

# Contents

1

## Getting Started

7

Introduction	8
Starting Sage 50 Accounts	9
Sage 50 Desktop Views	10
Settings	11
Company Preferences	12
Currency & the Euro	15
Customer & Supplier Defaults	16
Finance Rates	18

2

## The Customer Ledger

19

Keeping a Financial System	20
The Customers Toolbar	21
Creating Customer Records	22
Price Lists	24
Batch Customer Invoice	25
Batch Customer Credit Note	26
Debtors Analysis	27
Credit Control	28
Disputed Invoices	29
Customer Reports & Modern	30
Customer Letters and Labels	31
The Customer Statement	32

3

## The Supplier Ledger

33

The Suppliers Toolbar	34
Creating Supplier Records	35
Using Filter	36
Supplier Activity	37
Supplier Aged Balance	38
Recording Supplier Invoices	39
Supplier Credit Notes	40
Supplier Letters and Labels	41
Supplier Reports	42

4

## The Nominal Ledger

43

The Nominal Toolbar	44
The Nominal Ledger	45

Nominal Records	46
Viewing Nominal Transactions	47
The Journal	50
Making a Journal Entry	51
Setting up Prepayments	52
Setting up Accruals	53
The Chart of Accounts	54
Nominal Reports	56

## 5

### The Bank

57

The Bank Toolbar	58
Bank Accounts	59
Bank, Cash & Credit Accounts	60
Recording Bank Payments	61
Supplier Invoice Payments	62
Batch Purchase Payments	63
Bank Receipts	64
Recording Customer Receipts	65
Bank Transfers	66
Recurring Entries	67
Generating Cheques	68
The Bank Statement	69
Bank Account Reconciliation	70
Bank Reports	72

## 6

### Products

73

The Products Toolbar	74
The Product Record	75
Product Defaults	78
Using Filter	79
Bill of Materials	80
Viewing Transactions	81
Product Activity	82
Product Adjustments	84
Product Transfers	85
Product Reports	86

## 7

### Invoices

87

The Invoicing Toolbar	88
Invoicing	89
The Product Invoice	90
Printing an Invoice	92
The Service Invoice	93
The Skeleton Invoice	95
Product Credit Note	96

Recurring Transactions	97
Updating your Ledgers	98
Printing for Batch Invoicing	99
Producing Reports	100

## 8

### Processing Sales Orders

101

Sales Order Processing Toolbar	102
The Sales Order	103
Allocating Stock	105
Despatching Sales Orders	106
Amending & Printing Sales Orders	107
Sales Orders Reports	108

## 9

### Purchase Orders

109

The PO Processing Toolbar	110
Creating a Purchase Order	111
Placing Orders 'on order'	113
Recording Deliveries	114
Processing Purchases Manually	115
Recording Deliveries Manually	116
Printing Batched Orders	117
Purchase Order Reports	118

## 10

### Financial Reporting

119

Financial Reporting Toolbars	120
The Audit Trail	121
The Trial Balance	123
Profit & Loss Report	124
The Balance Sheet	125
Quick Ratio Report	126
The Budget Report	127
The VAT Return	128
VAT e-Submissions	131
Financial Reports	132

## 11

### Fixed Assets

133

The Fixed Assets Toolbar	134
Recording your Fixed Assets	135
Fixed Asset Depreciation	137
Depreciation and Valuation	138

**12****The Report Designer****139**

The Report Designer	140
Creating a New Report	141
Modifying an Existing Report	144

**13****Opening Balances****145**

Introduction	146
Standard VAT – O/B	147
VAT Cash Accounting – O/B	148
Clearing Opening Balances	149
Entering Balances Mid-Year	151
Nominal Ledger & Bank A/C	152
Product Opening Balances	154

**14****Data Management****155**

Backing Up Data	156
Restoring Data	157
Changing Global Values	158
Importing Data	160
File Maintenance	162
Write Off, Refund & Return	165
Posting Contra Entries	168
Run Period End Functions	169
Clearing Audit Trail & Stock	172

**15****Task Management****173**

Features of the Diary Module	174
The Diary Window	175
Setting Up a Diary Task	176
Setting Up a Recurring Event	177
Completing an Event	178
Chasing Debt	179
Managing Payments	181
Office Integration	182
User Defined Labels	185
Managing Events	186

