Sage 50
Resource guide for Sage Business Care customers
Learn how to set up and use basic accounting functions, including sales, purchases, inventory, and payroll.
Sage Learning Services
Welcome

This Sage 50 – US Edition Resource Guide is an exclusive guide developed for Sage Business Care customers to gain knowledge and understanding on Sage 50 Accounting. This is just a resource guide containing various information on the many topics you will encounter when using Sage 50. It is not a standalone document and should not be substituted for detailed training.

Sage 50 Training and Education

Sage University (www.SageU.com) offers training opportunities to expand your knowledge and help you to maximize your Sage software investment and improve productivity.

You can choose from a variety of training options, based on your learning needs and your schedule. Additionally, earn CPE credits when attending our virtual hands-on labs or realtime learning sessions. All you need is your computer, a telephone, and/or stable broadband connection to the internet to attend either the Sage 50 virtual hands-on lab or a realtime training.

<table>
<thead>
<tr>
<th>Method</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virtual Hands-on Learning</td>
<td>Virtual hands-on learning (VHOL) provides you with the ability to learn as if you were in a classroom environment, but in the comfort of your home or office. You will have the chance to practice what you are taught in a virtual setting.</td>
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<tr>
<td>Anytime Learning – Anytime, Anywhere</td>
<td>Anytime learning (ATL) provides you with the ability to learn at your own pace. ATL’s enable you to learn Anytime, Anywhere.</td>
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<tr>
<td>Realtime Learning</td>
<td>Realtime learning (RTL) provides you the opportunity to learn specific topics such as inventory and job costing. RTL is a lecture-style training session performed using WebEx.</td>
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How to Use the Resource Guide

- It is not Read each section carefully, opening the windows and screens in Sage 50 Accounting and studying them yourself.
- Use the online Help in the program for supplemental information on various fields and functions.
- You can use one of the sample companies provided in Sage 50 Accounting for viewing windows and screens. Sample Companies can be opened by starting Sage 50, selecting Explore a sample company, and then selecting the company you want to open. Or, if you currently have a company open, you can select Close Company from the menu bar and then choose Explore a sample company from the start window.

![Open an existing company](image1.png)

Other Tasks:
- Explore a sample company
- Convert from another accounting program
Chapter 1 – Navigating Sage 50 Accounting

Sage 50 Accounting allows various methods to access functions throughout the program. In addition, some functions are the same throughout the program. In this chapter, you will learn how to:

- Easily access functions throughout Sage 50 Accounting
- Open multiple companies simultaneously
- View and change accounting periods
- Easily search for transactions
- Preview reports

Sage University (www.SageU.com) offers training opportunities on this topic to expand your knowledge and help you to maximize your Sage software investment and improve productivity.
Introduction

Once Sage 50 Accounting is installed, you can start the program by either double-clicking the Sage 50 Accounting icon placed on your desktop during installation, or use the Start menu, also created during installation. To start Sage 50 from the Start menu, click Start, All Programs, then select the Sage 50 Accounting group. Finally, click Sage 50 Accounting. When you first start Sage 50, the Start Screen opens.

The options available on the Start Screen include:

- Open an existing company.
- Create a new company.
- Explore a sample company.
- Convert from another accounting application.

Select the appropriate option and Sage 50 opens.
Navigating the Home Window

Sage 50 Accounting is organized into **navigation centers**, which group various tasks together for easier access, as shown below.

For example, tasks related to customers and sales, including quotes, proposals, sales orders and invoices, and receiving payments from customers, are located in the **Customers & Sales** navigation center. Some tasks may be duplicated in another pane if that task could also be helpful in another area. For example, receiving money from a customer can be entered in the Customers & Sales navigation center, or the **Banking** navigation center.
One navigation center, **Business Status**, displays a variety of general business information, including account balances, revenue amounts, and receivables and payables data. Links to various reports can be found in different panes, and a special area is provided to quickly and easily find a report in Sage 50 Accounting.

On the left side of most navigation centers is a pane with icons related to the tasks of that navigation center. At the top are icons related to setup, and then below are the transaction-related tasks. A line connects icons to provide a visual guide of the flow of transactions.

On the right side of the pane is a list of master records, such as customers, vendors, items, employees, jobs, etc. Below is a section showing **Recently Used Reports**. In addition, some navigation centers show additional information, such as the **Aged Receivables** graph in the **Customers & Sales** pane.

Above the panel, is a status bar providing various shortcuts to important functions of Sage 50.

**Hide**: this option allows the information on the pane to be hidden.

**Refresh**: this option is used when you select “Update the Business Center and Navigation Centers only when the Refresh button is clicked” in Global Options, as discussed in a later chapter; otherwise, Sage 50 automatically updates the information on the Navigation Center when it is selected.

**System Date**: displays the system date, which is used by transactions, reports and account reconciliation in the following ways:

- A transaction uses the system date if the system date is within the accounting period.
- A transaction uses the first day of the current accounting period if the system date is not within the accounting period.

Click the **System Date** to display the following window to change the date.

**Period**: displays the current accounting period, which is used by reports and account reconciliation. Click the period date to display the following window to change the date.
To change accounting periods, select a period from the list, and click **OK**.

- If invoices or checks are waiting to be printed, a message appears, asking if you would like to print invoices or checks before continuing.
- If any journals or the General Ledger have not been printed for the current accounting period, a message appears, asking if you would like to print reports before continuing. You may receive a message asking if you would like to run the **Internal Accounting Review**. This searches your company data for common transaction mistakes and transactions or conditions that do not adhere to Generally Accepted Accounting Principles (GAAP).

Once complete, the accounting period shown on the Status Bar is changed to the period you selected.

