CCI Learning Solutions Inc.

Sage 50
Premium Accounting 2013

Level 2 – Courseware 1655-1

MasterTrak Accounting Series

Lesson 1: Setting Up Data Files and Customizing Settings

Lesson Objectives

The objective of this lesson is to learn how to convert from a different accounting system to Sage 50 Premium Accounting 2013. Upon successful completion of this lesson, you will be able to:

☐ use the Setup wizard to set up your company data file using a chart of accounts template

☐ set up the General Ledger

☐ check and verify linked accounts

☐ modify sales taxes and sales tax codes

☐ enter the opening balances into each general ledger account

☐ set up suppliers and purchases history

☐ set up customers and sales history

☐ enter inventory and services history

☐ enter employees and payroll history

☐ finish entering history

☐ customize Sage 50 Accounting

☐ modify reports and forms

Creating a New Company

Before you can use Sage 50 Premium Accounting 2013 as the accounting software for your business, you must set up a data file. Sage 50 Accounting makes this process very easy for you with the Setup Wizard, which will ask you a series of questions relating to your business and accounting policies. Once you have worked through the Setup Wizard, Sage 50 Accounting will create all the modules, ledgers and journals for you (and even the Chart of Accounts), based on the information you provided.

One of the features Sage 50 Accounting uses to make the process easy is its extensive library of company account templates that represent just about every common type of business enterprise, such as accounting practices, construction companies, retail businesses, consulting services, and wine and beer making operations. By choosing one of these account templates, you can save yourself much time setting up the accounts rather than doing this task manually. If your business is not included in any of the templates, you can choose the template that best matches your type of operation and modify it to meet your specific requirements.

If you are thoroughly familiar with Sage 50 Accounting you may wish to set up your own data file from scratch including all the other steps that go along with such a project. However, even experienced users prefer to let Sage 50 Accounting do most of this work for them, and do it accurately as well. The following list represents a broad outline of what Sage 50 Accounting accomplishes in the background once the appropriate template has been selected.

1. Creates a complete Chart of Accounts with appropriate account numbering sequence.

2. Completes all correct linking of the various modules to ensure sub ledgers will correctly track all necessary information.

3. Sets up the most common set of Tax Codes for Sales Tax tracking, pertaining to your individual province.

The only negative for using a template (if this can be considered a negative) is the fact that Sage 50 Accounting usually provides more accounts than most businesses use, requiring the user to eliminate those which are not needed. In some instances that may require unlinking some of the accounts in order to delete them. In both cases, whether using a template or whether the Chart of Accounts was manually created, it will still be necessary to enter opening balances, customers, suppliers together with their historic balances, employees along with any historic year-to-date amounts, as well as inventories and historic values.

Once the Chart of Accounts has been created by Sage 50 Accounting it is a good idea to go through it, deleting those accounts not required and adding those which may pertain to your particular needs and were not included in the original template.

In Level 1 of this courseware series, you learned that Sage 50 Accounting uses the following account numbering system:

Assets	1000 to 1999
Liabilities	2000 to 2999
Equity (Capital)	3000 to 3999
Revenue	4000 to 4999
Expense	5000 to 5999

This numbering system uses four digit numbers for the various account categories. Sage 50 Accounting now permits users a choice of from four to eight digits. That would mean, for example, that Asset accounts may range from 10000000 to 19999999.

Whether you use a template for your Chart of Accounts or set it up yourself, you will not be permitted to use any numbers outside this range for your general ledger accounts.

If you are starting up a new company, the best approach is to use Sage 50 Accounting from the first day of business. If this is the case, the following paragraph will not apply.

If your company has been operating for at least one year with your current accounting system, then a major consideration is the choice of date for conversion to Sage 50 Accounting. You can choose any date as your conversion date. However, if your conversion date is some time after the beginning of your financial year, then your first year's detailed financial statements provided by Sage 50 Accounting will only cover part of the year.

To view the details of the operations recorded in your previous accounting system, you will have to look these up and combine them with the figures provided by Sage 50 Accounting. This is cumbersome and could lead to errors.

After the first year of operations in Sage 50 Accounting, the records provided by the software will be complete for that and each subsequent year. If you are close to the end of the fiscal year, it is recommended that you wait and do the conversion at your fiscal year end.

Note that setting up your data files in Sage 50 Accounting should be done in very close liaison with your accountant and/or a qualified Sage 50 Accounting Consultant. This will ensure that the accountant's requirements are fully met by your operations in Sage 50 Accounting. Most accountants have access to people with experience using Sage 50 Accounting, and they can provide guidance on the setup and technical assistance for any problems. At the very least, you should have a list of the accounts required by the accountant, and the accountant's suggested format for the balance sheet and income statement, as these will affect the way you set up the chart of accounts.

Some smaller organizations do not use all the modules available in Sage 50 Accounting. In fact, some merely set up the data file, create the chart of accounts, and then handle all their accounting using transactions recorded in the general journal. Doing this severely limits the reporting functions available in Sage 50 Accounting, as you are not using the full capabilities of the software. The general ledger is the core module in Sage 50 Accounting, and it has to be set up for the software to operate. From there, other modules can be activated as needed. Most bookkeeping would require at least the use of the general ledger, the accounts receivable and accounts payable modules.

The following checklist outlines the steps you must take to set up a new company from scratch in Sage 50 Accounting. You may wish to duplicate this checklist, and mark off each item as it is completed.

☐ If you are upgrading from MYOB, QuickBooks, Quicken, or an older version of Sage 50 Accounting/Simply Accounting, you can convert your existing data. You do not need to complete the following steps. Take note that once you convert the data, you will not be able to use that file in the former software for your accounting needs. Make sure you have a backup copy of the accounting data before you convert to Sage 50 Accounting.

☐ If you are starting a new business, obtain as much advice as possible from your accountant to ensure that all government requirements are met.

☐ If you have an existing business, gather your records, make sure that the accounts are up-to-date, that you have a trial balance, and that accounts receivable and payable subsidiary ledgers agree with the balances in the general ledger at the chosen conversion date.

☐ Again, the most obvious time to convert from one accounting system to another is at the beginning of a new fiscal year. For peace of mind, you may want to run Sage 50 Accounting and your old system in tandem for a few weeks to ensure you have set everything up correctly.

☐ Create your company in Sage 50 Accounting using the Setup Wizard.

☐ Add and format the necessary accounts as advised by your accountant.

☐ Set up the linked accounts.

☐ Enter your existing vendors and any outstanding accounts payable balances from your records (also known as historical information).

☐ Enter your existing customers and any outstanding accounts receivable balances from your records (also known as historical information).

☐ Enter the inventory and services that you usually sell and any inventory on-hand balances from your records (also known as historical information).

☐   Enter your employees and any historical figures from your records (also known as historical information). If your conversion date is not on January 1, you will need payroll totals for each employee from your old system, covering January 1 to the conversion date, so that your payroll records in Sage 50 Accounting will reflect totals for the full calendar year.

☐   Enter your projects and any balances from your records (if any).

☐   Once you have finished entering historical information, you should select **Finish Entering History** from the History menu. You must use this option before the end of your first fiscal year.

Using the Setup Wizard

A wizard is a set of instructions that guides you through a complex task step by step. One of the wizards available in Sage 50 Accounting is the Setup Wizard.

To set up records for a new company using the Setup Wizard, use one of the following methods:

•   In the Home window, select **File**, **New Company**.

•   Start Sage 50 Accounting, and then click the **Create a new company** option in the Open/Welcome screen.

> This courseware was developed using the Education version of the software. Screens may differ from those displayed in the student version or retail version.

LEARN THE SKILL

In this exercise, you will learn how to create a new company data file from a template.

1   Start Sage 50 Premium Accounting 2013.

2   Click to select **Create a new company**.

3   Click **OK** to open the Sage 50 - Introduction window.
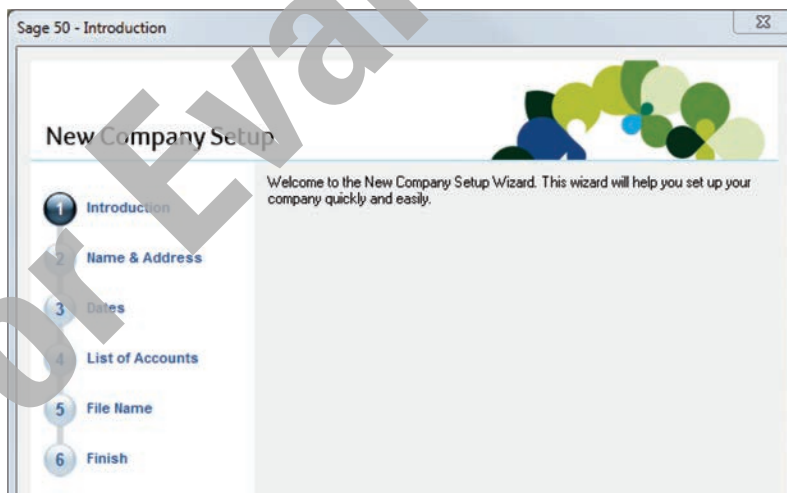
4   Click **Next**.

When the Company Name & Address dialog box opens you will record the basic company information consisting of the name, address, phone number, and fax number or what will be printed on business documents such as reports, invoices, and cheques. If your company has multiple locations, use the address and phone numbers for your head office or where your accounting staff are located.

5 Type the following information for the company name and address:

Name	The Woodsman Furniture – Your Name
Street 1	123 Broadway
City	Vancouver
Province	British Columbia
Postal	V4H 2M9
Country	Canada
Phone 1	(604) 873-1478
Fax	(604) 873-1480

6 Click **Next**.

In the Dates dialog box you will enter the fiscal year start and end dates for your business. The Earliest Transaction date is the date on which you are converting from your current accounting system to Sage 50 Accounting.

7 Enter the following dates in the date format of your preference:

MM-DD-YYYY

Fiscal Year Start	(010113) or (1-1-13) 010113	January 1, 2013
Earliest Transaction	(030113) or (3-1-13) 030113	March 01, 2013
Fiscal Year End	(123113) or (12-31-13) 123113	December 31, 2013

DD-MM-YYYY

Fiscal Year Start	(010113) or (1-1-13) 010113
Earliest Transaction	(010313) or (1-3-13) 030113
Fiscal Year End	(311213) or (31-12-13) 311213

Make sure you carefully check the default date settings on your computer. The image below is displaying Month - Day - Year.

Instead of typing the date (which must be in the Windows date format), you can also click 🗒 **(Calendar)** next to each entry box to display a calendar. You can scroll to the desired month, and then select the desired date from the calendar.

Also, you do not have to type the preceding 0 (zero) before a month or day that only has one digit, as in 01 for January or the 1st day of the month. Sage 50 Accounting will automatically detect the value entered and set up the date appropriately, based on the date format used.

8   Click **Next**.

In the List of Accounts window you can choose to copy a template containing typical accounts, copy data from QuickBooks, MYOB, or Quicken export files, or create a new list of accounts from scratch.

9   If necessary, select **Have Sage 50 create a list of accounts based on your business type**. Click **Next**.

Sage 50 Accounting now requests information about your Ownership Structure, Industry Type and Company Type.

10 Complete as shown:

11 Click **Next**.

This opens the Sage 50 – File Name window.

