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Chapter 1

Introducing Sage 50 Accounts

In this chapter, I introduce you to the Sage 50 Accounts software range. I show you how easily you can install the software and give you a guided tour, so that you can get up and running quickly – essential for busy people.

Sage works on the principle that the less time you spend inputting your accounts, the more time you spend on your business, so it makes each process as simple as possible.

Looking at the Varieties of Sage

Sage's developers understand that every business is different, and each business has different needs. As a result, they've developed a range of accounting software designed to grow with your business, whatever it is. The three levels of Sage 50 Accounts software start with basic features and finish with a product that contains all the bells and whistles you can possibly want. These versions of Sage are as follows:

- **Sage 50 Accounts:** This is the entry-level program. Sage 50 Accounts provides all the features you need to successfully manage your accounts. You can professionally handle your customers and suppliers, manage your bank reconciliations and value-added tax (VAT) returns, and provide simple reports, including monthly and year-end requirements. This basic version is suitable for small businesses with a simple structure and businesses that need basic stock systems but don't need systems for project costing, foreign currency, or sales/purchase order processing. If you do need foreign currency, you can pay an additional fee to add this module.

» **Sage 50 Accounts Plus:** This contains all the features of the entry-level model but also lets you manage project costs versus budgets and control costs of manufactured and assembled products, and has an improved stock control system to produce bills of materials and allocate stock. You also still have the ability to add the foreign currency module (at an additional cost).

DECIDING ON SAGE COVER

You can purchase Sage Cover at the same time you buy Sage. Sage Cover gives you technical support in case you have any problems using Sage. It may seem an additional cost burden to begin with, but I think Sage Cover is well worth the money in case you have any software problems.

Most people who use accounting packages know something about accounting but don't necessarily know much about computer software. When your screen pops up with an error message that you simply don't understand, a quick phone call to your Sage Cover support line can soon solve the problem.

For Sage 50 Accounts, you can choose between two different types of cover:

- **Sage Cover Online Support:** The key features are the opportunity to use the web chat facility, where you can communicate with Sage advisors in real time by sending instant messages online. Email support is available for more detailed questions. You also get Ask Sage, which gives you online access to thousands of frequently asked questions. In addition you get access to software updates.
- **Sage Cover Extra Support:** You get all the options for Online Support, as well as telephone support, which includes call-backs, and email and online question-and-answer support. There is also an option for remote support, which means that with your permission, Sage technicians can remotely access your PC to help solve queries. In addition you can access customized reports support and webcasts.

Sometimes the Help button just doesn't answer your question. Having someone on the end of the phone to talk you through a problem is a real bonus. The technical support team can help you solve the most awkward problems that would otherwise have you throwing your laptop out of the window in pure frustration.

- **Sage 50 Accounts Professional:** This includes all the features of Accounts Plus but adds sales and purchase order processing, foreign trading, bank account revaluation, and Intrastat support. Accounts Professional can handle up to 20 users and manage multiple companies. This product is suited to both small- and medium-sized businesses and offers customers a product flexible enough to suit a multitude of different businesses, including those that trade in both the U.K. and abroad.

Installing the Software

There is more than one way to install your Sage 50 software. Currently, Sage offers the software as a digital download, but if your Internet speeds are not what they should be, then you may prefer the traditional method of buying the product off-the-shelf and loading the CD. Whichever you choose, Sage guides you seamlessly through the process to ensure you load the software as efficiently as possible.

REMEMBER

Check the technical specifications required to run your software: Ensure your laptop or PC is sufficiently powerful to run it. Sage is quite a big program, and you need a relatively powerful computer to run it.

Getting what you need before you get started

Whichever method of purchase you use, you should receive a serial number and activation key. Without these two pieces of information, you can't successfully load the software. But don't worry: If you purchase a genuine copy of Sage software, you have the necessary activation information.

You also need some details about your company:

- **When your company's financial year begins:** If you're not sure of this date, ask your accountant.
- **Whether you use a VAT scheme:** Your accountant can tell you whether you operate the VAT cash accounting scheme or the standard VAT scheme. If you have a VAT registration number, keep it handy.

Moving to the installation

Follow the download instructions or insert your CD into the disk drive and follow the instructions on-screen. The Installshield wizard runs and proceeds to install Sage on your computer.