As an example of how the system date and accounting period work together, consider a company with a fiscal year that starts in January and ends in December. The current accounting period is Period 4-4/15 to 4/30/15, and the current system date is 4/15/15. The following events occur:

- When a transaction is entered, the date is 4/15/15 because the system date is within the current accounting period date range.
- When the General Ledger is previewed, it uses the date range from 4/1/15 to 4/30/15.
- When the Account Reconciliation window opens, only un-cleared transactions through 4/30/15 are listed.
- Once all transactions for April are entered, the Change Accounting Period window can be used to advance to May. Then, the current accounting period will read Period 5-5/1/15 to 5/31/15.

**Default page**: displays that a page is either the default page, or can be selected to make the current navigation center the default page.

Below the list of navigation centers on the far left, is a list of shortcuts to quickly access specific tasks, reports and lists in Sage 50.
Icons throughout Sage 50 Accounting often provide access to more than one action, as indicated by the arrow in the bottom right corner of the icon. For example, from the Sales Order icon you can quickly create a New Sales Order, View and Edit Sales Orders (which opens the list window) or Print Sales Orders.

Finally, menus are available at the very top menu bar of the Sage 50 desktop to navigate.
Using the Keyboard

Like many programs, the features of Sage 50 Accounting can be accessed using a mouse or the keyboard. The mouse can be used to access menus, navigation aids, and all other operations that require you to point and click. Keyboard shortcuts are also very helpful for navigating Sage 50. In addition to standard window commands such as copy (CTRL + C) and paste (CTRL + V), there are Sage 50-specific commands as well.

CTRL + Letter Shortcuts

- **CTRL+X** Cut
- **CTRL+C** Copy
- **CTRL+V** Paste
- **CTRL+E** Delete Record
- **CTRL+F** Find
- **CTRL+D** Find Next
- **CTRL+N** New Company
- **CTRL+O** Open Company
- **CTRL+B** Back Up Company
- **CTRL+R** Restore Company
- **CTRL+P** Print Displayed Report, Invoices, Quotes, Payments, etc.

Function Keys

- **F1** Displays online Help topic for the current window
- **SHIFT+F1** Changes mouse pointer to What's This Help selector
- **F3** Find transactions
- **F5** Saves records and posts (or saves) transactions in certain windows
- **F7** Check spelling
- **F10** Toggles between the open window and menu bar
- **CTRL+F4** Closes current document window
- **ALT+F4** Closes the application window
- **CTRL+F6** Moves to next window
- **SHIFT+CTRL+F6** Moves to the previous window
- **F6**

Lookup List Navigation – to browse record lists, such as items or customers
Space or ? Displays record lookup list for currently selected field
DOWN and UP arrow keys Navigates up and down lookup list records
ENTER Populates field with currently selected record in lookup list, or expands master stock item inventory record folder
LEFT and RIGHT arrow keys Expands/collapses sub lists marked with a [+] symbol

On each window in Sage 50, there are underlined letters in field names. To access a field using a shortcut key, press and hold the ALT key, then press the key for the underlined letter. For example, in the General Journal Entry window, the D in the field name Date is underlined. To move to the Date field, press and hold the ALT key, then press the D key. This shortcut can also be represented by the abbreviation ALT+D.

If you use the keyboard to navigate Sage 50 windows, usually you can use either the TAB key or the ENTER key to move from field to field. To move to a previous field, use SHIFT+ENTER or SHIFT+TAB.

Help

Accessing online Help is easy in Sage 50 Accounting. You can access Help by clicking the Help button, pressing F1, or using the Help menu.

- **Help Button**: This button is available on most Sage 50 windows. Help topics relating to the current window appear when you click the Help button.
- **F1**: Displays Help topics relating to the current window.
- **Help Menu**: Lists all Help options available in the program. The various topics are categorized in the Contents and Index options.
- **Tooltips**: Tooltips appear when you pass the cursor over buttons in the toolbars. They tell you what the button is for.
Finding Transactions

To search for transactions in Sage 50 Accounting, you can use the **Find Transactions** window, accessed from the **Edit** menu, or from the default shortcuts on the left of the window.

After entering filter criteria, including a date range and other information, click the **Find** button in the middle of the window to execute the search. Results are displayed in the grid at the bottom of the window by date, though this sort order can be changed by clicking the heading of another field. Double-click a transaction to open it.

If desired, select the **Print** toolbar button at the top of the window to print the **Find Transactions** report which lists the transactions displayed through the search.

The transaction types that appear in the Find Transactions window are as follows:

<table>
<thead>
<tr>
<th>Transaction Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assembly</td>
</tr>
<tr>
<td>Payment</td>
</tr>
<tr>
<td>Credit Memo</td>
</tr>
<tr>
<td>Receipt</td>
</tr>
<tr>
<td>Expense Ticket</td>
</tr>
<tr>
<td>General Journal</td>
</tr>
<tr>
<td>Inventory Adjustment</td>
</tr>
<tr>
<td>Purchase</td>
</tr>
<tr>
<td>Purchase Order</td>
</tr>
<tr>
<td>Payroll Entry</td>
</tr>
<tr>
<td>Quote</td>
</tr>
<tr>
<td>Sales Invoice</td>
</tr>
<tr>
<td>Sales Order</td>
</tr>
<tr>
<td>Time Ticket</td>
</tr>
<tr>
<td>Vendor Credit Memo</td>
</tr>
<tr>
<td>Work Ticket</td>
</tr>
</tbody>
</table>

Previewing Reports

Sage 50 Accounting provides numerous reports for every area of the system and are accessed from the **Reports** icon in the various navigation centers of Sage 50. The **Select a Report or Form** window groups reports by function, such as Accounts Receivable for Customers and Sales, and displays a short description of each report. Reports can be customized in a variety of ways to change the information presented or the look of the report, and by double-clicking on a report name it is run for the current period.
The toolbar at the top of the window provides various tools to customize the report, as well as the groups within the window.