By default, Sage 50 Accounting will use the Company's name for your new company data file and will place it in the same location as your Sage 50 Accounting program. You should change the name of the data file to a more descriptive name, and you may prefer to place it in a data folder, such as My Documents. Alternatively, if Sage 50 Accounting is shared by a number of people in your office, the file must be saved on a network drive and set up for everyone to access it. In this case, you will likely work with a consultant who is familiar with network installations of Sage 50 Accounting to provide access for all employees who need it.

Sage 50 Accounting will take the name of the company from the Company Name and Address dialog box and make it the default name for the name of the company file. It is advantageous and practical to shorten the name of the company file.

12 Change the name of the company file to `Woodsman – Your Name`.

Enter the name you want to use to identify your data files. Normally, you would use your company name as the file name.

Enter the name of the company file.

Woodsman - Your Name

Enter the location where you would like to store the company file.

C:\1655-1 Student Data\   Browse...

13 Click **Browse**. Ask your instructor which folder should be used to store and save the file.

14 Click **Next**.

If the Folder does not exist, the following confirmation message will appear.

Sage 50 - Confirmation

The folder and file 'C:\1655-1 Student Data\Woodsman - Your Name.SAI' do not exist, do you want to create them?

Yes   No

15 Click **Yes** to confirm.

In the Finish dialog box there is nothing here for you to do or select.

16 Click **Finish** in the next window. The program now takes a few moments to create the data file based on the instructions you provided.

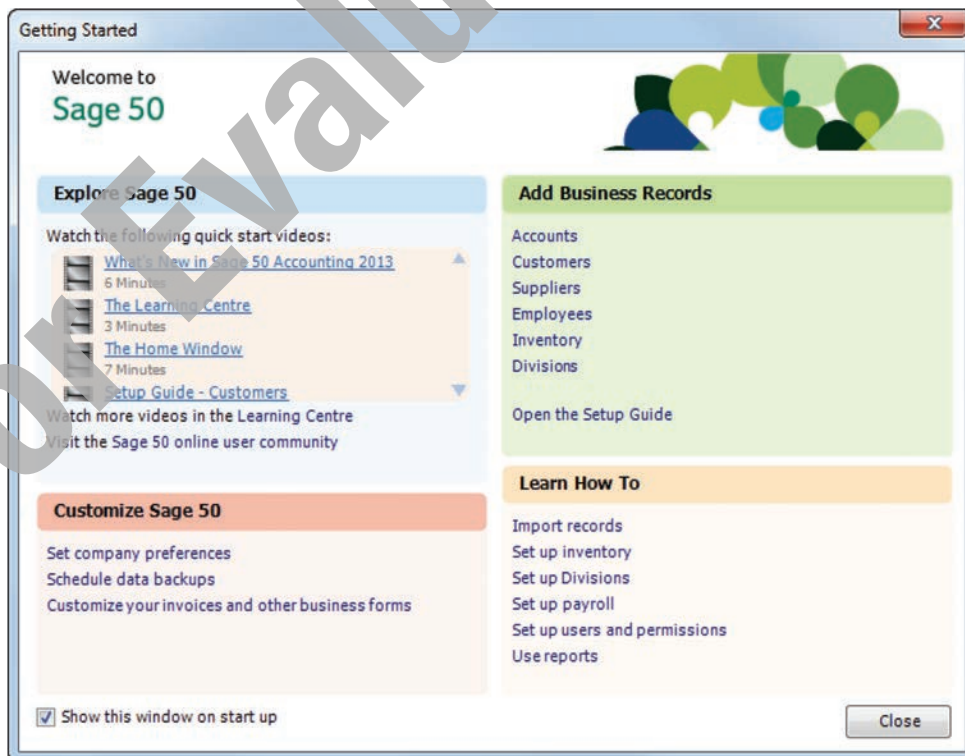Sage 50 Premium Accounting

Creating new database...

27%

When the data file creation has been completed the following window appears.
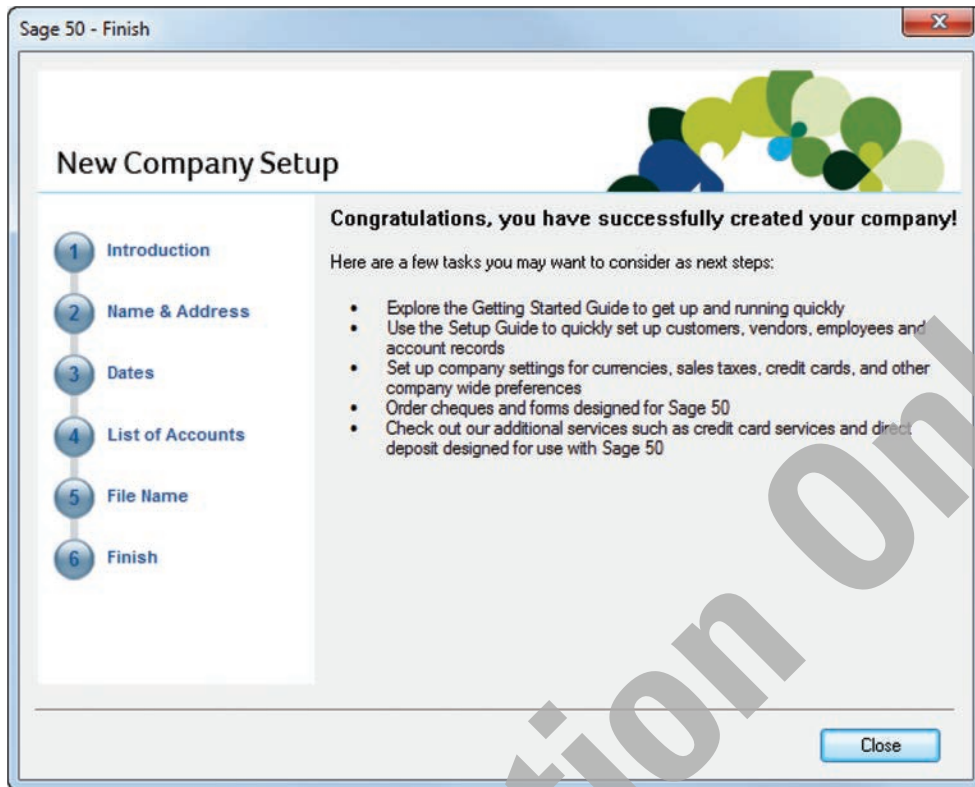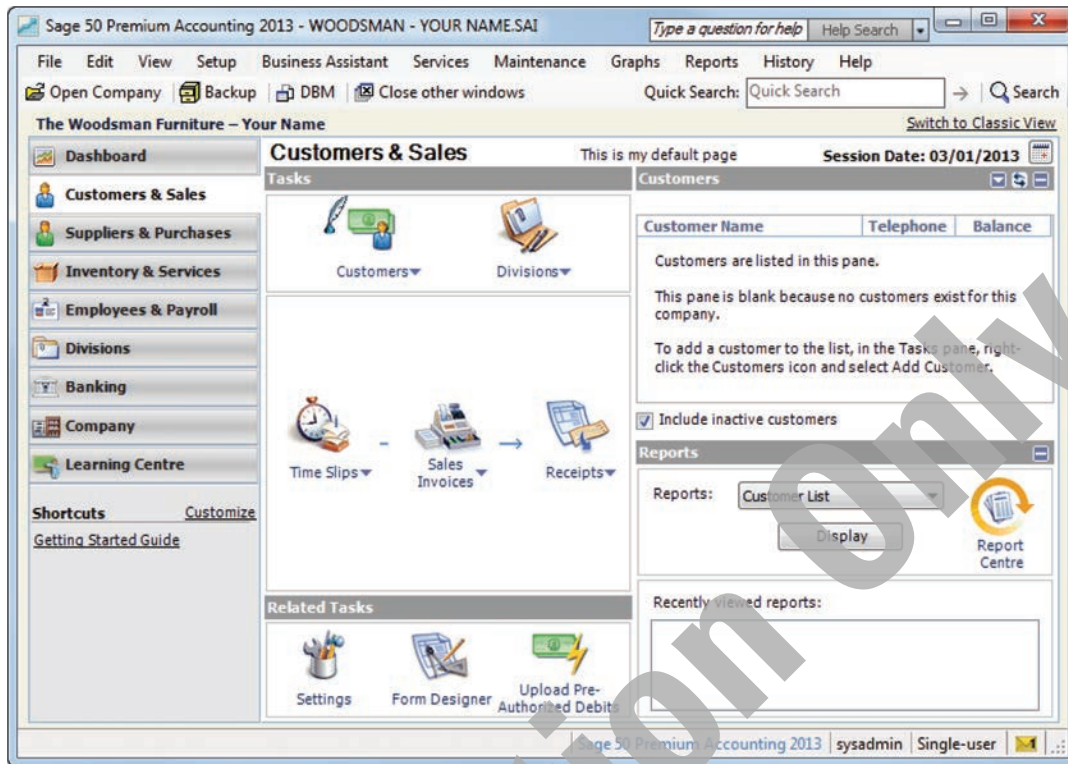
17 Click **Close**.

The Getting Started window appears.

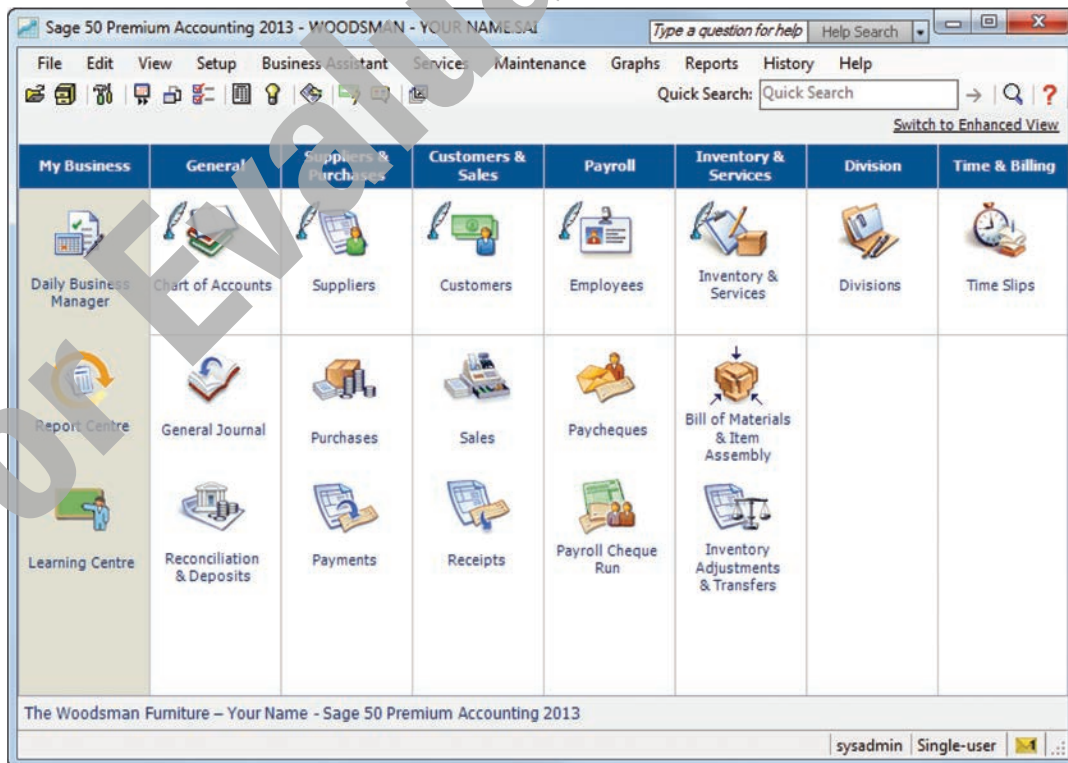If a Product Enhancement Window displays, click **OK** to close.