Sage lets you know when the program has installed successfully. Then you can really get cracking.

Setting Up with the Active Setup Wizard

Of course, you're champing at the bit and want to get going with Sage, so double-click the new Sage icon on your desktop to get started. The Activate Sage Software window opens, as in Figure 1-1. Sage asks you to enter your activation key and serial number. If you don't have this information, click the MySage button and follow the online instructions.

FIGURE 1-1: Activating your Sage software.

Source: Jane Kelly

After you enter your activation key and serial number, click Continue and the Active Setup wizard opens. The wizard guides you through several different screens where you enter information as requested.

The first screen, shown in Figure 1-2, gives you four options:

- **Set up a new company:** If you're new to Sage, choose this first option. Sage guides you through the automatic steps of the Active Setup wizard.

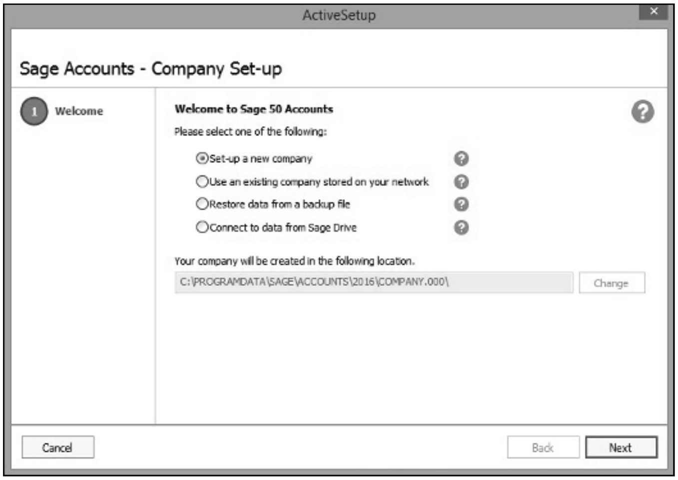

FIGURE 1-2: Putting the Active Setup wizard to work.

Source: Jane Kelly

- **Use an existing company stored on your network:** If you already use Sage and are upgrading, choose this option, which lets you copy accounts data from your previous Sage installation.
- **Restore data from a backup file:** Choose this option if you're restoring data from an earlier version. If your backup was taken from an earlier version than version 14 (2008), contact Sage for further support.
- **Connect to data from Sage Drive:** You'll need your Sage ID, username and password to connect to Sage Drive to see the data that you have been granted access to.

Choose whichever option is best for you and click Next.

The following steps take you through the process of setting up Sage for the first time.

1. **Click Set Up a New Company and then click Next.**

   The Company Setup screen opens and Sage prompts you to enter your company's information such as name, address, and contact details, as in Figure 1-3.

   TIP

   Make the setup speedier by putting in just the company name. You can complete the other information later by clicking Settings on the main toolbar and then selecting Company Preferences.

2. **Click Next to access the Select Business Type screen.**

   A screen appears that prompts you to Select Business Type, as shown in Figure 1-4.

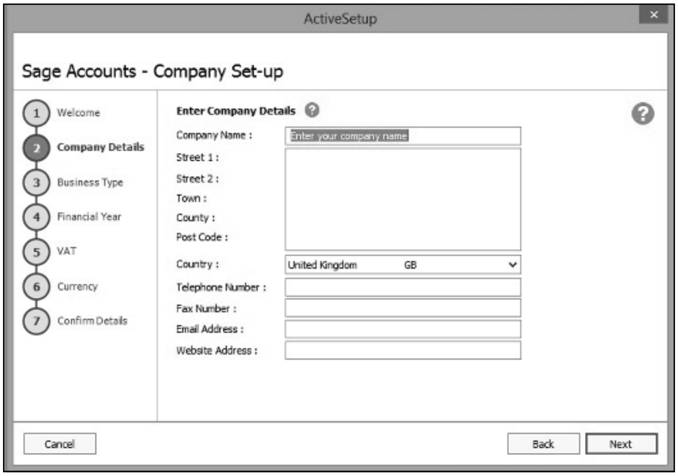

FIGURE 1-3: Asking for your company's info.