- **Close**: Closes the current window.
- **Delete**: Erases customized reports, forms, and report groups. Sage 50’s standard reports cannot be deleted.
- **Group**: Opens the Report Groups window on which you can create a report group. A report group consists of one or more reports from one or more report areas. When a report group is printed, all reports that make up the group are printed at the same time. This is discussed in more detail in the next section of this topic.
- **Print**: Opens the Modify Report, which displays the printing options for the selected report. Once the options are selected, click OK to print the report. A print window allows you the opportunity to change printers, enter a range of pages to print, and change the number of copies.
- **Display**: Previews the report to screen.

  **NOTE**: The next three options are not available if you select a financial statement.

- **Options**: Opens the Filtering window, on which you can adjust the information that you want to see on the report.
- **Columns**: Opens the Columns window for the selected report. You can use this window to modify the columns that appear on the report.
- **Fonts**: Opens the Fonts window for the selected report. You can use this window to modify the fonts that are used for different sections of the report.
- **Send to**: Selecting this option opens a drop-down list from which you can select the following options to send the report to:
  - **E-mail**: Select this option to send the report to an e-mail so it can be e-mailed in PDF format.
  - **Excel**: Inserts a copy of a Sage 50 report into a Microsoft Excel spreadsheet. Sage 50 opens Microsoft Excel and inserts the report into a worksheet; retaining most of the report’s original formatting.
  - **PDF**: Saves the report in PDF (Portable Document Format) so that it can be opened with Adobe Acrobat Reader.
    - **Styles**: Opens the Report Styles window on which you can set up a grouping of font styles for use on reports.
    - **Copy**: Opens the Copy Reports and Financial Statements window on which you can copy reports and financial statements from one company to another.
    - **Help**: Displays topics related to the current window.

Once the report has run, either by double-clicking the report or selecting the **Display** icon in the toolbar, it appears in the **Report Preview** window, as shown below.

This window can be used to view information, as well as to customize the content and appearance of the report.

On most transaction reports, you can drill down on a transaction to open the window on which the transaction was originally entered. To drill down, move the mouse pointer over a transaction until a magnifying glass appears. Then, double-click to open the window on which the original transaction was entered. You can view the transaction or make changes, if allowed, and save the transaction. When you close the transaction window and return to the report, it is updated with your changes.

The toolbar found in the report preview window provides similar functionality to the report selection window for customizing the report. Differences in the two toolbars are discussed below:

- **Save**: Opens the Save as window on which you can enter a name for the report to save it for later use. A saved report appears in the Select a Report or Form window as a customized report using a slightly different icon.
• **Setup**: Displays the Page Setup window on which you can modify the printer settings for the report including paper size, paper source, and print orientation.

• **Hide/Show**: Removes or adds the report header, which includes the company name, title of report, date range, and filter criteria.

• **Find**: Selecting this option opens the Find on Report window, which you can use to search for text or a number.
Report Groups

Report groups allow you to list related reports together and print the group of reports at the same time. Report groups can include reports from any area and can include customized reports. To create a report group, select the Group button on the Select a Report or Form window to open the Report Groups window.

By default, all reports are listed in the Report Index, but you can display a list of reports for a specific area using the Report Index drop-down list. As reports are added to a group, they are listed in the box on the right. Once the needed reports are added, you can save the report group for later use. Elements of interest are described below:

- **Report Index**: Select an area from the drop-down list to show only reports for the selected area. By default, Index to All Reports is selected and all reports are listed.
- **Add**: Highlight a report in the Report Index and select this button to include the report in the report group.
- **Remove**: Highlight a report in the report group on the right and select this button to remove the report from the report group.

Once the group is saved, it appears in the Report Groups section of the Select a Report or Form window.

To view the reports in a report group, click a report group folder. Each report is listed under the open folder. Double-click an individual report to preview it.

To print the entire report group, click a folder to highlight it and then click the Print button on the toolbar. Each report is printed based on the dates listed on the Filter screen in the case of a customized report.
Chapter 2 – Creating a New Company

To begin using Sage 50 Accounting, a new company must be established. Basic information, such as the company name and address, to more significant details of the company, such as the chart of accounts, accounting and posting methods, are established in this initial process. In this chapter, you will learn how to:

• Enter Company information
• Select a method to create your Company
• Choose an Accounting Method
• Choose a Posting Method
• Set up Accounting Periods

Sage University (www.SageU.com) offers training opportunities on this topic to expand your knowledge and help you to maximize your Sage software investment and improve productivity.
Introduction

When setting up a new company in Sage 50 Accounting, you enter information such as your company name and address. You also select a chart of accounts, accounting method, and posting method. Finally, you establish accounting periods that match your company’s fiscal year. Company information appears on reports, purchase orders, invoices, quotes, checks, and tax forms. To create a new company is Sage 50, click the Create a new company icon on the Start window, or select File from the menu bar and then select New Company.

To help you create a new company, Sage 50 provides the **Create a New Company Wizard** to guide you through entering the company address, telephone numbers, tax ID numbers and business type. Select **Create a new company** from the start window to begin:
Creating Your Company Database

Depending on the version of Sage 50 Accounting you are using, there can be up to five options for creating the chart of accounts when setting up a company:

- **Use a sample business type that closely matches your company** – select this option to choose either a simplified or detailed chart of accounts. On the next screen of the wizard, you select the type of company and can later add, edit, or delete accounts and account descriptions.