18 Click the **Close** button.

This is known as the Enhanced View.

19 Click the **Switch to Classic View** option on the top right corner. We will be using the **Enhanced View** in this courseware.

The Enhanced View is the view that will be referred to when the Home window is mentioned. You will notice that there is a quill and ink bottle on each module. This quill in the ink bottle is a visual indicator that the History option of this data file is still open. The purpose of this lesson is to fill in all historical data and then close History and remove these quills and ink bottles.

20 Switch back to the **Enhanced View**.

Setting Up the General Ledger

Once the company has been created, you must review and adjust the Chart of Accounts. Be sure to have the list provided by your accountant to ensure you have the accounts needed for your business.

Modifying the Chart of Accounts for a new company created by the New Company Wizard will require the following steps:

- Delete unnecessary accounts not required in our business. For a number of accounts this will require unlinking the accounts from two of the modules before they can be deleted.

- Add accounts not included in the template chart of accounts.

- Edit account names to our own requirements.

> While this exercise requires due diligence and some effort to ensure accounts are not missed, it will still be considerably less work than having to type the complete list of accounts from scratch.

LEARN THE SKILL

In this exercise you will learn how to modify the Chart of Accounts.

1 In the Home window, click the **Company** module on the navigation pane on the left side of the window. Click the **Chart of Accounts** icon to display the Chart of Accounts, a partial list of which is displayed below.

Balances are as of the latest transaction date	Type	Balance
ASSETS		
1000 Current Assets	**H**	
1020 Cash to be deposited	A	0.00
1030 Cash Draws	A	0.00
1050 Petty Cash	A	0.00
1055 Savings Bank Account	A	0.00
1060 Chequing Bank Account	A	0.00
1067 Foreign Currency Bank	A	0.00
1075 Total Cash	S	0.00
1080 Visa Receivable	A	0.00
1083 MasterCard Receivable	A	0.00
1087 American Express Receivable	A	0.00
1089 Other Credit Card Receivable	A	0.00

The accountant has given you a Chart of Accounts that needs to be set up for the company. First you will delete those accounts which will not be needed in our business.

2 Scroll through the Chart of Accounts, click each of the accounts listed and press the (Delete) key on your keyboard or click the 🔧 **(Remove)** button on the Chart of Accounts toolbar. Click **Yes** (or press the letter (Y) on your keyboard) to confirm the deletion. Continue until all accounts in this list have been deleted.

Number	Name	Number	Name
1030	Cash Draws	2372	HST Charged on Sales - Rate 2
1067	Foreign Currency Bank	2380	HST Payroll Deductions
1080	Visa Receivable	2630	Mortgage Payable
1083	MasterCard Receivable	2640	Loans from Owners
1087	American Express Receivable	4440	Interest Revenue
1089	Other Credit Card Receivable	5140	Transfer Costs
1090	Total Credit Card Receivables	5190	Subcontracts
1100	Investments	5200	Purchases
1205	Allowance for Doubtful Accounts	5470	Employee Benefits
1860	Building	5620	Bad Debts
1865	Accum. Amort. -Building	5645	Credit Card Charges
1870	Net - Building	5650	Currency Exchange & Rounding
1880	Land	5680	Income Taxes
1900	Other Non-Current Assets	5720	Property Taxes
1910	Computer Software	5750	Realized Exchange Gain/Loss
1920	Goodwill	5784	Travel & Entertainment
1930	Incorporation Cost	5789	Travel & Ent:Non-Reimbursable
1950	Total Other Non-Current Assets	5800	Uniforms
2115	Import Duty Clearing	5810	Cleaning Supplies
2133	Visa Payable	5890	Visa Commissions
2134	MasterCard Payable	5892	MasterCard Commissions
2135	American Express Payable	5894	American Express Commissions
2140	Other Credit Card Payable	5896	Other Credit Card Commissions
2145	Total Credit Card Payable	5899	Total Credit Card Commissions
2160	Corporate Taxes payable		

Next you will create the following new accounts which had not been included in the template.

3 Click the ☐ **(Create)** button on the Accounts toolbar, complete as shown below. Click **Create Another** after the first account has been added, and when complete click **Save and Close**.

| Number	Name	Type	Account Class
2300	PST Payable	G	Sales Tax Payable
2310	GST Charged on Sales	A	Sales Tax Payable
2320	GST Paid on Purchases	A	Sales Tax Payable
2330	GST Owing (Refund)	S	
5750	Janitorial Expense	G	General & Admin Expense

4 Several accounts need to be modified to reflect the name taken from the previous chart of accounts. Select the account from the chart, double-click to open the Chart of Accounts Record and change the name as required. When all names have been modified, close the Chart of Accounts.

| Number	Old Name	New Name
1055	Savings Bank Account	Savings Account
1060	Chequing Bank Account	Chequing Account
1520	Inventory A	Furniture
1530	Inventory B	Appliance
1540	Inventory C	Other Inventory
3010	Owners Contribution	F. Woodsman, Capital
3015	Owners Withdrawal	F. Woodsman, Withdrawals
4020	Sales Inventory A	Sales Furniture
4030	Sales Inventory B	Sales Appliance
4040	Sales Inventory C	Sales Other
5020	Inventory A Cost	Furniture Cost
5030	Inventory B Cost	Appliance Cost
5040	Inventory C Cost	Other Inventory Cost

When Sage 50 Accounting creates the Chart of Accounts, some accounts will automatically be linked to certain modules to ensure transactions will be tracked in those modules. To delete a linked account it will first be necessary to unlink those accounts.

5   In the Home screen, select **Setup**, **Settings**, **Payroll** module in the left hand column, then **Linked Accounts**. In the **Deductions** option, delete the account names in the Linked Accounts column as well as the Payment Adjustment Account column. These accounts would track voluntary payroll deductions such as RRSP premiums, Medical or Dental insurance. Not all businesses offer such items to their employees and as such these accounts are not required.
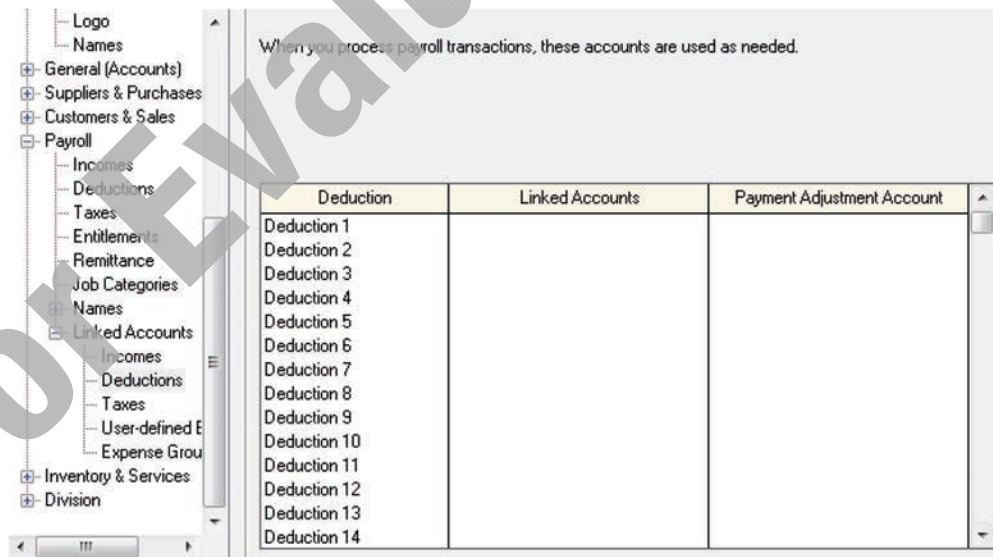

6   In the **Linked Accounts** option of the **Payroll** module select **User-defined Expenses**. Clear all fields. (It may be necessary to scroll down to view all settings.)

7   Select the **Inventory & Services** module, then **Linked Accounts** and clear the **Item Assembly Costs** field.
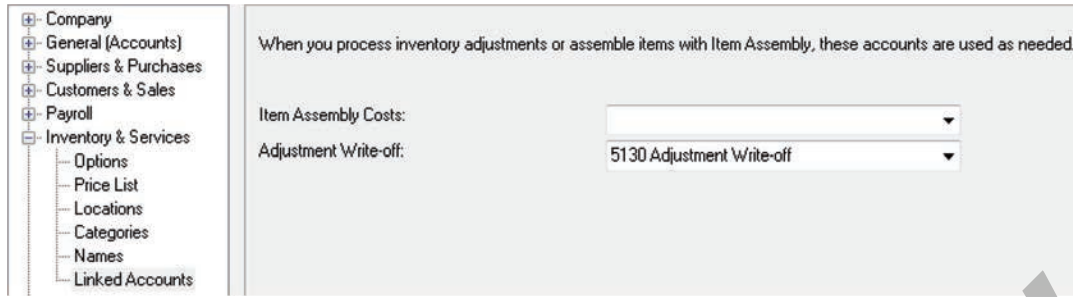
8   Click **OK** to implement the changes in linked accounts.

9   Open the Chart of Accounts again and delete the following accounts, which should now be unlinked and available for deletion.

Number	Name
2234	User-Defined Expense 1 Payable
2235	User-Defined Expense 2 Payable
2236	User-Defined Expense 3 Payable
2237	User-Defined Expense 4 Payable
2238	User-Defined Expense 5 Payable
2240	Deduction 1 Payable
2250	Deduction 2 Payable
2260	Deduction 3 Payable
2270	Deduction 4 Payable
2280	Deduction 5 Payable
5120	Item Assembly Costs
5464	User-Defined Expense 1 Expense
5465	User-Defined Expense 2 Expense
5466	User-Defined Expense 3 Expense
5467	User-Defined Expense 4 Expense
5468	User-Defined Expense 5 Expense

10 When you are finished with the Chart of Accounts, click ✔️ **(Check the validity of accounts)** in the Accounts window to ensure the accounts are in logical order.
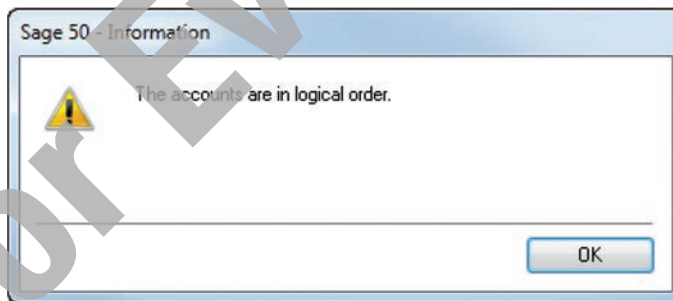
If the accounts are not in logical order, Sage 50 Accounting displays an error message indicating the source of the problem. Make all necessary corrections until the accounts are in logical order.

