

Exensys Software Solutions Ltd.		AA/B/CCDD V x.y
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 **Best Practice**
eXensys – Inter Branch Transactions


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Introduction:

Organizations with multiple branches face unique challenge of managing and reconciling transactions amongst the branches. Type of transactions include Receipt, payment, Funds Transfers, Stock transfer, Sale / Purchase of inventory amongst the branches etc.

eXensys **Inter Branch Transactions** feature enriches the operations which are across the different geographical barriers. In relation to this the end transactions thereby recorded, reported and accounted for one operating unit/sub organization/branch/Depot etc.

eXensys provides dynamic functionality where in the flow, accountability and authenticity is strictly maintained for a smooth flow transactions between the different geographically separate entities under one single organization's roof.

Overview:

eXensys provides excellent processes, techniques and solutions to handle the process cycle of **Inter Branch Transactions**. Its tailor made tools and features understands the various functionalities that would be accessible depending upon the various operations of the business environment.

eXensys caters solutions which are in sync and apt for the complete organization's requirements and can be configured, set up according to the operating strategies and procedures existing in the business entities. Taking into consideration of the modern sophisticated and highly competitive market, eXensys provides that edge in dealing with **Inter Branch Transactions** where in there would be less time consumed, Quick transactions, Flexibility, Accountability and Affordability is highly maintained. Wide range of Inter branch transactions features facilitates the Operating Units and Business organizations to be equipped with quick solutions which are organized, effective and business motive.

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Inter Branch Receipts/Payment Transactions:

Under this scenario eXensys provides the dynamic feature of entering the receipts/payment of Customers & Vendor at any sub org/branch/depot etc., where in there exists an inflow of cash or funds into the organization as a whole. Under this functionality transaction of a geographically separate operating unit/sub organization/branch can be recorded at any place with adjustment .Financial Postings, Accountability is authentically and accurately maintained which are recorded in their respective books of accounts maintained.

For example if Sales is made at Sub org -1 to Customer-A of Rs. 1000 & amount received at Sub org-2 from customer-A (this amount can be received at any of the branches under the same org), system will automatically take care financial posting with adjustment if any in both the sub org.

Financial posting at sub-org 1 at the time of sales

*Customer-A Dr 1000
Sales Cr 1000*

Financial posting at sub-org 1 at the time of Receipt

*Sub org-2 Dr 1000
Customer-A Cr 1000*

Financial posting at sub-org 2 at the time of Receipt

*Cash/Bank Dr 1000
Sub-org -1 Cr 1000*

Inter Branch Income/Expenses Transactions:

eXensys provides recording, accounting and reporting of Inter Branch receipt/Payments pertaining to the income/Revenue & Expenditure of two different operating unit/sub organization/branch/Depot under the same Business Group or Main Organization. Financial Postings, Accountability is authentically and accurately maintained which are recorded in their respective books of accounts maintained.

For example If Sub Org 1 makes an expense on behalf of sub org-2 , those expenses is directly related to sub-org-2

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Financial Entries in the books of Sub Orgn1

Sub Orgn2 IBT A/c Dr
 To Bank A/c Cr

Financial Entries in the books of Sub Orgn2

Expenses A/c Dr
 To Sub Orgn1 IBT Cr

For example If Sub Org 1 receipt an amount for any revenue/income which are related to sub org-2

Financial Entries in the books of Sub Orgn1

Bank A/c Dr
 To Sub Orgn 2 IBT A/c Cr

Financial Entries in the books of Sub Orgn2

Sub Orgn1 IBT A/c Dr
 To Income A/c Cr

Inter Branch Stock Transfers(Receipt and Issue)

There exists a need for the transactions pertaining to the transfer of goods and services which are being transferred to the different operating unit/sub organization/branch etc., eXensys provides recording, updating and accounting of the Inter Stock Transfers optimally to reduce the risks of actual inventory valuation between the different sub organizations periodically as per the set standards built in. Transactions can be both **Inter Stock Transfers** receipts and issues to and from different operating unit/sub organization/branch etc.