**Index****187**

# 1

# Getting Started

*This chapter takes you through the stages of preparing Sage 50 for use. It explains initial procedures for setting up Company details and various defaults required by the program.*

- 8 Introduction**
- 9 Starting Sage 50 Accounts**
- 10 Sage 50 Desktop Views**
- 11 Settings**
- 12 Company Preferences**
- 15 Currency & the Euro**
- 16 Customer & Supplier Defaults**
- 18 Finance Rates**



Use the Demo data provided by Sage or Practice data (try things in a blank company) to familiarise yourself with the program at any time. Select either from File, Open or from the Select Company option at startup.



Some things, once entered, cannot be easily changed. Therefore, make sure you have all the relevant information to hand before using Sage 50 Accounts for the first time.

# Introduction

Accurate accounts are vital to the efficient running of a business. If information is not entered correctly, then the accounts data will be wrong – and you can't blame the computer!

## Working through Sage 50 Accounts 2016 in easy steps

This book explains in simple, easy stages how to perform the main tasks for keeping computerised business accounts. In the following chapters you are shown how to:

- Set various defaults and Company preferences
- Create customer and supplier records and set up price lists
- Set up opening balances, maintain Bank accounts
- Maintain the Nominal Ledger and run an audit trail
- Generate sales orders and control stock
- Print invoices, credit notes and statements
- Produce history and financial reports

Note: the actual functions available to you will depend on whether you have Sage 50 Accounts, Accounts Plus or Professional. You can even use this book if you work with Sage Instant Accounts.

## 'Preparing to start' checklist

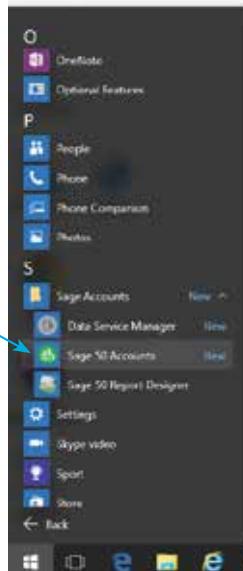
Before getting started with Sage 50 Accounts 2016, work through the checklist below to make sure you have everything you need.

- Check the start date of your company's financial year
- Check with an accountant which VAT scheme is used
- Draw up a list of defaults to use
- Decide on users and passwords
- Back up the data if updating Sage
- Have customer, supplier and bank details to hand
- Check Product details (doing a stock take is recommended)
- Prepare a list of all opening balances

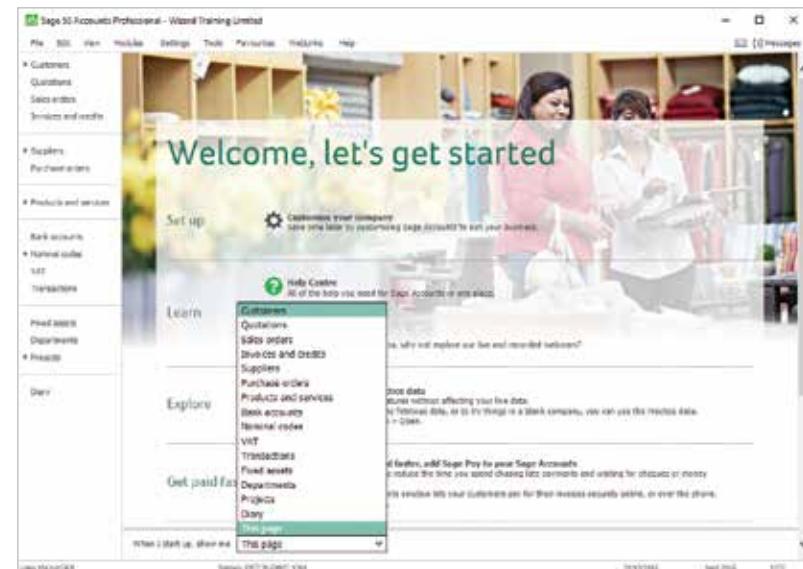
# Starting Sage 50 Accounts

Turn on your computer and wait for the Windows Desktop to appear. To start your Sage 50 Accounts program, do the following:

- 1 Click on the Windows Start button
- 2 Click on All apps and scroll down to S
- 3 Click on the Sage Accounts folder to expand the list
- 4 Click on Sage 50 Accounts to start the program
- 5 The startup screen appears
- 6 Change the startup screen to one of your choice. The most common one is Customers



Alternatively, if a shortcut has been set up on the Windows Desktop, you can open Sage 50 by simply double-clicking on the shortcut icon:



6

Remember that your reporting will not be accurate until all your opening balances have been entered. Ask your accountant for these, if possible, before you start using Sage 50 Accounts.