11 Click **OK** to close the information window.

12 Close the Accounts window.

Reviewing the Linked Accounts

During the process of setting up the company's data file, Sage 50 Accounting completed a number of functions in the background, items which must be completed correctly for the program to properly track funds in the appropriate modules. One of these functions was setting up all the linking for the various modules. You will now look at the linking for the modules. If you had elected not to use a template to set up your data file, it would have been your responsibility to accomplish this task on your own.

LEARN THE SKILL

In this exercise, you will review the linking for the modules.

1   Click **Setup**, **Settings** on the menu bar. Click **General** and then **Linked Accounts** and review the settings.

2   Click **Suppliers & Purchases** and then **Linked Accounts** and review the settings.

3   Click **Customers & Sales** and then **Linked Accounts** and review the settings.

4   Click **Payroll** and then **Linked Accounts**. Review each option in turn beginning with **Incomes**.

When you process payroll transactions, these accounts are used as needed.

Principal Bank: 1060 Chequing Bank Account ▼   Advances & Loans: 1220 Advances & Loans ▼

Vac. Owed: 2170 Vacation payable ▼

Income	Linked Accounts
Vac. Earned	5410 Wages & Salaries
Regular	5410 Wages & Salaries
Overtime 1	5410 Wages & Salaries
Overtime 2	5410 Wages & Salaries
Salary	5410 Wages & Salaries
Commission	5410 Wages & Salaries
Income 3	5410 Wages & Salaries
Income 4	5410 Wages & Salaries
Income 5	5410 Wages & Salaries
Income 6	
Income 7	
Income 8	
Income 9	
Income 10	

This company does not have voluntary payroll deductions, therefore the Deductions option will be cleared (this was done earlier in this exercise).

5 Click the **Taxes** options and review the settings. (It may be necessary to scroll down to view all settings.)

6 Click **Cancel** to exit without making any changes.

Reviewing Tax Codes

Lesson 6 of the Level 1 course manual reviewed the process involved in changing the Sales Tax rates in the event the provincial or federal government makes changes to these rates.

However, setting up these tax codes can be a cumbersome process for a new Sage 50 Accounting user. Normally this task is also completed by the Setup Wizard, providing the tax codes applicable to your province.

> In the full version of the software, the program automatically creates all appropriate sales tax codes based on the province where the company is located.
>
> For this B.C. based business the Education version only provided the HST. Effective April 1, 2013 B.C. adopted the GST and PST, which had been in effect previously until July 1, 2010 when it was replaced by the HST.

You will now review the sales tax code(s) provided by Sage 50 Accounting. Additional codes can be created should the need arise.

LEARN THE SKILL

In this exercise, you will learn how to 1. Review Tax codes; 2. Set up two new codes; 3. Remove the HST Tax code no longer required.

1 In the Home window click **Setup**, **Settings**, **Company**, **Sales Taxes**, **Taxes**.

Note that the program created only the HST. In addition to displaying which Tax was automatically generated by the program it also shows how this tax is handled by Sage 50 Accounting during any transaction involving Sales Tax.

The Taxes window is used to list which sales taxes are currently being used by this company. If this company had been created with an address in the province of Alberta, the Tax displayed in this window would be GST.

It will now be necessary to add GST and PST to this list below HST.

2 Enter the GST and PST as shown:

3 In the left column select **Tax Codes**.

The No Tax code always occupies the first line in the window; all other tax codes follow and can be created in any order.

Tax Codes can only consist of two characters (letters or numbers), therefore in order to do business in various different provinces it is necessary to be innovative with codes. The Description field is used to provide a brief summary of this particular code.

4   Below the code H enter the following additional tax code: `G` and press `Tab`.

5   Add the Description: `GST 5%, not included` and press `Tab`.

To add a tax code, enter in a code and description.

To see tax code details, double-click on a tax code or description.

Code	Description	Use In
	No Tax	All journals
H	HST 12%	All journals
G 🔍	GST 5%, not included	All journals 🔍

Assign Tax Codes...
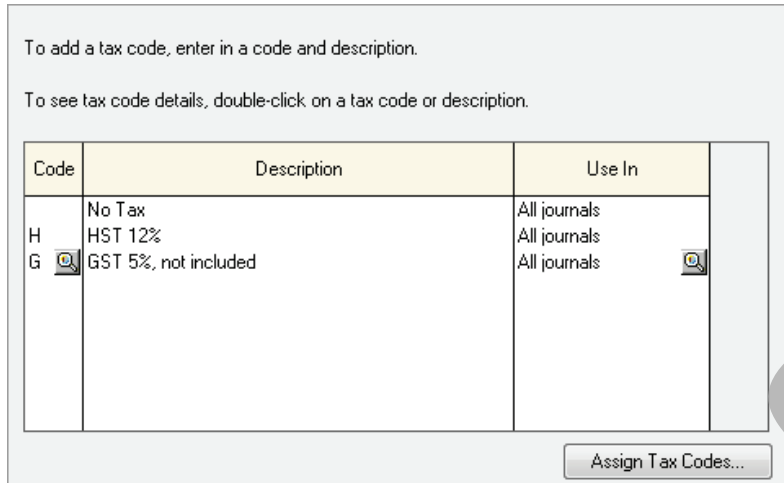
The above displayed Tax Code is connected to the Tax Code Details window which tells Sage 50 Accounting how the Tax Code is to be applied in a transaction.

6   Click the **G** Tax Code, then click the magnifying glass in the **Code** column.

7   In the Tax Code Details dialog box, click the magnifying glass in the Tax column, click **GST**, then **Select**.

8   Complete the Tax Code Details as follows, then click **OK**.

Tax Code Details

Edit   View   Help

Tax Code: G - GST 5%, not included

To add a tax to the Tax code, on a blank line, double-click in the Tax field and select the tax.

Tax	Status	Rate	Included In Price	Is Refundable
GST 🔍	Taxable 🔍	5	No	Yes

OK   Cancel   Help
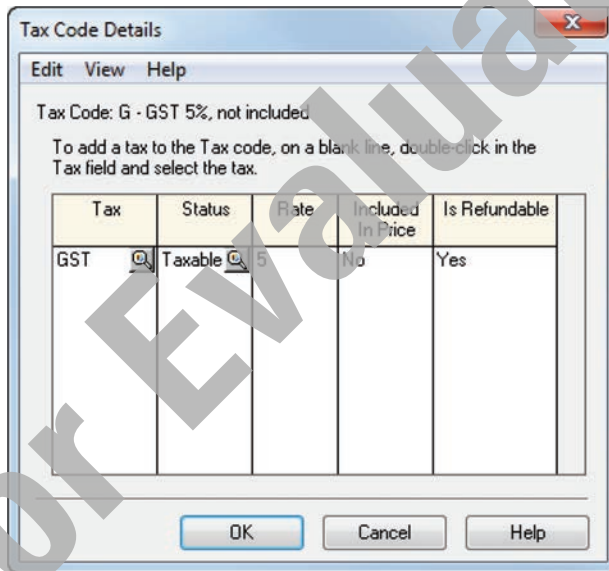
9   Repeat step 4 through 8 to add the Code `GP` and the Description `GST 5%, PST 7%, not included`.

10 Complete the Tax Code Details for the GP code as follows, then click **OK**.
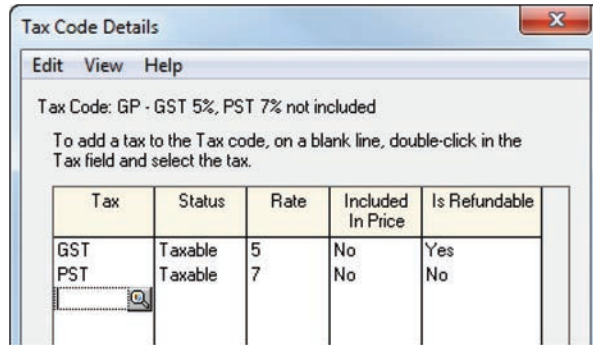
This screen shows the amount of each tax and whether it is included in the price or to be added to the transaction and whether the merchant can expect the amount of tax paid to be refunded by the government. (Yes in this example for the GST and No for the PST).

11 Click **OK** in the Setting window to return to the Home screen.

Next, it will be necessary to remove the HST tax code.

12 In the Home window click **Setup, Settings, Company, Sales Taxes, Tax Codes**.

13 Select the **H** Tax code, click the magnifying glass to open the Tax Code Details window. Select **HST** in the Tax column and press [Delete].

14 Press [Tab]. Then click **OK**.

15 In the Settings window, select **H** in the Code column.

16 Press [Delete], then [Tab].
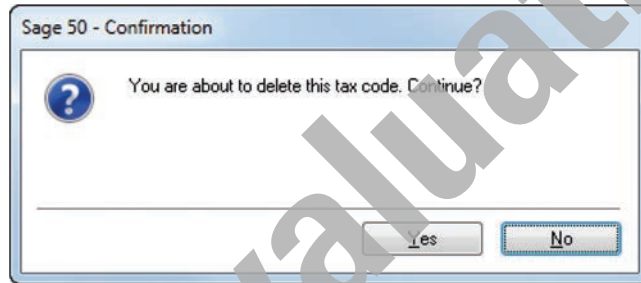
17 In the Confirmation window click **Yes**.

18 In the left column select **Taxes**.

19 In the first line click the **HST** and press [Delete], then [Tab].

20 Tab across the window to delete all entries in this line.

21 Click **OK**.

22 In the Home window, open the Accounts list in the Company module.

23 Using the instructions provided earlier, remove accounts 2370 through 2390.

24 In the Home window click **Setup, Settings, Company, Sales Taxes, Taxes**

25 Review the information, then select **Tax Codes**. Note that no evidence of the HST remains in any of the Sales Tax windows.

26 Close all windows to return to the Home screen.

Entering Opening Balances

Once the General Ledger has been created, the next step is to enter the opening balance into each account, each of which currently has a balance of zero. This process is referred to as entering historical data, because the data you are about to enter occurred from transactions dated prior to the Earliest Transaction date. You are permitted to enter historical data for a module at any time as long as the 🖋 **(History)** symbol appears for that module in the Home window. You can enter historical data while using Sage 50 Accounting for current transactions so you are not under pressure to close your old accounting system and convert to Sage 50 Accounting overnight. You can continue entering historical data until you select the **Finish Entering History** menu command or until the end of the first fiscal year. However, you should finish entering historical data as quickly as possible to ensure that your financial reports will be accurate.

> If your company is starting operations at the same time, then all opening account balances should remain as zero. In such an event, History can be closed off immediately, and Journal entries should be used to record the initial capitalization of the company and acquisition of the assets.

The opening balance in each account in Sage 50 is the closing balance in your old accounting system (if any) as of the conversion date. The closing balance can be easily obtained from the Trial Balance report in your old accounting system.

Sage 50 Accounting provides you with only one Opening Balance field for each account. Therefore, when you enter the opening balance for each account, you must enter it as a positive or negative number instead of using a debit or credit indicator.