- **Copy settings from an existing Sage 50 Accounting Company** – select this option to use a similar chart of accounts from another company. Later, you can add, edit or delete accounts and account descriptions. Additional settings can be copied from the existing company, such as the accounting periods and system defaults, as discussed later.

- **Convert a company from another accounting program** – select this option to skip the chart of accounts section of the wizard. Later, you can add accounts and account descriptions. This option is available for Sage 50 Pro Accounting and higher.

- **Build your own chart of accounts** – select this option to skip the chart of accounts section of the wizard (though account segments can be defined in the wizard). Later, you can add accounts and account descriptions.

- **Consolidate existing Sage 50 Accounting companies** – select this option to establish this company as a holding company for subsidiary companies specified in the next window.

  **PREMIUM:** Consolidate is available in Sage 50 Premium Accounting and higher.

**Selecting a Business Type**

If **Use a sample business type that closely matches your company** is selected in the wizard, you can choose a business type from any of the sample companies provided. Once a business type is selected, you can view the chart of accounts on the right.

Click the **View details about a business type** link to see an overview of the highlighted business type, as well as related topics to assist you in setting up and customizing the selected business type for your specific needs.

**Copying a Company**

If **Copy settings from an existing Sage 50 Accounting company** is selected in the wizard, you can choose an existing Sage 50 company, and the chart of accounts appears on the right.

In addition to the chart of accounts, various components of the company can also be copied to the new company. Select the check boxes for the components you want to copy and clear the check boxes for the components you do not want to copy. Later, these settings can be modified as necessary.

**Defining Account Segments**

If **Build your own chart of accounts** is selected in the wizard, Sage 50 Accounting enables you to divide your account number into segments. You have the ability to create and define up to five segments for your Account ID, which can be used to filter reports and financial statements by selecting the appropriate segment from a drop-down list. These are useful if you departmentalize your chart of accounts or use any other parts of your Account ID to define different parts of your company.

To use segments and masking, select **Yes, I would like to use account masking** and then enter a description for each segment (up to 10 characters), its length, and the separator between that segment and the one that follows it. The total length of the ID, including separators, can be up to 15 characters. Sage 50 displays the structure of the ID on the right side of the window. To modify the account segmentation later, go to the Account Segments tab of the General Ledger Defaults window.
Choosing an Accounting Method

Sage 50 Accounting provides two accounting methods, Accrual or Cash from which to choose. The cash method records income when cash is received and expenses when they are paid. The accrual method records income (not cash) when it is earned and expenses when they are incurred. In other words, an expense is recorded when the vendor bills you, not necessarily when you pay them. Typically, if you offer credit to your customers or sell inventory, you should pick Accrual. If you are unsure which accounting method your company should use, consult your accountant before selecting an accounting method, as this cannot be changed after the company is established in Sage 50 Accounting.

WARNING: You cannot change Accounting Methods once the New Company Setup is complete. Ensure that the correct accounting method is selected before continuing.
Choosing a Posting Method

Sage 50 Accounting can use one of three posting methods, **Real Time Batch or SmartPosting**.

- **Real-time** – When you use real-time posting, transactions update the journals and General Ledger when they are saved. This means that your reports always reflect your current financial standing. For this reason, Sage 50 recommends using real-time posting (unless you are using Quantum, in which case SmartPosting is recommended).

- **Batch Posting** – With batch posting, transactions are saved to Journals, and later posted to the General Ledger in a group. In addition, you can print registers and review a batch of transactions before posting them to the General Ledger. To post transactions to the General Ledger, select **Tasks, System, and Post**. You can select to post an individual journal or all journals simultaneously.

- **SmartPosting** – With SmartPosting, transactions are saved and then posted in the background by a service. This provides better performance in a larger multi-user environment.

  **QUANTUM:** SmartPosting is available only in Sage 50 Quantum Accounting.

  **TIP:** The posting method can be changed at any time by selecting the **Edit Company Information Now** option in the **System** navigation center.
Setting up Accounting Periods

Your company’s fiscal year is divided into accounting periods. You can choose to use **12 monthly accounting periods per year**, or **Accounting periods that do not match the calendar months**. Most companies typically use 12 accounting periods, but some use 13 periods with four weeks in each period, for example.

Your accounting period setup should reflect the beginning of your fiscal year, even if you start entering transactions in the middle of the year. Examples of two common situations are below:

- The fiscal year matches the calendar year, going from January through December. The accounting periods should be set up so that January is period 1, even though transactions will be entered in Sage 50 Accounting starting in June, which is period six.
- The fiscal year starts in July and ends in June. The accounting periods should be set up so that July is the first period, even though transactions will be entered in Sage 50 starting in December, which is period six.

After the company is set up, the current accounting period is displayed on the Business Dashboard. The current accounting period, in conjunction with the system date, is used by transactions, reports, and Account Reconciliation in the following ways:

- If the system date is within the current accounting period, a transaction automatically uses the system date.
- If the system date is not within the current accounting period, a transaction uses the first day of the current accounting period by default.
- When you double-click to open any report, the date or dates used are based on the current accounting period.
- When you use the Account Reconciliation window, un-cleared transactions through the end of the current accounting period are initially listed.

**NOTE:** If the **Statement Date** in the Account Reconciliation window is changed, Sage 50 will list all un-cleared transactions up to the date entered. This is useful if you want to reconcile previous period bank statements without having to change the accounting period.