You can create multiple delivery addresses so that you can have goods delivered to a number of customer sites, whilst specifying a different address for the invoice.

# Sage 50 Desktop Views



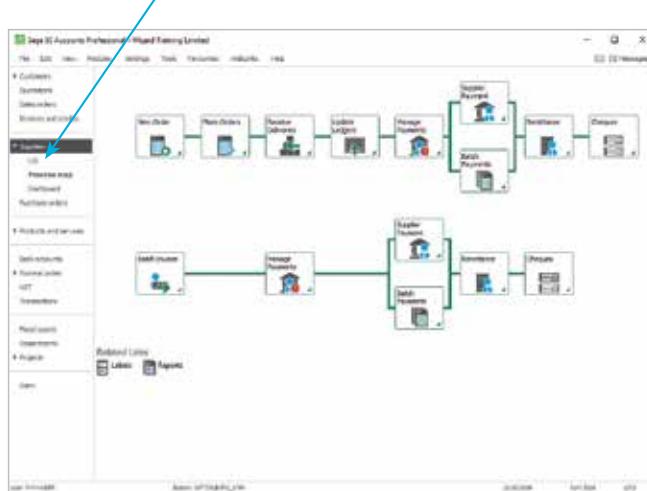
For instant help in any Sage window, simply press the F1 Help key.



The Process map shows the workflow associated with the selected group and is a quick and convenient way of switching between related modules.

A typical Process map for Suppliers is shown below. You can click on an icon to jump straight to the relevant processing stage. To switch views, to List for example, do the following:

## 1 Click on List here



**2** The Suppliers List initially shows Contact details, Balance and Credit Limit. Click here to print the list



Regularly use the various Dashboard views to keep track of how your business is progressing. For example, you can quickly view your aged debtors or creditors, see which are your top customers or which items of stock are selling fast or running low.

# Settings

Before Sage 50 can be used there are a number of settings and defaults that need to be entered. The rest of this chapter shows how to do this. When required, select the appropriate settings option from the following list:

- 1 Click on Settings on the Menu bar
- 2 Click on the option required



Click Help on the Sage 50 menu bar, then Shortcut Keys, to access a list of the Navigation and keyboard shortcuts.

## Using Passwords

The Data Protection Act requires that any system containing confidential information, i.e. financial details etc., should be protected against unauthorised access. Sage 50 uses a password to achieve this. Once you set a password, Sage 50 always prompts you for it at startup.

As with any password, you should avoid writing it down if at all possible. Therefore, try to choose a password that is both easy for you to remember but difficult for someone else to discover. You can decrease the chance of somebody accidentally finding out your password by using a mixture of letters and numbers instead of an actual word.

- 1 From the Settings menu, click on Change Password
- 2 Type your password here
- 3 Repeat the password to confirm
- 4 Click OK to save the password

Change Password	
Logon Name	MANAGER
New Password	██████████
Confirm New Password	
<input type="button" value="Discard"/> <input type="button" value="OK"/> <input type="button" value="Cancel"/>	



Try to avoid using obvious things like a name, phone number or car registration as a password. These are far too easy for other people to guess.



If you allocate a password to the logon name MANAGER you must ensure you never lose it, otherwise you will have to send your accounts to Sage to have the password reset.



Use the Tab key instead of your mouse to move down onto the next line or box.



You can enter an alternative address for deliveries by simply clicking on the Delivery Addresses button.

