

Introduction to Payroll in Tally ERP 9

The Payroll management in Tally ERP 9 can streamline their payroll processes, ensure compliance with statutory requirements, and maintain accurate records of employee earnings and deductions. This helps in reducing administrative workload, minimizing errors, and providing employees with timely and accurate salary payments.

Attendance or Production Types in Tally

In Tally ERP 9, Attendance/Production Types are crucial components used in payroll processing to track the attendance or production details of employees. These types help in defining various attendance or production criteria, which are then used to compute salaries, wages, or bonuses.

Detailed Explanation of Attendance or Production Types in Tally ERP 9

Attendance Types: These are used to record the attendance of employees, such as present days, absent days, leave taken, overtime, etc.

Production Types: These are used to record the production output of employees, often used in manufacturing environments where wages are based on the quantity of work done.

Attendance Type

1. Attendance/Leave with Pay (Positive Attendance)

This is used to record the days an employee was present or on a sanctioned paid leave.

- Meaning: Any day marked under this type tells Tally to calculate and pay the salary for that day.
- Examples: "Present Days," "Sick Leave (Paid)," "Casual Leave."
- Best for: Pay heads like Basic Salary or HRA where you want to pay only for the days worked.

2. Leave without Pay (Negative Attendance)

This is used to record unpaid absences or "Loss of Pay" (LOP).

- Meaning: Any day marked here tells Tally to deduct that day's worth of salary from the total monthly pay.
- Examples: "Absent," "Unpaid Leave," "Suspension."
- Best for: Companies that track attendance by counting how many days an employee was away rather than how many days they were present.



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3. Production

Unlike the first two, which are based on days, this is based on measurable work or time units.

- Meaning: It links salary to a specific unit of work (e.g., hours, pieces, or kilometers).
- Examples: "Overtime (Hours)," "Pieces Produced," "Sales Targets Achieved."
- Best for: Pay heads like Overtime or Piece Rate Wages.

4. User Defined Calendar Type

This is a specialized type that allows you to manually define the number of days in a month for calculation.

- Meaning: It overrides Tally's automatic calendar (28, 30, 31 days). For example, if your company policy says every month is treated as exactly 26 working days.
- Best for: Companies with unique monthly calculation rules that don't change regardless of the actual calendar days.
- To record positive attendance type

Attendance types

A. Creating "Present" (Positive Attendance)

1. Go to Gateway of Tally > Payroll Info. > Attendance/Production Types Create.
2. Name: Enter Present.
3. Under: Select Primary from the list.
4. Attendance Type: Select Attendance/Leave with Pay. The Period type (Days) appears automatically.
5. Press Enter to save.

Attendance / Production Type Creation	
Name	: Present
(alias)	:
Under	: [Primary
Attendance type	: Attendance / Leave
Period type	: Days
Accept ?	
Yes or No	



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You can create the Attendance Type Absent as Leave without Pay for recording negative attendance in the same manner.

Note: You can maintain and process both the Negative (no. of Absent days) and Positive (no. of Present days) attendances for an employee to compute the salary.

B. Creating "Absent" (Negative Attendance)

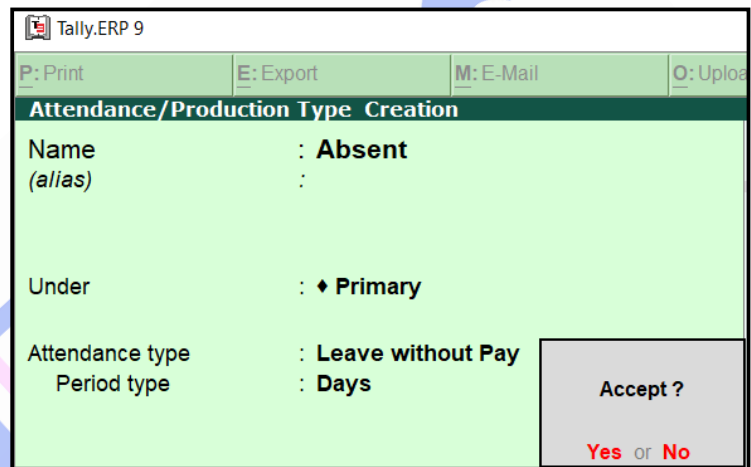
1. Go to Gateway of Tally > Payroll Info. > Attendance/Production Types > Create.
2. Name: Enter Absent.
3. Under: Select Primary from the list.
4. Attendance Type: Select Leave without Pay. The Period type (Days) appears automatically.
5. Press Enter to save.

Using the production type option, you can record the production details (for example, Piece Production, Overtime Hours, and so on).

1. Go to Gateway of Tally > Payroll Info. > Attendance/Production Types > Create
2. Enter the Name of the Production Type (Overtime)
3. Select Primary from the list, for the field Under.
4. Select Production as the Attendance Type.
5. Select the appropriate type of unit from the list, in the Unit field.
6. Press Enter to save.

Similarly, you can create other production types according to your business requirements.

Production Types



Tally.ERP 9

P: Print E: Export M: E-Mail O: Upload

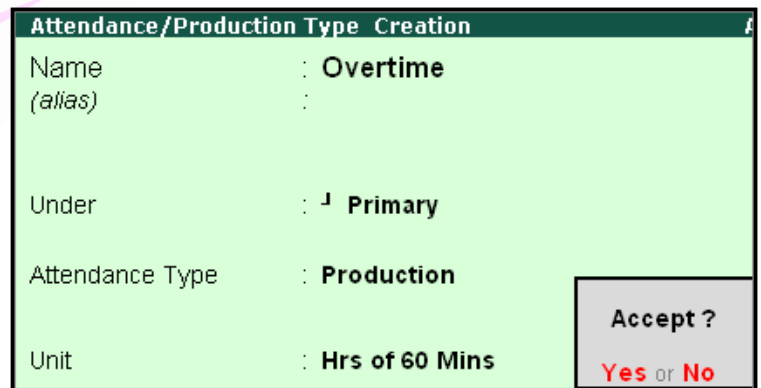
Attendance/Production Type Creation

Name : **Absent**
(alias) :

Under : **Primary**

Attendance type : **Leave without Pay**
Period type : **Days**

Accept ?
Yes or No



Attendance/Production Type Creation

Name : **Overtime**
(alias) :

Under : **Primary**

Attendance Type : **Production**

Unit : **Hrs of 60 Mins**

Accept ?
Yes or No