As an example, consider a company with a fiscal year that starts in January and ends in December. The current accounting period is **Period 4-4/1/15 to 4/30/15**, and the current system date is 4/15/15. The following events occur:

- When a transaction is entered, the date will be 4/15/15 because the system date is within the current accounting period date range.
- When the General Ledger is previewed, it will be the date range from 4/1/15 to 4/30/15.
- When the Account Reconciliation window opens, only un-cleared transactions through 4/30/15 are listed.

Once all transactions for April are entered, the Change Accounting Period window can be used to advance to May. Then, the current accounting period will read Period 5-5/1/15 to 5/31/15.

In Sage 50 Premium Accounting and higher, two fiscal years can be open at a time. At the end of the second fiscal year, you close the first fiscal year to make the next fiscal year available.
Selecting a 12-Month Fiscal Year

If you chose the option 12 monthly accounting periods, you next specify when you want your fiscal year to begin.

WARNING: You cannot change the setup of Accounting Periods once New Company Setup is complete. Ensure that the correct accounting periods are selected before continuing.

Customizing the Fiscal Year

If you chose Accounting periods that do not match the calendar months, the following questions appear on the Custom Fiscal Year window:

• **How many accounting periods do you want in a fiscal year?** Enter from 1 to 13 accounting periods. If period13 is chosen, the periods in the list to the right default to 13 four-week periods.

• **What is the start date of your first fiscal year?** Enter the month and year of your first fiscal year. If the accounting periods shown in the list to the right still do not match your fiscal year setup, you can change each From and To date as needed.

TIP: After the company is created, you can change the current period at any time by selecting Tasks, System, and Change Accounting Period from the menu bar.

WARNING: You cannot change Accounting Periods once New Company Setup is complete. Ensure that the correct accounting periods are selected before continuing.

TIP: Once the new company has been created, select Maintain from the menu bar at the top of Sage 50 and then Company Information at any time to review or update much the information entered during the New Company Setup wizard.
Chapter 3 – Setting up the Chart of Accounts

The General Ledger stores information relating to all financial activity for your company. In this chapter, you will learn how to:

• Establish General Ledger Defaults
• Modify the Chart of Accounts
• Enter Beginning Balances
• Enter Budgets

Sage University (www.SageU.com) offers training opportunities on this topic to expand your knowledge and help you to maximize your Sage software investment and improve productivity.
Introduction

The General Ledger stores information relating to all financial activity for your company. All business transactions are eventually posted to the set of accounts that make up the General Ledger. This set of accounts, called the **Chart of Accounts**, acts as holding places for every amount you want to track in your business.

The **Banking** navigation center in Sage 50 Accounting is used to access most activities for the General Ledger, and specifically the Chart of Accounts.
Setting up Account Defaults

Sage 50 Accounting establishes default account values for its Rounding Account and Account Segments, as discussed in this section. To access these defaults, go to the Banking navigation center, Banking Tasks panel, and then select Set up Account Defaults from the Chart of Accounts icon.

Rounding Account Tab

The Rounding Account is an account in your General Ledger used by Sage 50 Accounting to store rounding differences on Financial Statements. Though this account can be either a balance sheet account or an income statement account, typically, the Retained Earnings account is used.

Account Segments Tab

On the Account Segments tab, you can create or change segments for your chart of accounts. This allows you to take full advantage of the masking and filtering features of Sage 50 Accounting when you print reports and financial statements. You can use this feature for printing reports that are filtered by department, division, account number, or any other segment you create.

When you initially create your company in New Company Setup, Sage 50 gives you the opportunity to divide your Account ID into segments, but you can do it here as well. If your chart of accounts is already set up and you change the segment structure, Sage 50 scans your chart of accounts and informs you if any accounts do not fit the new segment structure. You can then print your Chart of Accounts report to identify those accounts.

You can segment your account numbers by creating descriptions, lengths, and separators for up to five segments.
Modifying the Chart of Accounts

If you chose to base your company settings on a sample business while using the New Company Setup Wizard, you already have a full list of accounts available. However, since all businesses are different, it may be necessary to add, rename, or delete specific accounts in the chart of accounts.

In the Maintain Chart of Accounts window, accessed by selecting the Chart of Accounts icon in the Banking navigation center, then New Account, you can add and edit existing accounts or delete accounts that have no activity. You can also enter beginning balances for the accounts.

Maintain Chart of Accounts Window

The Maintain Chart of Accounts window is used to enter new accounts, edit existing accounts, and enter account beginning balances.

On the toolbar are standard buttons found throughout Sage 50 Accounting. While most are self-explanatory, several are described below:

- **List** – select this option to open a list of the accounts set up in Sage 50. From the list, you can add new accounts, edit existing ones, print, search for an existing account, or open a task or report associated with the current list. In addition, you can customize a list by adding or removing fields, changing the order in which fields appear, and changing the sort field and order.

  Select the **Settings** button on the toolbar to customize the list, by selecting fields from the Available Columns list on the left, and moving it to the Selected Columns list on the right using the Add button in the middle.