As Sage 50 Accounting uses the predetermined chart of accounts, the balances will be positive or negative as seen in the following:

Number Range	Type	Debit	Credit
1000-1999	Assets	Positive	Negative
2000-2999	Liabilities	Negative	Positive
3000-3999	Equity	Negative	Positive
4000-4999	Revenue	Negative	Positive
5000-5999	Expenses	Positive	Negative

In other words, an asset account is expected to contain a debit balance. Therefore, Sage 50 Accounting treats a positive current balance value appearing in an asset account as a debit value, whereas a negative balance is a credit value.

On the other hand, a liability or equity account is expected to contain a credit balance. Therefore, a positive balance value is treated as a credit value, whereas a negative balance is a debit value. This treatment is consistent with standard accounting practice. For most accounts, the balance will be a positive value.

After all opening balances have been entered, the total of all account balances must equal zero. That is, the sum of the debits must equal the sum of the credit balances.

LEARN THE SKILL

In this exercise, you will learn how to enter the opening balances into all necessary accounts in the General Ledger.

1   In the Home window, click **Company** in the navigation pane, then click the **Chart of Accounts** icon.

2   Select **1055 Savings Account**, and click **(Edit)** on the toolbar to open the Chart of Accounts Records dialog box.

3   In the **Opening Balance** field, type: 11347.59 and press Tab. DO NOT click Save and Close as this would bring a credit to the Retained Earnings – Previous Year account.

Account 1055 now has a debit balance of $11,347.59.

4   In the **Select** drop-down list click the arrow to open the list.
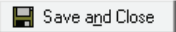
5   If necessary, click the **Always save changes to records without asking** option and then click **Yes**.

6   Select **1060 Chequing Account**.

7   Select the text in the **Opening Balance** field and type: `16569.15`. Remember: DO NOT click
     ![Save and Close] . Press (Tab).
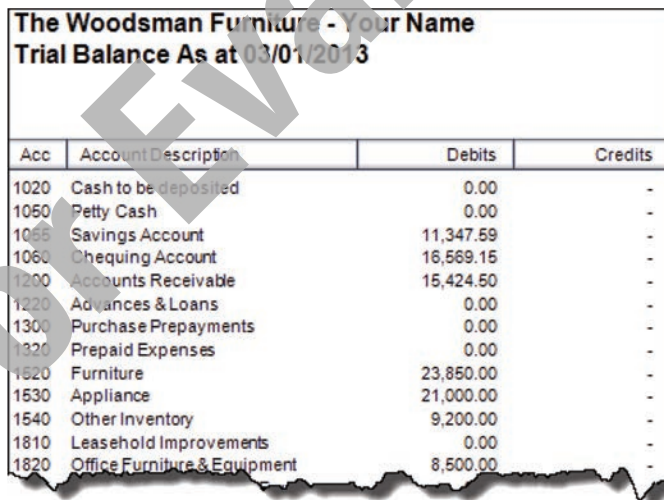
8   Continue to enter the opening balance for the following accounts:

Account		Opening Balance
1200	Accounts Receivable	15,424.50
1520	Furniture	23,850.00
1530	Appliance	21,000.00
1540	Other Inventory	9,200.00
1820	Office Furniture & Equipment	8,500.00
2100	Accounts Payable	4,287.70
2170	Vacation Payable	464.00
2180	EI Payable	200.68
2185	CPP Payable	516.44
2190	Federal Income Tax Payable	2,132.14
2230	WCB Payable	92.80
2300	PST Payable	1,146.60
2310	GST Charged on Sales	819.00
2320	GST Paid on Purchases	-242.70 (negative)
3010	F. Woodsman, Capital	91,092.38
4020	Sales Furniture	4,600.00
4030	Sales Appliance	6,300.00
5020	Furniture Cost	2,530.00
5030	Appliance Cost	2,895.00
5440	WCB Expense	92.80

9   When the last value has been entered, click **Save and Close**.

10 From the menu bar in the Accounts window, select **Reports**, **Trial Balance**, accept the
      settings in the Modify Report window and click **OK**.

Your debits and credits should be 111,651.74.

The Woodsman Furniture - Your Name				For the sake of brevity, only the
Trial Balance As at 03/01/2013				top and bottom of the Trial
				Balance is displayed.

Acc	Account Description	Debits	Credits
1020	Cash to be deposited	0.00	-
1050	Petty Cash	0.00	-
1055	Savings Account	11,347.59	-
1060	Chequing Account	16,569.15	-
1200	Accounts Receivable	15,424.50	-
1220	Advances & Loans	0.00	-
1300	Purchase Prepayments	0.00	-
1320	Prepaid Expenses	0.00	-
1520	Furniture	23,850.00	-
1530	Appliance	21,000.00	-
1540	Other Inventory	9,200.00	-
1810	Leasehold Improvements	0.00	-
1820	Office Furniture & Equipment	8,500.00	-

5640	Courier & Postage	0.00	-
5660	Amortization Expense	0.00	-
5685	Insurance	0.00	-
5690	Interest & Bank Charges	0.00	-
5700	Office Supplies	0.00	-
5730	Motor Vehicle Expenses	0.00	-
5740	Miscellaneous Expenses	0.00	-
5750	Janitorial Expense	0.00	-
5760	Rent	0.00	-
5765	Repair & Maintenance	0.00	-
5780	Telephone	0.00	-
5790	Utilities	0.00	-
		111,651.74	111,651.74

11 Close the Trial Balance. Make any corrections as necessary.

12 Close the Accounts window.

Entering Suppliers and Purchases History

When you first set up your company data file, you will not have any suppliers. However, if you had entered an opening balance in the Accounts Payable account, then you must set up your supplier list containing the names of the suppliers to whom you owe money, and the amount you owe to each of them. You can then use this suppliers list in Sage 50 Accounting for purchasing goods and services.

Also, you have to set up the individual invoices with the amount owing on each of them and their payment due dates. Fortunately, Sage 50 Accounting will not require you to enter all of the invoice details as historical data.

When you have finished entering all of your suppliers and the historical data, the sum total of all outstanding invoices must be equal to the opening balance of the Accounts Payable account ($4,287.70 in this exercise).

LEARN THE SKILL

In this exercise, you will practice adding suppliers and learn how to add purchases history.

1 In the Home window, select **Suppliers & Purchases** in the navigation pane. In the Tasks area click the **Suppliers** icon.
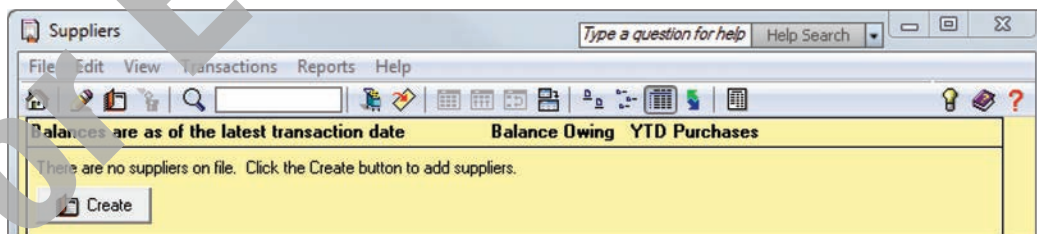
2 Click **File**, **Create**.

> You can also click **Create** in this dialog box or click 🗔 **(Create)** on the toolbar.

The purpose of this first lesson is to start a company from scratch. Therefore, we will enter only the necessary information in each module.

3 Enter the following data for the first supplier:

        Supplier   Telus

Now enter details about invoices that are currently outstanding for this supplier. Note that Sage 50 Accounting requires you to save the supplier record before you can enter these historical transactions. The **Historical Transactions** tab only appears if you have not finished entering history.

4   On the **Historical Transactions** tab, click **Save Now**.
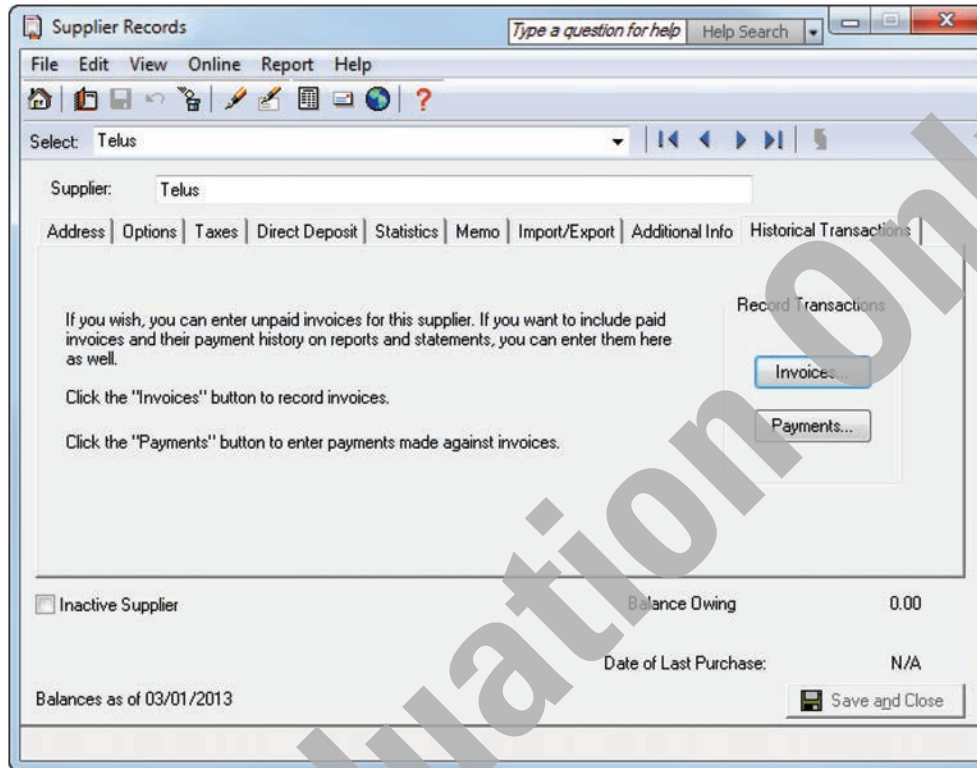
5   Click **Invoices**.

6   Type the following data into the Historical Invoices window, click **Record**, and then click **Close** when done:

        Invoice No.   Jan 2013
        Date   2/22/2013
        Amount   157.00

> When typing the historical invoice data, be sure to double-check your typing before pressing **Record** or (Enter) to save yourself the trouble of purging the erroneous invoice.

Remember that the only historical invoices to be entered are the ones that have not been paid yet. The total amount of these invoices must equal the total amount owed to this supplier. Where historical invoices have been partially paid, enter the total of the invoice as stated here, and then use the **Payments** function to apply the partial payments already paid.

Once a historical invoice has been entered, it cannot be adjusted. If an error is made when inputting an invoice, you must apply a full payment to the incorrect entry, and then re-record the invoice correctly.

7 Select the **Address** tab to view the screen illustrated below.

Supplier:	Telus

Address | Options | Taxes | Direct Deposit | Statistics | Memo | Import/Export | Additional Info | Historical Transactions

Contact:		Phone 1:	
Street 1:		Phone 2:	
Street 2:		Fax:	
City:		Tax ID:	
Province:		E-mail:	
Postal Code:		Web Site:	
Country:			

Supplier Since: 03/01/2013

☐ Inactive Supplier   Balance Owing   157.00

Date of Last Purchase: N/A

Balances as of 03/01/2013   💾 Save and Close

Notice that the **Balance Owing** shows $157.00 – the sum total of the historical invoice that you had just entered for this supplier.