Source: Jane Kelly

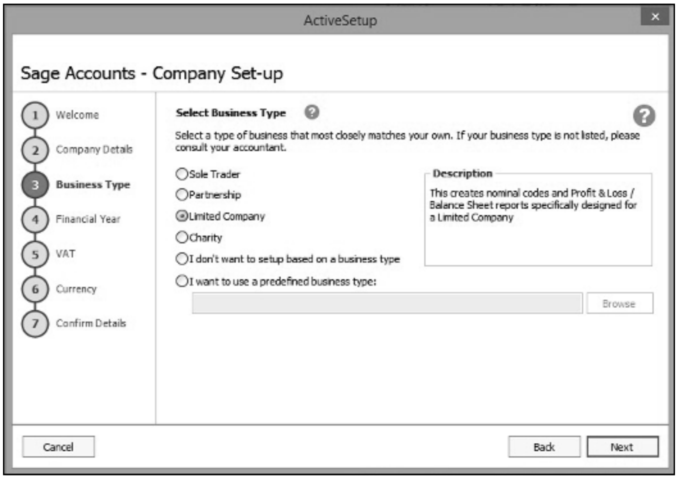

FIGURE 1-4: What type of business are you?

Source: Jane Kelly

3. **Click the appropriate business type.**

   For example, I chose Limited Company for my fictional greeting card company, Jingles. If you don't know your business type, ask your accountant. Whichever business structure you choose, Sage applies the appropriate nominal codes and profit-and-loss and balance-sheet reports for your accounts.

4. **Click Next and select your financial year.**

   Jingles ends its financial year on 31 March 2017, so the financial start date is April 2016, as in Figure 1-5.

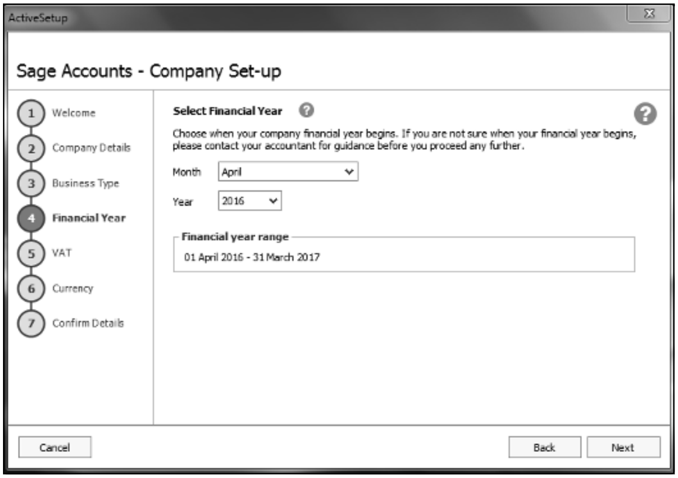

FIGURE 1-5: Beginning the financial year.

Source: Jane Kelly

5. **Click Next and fill in your VAT details.**

   If you're not VAT registered, click No and go to Step 6.

   If you're VAT registered, enter your registration number and use the drop-down arrow to select the appropriate VAT rate, as shown in Figure 1-6. You must enter the current standard VAT rate if that's the rate you've selected. Our example, Jingles Ltd, is VAT registered.

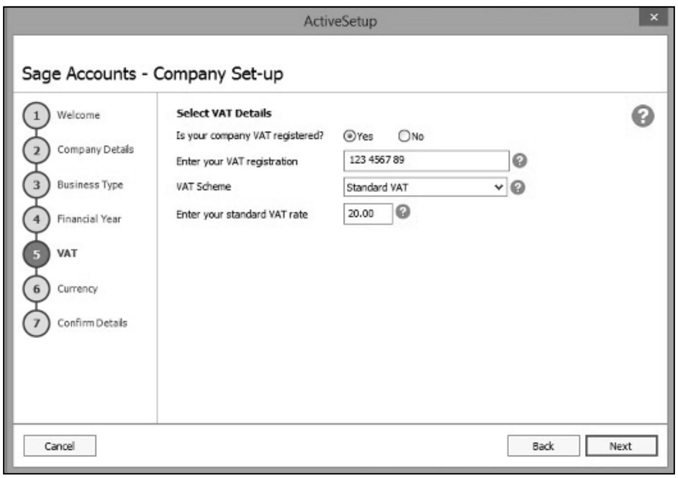

FIGURE 1-6: Registering your VAT status.