- **Change ID** – select this option to change the account number of an existing account. When you change an Account ID, all data records and transactions associated with this account will reflect the new ID, including current and past transactions.
Fields of interest from the **Maintain Chart of Accounts** window are described below:

![Maintain Chart of Accounts Window](image)

- **Account ID**: Identifies the account in the chart of accounts, lookup lists, transactions, and reports. The ID can be up to 15 characters.
- **Description**: Enter a description for the account. This description prints on reports and financial statements.
- **Inactive**: Select this check box to make the ID inactive. Inactive records are deleted when the purge utility is run, if they have not been used in any transactions in an open fiscal year. Inactive records can be used in transactions, but a message appears, reminding you of the inactive status.
- **Account Type**: Select a type from the drop-down list. Accounts are grouped by account type on financial statements. Accounts assigned to the account types of Income, Expenses, Cost of Sales, and Equity--Gets Closed close to the account assigned to the Equity--Retained Earnings account type at the end of the fiscal year.
Account Numbering

Sage 50 Accounting allows the use of both numbers and characters in an account numbering system. However, an account numbering system should be established so it can be understood by everyone, from new employees to accountants. In a traditional General Ledger, individual accounts are numbered and placed into ranges similar to those in the following table:

<table>
<thead>
<tr>
<th>Account Range</th>
<th>Account Types</th>
</tr>
</thead>
<tbody>
<tr>
<td>10000</td>
<td>Cash, Accounts Receivable, Assets</td>
</tr>
<tr>
<td>20000</td>
<td>Accounts Payable, Liabilities</td>
</tr>
<tr>
<td>30000</td>
<td>Equity</td>
</tr>
<tr>
<td>40000</td>
<td>Income</td>
</tr>
<tr>
<td>50000-70000</td>
<td>Cost of Sales, Expenses</td>
</tr>
<tr>
<td>80000</td>
<td>Other Income</td>
</tr>
<tr>
<td>90000</td>
<td>Other Expenses</td>
</tr>
</tbody>
</table>

Sage 50’s sample companies use numbering schemes similar to those in the table above. If you choose not to use a sample chart of accounts, there are a few rules and guidelines that should be followed when an account numbering system is established.

- Up to 15 alphanumeric characters can be used in an account ID.
- Asterisks (*), question marks (?), and plus signs (+) cannot be used in an account ID.
- Leading or trailing spaces are not permitted in an account ID. However, spaces between characters are allowed.
- Account numbers are sorted alphabetically, with numbers in the account ID sorted before letters. For example, account ID “2” lists after account ID “1000” and before an account ID starting with “AR.” Account numbers are not case sensitive; therefore, CASH and Cash are the same account ID.
- There can only be one account assigned an account type of Equity--Retained Earnings.
Account Types

Account types are used to group similar accounts together. They also determine where the accounts appear on financial statements, and whether the account typically carries a debit or credit balance. Sage 50 Accounting has a wide variety of account types available:

- Accounts Payable
- Accounts Receivable
- Accumulated Depreciation
- Cash
- Cost of Sales
- Equity - Doesn’t Close
- Equity - Gets Closed
- Equity - Retained Earnings
- Receivables Retainage
- Expenses
- Fixed Assets
- Income
- Inventory
- Long Term Liabilities
- Other Assets
- Other Current Assets
- Other Current Liabilities
- Payables Retainage

At the end of the fiscal year, the balances of the Income, Expense, Cost of Sales, and Equity--Gets Closed account types become zero. The net difference of these accounts is added to the Equity--Retained Earnings account.
Masking

The chart of accounts can be divided into departments. When printing certain reports, you can filter or mask the information that appears. In the window below, the “NU” in account 57200-NU is an example of an account mask.

Department masking is a powerful feature in Sage 50. Masking allows you to set up codes that, as part of your account number, represent a division or department for that account.

For example, if your company has two branches and each branch has two departments, you can establish accounts that differentiate the branches and their departments. An example of a seven-character account number is shown. The fifth character represents the location and the sixth and seventh represents the department.

To view reports containing only data specific to a branch or department, use a department mask. For example, to view the totals for department HS, enter *****HS, where asterisks represent any possible character or number. Shown below is an example of masking the General Ledger report to include transactions for department HS.
PREMIUM: Sage 50 Premium Accounting and higher offers you the Account Segment feature, which allows you to segment your chart of accounts and filter reports using drop-down selection lists rather than the masking method using the asterisk.

FOR MORE INFORMATION: For information on setting up your company with Account Segments, see the online Help in Sage 50, or Account Segments Tab.
Entering Account Beginning Balances

Sage 50 Accounting can record account beginning balances in any period in companies that have no posted transactions. After one or more transactions have been posted, Sage 50 records account beginning balances as prior-period adjustments.

To enter account beginning balances, click the **Account Beginning Balances** button on the **Maintain Chart of Accounts** window. Select the accounting period to enter or adjust balances from the **Select Period** window.

When entering beginning balances, you can make entries in previous, current, or future periods. When entering prior period adjustments, you can only make entries in previous periods.

**TIP:** Typically, account beginning balances should be entered in the period previous to the first period in which transactions are entered. For example, if transactions are entered in Sage 50 starting in June, the account beginning balances should be entered as of the end of May.

Chart of Accounts Beginning Balances Window

The **Chart of Accounts Beginning Balances** window lists each account ID, description, and account type. Depending on the account, entries are made in the **Assets, Expenses** column or in the **Liabilities, Equity, and Income** column. Sage 50 Accounting indicates which column to use by making the other column unavailable. Positive amounts are entered in both columns unless one of the following applies:

- The balances are for contra accounts other than accumulated depreciation.
- Your company is operating “in the red” and has a negative retained earnings account balance.
- You are converting mid-year and are recording dividends paid. The balance of this equity account would be entered as a negative value.
- Any time an account has a balance that is the opposite of its normal balance.
• **Assets, Expenses**: Enter the balance of the account if the account typically carries a debit balance. If the account is a contra account other than accumulated depreciation or currently carries a credit balance, enter a negative amount.

• **Liabilities, Equity, Income**: Enter the balance of the account if the account typically carries a credit balance. If the account is a contra account or currently carries a debit balance, enter a negative amount.