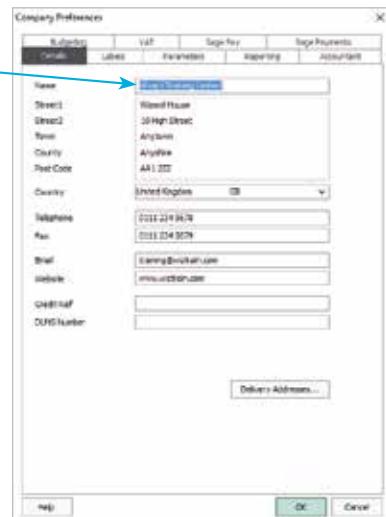


To have Sage 50 print your company details on your stationery, select the Company Preferences Reporting tab and tick the Print Address on Stationery box.

# Company Preferences

When you run Sage 50 for the first time, use the ActiveSetup Wizard to enter your Company details. Alternatively, or to make changes, after selecting Company Preferences from the Settings options, you can enter or edit these details as follows:

- 1** Enter your company name here
- 2** Enter your full address details
- 3** Complete e-mail and web addresses
- 4** Select VAT tab to enter VAT Ref No
- 5** Click OK to finish



## Products and Fixed Assets Categories

After selecting Configuration from the Settings options, you can create different categories for dividing products and fixed assets for analysis:

- 1** Select Products tab and click on the first blank entry
- 2** Click Edit and enter a category name
- 3** Click OK
- 4** Click the Apply button to use
- 5** Repeat steps 1-4 for Fixed Assets



...cont'd

## Setting up & checking Tax Codes

Sage 50 already has the standard UK and EC VAT Rates set for you together with the code T1 (standard rate – currently 20.00%) set as the default tax code. Here is a list of the codes automatically set up during installation:

- T0 – zero rated transactions
- T1 – standard rate
- T2 – exempt transactions
- T4 – sales to customers in EC\*
- T7 – zero rated purchases from suppliers in EC\*
- T8 – standard rated purchases from suppliers in EC\*
- T9 – transactions not involving VAT

(\*Outside the UK)

There are 100 VAT codes available in Sage 50. To enter or change VAT rates, use Configuration from the Settings options:

1 Click Tax Codes tab and the required code

2 Click Edit

3 Enter the percentage rate

4 Tick if the VAT rate is for an EC Code

5 Enter Description and click OK

6 Click Apply to use



It is important to use the correct VAT codes. If you are unsure of the current UK or EU VAT rates then contact HM Revenue & Customs.



T1 is the standard UK VAT rate code.

13



Sage 50 uses T9 as the default tax code for all the routines that are non-vatable, e.g. journal entries, error corrections and Bank.

...cont'd

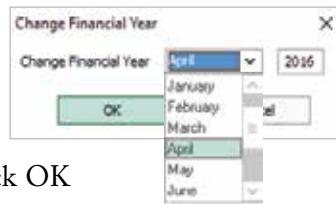
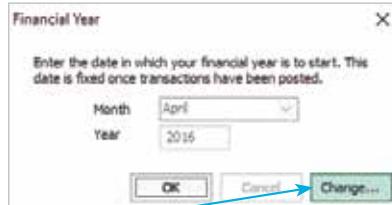


It is possible to change the Financial Year start date after you have already commenced using the program.

## Financial Year

The start of the financial year is entered during the installation of Sage 50 Accounts or before entering any transactions, but it is also possible to change it later:

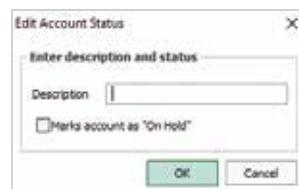
- 1 From Settings on the menu bar click on Financial Year
- 2 To change year select the Change... button
- 3 Click Yes in the next two prompt windows, select the month and year and then click OK



## Account Status

A useful feature within Sage 50 is that you can assign an account status to each of your accounts. You can also add an account status at any time to the 10 already set up via the Configuration Editor:

- 1 Click on the Account Status tab and highlight a blank line
- 2 Click Edit
- 3 Enter the Status Name
- 4 Tick if you want this status to place accounts 'on hold'
- 5 Click OK, then Apply to use