Filling in the **Statistics** tab is optional because the information comes from your old accounting system. However, many Sage 50 Accounting reports use this data to report on the full fiscal year rather than only from the conversion date.

8 Click 🔲 **(Create)** on the toolbar and enter the remaining suppliers:

Supplier	Fortis BC	
Invoice No.	Date	Amount
Jan 2013	2/18/2013	263.32

Supplier	Canadian Fine Pine	
Invoice No.	Date	Amount
CFP 45	2/15/2013	1,475.82

Supplier	Design Furniture Manufacturers Inc.	
Invoice No.	Date	Amount
DFM 156	2/08/2013	1,399.20

After entering the first invoice, click **Record**, then enter the second invoice for this vendor. After the second invoice has been recorded, click **Close**.

DFM 189	2/26/2013	992.36

9 Close the Supplier Records window.

10 In the Suppliers window, click **Reports**, **Supplier Aged**, click **Summary**, **Select All** (if necessary), and then click **OK**. The Supplier Aged Summary report should appear similar to the following:

The Woodsman Furniture – Your Name
Supplier Aged Summary As at 03/01/2013

Name	Total	Current	31 to 60	61 to 90	91+
Canadian Fine Pine	1,475.82	1,475.82	-	-	-
Design Furniture Manufacturers I...	2,391.56	2,391.56	-	-	-
Fortis BC	263.32	263.32	-	-	-
Telus	157.00	157.00	-	-	-
Total outstanding:	4,287.70	4,287.70	-	-	-

Notice that the Total outstanding should be $4,287.70 (the same figure that was entered in the Accounts Payable on the Balance Sheet).

11 Close the Supplier Aged Summary and the Suppliers window.

Entering Customers and Sales History

As with the vendors and purchases history, you must set up your customer list and add the sales invoices that they have not yet paid to you. You can then use this customer list as you enter sales invoices from this point forward.

When you have finished entering all of your customers and the historical data, the sum total of all outstanding invoices must equal the opening balance of the Accounts Receivable account ($15,424.50 in this exercise).

LEARN THE SKILL

In this exercise, you will practice adding customers, and learn how to add sales history.

1 In the Home window, click **Customers & Sales** in the navigation pane. In the Tasks area, click the **Customers** icon.
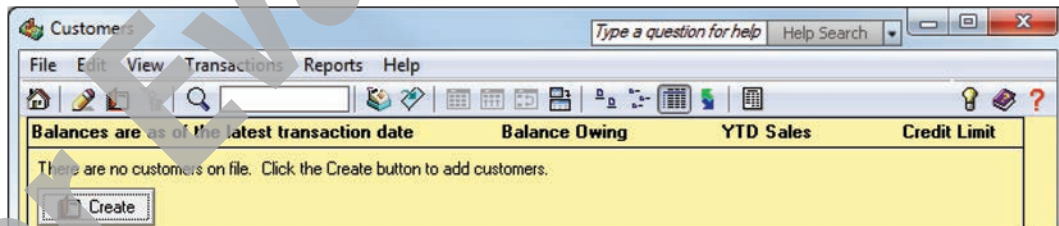
2 Click **File**, **Create** on the menu bar, or click **Create**.

3 Enter the following data for the following customer:

Customer   Davidson, Gerry

4 On the **Historical Transactions** tab, click **Save Now**. Select **Invoices**, enter the following historical transaction, click **Record**, and then click **Close** when done.

Invoice No.   102
Date   01/14/13
Amount $2,172.60

Historical Invoices

Customer: Davidson, Gerry

Invoice No.:   102

Date: 01/14/2013

Terms: ___ % ___ Days, Net ___ Days

Amount: 2,172.60

Record   Close

5 When completed, click ⬜ **(Create a new customer)** on the toolbar and enter the following customers:

Customer	Hurtig, Sarah	
Invoice No.	Date	Amount
114	1/28/2013	$3,189.95

Customer	Goodman, Orson	
Invoice No.	Date	Amount
119	2/07/2013	$2,714.36

Customer	Jensen & Associates	
Invoice No.	Date	Amount
125	2/25/2013	$7,347.59

6 Close the Customer Records window.

7 On the Customers menu bar, click **Reports**, **Customer Aged**, select **Summary**, ensure all customers are selected and then click **OK**.

The Woodsman Furniture - Your Name
Customer Aged Summary As at 03/01/2013

Name	Total	Current	31 to 60	61 to 90	91+
Davidson, Gerry	2,172.60	-	2,172.60	-	-
Goodman, Orson	2,714.36	2,714.36	-	-	-
Hurtig, Sarah	3,189.95	-	3,189.95	-	-
Jensen & Associates	7,347.59	7,347.59	-	-	-
Total outstanding:	15,424.50	10,061.95	5,362.55	-	-

8 Verify that the total outstanding balance has been entered correctly ($15,424.50, the same figure as the Accounts Receivable in the Balance Sheet).

9 Close the Customer Aged Summary and the Customers window.

Entering Inventory and Services History

As with vendors and customers, you will have to enter the inventory and service items that you offer for sale to customers. For each inventory item, you will also have to enter information about your current quantity on hand and its value. The sum total of all inventory items must match the Inventory account opening balance ($54,050.00 in this exercise).

An inventory based business has to decide early on whether it should use the Inventory module. As you will see by the exercises in this section, entering each individual item into the module will require a great deal of typing and not all businesses elect to go through the time consuming effort of entering and then tracking their inventory on Sage 50 Accounting.

This courseware will show you how to utilize all parts of the program, but the decision to utilize these parts rests with the business.

LEARN THE SKILL

In this exercise you will practice adding inventory items and learn how to enter inventory statistics and history.

1 In the Home window, click **Inventory & Services** in the navigation pane. In the Tasks area, click the **Inventory & Services** icon.

2 In the blank Inventory & Services window click **File**, **Create** on the menu bar, or click **Create**.

3 Ensure **Inventory** is selected as the Type, and using only the selected tabs, enter the data for the first inventory item:

Item Numbers may be alphanumeric, up to 52 characters and are case sensitive.
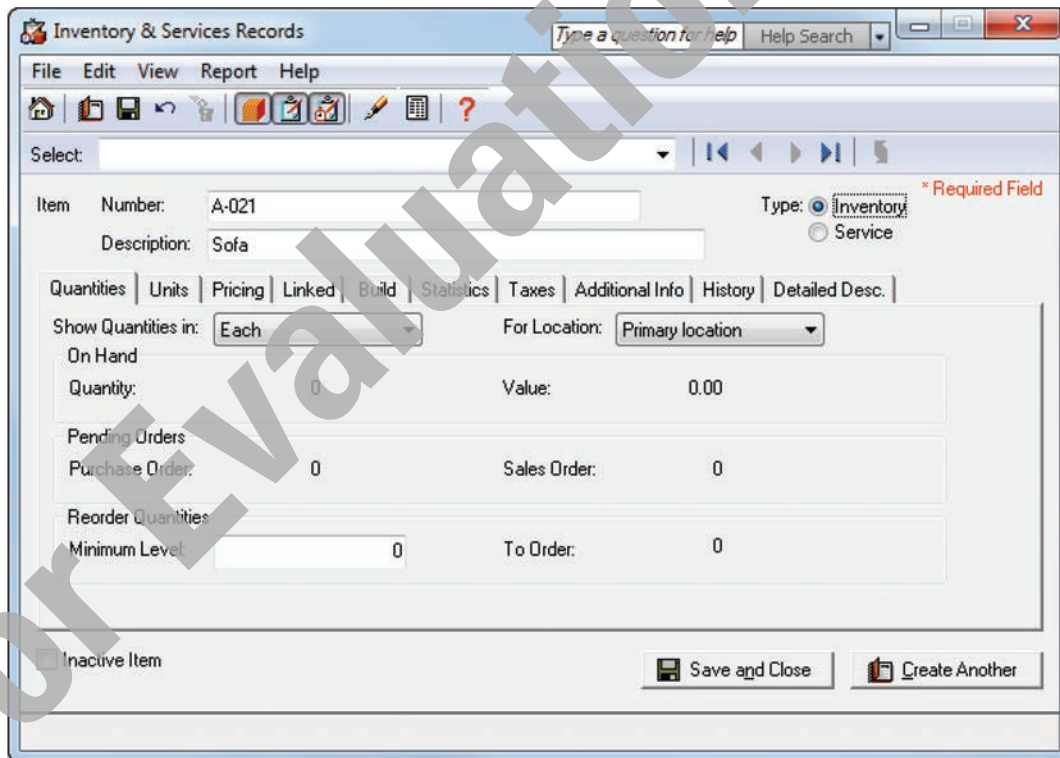
Linked tab

Pricing tab

Note that Sage 50 Accounting uses four decimal accuracy in calculating the Price per Selling Unit

History tab

4   Click **Create Another** and enter the remaining inventory item data in the following two tables:

Item Number	A-024	B-200	B-201	B-202	B-203
Description	Sofa Bed	Kingmore Dishwasher	Kingmore Refrigerator	Kingmore Range	Used Appliance
Quantities tab					
Minimum	2	2	2	2	
Pricing tab					
Regular	1,890.00	995.00	1,159.00	949.00	60.00
Preferred	1,675.00	919.00	1,099.00	899.00	
Linked tab					
Assets	1520	1530	1530	1530	1530
Rev	4020	4030	4030	4030	4030
COGS	5020	5030	5030	5030	5030
Variance	5100	5100	5100	5100	5100
History tab					
Opening Qty	12	10	7	10	130
Opening Value	12,000.00	6,000.00	4,900.00	6,600.00	3,500.00

Item Number	C-100	C-101	C-102	C-103	A-025
Description	Area Carpets	Floor Lamps	Table Lamps	TV Stands	Recliners
Quantities tab					
Minimum	5	6	8	10	5
Pricing tab					
Regular	1,159.00	79.95	59.99	119.95	349.95
Preferred					
Linked tab					
Assets	1540	1540	1540	1520	1520
Rev	4040	4040	4040	4020	4020
COGS	5040	5040	5040	5020	5020
Variance	5100	5100	5100	5100	5100
History tab					
Opening Qty	10	50	60	28	12
Opening Value	5,000.00	2,200.00	2,000.00	2,350.00	2,500.00

You can postpone entering data into the Statistics tab, or if you do not need to store the previous years' data, you can skip this step entirely.

The Inventory module is also used to track sales of service related items such as Consulting, Repair Work, and Assembly. These depend on the skill, expertise or time of the business selling such service. They can be sold by the hour or the minute, or by a flat rate.

Our furniture store is selling Repair Service as well as Assembly by the hour.

5   Open a new Inventory & Services Record, and select **Service** for the Type.

6   Enter the following service item data:

```
Item
    Number              S-101
    Description         Assembly
Units tab
    Unit of Measure     Hour
Pricing tab
    Regular Selling Price   45.00
Linked tab
    Revenue             4040 Sales Other
```

7   Click **Create Another**.

```
Item
    Number              S-102
    Description         Repair Service
Units tab
    Unit of Measure     Hour
Pricing tab
    Regular Selling Price   50.00
Linked tab
    Revenue             4040 Sales Other
```

8   Click **Save and Close** to close the Inventory & Services Records window. The list of all inventory and service items is now displayed. At this point you should have 11 Inventory items and 2 Service items.