• **Trial Balance**: Shows the result of the Assets, Expenses column minus the Liabilities, Equity, Income column. This value should be zero before you click OK. If this value is non-zero, the amount shown posts to a Beginning Balances Equity account.
Out-of-Balance Situation

If the Trial Balance shown at the bottom of the Chart of Accounts Beginning Balances window is not zero, then there is an out-of-balance situation. If you click OK with an out-of-balance situation, the following message appears:

If you click OK to this message, a Beginning Balance Equity account is created in the equity section of your chart of accounts, and the total out-of-balance amount posts to this account. This keeps your books in balance, and you can enter and post transactions; however, this account appears on General Ledger reports and on the Balance Sheet until the amount in it is allocated to another account.

Sage 50 Accounting suggests you click Cancel to return to the Chart of Accounts Beginning Balances window. Then, locate and correct errors made when entering account beginning balances. When the Trial Balance is zero, you can click OK.
Entering Account Budgets

Budgets can be entered for each account using the Budgets feature under the Maintain menu. These budget amounts appear on Financial Statements that compare actual activity to the budget assigned to the account.

Maintain Budgets Window

The Maintain Budgets window is used to enter and update budget information for each account, for up to four fiscal years. In addition, you can print a budget variance report from this window. Fields of interest are described below.

![Maintain Budgets Window](image)

- **Budget Name**: Enter or select a budget name from the list. In Sage 50 Premium Accounting, you can maintain multiple budgets, to allow for revisions or to compare to different scenarios.
- **Account Filters**: Use these filters to select ranges of accounts that you want to view. Use the Department Mask field to filter your budget by department mask. In Sage 50 Premium Accounting, you can select to filter by Account Segment, in addition to Type.
- **View Fiscal Year**: Use this field to select which fiscal year you want to view. You can select from up to four fiscal years.

Entering a Budget

After the correct Budget Name, Account Filters and Fiscal Year have been selected, the budget can be entered. Simply type the amounts in the appropriate rows and columns.

When entering a budget, a small toolbar (called the **Quick Action Buttons**) may appear, providing an easy way to copy, paste and adjust the budget. These buttons can be viewed or hidden by selecting the option from the Edit menu.
To copy an amount to another cell:

- After entering an amount in a cell, click **Copy**. Then, select the cell that you want to paste the amount into, and then select **Paste**. To copy an amount to multiple cells, click and drag the cursor over those fields. The cells are highlighted in blue to indicate they are selected. Then click **Paste**. The amount is pasted into all of the selected cells.

To copy an amount to an entire row:

- Select an amount, and then click **Copy** on the small toolbar. Next, select **Edit** from the menu bar at the top of the window. Then, choose **Select**, and **Entire Row**. The row is now highlighted in blue. Click **Paste** on the small toolbar in the grid.

### Auto fill

The **Auto fill** function, found on the Maintain Budgets toolbar, allows you to fill in the budget using actual amounts from Sage 50 Accounting, amounts in the current budget, or amounts in a separate budget.

**Use actual amounts from Sage 50:** use this option to open the following window where you select actual amounts to populate the current budget.
Copy amounts from the open budget: use this option to open the following window where you select the periods from the current budget to copy. This is especially helpful to copy a single column to multiple columns.

Copy amounts from another Sage 50 budget: use this option to open the following window where you can select another budget to copy from. This is especially helpful when creating a new budget based on another budget. (The Save As function on the toolbar can be helpful for this as well.)
Adjusting Amounts

You can adjust the amount of a single cell or many cells by using the Adjust option. To do so, select the cell or cells that you want to adjust. You can select a single cell by clicking it, or you can select an entire row, column, or even the entire budget by clicking and dragging the cursor over the cells you want to adjust. Once you have highlighted the amounts you want to adjust, click Adjust on the small toolbar. This opens the Adjust Budget Amounts window.

Enter the dollar amount or percentage that you want to adjust the amounts by, and then specify a rounding figure, if necessary. Finally, click OK, and the highlighted amounts are adjusted.

NOTE: If you want to adjust the amounts up, enter a positive number for the dollar amount or percent; if you want to adjust the amounts down, enter a negative number.
Chapter 4 – Setting Up Vendors

Vendors are used to track purchases from and payments to suppliers. In this chapter, you will learn how to:

• Establish default information for vendors
• Add new vendors
• Enter beginning balances for vendors

Sage University (www.SageU.com) offers training opportunities on this topic to expand your knowledge and help you to maximize your Sage software investment and improve productivity.
Introduction

The **Vendors & Purchases** navigation center provides easy access to vendors, and most transactions involving vendors, such as purchase orders, bills and payments.

![Vendors & Purchases Navigation Center](image.png)
Entering Vendor Defaults

You can enter default information for vendors, such as standard terms and default expense accounts to be used during transaction entry, as well as custom fields and 1099 set up information. Later, specific information is established for each vendor. To access the default information window for vendors, select Set Up Vendor Defaults from the Vendors icon.

Vendor Defaults Window

The Vendor Defaults window is used to enter basic information that applies to most of your vendors and purchase transactions. When you open the Vendor Defaults window, the Payment Terms tab appears. Each tab is described below:

Payment Terms Tab

On this tab are the Standard Terms section and the GL Link Accounts section.

In the Standard Terms section, you select the terms method most often assigned by your vendors. You will specify the following: the number of days extended to you for paying your invoices, any discounts, and the amount of your standard credit limit. Later, you can choose to use these standard terms for a vendor, or modify the terms as necessary.

NOTE: When you change the payment terms on this tab, the default terms for vendors that use standard terms change automatically.