Source: Jane Kelly

WARNING

Don't enter any transactions until you're certain of the VAT scheme under which you operate. Failure to use the correct scheme means Sage calculates your VAT incorrectly. Applying the wrong VAT scheme can be extremely messy.

6. **Click Next and choose the type of currency you use, as shown in Figure 1-7**.

   Click Next again. Note the currency option is available only if you use Sage 50 Accounts Professional, unless you have chosen to add this as a module.

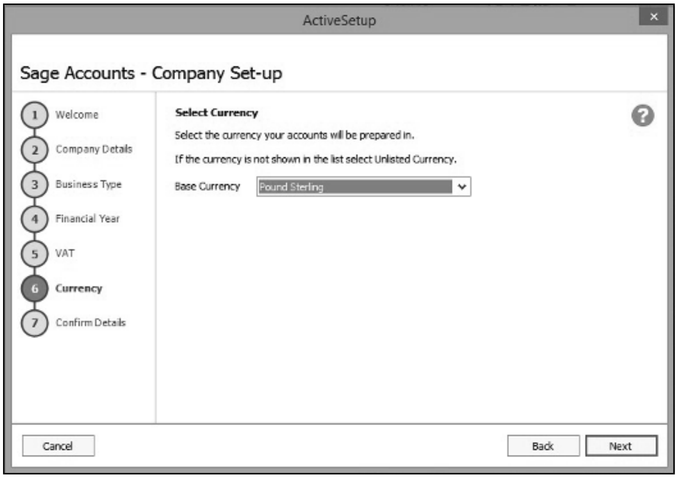

FIGURE 1-7: Telling Sage what currency to use to prepare your accounts.

Source: Jane Kelly

7. **Click Next to confirm the details that you have entered on the previous screens.**

   If you are happy with those details, then click Create. If you need to make any changes to your data, you can click Back and revise the information. See Figure 1-8.

   The system now configures, and the next screen asks if you want to customise your company. See Figure 1-9.

   Click the Customise company button, and a wizard-style menu appears, where you can choose to set up the defaults for your customers, suppliers, bank, products, financials and administration. Sage offers some helpful videos to assist you in setting up the individual modules. Fill the tick-boxes as you complete each section.

   If you click Setup Now on the main wizard-style menu, Sage automatically takes you to the default screen for whichever module you want to set up. Figure 1-10 shows an example of the Customer Defaults window in the Customers & Sales module.

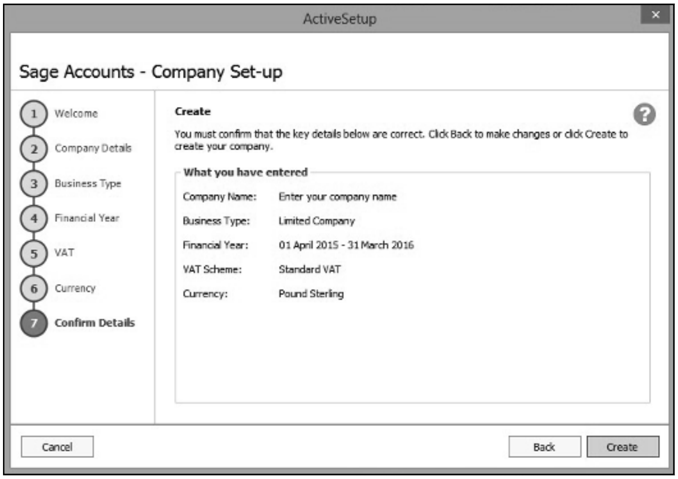

FIGURE 1-8: Checking your details.

Source: Jane Kelly

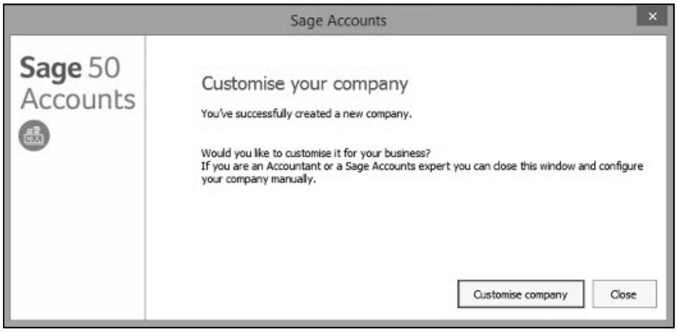

FIGURE 1-9: Customising your company.