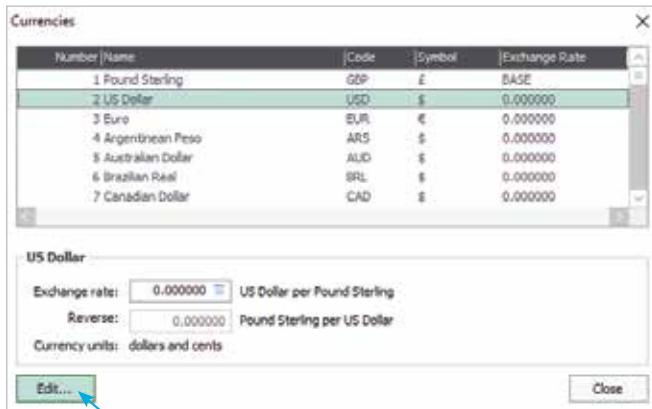


Use the Account Status facility to mark accounts which are bad debts or have exceeded their credit limit, and for placing orders on hold if necessary, etc. If you then raise an invoice, for example against an account which is a bad debt, Sage 50 will issue an on-screen warning.

# Currency & the Euro

Sage 50 is already set up with the currencies of over 30 major countries, but not the exchange rates. These details can be edited or other countries set up as required:

- 1 Click on Settings, Currencies and highlight the currency you want to edit, or select the first blank record to enter a new currency



- 2 Click Edit... to bring up the Edit Currency box
- 3 Enter the name of the Currency
- 4 Complete the Currency Code and the Currency symbol
- 5 Enter the Currency exchange rate
- 6 Enter the Major and Minor currency units
- 7 Click OK, then Close the Currencies box



When the cursor is in a numeric field, simply press F5 to access the Currency Calculator. This can be used for converting from Sterling to a Euro/Foreign Currency or to convert a Euro/Foreign Currency amount to Sterling.



Exchange rates change frequently, so make sure you have the latest rates entered before recording a foreign currency transaction. Up-to-date rates are available from a number of sources, including the internet (e.g. [www.xe.com](http://www.xe.com)).



For customers, default nominal codes (N/C) start at 4000.



A customer can be a member of a price list. However, as a customer can only belong to one price list, if you want to change the list that the selected customer belongs to, simply choose a different price list from the drop-down list. Note that on each price list, additional discounts can still be applied.



Default nominal codes for suppliers start at 5000.

# Customer & Supplier Defaults

When creating a new customer or supplier, details about credit limit, terms, discount etc. are needed. Customer and Supplier records are discussed in Chapters 2 and 3 respectively but before this, their various defaults need to be set up.

- 1** Select Customer Defaults from the Settings options
- 2** Enter defaults for your customer records on the first Tab
- 3** Click on the relevant Tabs to enter Statements, Ageing Balance and appropriate Discount defaults
- 4** Click OK to save the Customer Defaults entered
- 5** Now, select Supplier Defaults from the Settings options
- 6** Enter relevant Supplier Defaults
- 7** Use the Ageing Tab to enter Aged Balances Period, specifying calendar months or days
- 8** Click OK to save Supplier Defaults

**Customer Defaults**

Record		Statements	Aging	Discount
<b>Defaults</b>				
Country	United Kingdom			GB
Currency	£ Pound Sterling			
Std Tax Code	T1 30.00	Def. N/C	4000	
Department*	1	Sales		
<b>Discounts</b>		Discount %	0.00	Type: No additional
		Price List	TRADEA	
<b>Account status</b>		Default	0 Open	
		Terms Agreed	<input type="checkbox"/>	
<b>OK</b> <b>Cancel</b>				

**Supplier Defaults**

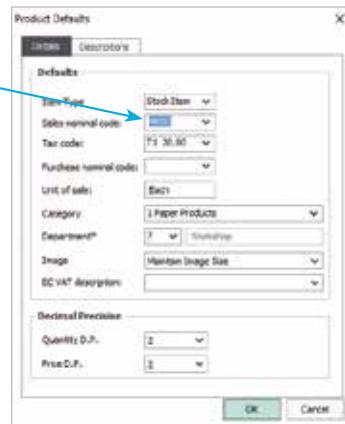
Record		Aging	
<b>Defaults</b>			
Country	United Kingdom		GB
Currency	£ Pound Sterling		
Std Tax Code	T1 30.00	Def. N/C	5000
Department*	2	Purchasing	
<b>Account status</b>		Default	0 Open
		Terms Agreed	<input type="checkbox"/>
<b>OK</b> <b>Cancel</b>			

