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# 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
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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.

# 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

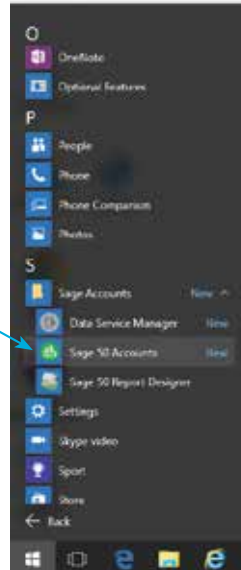


Some things, once entered, cannot be easily changed. Therefore, make sure you have all the relevant information to hand before using Sage 50 Accounts for the first time.

# 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:

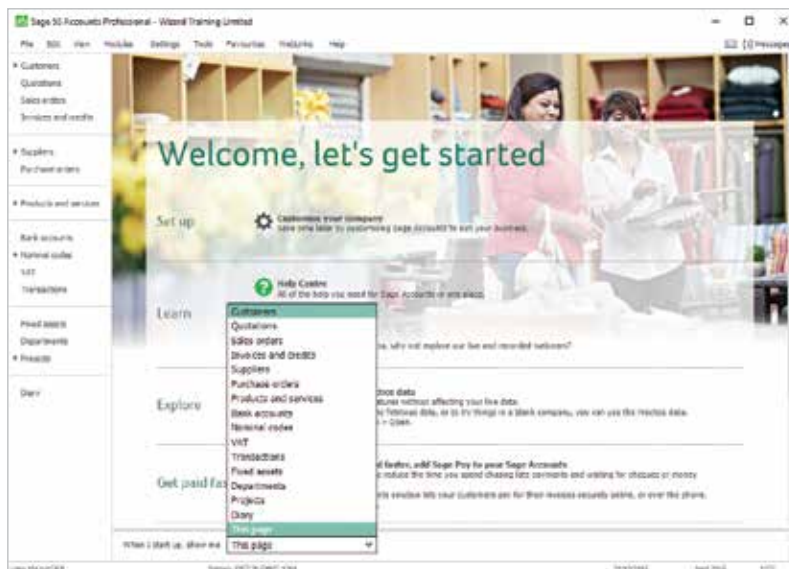
- 1 Click on the Windows Start button
- 2 Click on All apps and scroll down to S
- 3 Click on the Sage Accounts folder to expand the list
- 4 Click on Sage 50 Accounts to start the program
- 5 The startup screen appears
- 6 Change the startup screen to one of your choice. The most common one is Customers



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:



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.





# 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

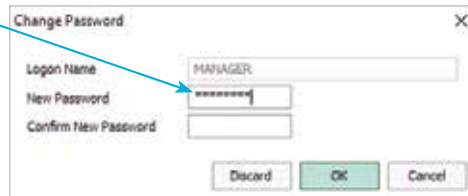


## Using Passwords

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



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



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

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## Setting up & checking Tax Codes

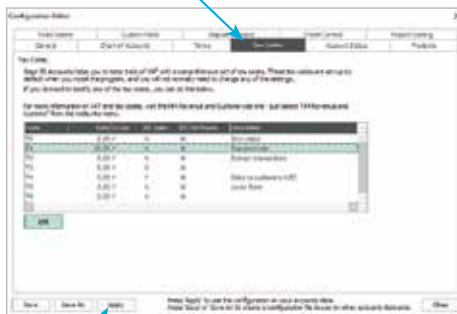
Sage 50 already has the standard UK and EC VAT Rates set for you together with the code T1 (standard rate – currently 20.00%) set as the default tax code. Here is a list of the codes automatically set up during installation:

- 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.



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.



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

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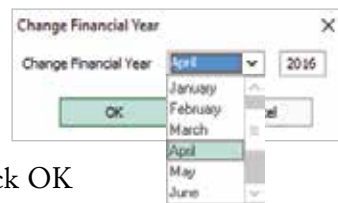
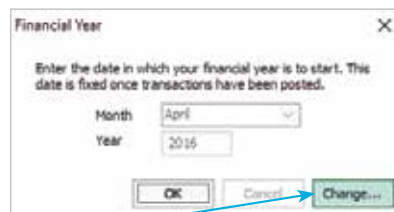
## Financial Year

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

Number	Name	Code	Symbol	Exchange Rate
1	Pound Sterling	GBP	£	BASE
2	US Dollar	USD	\$	0.000000
3	Euro	EUR	€	0.000000
4	Argentinian Peso	ARS	\$	0.000000
5	Australian Dollar	AUD	\$	0.000000
6	Brazilian Real	BRL	\$	0.000000
7	Canadian Dollar	CAD	\$	0.000000

US Dollar

Exchange rate: 0.000000 US Dollar per Pound Sterling

Reverse: 0.000000 Pound Sterling per US Dollar

Currency units: dollars and cents

Edit... Close

- 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

Edit Currency

Currency Details

Currency: US Dollar

Currency Code: USD Currency: \$

Exchange Rate

0.000000 US Dollar per Pound Sterling

0.000000 Pound Sterling per US Dollar

Currency Units

Major currency unit: dollars

Minor currency unit: cents

OK Cancel



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

...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

Product Defaults

Item Type: Stock Item

Sales nominal code: [ ]

Tax code: F1 30.00

Purchase nominal code: [ ]

Unit of sale: Each

Category: Paper Products

Department: Workshop

Image: Maintain Image Size

EC VAT description: [ ]

Decimal Precision: [ ]

Quantity D.P.: [ ]

Price D.P.: [ ]

OK Cancel



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

Control Accounts

Control Account	N/C
Debtors Control	1100
Creditors Control	2100
Default Bank	1200
VAT on Sales	2200
VAT on Purchases	2201
Sales Discount	4009
Purchase Discount	5009
Retained Earnings	3200
Default Sales	4000
Accruals	2109
Prepayments	1103
Bad Debts	8100
Mispostings	9999
Suspense	9998

OK Cancel



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.

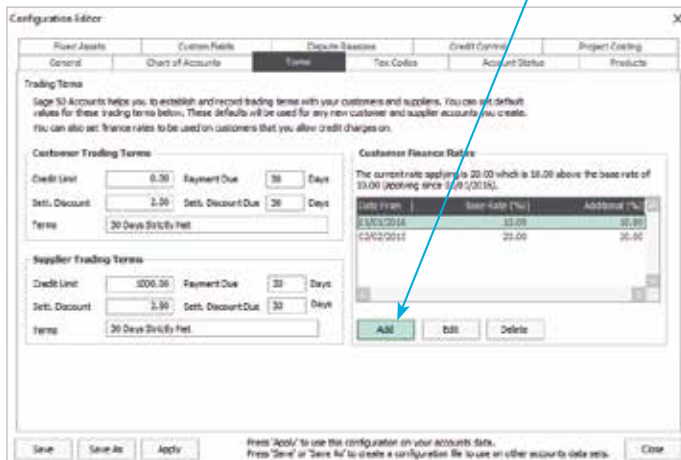


Use the Delete button on the Finance Charge Rates window to remove any unwanted charges.

# 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



- 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

Set Finance Charge Rate

Date Applying: 21/10/2016

Base Rate\* %: 5.00

Additional %: 0.00

OK Cancel

- 7 Click Close to finish