Source: Jane Kelly

If you prefer to use a step-by-step process, Setup Now is probably the way for you. However, in this chapter I work through setting up the modules manually so you can see where all the options are within Sage. To set up manually, click Close on the Customisation screen (refer to Figure 1-9) and return to the Getting Started page.

Note: If you don't have time to continue with customising your company, then you can click Close and choose to do this later. In order to restart the customisation process, simply click Help from the main toolbar and choose the Customise your company option from the drop-down menu that appears.

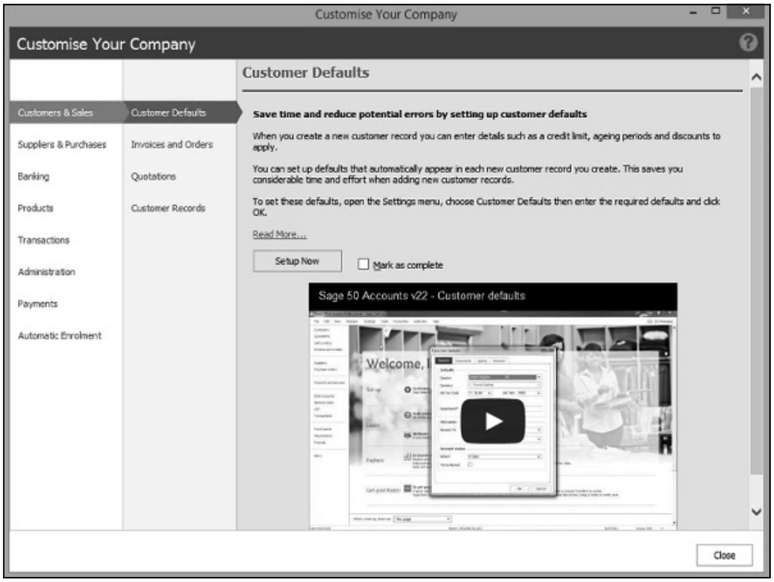

FIGURE 1-10: Customer customisation!

Source: Jane Kelly

Registering Your Software

After you install Sage, when you next open Sage it may prompt you to register it. You have the option to register now or later, as shown in Figure 1-11. Registering straightaway is quick and easy. Click Register Now and the next screen prompts you to complete your personal details.

FIGURE 1-11: Registering your software.

Source: Jane Kelly

After you complete your details, click Register Now. Sage checks your details. If registration is successful, a new activation key appears on the screen and in your email inbox. The email confirms you've registered your product and shows you your Serial Number and Activation Key. Keep this information in a safe place, because you may need it if you ever need to speak to Sage customer services.

Finding Out How Easy Sage Is to Use

Sage is a user-friendly system, using words and phrases that people easily understand rather than accounting jargon. Sage also has a lot of graphics to make the pages look more appealing and easy to navigate. For example, the icons that appear on the Bank module screen look like the entrance to a grand building – like the Bank of England, perhaps.

Sage uses terms that users understand and combines a mix of accounting terms with words such as 'customers' and 'suppliers' instead of 'debtors' and 'creditors'. Accounting terminology isn't done away with altogether, however – for example, Sage refers to nominal codes, and you still have to print aged debtors and creditors reports.

Navigating around Sage

When you open Sage, the first screen you come across is the Welcome screen, as shown in Figure 1-12. This screen provides useful links and various Help pages, including a page that shows you what's new in Sage 50 Accounts.