1) For example, If there is an Inter Stock Transfer Issue is performed from Sub Orgn1 to Sub Orgn2 under the same Business Group or Main Organization Org001

Financial Entries in the books of Sub Orgn1

Sub Orgn2 IBT A/c Dr
 To Inventory/Stock transfer A/c Cr

Financial Entries in the books of Sub Orgn2

Inventory/Stock transfer A/c Dr
 To Sub Orgn1 IBT Cr

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Inter Branch Fund Transfers

There exists a need for the transactions pertaining to the transfer of fund, which are being transferred to the different operating unit/sub organization/branch etc., eXensys provides recording, updating and accounting of the Inter branch fund Transfers. Transactions can be both **Inter Fund Transfers** receipts and issues to and from different operating unit/sub organization/branch etc.

Example- Sub org-1 transfer Rs. 1,00,000 to Sub-org -2

Financial Entries in the books of Sub Orgn1

Sub Orgn2 IBT A/c Dr
To Cash/Bank A/c Cr

Financial Entries in the books of Sub Orgn2

Cash/Bank A/c Dr
To Sub Orgn1 IBT Cr

Adjustment Transactions:

eXensys provides the facility to adjust the different modes of Receipts, Payments, Debit and Credit notes and other mandatory Statutory obligations which are discharged, to be discharged are adjusted to their respective debit and credit outstanding documents pertaining to different operating unit/sub organization/branch etc.

For example, Sub orgn2 raise a credit note for the invoice made by sub-org-1

Financial Entries in the books of Sub Orgn1

Sub Orgn2 IBT A/c Dr
To Customer A/c Cr

Financial Entries in the books of Sub Orgn2

Expenses A/c Dr
To Sub Orgn1 IBT A/c Cr

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Inter Branch Transactions Reconciliation:

eXensys provides unique and outstanding feature of **Inter Branch Transactions Reconciliation** where in on a set standard period basis a reconciliation statement would be generated highlighting the deviations, differences and other reasons where in there is a difference between the two Inter Branch Transacting Sub organizations. eXensys has provided valid major heads where in differences can be plotted according to the nature of the transactions and can be quickly act upon both from accounting perspective and management perspective to fix them in shape accordingly.

The following are the major heads where in the deviations; differences can be plotted for taking a swift and correct action necessary between two difference transacting sub organizations.

- Stock Transfer from Sub Ogn1 not recorded in SO 2*
- Stock Transfer from Sub Ogn 2 not recorded in SO 1*
- Stock Transfer from Sub Ogn 2 Recorded without Reference*
- Stock Transfer recorded in Sub Ogn 2 without reference*
- Stock Transfer to SO 2 recorded with lower value in SO 2(with the amount of Value difference)*
- Stock Transfer to SO 2 recorded with higher value in SO 2 (with the amount of Value difference)*
- Stock Transfer From SO 2 recorded with Lower value in SO 1 (with the amount of Value difference)*
- Stock Transfer From SO 2 recorded with higher value SO 1(with the amount of Value difference)*
- IBT Payment in SO 1 not recorded in SO 2*
- IBT Payment in SO 2 Not recorded in SO 1*
- IBT Receipt in SO 1 not recorded in SO 2*
- IBT Receipt in SO 2 not recorded in SO 1*
- Funds Transfer to SO 2 not recorded*
- Funds Transfer from SO 2 not recorded in SO 1*

Benefits:

- Speed and Accuracy is maintained to the delight of the end customers, vendors and other channel partners and improves business efficiency.
- Cost is considerably reduced with the things getting handled in the same geographical location of the other dependent sub organization, the management would be in a healthy financial position.
- Strong Financial Postings and Automatic accounting treatment during various kinds of transactions where in Inter Branch Account is getting involved.

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- Handled multicurrency functionality in compliance to GAAP/statue.
- Strong and Dynamic Inter Branch Reconciliation Statement is generated to account and fix the deviations, gaps, differences found between the two different operating unit/sub organization/branch etc

Conclusion:

eXensys Software provides the organizations sufficient artillery necessary to meet the modern technological challenges and to overcome the hurdles of Inter Branch Transactions. It is equipped with latest competency and high-end technology to provide effective solutions to the diverse verticals and functions existing in the competitive markets. eXensys understands the business needs and can be tailor made to the best fit and suit the organizational needs and requirements. Its dynamic features and capabilities would enhance the organization's productivity, efficiency and time.