9   Click **Reports**, **Summary**. In the **Select from** field, click **Inventory by Item**, click **Select All** and then **OK**.

The Woodsman Furniture – Your Name
Inventory Summary As at 03/01/2013

Item No.	Description	Unit	Quantity	Cost	Value
A-021	Sofa	Each	20	350.00	7,000.00
A-024	Sofa Bed	Each	12	1,000.00	12,000.00
A-025	Recliners	Each	12	208.3333	2,500.00
B-200	Kingmore Dishwasher	Each	10	600.00	6,000.00
B-201	Kingmore Refrigerator	Each	7	700.00	4,900.00
B-202	Kingmore Range	Each	10	660.00	6,600.00
B-203	Used Appliance	Each	130	26.9231	3,500.00
C-100	Area Carpets	Each	10	500.00	5,000.00
C-101	Floor Lamps	Each	50	44.00	2,200.00
C-102	Table Lamps	Each	60	33.3333	2,000.00
C-103	TV Stands	Each	28	83.9286	2,350.00
					54,050.00

The Total Value of the inventory items should be $54,050 (the same value as the Inventory in the Balance Sheet).

10 Close the Inventory Summary and the Inventory & Services window.

Entering Employees and Payroll History

If you are using Sage 50 Accounting to print the paycheques for your employees, then you must create your employee list and enter the historical data for each of them. For the purpose of this section you will enter minimal employee data.

LEARN THE SKILL

In this exercise, you will learn how to add employees and enter only what is necessary to make the system ready.

1   In the Home window, click **Employees & Payroll** in the navigation pane. In the Tasks area click the **Employees** icon.

2   Click ▣ **(Create)** on the toolbar.

The Employee Records window opens with 10 separate tabs. At this time we will concern ourselves only with the first three tabs: Personal, Taxes and Income.

3   Enter the following information to the tabs indicated:

Personal tab (Note the red asterisk to indicate required fields.)

Employee	MICHAELS, Jordan
SIN	706 921 129
Birth Date	July 17, 1985
Hire Date	November 20, 2012

Taxes tab

Tax Table	British Columbia	
Federal Claim	$10,822.00	
Provincial Claim	$11,354.00	
Historical Amount	-Income Tax	$1,104.12
	-EI Premiums	$103.80
	-CPP Contributions	$268.12

Income tab

Salary	$3,000.00	
Pay Periods	12	
Retain Vacation	☑	
Vacation Rate	4%	
Historical Amount	-Salary	$6,000.00
	-Vac. Owed	$240.00

4 Now enter the information for the other employee:

Personal tab

Name	HARDING, Holly
SIN	722 701 968
Birth Date	March 22, 1989
Hire Date	Dec 15, 2012

Taxes tab

Tax Table	British Columbia	
Federal Claim	$10,822.00	
Provincial Claim	$11,354.00	
Historical Amount	-Income Tax	$1,028.02
	-EI Premiums	$96.88
	-CPP Contributions	$248.32

Income tab

Salary	$2,800.00	
Pay Periods	12	
Retain Vacation	☑	
Vacation Rate	4%	
Historical Amount	-Salary	$5,600.00
	-Vac. Owed	$224.00

5 Once both employees have been entered, close all windows to return to the Home window.

Finish Entering Historical Data

After you have entered all historical data, you can indicate to Sage 50 Accounting that you have done so. Note that once you do this, you will not be permitted to enter any more historical data. If there are errors in the historical data, you will not be able to correct them, so always double-check your data before closing your historical records.
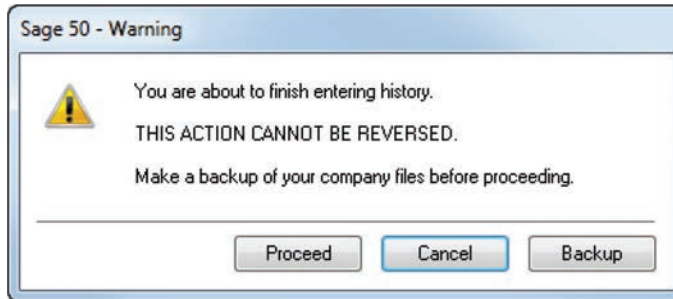
LEARN THE SKILL

In this exercise, you will learn how to close off the Enter History process.

Before you do so, you should back up the data file as a precaution. Also check the data integrity to ensure all the subsidiary ledgers balance to the general ledger account balances.
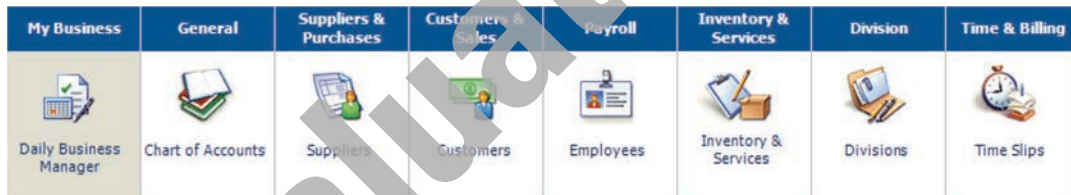
1   In the Home window, click **History**, **Finish Entering History** on the main menu.

Sage 50 - Warning

⚠ You are about to finish entering history.

THIS ACTION CANNOT BE REVERSED.

Make a backup of your company files before proceeding.

| Proceed | Cancel | Backup |

> 📌 It is usually a good idea to make a backup of your data file at this time. In the event that an error occurred in any of the input items to this point, it is an easy matter to restore your backup, make any necessary corrections and continue from this point on.

2   Click **Proceed**.

The Home window reappears, but this time the *ƒ* (**History**) symbol and the **History** option in the main menu no longer appear. (Classic View is shown below):

My Business	General	Suppliers & Purchases	Customers & Sales	Payroll	Inventory & Services	Division	Time & Billing
Daily Business Manager	Chart of Accounts	Suppliers	Customers	Employees	Inventory & Services	Divisions	Time Slips

Customizing Sage 50 Accounting

In this section, you will learn how to change some of the settings in Sage 50 Accounting and customize the appearance and the fields in the transaction windows.

Some of these changes will be cosmetic in nature, while others are important for the proper operation of the program tailored to the individual user.
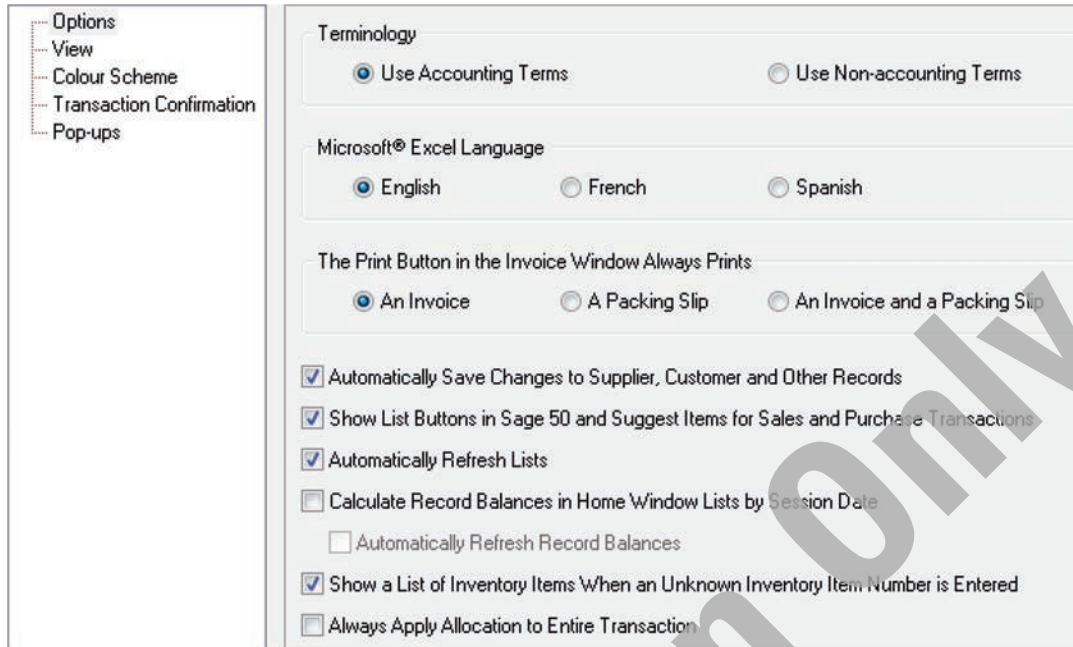
User Preferences are more of the cosmetic variety.

LEARN THE SKILL

*In this exercise, you will learn how to make changes to Sage 50 based on your own preferences.*

1   In the Home window, click **Setup**, **User Preferences**. In Options view the different options that are available.

2   Click **Use Accounting Terms**.

3   Review some of the other items available in Options, and then select **View**.

4   Remove the **Division** and **Time & Billing** modules from the Pages, Icon Windows and Features subheading by clearing the check boxes.

5   Clear the **Daily Business Manager** and **Checklists** check boxes.

Clearing the At Startup check box or After Changing Session Date will prevent the Daily Business Manager opening after these events.

6   Put a checkmark in **Show Change Session Date at Startup**.
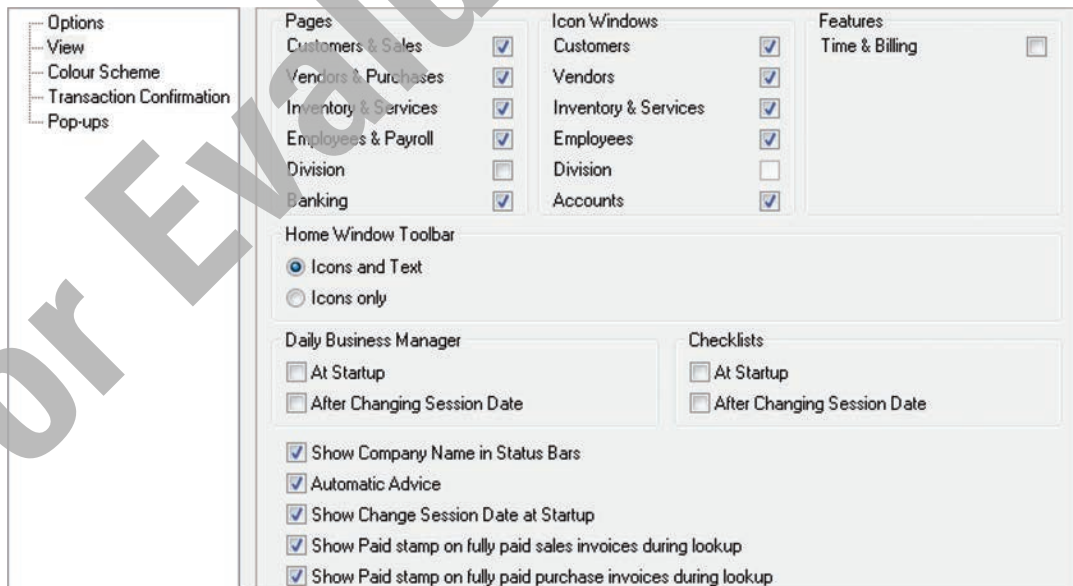
7   Select the **Transaction Confirmation** option from the navigation pane.