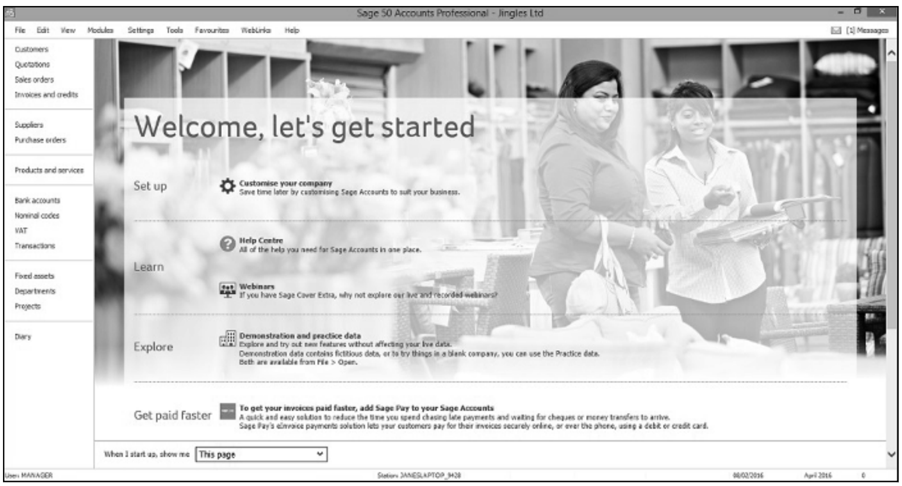

FIGURE 1-12: Getting started with Sage.

Source: Jane Kelly

TIP

You can elect to not show this screen by using the drop-down menu options and selecting the page that you would prefer to see on start-up. For example, you may want to open with your current list of customers; the choice is yours. I choose to open Sage with my customers list – which to begin with is blank until I set up some customers. You can also select not to show the welcome screen upon start-up by clicking Tools, then Options and then View, and then selecting 'Don't display the Welcome Page' in the Global Settings section.

At the top of the Welcome screen is the name of your version of Sage – Sage 50 Accounts Professional, for example – followed by the company name you entered when you set up Sage. (Refer to the earlier 'Setting Up with the Active Setup Wizard' section, which walks you through getting Sage up and running.)

The Sage 50 desktop is divided into four key areas:

- **Menu bar:** This bar runs horizontally across the top of the screen and is one method of navigating around Sage 50. (I give more info on this area in the section 'Exploring the Menu bar'.)
- **Navigation bar:** This bar runs vertically down the left side of the screen, listing the key modules within your chosen Sage product.
- **Icon ribbon:** Depending on which module you choose from the Navigation bar, the list of icons changes across the top of the screen. These icons show you all the functionality contained within each module. For example, the customer module includes icons such as Batch Invoice/Credit, Customer Receipts and Statements, to list just a few.
- **Work area:** This is the main central space of your screen. You can configure your viewing preferences by choosing Tools and then Options from the Menu bar. You can change your screen view to List format, Process Maps (similar to a flowchart) or Dashboard (a graphical display). The screen automatically defaults to the List format, which is the screen that I use throughout this book.

Exploring the Menu bar

The Menu bar runs horizontally across the top of your screen and provides many navigational tools to help you find your way around Sage.

By clicking the different Menu bar options, you gain access to submenus and different parts of the system. I talk about each option on the Menu bar in the following sections.

File

Clicking File gives you options to create, access, save and share data. The submenu options are as follows:

- **New Report:** This takes you into Sage Report Designer, where you can use the Report wizard to design new reports.
- **New Batch Report:** This lets you bundle a set of individual reports together and view, export, print, or email them at the same time. Click F1 for Sage Help and type 'batch reporting' for more details.
- **Open:** This lets you access the demonstration data and practice data from here, open a report and open previously archived data, including the VAT archive.
- **Close:** This closes the drop-down menu.
- **Backup:** This lets you back up your data. You can also back up your data when you exit the program. I recommend you back up your data each time you use Sage, or at least at the end of each day. Backing up more often during the day is a good idea if you process significant amounts of data. For the lowdown on backing up your data, check out Chapter 9.

TIP

- **Schedule Backup:** This opens the Sage Accounts Backup Manager and enables you to schedule backups for a specific time each day. Use the Settings tab to determine the details of the backup that you require. I cover this in more detail in Chapter 9.
- **Maintenance:** This lets you check and correct data, compress, recover, re-index and even rebuild data. I talk about maintenance in more detail in Chapter 9.
- **Restore:** This helps you retrieve data from a previous backup. You may need this function if your data has been corrupted and you want to return to a known point in time when the data was free of problems.
- **Import:** This opens the Data Import wizard where you can import records, such as customer, supplier, stock, assets, nominal accounts and project records, from other sources, such as Microsoft Excel, as long as they're in a predetermined comma-separated values (CSV) format. This option is very useful when you set up Sage and want to import information. You can speed up the data-entry process if you import information instead of keying in each individual record. I cover importing and CSV formatting in more detail in Chapter 19.
- **Sage Drive setup:** This walkthrough guide shows you how to set up Sage Drive, which gives you real-time access to your data wherever and whenever you need it. Sage Drive uses a Sage Identity (ID), which ensures secure access

to your data. You'll be asked to login using your Sage ID or create one if you don't have one already.

