"> • Go to Gateway of Tally > Display > Statement of Accounts > Cost Centres > Ledger Break up. • Then select a ledger account for which the cost ledger break up has to be viewed
Group Break-up	<p>Purpose: The Group break up of cost centre gives you another view of a cost centre report by enabling you to analyse the distribution of a group (of ledger accounts) across different cost centres.</p> <p>To access the Group break-up screen,</p> <ul style="list-style-type: none"> • Go to Gateway of Tally > Display > Statements of Accounts > Cost Centres > Group Break up. • Then select a group account, say for example, Indirect Expenses. • The total Indirect Expenses allocated to different Cost Centres under different Cost categories will displayed.

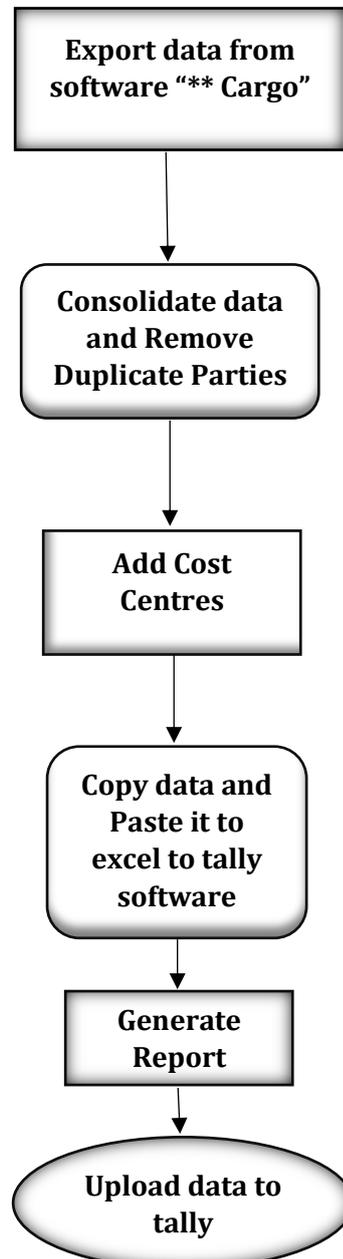
Steps to update data from excel to tally

Since the volume of entries are high in GTA, we are not able to pass each and every entry manually, hence we choose to upload data in bulk by using excel to tally tool with cost centre. The steps followed in uploading data from excel to tally using excel to tally software as follows

Step 1	Export data from “** cargo” software
Step 2	Reconcile and Remove duplicate parties
Step 3	Consolidate data in excel to tally software format and add cost centres
Step 4	Copy data from consolidated sheet and paste it to excel to tally software
Step 5	Generate report and check for errors

Step 6

Click on upload to tally

Flow of Entries from Excel to Tally**Advantages of Cost Centre in tally**

- Time saving Process
- Easy to reconcile debtors
- Easy to determine branch/department wise profits
- Easy to generate branch wise trial balance
- Easy to track branch/department wise payments and receipts

- No need to create multiple ledgers for each branch/department
- Easy to access