8   Click **Yes** in the Confirmation window.

9   Clear the checkmark in the Confirmation Message Box.
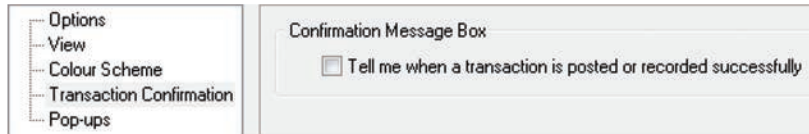
When selected, this option will immediately notify the user after posting a transaction.

10 Click **Colour Scheme**.

Note the many colour scheme options available. We will make no changes in this screen.

11 Click **OK** to accept the other changes you have made.

The Division and Time & Billing modules are no longer showing in the Home window. (Classic View is shown for illustrative purposes).

> Changing some of the settings permits the user to activate options specific to any one business, for example to add fields to track specific information, to track Incomes and Deductions diverging from the norm.

LEARN THE SKILL

In this exercise, you will learn how to customize some more important Settings in Sage 50 to your specific needs.

1 In the Home window, click **Setup, Settings**.

The Settings window controls all available settings in Sage 50 Accounting. This has been streamlined from previous versions of Sage 50/Simply Accounting, when numerous dialog boxes had to be accessed from the menu.

At this time we will make some minor changes. Later in this course, we will access a number of other items as required.
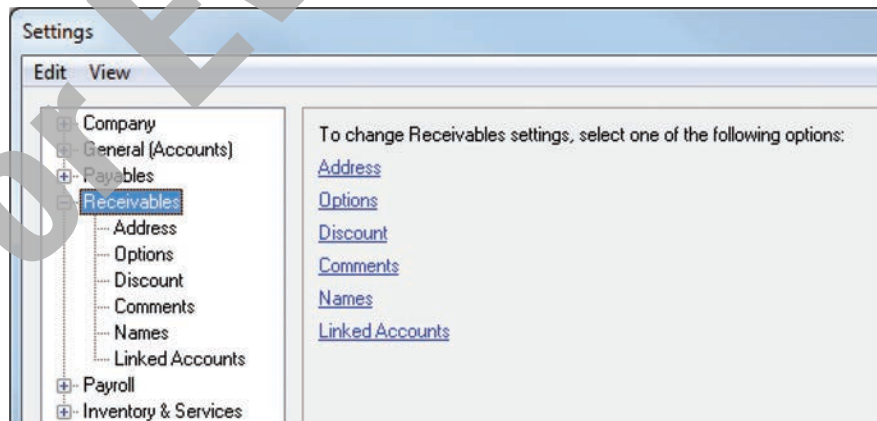

2 Click **Company**, then **System**, and make the changes shown below:
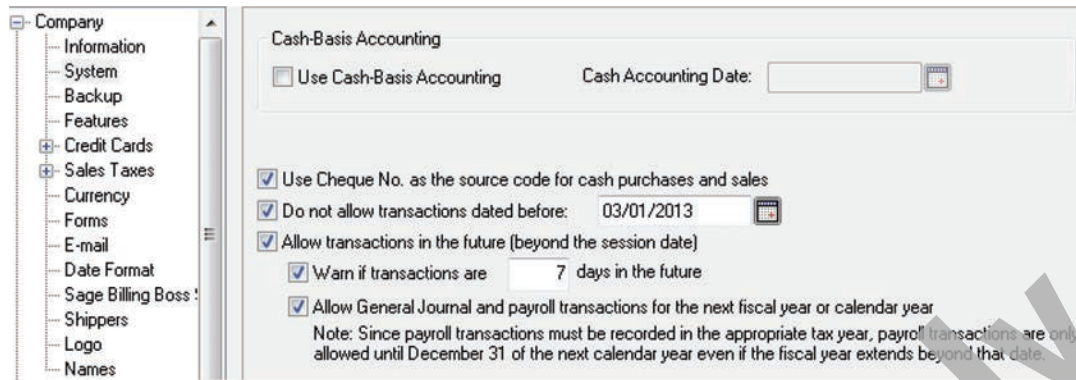
It is generally a good idea for beginners to prevent entries made into the prior year. Similarly, for convenience, it is occasionally necessary to make post-dated entries, however, a warning will appear if the entry is posted too far into the future.

Pay particular attention to the Note at the bottom, a new feature in this year's version of the program.

3   Click **Payroll**, **Names**, and then **Incomes & Deductions**.

4   In the **Name** column on the Income side, change **Income 3** to Bonus.

5   In the **Name** column on the Deduction side, change **Deduction 1 & 2** to Medical and Life Insur.
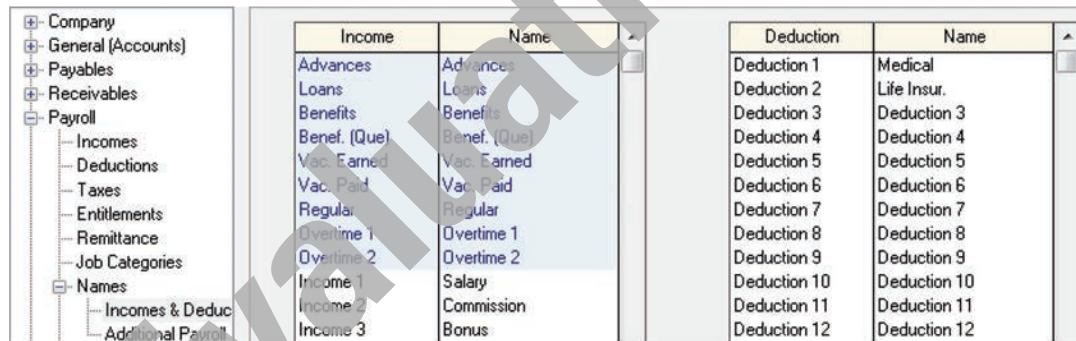
In the Income area in addition to the locked items (shown in blue), there is room for 20 additional Incomes.

In the Deductions area there is room for 20 Deductions. This can include items such as Medical or Dental Plans, RRSP contributions and CSB deductions.

6   Click **Additional Payroll**.

7   Change **Field 1** under Additional Info Title to Driver's License.

8   Click **OK** to apply the changes.

LEARN THE SKILL

In this exercise you will learn how to make changes to Reports and Forms in the system.

Let's first open a Balance Sheet using the default settings.

1   From the Home window, click **Reports**, **Financials**, and **Balance Sheet**. Click **OK**.

The following Balance Sheet will appear (abbreviated here to show only a few items):

The Woodsman Furniture – Your Name
Balance Sheet As at 03/01/2013

ASSET	
Current Assets	
Cash to be deposited	0.00
Petty Cash	0.00
Savings Bank Account	11,347.59
Chequing Bank Account	16,569.15
Total Cash	27,916.74
Accounts Receivable	15,424.50
Advances & Loans	0.00
Total Receivable	15,424.50
Purchase Prepayments	0.00
Prepaid Expenses	0.00
Total Current Assets	43,341.24

2   Do not close the Balance Sheet, but minimize it instead.

3 In the Home window, click **Setup**, **Reports & Forms**. Do not change the printer. Change the font sizes as shown:

Printer Settings

Top Margin: 0.00 Inches   Printer: HP Deskjet 1000 J110 series On Ne04:

Left Margin: 0.00 Inches   Setup...

Report Sections

Report Header: ▼ Arial ▼ 8 ▼ **B** *I* ≡ ≡ ≡

Report Title: ▼ Arial ▼ 12 ▼ **B** *I* ≡ ≡ ≡

Column Titles: ▼ Arial ▼ 10 ▼ **B** *I*

Section Headings and Totals: ▼ Arial ▼ 10 ▼ **B** *I*

Detail Lines: ▼ Arial ▼ 8 ▼ **B** *I*

Positive Amounts: ▼

Negative Amounts: ▼ -1234.56 ▼

Report Footers: ▼ Arial ▼ 8 ▼ **B** *I* ≡ ≡ ≡

☑ Print system date   ☑ Show My Report Name

☑ Show if report is filtered   ☐ Check if report fits on printed page   Default

4 Click **OK** to implement the changes.

5 On the task bar at the bottom of your screen, click **Balance Sheet**, to display it again.

The Woodsman Furniture – Your Name
Balance Sheet As at 03/01/2013

ASSET

Current Assets

Cash to be deposited	0.00	
Petty Cash	0.00	
Savings Bank Account	11,347.59	
Chequing Bank Account	16,569.15	
Total Cash		27,916.74
Accounts Receivable	15,424.50	
Advances & Loans	0.00	
Total Receivable		15,424.50
Purchase Prepayments		0.00
Prepaid Expenses		0.00
Total Current Assets		43,341.24

The Balance Sheet Report is changed to reflect the new font sizes.

6 Close the Balance Sheet.

You want all the cheques you print (Payables & Payroll) to have two payment advices instead of just one, which is the system default setting.

7 In the Home window, click **Setup**, **Reports & Forms**, click the plus sign next to Cheques to expand it, and then click **1060 Chequing Account**. Make the necessary changes. Do not change the printer; make changes only for Pre-printed options.

> If 8½ x 7 in. is chosen as the Form Type, only one payment advice will print on each cheque.
>
> If your pre-printed cheques do not line up correctly when printed, make minor adjustments to the Top Margin and Left Margin settings until the problem is resolved. Both these settings can be changed to - (negative) settings, if necessary.

8 Click **OK** when done.

If the student so desires, a Backup of the data file may be completed at this point, however this file will not be used again during the remainder of the course.

Lesson Summary

In this lesson, you learned how to convert from your current accounting system to Sage 50 Accounting. Now that you have completed this lesson, you should know how to:

☑ use the Setup wizard to set up your company data file using a chart of accounts template

☑ set up the General Ledger

☑ check and verify linked accounts

☑ modify sales taxes and sales tax codes

☑ enter the opening balances into each general ledger account

☑ set up suppliers and purchases history

☑ set up customers and sales history

☑ enter inventory and services history

☑ enter employees and payroll history

☑ finish entering history

☑ customize Sage 50 Accounting

☑ modify reports and forms

Review Questions

1. The Current Earnings account and the five main account type headings are all that initially appear on the chart of accounts in Sage 50 Accounting.
   a. True   b. False

2. Opening balances have to be input into Sage 50 Accounting before the system becomes operational.
   a. True   b. False

3. Setting up linked accounts means that all aspects of entries processed in the subsidiary ledgers will be posted to the correct accounts in the general ledger.
   a. True   b. False

4. The linking in the General module determines which account will be used for posting the end of year profit or loss during the year end procedures.
   a. True   b. False

5. Where do you go in Sage 50 Accounting to set up sales taxes and sales tax codes?

6. You can only finish entering history once all the amounts in the subsidiary ledgers (Receivables, Payables, Inventory & Payroll) agree with the balances of the appropriate accounts in the general ledger.
   a. True   b. False

7. You have to finish entering history before you can process your first year end in Sage 50 Accounting.
   a. True   b. False