- **Microsoft Integration:** Using this option, you can export data to Microsoft Excel, Word or Outlook.
- **Send:** This lets you send a message by using your default email program.
- **Log off:** Clicking this option logs you out of Sage.
- **Exit:** Clicking this exits you from Sage. You can also exit Sage by clicking the black cross in the top right corner of the screen.

Edit

You can use Edit to cut, copy, paste, insert or delete rows, duplicate cells, or memorise or recall data.

View

The *status bar* is the narrow strip across the bottom of your screen, showing the name of your Sage product, today's date, the start of the financial year and the current transaction number. You can switch this bar on and off. You can also view the user list, which shows who is currently logged in to Sage.

Modules

The *modules* are essentially the different components that form the whole of the Sage accounting system. The modules include the usual accounting ledgers, such as customers, suppliers, bank, nominal ledger and reporting functions, but they also include (depending on which version of Sage you purchased) additional components, such as projects, sales order processing and purchase order processing. You can also access invoicing, quotations, fixed assets, departments, VAT, and transactions functions, wizards and a diary.

Settings

The settings include the Configuration Editor and Company Preferences, which hold some of the basic information about your company and the way you installed Sage. Settings also include many of the default screens for the ledgers, which save you time when setting up records at a later date. If you use the Customisation wizard when you install Sage, you may have already seen these default screens. If you need to change the system date or check the financial year, you can do it within settings. Settings also give you access to your Sage security settings and passwords to protect your accounts data. The settings include the following:

- **Configuration Editor:** This holds the basic information you enter when you complete the Active Setup wizard. Some of the things you can do here include editing your customer and supplier trading terms, amending your VAT codes, and managing your project cost types and cost codes. Since version 22 it is also now possible to create new customer, supplier and project analysis fields. I discuss this further in Chapter 3.
- **Company Preferences:** This lets you enter extra information if you didn't add everything when you used the Active Setup wizard. You may want to update your address information or check your VAT details, for example.
- **Customer/Supplier/Bank/Product/Invoice and Order/Email Defaults:** These settings let you amend parts of the default data you set up on installation.
- **Financial Year:** This identifies the start of the company's financial year. This date is fixed when you start to enter data.
- **Change Program Date:** This lets you change dates when you run a month-end or year-end report. The date is normally set to the current day's date, but there may be times, such as period ends, when you want to change the date temporarily.
- **Lock Date:** Here you can enter a *lock date* into the system, which means you can prevent postings before a specific date. This is useful when you process year ends. Only users with access rights to lock dates can post.
- **Currencies:** This lets you edit your currency requirements if you use multiple currencies.
- **Countries:** This lists all the countries in the world and their country codes, and identifies countries that are currently members of the EU. The Sage 50 Accounts Professional package uses this information to comply with Intrastat reporting requirements. (I talk more about Intrastat in Chapter 17.) You can amend the Countries table as and when countries enter or leave the EU.
- **Control Accounts:** This gives you an at-a-glance list of all the control accounts within Sage. A *control account* is a summary of all entries within a specific ledger. For example, the sales ledger control account includes all transactions for all sales ledger accounts – the balance on the control account tallies with the sum of the sales ledger accounts. Control accounts are used as a check on the numerical accuracy of the ledger accounts and form part of the double-entry system that Sage performs when you enter transactions.

WARNING

If you want to change the control accounts, do so before you enter any transactions – otherwise, leave them alone!

You can reconcile a control account. Just click Help and follow the instructions for reconciling debtors or creditors.

- **Access Rights:** Here you can set up or change access rights for particular individuals to allow them access to only certain parts or even all parts of the system.
- **Change Password:** This lets you change your password periodically as part of your data protection and security routine.
- **Internet Resources:** This gives you an Internet Resources list that you can use to set your courier and credit bureau information. You can launch your website browser from within Sage and go to your credit bureau to check the status of a customer or go to a courier's website to track the progress of a parcel.