...cont'd

## Product Defaults

Defaults also need to be set up for Products:

- 1 Select Product Defaults from the Settings options
- 2 Enter the Nominal Account code here
- 3 Allocate the correct Tax Code for the Product
- 4 Complete the rest of the defaults as necessary
- 5 Enter the Decimal Point placing for the product
- 6 Click OK to save this information

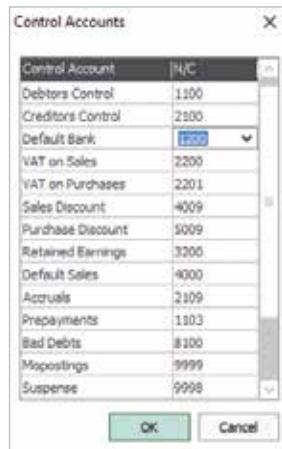


Use the Finder button on the right of the Nominal Code box to speed up code entry.

## Control Accounts

Sage 50 uses Control Accounts to make automatic double-entry postings to the ledger.

- 1 To view or edit these Nominal Codes select Control Accounts from the Settings options
- 2 To change a Control account click on the nominal code and type the new code or use the Finder button
- 3 Click OK to save and close or Cancel to abandon changes



Unless you have created your own Chart of Accounts, the Control accounts should never need changing.



When a Finance Charge Rate is applied to a transaction, the first rate charged will be applied monthly until the invoice is paid.



You must first have set up your finance rates and the date from which they are to be applied before you can use the Charges option on the Customer toolbar.



Use the Delete button on the Finance Charge Rates window to remove any unwanted charges.

# Finance Rates

Finance rates need to be set up before any credit charges can be applied to your customers.

- 1** Select Configuration from the Settings menu and click on the Terms tab to bring up the Finance Charge Rates box
- 2** Click on Add to enter a new finance rate charge

**Configuration Editor**

User Assets	Custom Fields	Default Session	Credit Cards	Project Coding									
General	Chart of Accounts	Terms	Tax Codes	Account Status									
<b>Trading Terms</b> Sage 50 Accounts helps you to establish and record trading terms with your customers and suppliers. You can set default values for these trading terms below. These defaults will be used for any new customer and supplier accounts you create. You can also set finance rates to be used on customers that allow credit charges on.													
<b>Customer Trading Terms</b> Credit Limit: 0.00 Payment Due: 30 Days Debit Discount: 2.00 Debit Discount Due: 30 Days Terms: 30 Days Strictly Net													
<b>Supplier Trading Terms</b> Credit Limit: 1000.00 Payment Due: 30 Days Debit Discount: 2.00 Debit Discount Due: 30 Days Terms: 30 Days Strictly Net													
<b>Customer Finance Rates</b> The current rate applied is 20.00 which is 10.00 above the base rate of 10.00 (existing since 01/01/2016). <table border="1"> <thead> <tr> <th>Date From</th> <th>Base Rate (%)</th> <th>Additional (%)</th> </tr> </thead> <tbody> <tr> <td>01/01/2016</td> <td>10.00</td> <td>10.00</td> </tr> <tr> <td>01/01/2017</td> <td>20.00</td> <td>20.00</td> </tr> </tbody> </table> <p><b>Add</b> <b>Edit</b> <b>Delete</b></p>					Date From	Base Rate (%)	Additional (%)	01/01/2016	10.00	10.00	01/01/2017	20.00	20.00
Date From	Base Rate (%)	Additional (%)											
01/01/2016	10.00	10.00											
01/01/2017	20.00	20.00											

**Save** **Save As** **Apply**      Print 'Apply' to use this configuration on your accounts data.  
Print 'Send' or 'Save As' to create a configuration file to use in other accounts data sets.      **Close**

- 3** Enter the date the charge is to be applied from
- 4** Enter the Base Rate as a percentage
- 5** Enter an additional charge if applicable
- 6** Click OK to save the new finance rate or Cancel to return to the Finance Charge Rates box
- 7** Click Close to finish

**Set Finance Charge Rate**

Date Applying	21/10/2016
Base Rate* %	5.00
Additional %	0.00
<b>OK</b>	<b>Cancel</b>