Tools

The Tools option is a hotchpotch of items. You can run the Global Changes wizard, carry out contra entries, run period ends, open up Report Designer and convert reports, to name but a few. I outline the options here:

- **Global Changes:** Here you can globally change customer or supplier credit limits, turnover values, nominal budgets, product sales or purchase prices, reorder details and discount table values.
- **Activation:** This lets you upgrade your program and enable third-party integration with the Construction Industry Scheme (CIS) and foreign traders (if you have Sage 50 Accounts Professional). Third-party integration lets you use add-on software tailored to your specific industry. Sage has a separate module for CIS and the recording of payments to subcontractors. You can activate this scheme by clicking Tools and then Activation for businesses that fall under the scheme.

TIP

You can use the Upgrade Program option to register after your initial 30-day Sage trial period runs out.

- **Opening Balances:** This gives you a series of actions that you need to complete to enter your opening balances. In Chapter 4 I guide you through the Opening Balances wizard.
- **Period End:** Here you can clear your audit trail, clear and delete stock as well as run your month end, allowing you to post accruals, prepayments and depreciation. This option also clears the current-month turnover figures. You can run your year end, which sets your profit and loss nominal accounts to zero for the new financial year.

- **Transaction Email:** This lets you exchange invoices and orders with your customers and suppliers via Microsoft Outlook. You can import any orders or invoices that you receive via email directly into your Sage accounts.
- **Report Designer:** Here you can edit and create new reports customised for your business.
- **Convert Reports:** If you have reports within Sage that are from version 12 or earlier, you may need to convert the report types (as the file extensions have changed). You can do this here.
- **Event Log:** This shows a history of system events. If you contact the Sage helpline with a system problem, your event log may come in handy.
- **Options:** This gives you options to change the settings and appearance of Sage. For example, you can change the default view of the Customers and Suppliers screens from the process map to customer or supplier lists, using the View tab. Sage has recently enabled users to change the colours of the screen. You can choose from white, light colours or dark colours. You need to play around with each option to see which one you prefer. The changes are implemented only when you reboot Sage.
- **Batch Reporting:** You can generate several reports from any area of the Sage software at the same time. For example, you could create a 'Period End' batch report and get Sage to print off the Trial Balance, Profit & Loss and Balance Sheet, all at the same time! Type 'batch reports' into the Search field in Sage to find more information.
- **Data Service Manager:** The Sage Accounts Data Service runs on the computer or server where your Sage Accounts data is held. The service acts as a gateway and controls the reading and writing of data. Using this service increases the robustness of the system, improves data security and helps optimise performance. You shouldn't need to change or amend this in any way.
- **Internet Options:** Here you can vary the Sage update criteria, enter Sage Cover login details, and enable Sage Mobile by clicking the Mobile tab.

Favourites

You can store your favourite reports here. To find out how to set up favourite reports, use the Help menu supplied with Report Designer, which you access via Tools on the Browser toolbar. In Chapter 18 I go into more detail about the Report Designer.

Weblinks

Weblinks gives you a number of links to useful websites, such as Sage shop and HM Revenue & Customs (HMRC).

Help

Help is the last entry on the Menu bar but probably one of the most useful. If you want to understand more about the system and want to know how to do something, click the Help option. You have several help options to choose from, all of which take you to a Webhelp page where you can enter your keyword and click Search to find answers to your problems. In addition you can find the Customise Your Company wizard here, which you may have discovered when you first installed Sage. You can access these screens and amend your module defaults and other administrative functions at any time.

The About page now contains a raft of information about your computer, including system details, licence information and contact details for Sage. Sage support staff often find this page very useful if you ask them for help with software problems.

Using Wizards

A number of wizards wield their technological magic through Sage. Their job is to help you through a wide variety of setups and tasks. You can access these helpful creatures from the Menu bar by clicking Modules and then Wizards.

REMEMBER

A wizard's job is to make your work easy. All you have to do is follow the prompts and enter the information the wizard requests. Magic!

Wizards can help you in setting up Sage and day-to-day processing. They can help you set up new records for customers, suppliers, nominal accounts, bank accounts, products and projects. You can also use wizards to do the tricky double-entry bookkeeping for items such as opening and closing stock, fuel scale charges and VAT transfers. Sage even provides a wizard to help you set up the foreign trader features. In Chapter 23 I offer lots more info about Sage's wizards.