In the GL Link Accounts section, a default Expense Account can be identified to serve as the default expense account for all vendors. If left blank, the Expense Account for new vendors is also blank but can be modified for the specific vendor. For terms that allow discounts, the Discount GL Account is utilized to record the amounts.
Account Aging Tab

Select the **Account Aging** tab to establish how invoices will be aged, either by invoice date or due date. Additionally, the categories of aging are also determined here, and are reflected on the Aged Payables report and Aged Payables section of the Business Status Center, as well as the Payment Manager accessed from the Analysis menu.

![Account Aging Tab](image)

Custom Fields Tab

Sage 50 Accounting allows you to customize up to five additional fields for maintaining information on your vendors. Additionally, many reports can be filtered using these fields. Enable fields and enter descriptions for the fields here.

![Custom Fields Tab](image)
Pay Methods Tab

The Pay Methods tab provides 20 fields with which you can define the different ways you pay your vendors. In addition to filtering reports by pay method, you can also specify which payments should be included in 1099 calculations by selecting the appropriate payment methods while printing 1099s.

![Pay Methods Tab Image]

1099 Settings Tab

The settings on this tab allow you to define the way Sage 50 tracks and reports payments made to certain vendors.
Check Printing Defaults Window

Sage 50 Accounting includes a money-saving feature that helps you avoid printing zero-amount ($0.00) checks when printing a batch of payments or payroll checks.

Additionally, you have the option to print multiple page check remittances or payroll information on plain paper, instead of printing the additional remittances on expensive check stock.
Adding Vendors

After entering the vendor default information, the next step is to enter each vendor. As you add vendors, you can use the default information that was entered or change the information for specific vendors. To add or edit vendors, select the Vendors icon.

Maintain Vendors Window

The Maintain Vendors window is used to enter, change, and store information about the people and companies from whom you purchase products and services.

On the toolbar are standard buttons found throughout Sage 50 Accounting. While most are self-explanatory, several are described below:

- **List** – select this option to open a list of the vendors set up in Sage 50. From the list, you can add new vendors, edit existing ones, print, search for an existing vendor, or open a task or report associated with the current list. In addition, you can customize a list by adding or removing fields, changing the order in which fields appear, and changing the sort field and order.

Select the Settings button on the toolbar to customize the list. Select a field from the Available Columns list on the left, and move it to the Selected Columns list on the right using the Add button in the middle.

- **Change ID** – select this option to change the vendor number of an existing vendor. When you change a Vendor ID, all data records and transactions associated with this vendor will reflect the new ID, including current and past transactions.

Additionally, an option is available to **Add Attachments**. A document can be attached to the Vendor’s file, such as a contract, application or other document, for easy reference later. It is important to note that a copy of the document is attached to the vendor record, and any changes made to the original are not reflected in the attachment.
Each tab of the **Maintain Vendors** window is described below:

![Maintain Vendors window](image)

### General Tab

- **Vendor ID**: Identifies the vendors in lookup lists, transactions, and reports, as well as to select or sort vendors for payment and report processing. **This is a required field.**
- **Name**: Enter the name as it should appear on transactions and reports.
- **Inactive**: When a vendor is marked inactive, this is usually an indication that the vendor is no longer used and may be deleted; in fact, when you choose to purge after closing the fiscal year, all vendors that have no outstanding transactions and are tagged as inactive will be purged. However, if a vendor is marked inactive and a transaction is entered for the vendor, a warning appears, though the transaction can still be processed.

  **WARNING**: If the **Global Option** is selected to **Hide Inactive Records**, inactive vendors do not appear in reports or lists, even if outstanding transactions still exist for the vendor.

Enter information specific to each vendor, such as the vendor’s name, address, 1099 information, and telephone numbers, on the **General** tab. Fields of interest are described below:

- **Account #**: Enter the account number that this vendor has assigned to your company. This information is entered automatically in the Memo field on payments.
- **Vendor Type**: This case-sensitive field can be used to classify vendors into groups for payment and reporting. To add a vendor type, simply type a code up to 7 characters in the field, such as REPAIR, UTIL, or SUPPLY to group vendors.
- **1099 Type**: If you will be printing a 1099 form at the end of the calendar year for this vendor, select one of the available 1099 types.
- **Expense Account**: Select the default expense account used when entering bills for this vendor. The initial account is from the Vendor Defaults established previously. **This is a required field.**
• **Current Balance**: Once the vendor record is saved, the current balance amount, if there is one, displays here. To see the list of individual invoices that make up the balance, click the balance amount link.

**Addresses tab**

Use the **Addresses** tab to keep track of remit to addresses for this vendor. You can also select addresses to use as defaults for Payments, Purchase Orders, and Shipments.

**History Tab**

Select the **History** tab to view purchases, payments, and last payment information. You can also enter beginning balances here.
Purchase Info Tab

Purchasing information, such as the purchase rep, tax ID numbers, and shipping terms, is entered on the Purchase Info tab. Fields of interest are described below:

- **Purchase Rep**: Select an employee who is the purchasing representative for this vendor.
- **Tax ID Number**: Enter your vendor’s tax number if you plan to send a 1099-MISC or 1099-INT form. It will print on the 1099 automatically.
- **Ship Via**: Enter or select the default method of shipping to be used on purchase orders. Select the **Customize the ship methods** to open the Inventory Defaults window to modify the available list.
- **Terms**: The default terms appear here automatically. To override the default terms, click the arrow button and select Customize terms for this vendor from the drop-down list. Then, modify the settings as needed.
- **Form Options**: Select this option to automatically send a paper form or e-mail to the vendor when creating a Purchase Order. You can also have Sage 50 automatically send a copy to the Purchase Rep.
- **Replace Item ID with**: Select this option to enable Sage 50 to replace the Item ID with either the UPC/SKU or Part Number from the item record for this vendor.

**PREMIUM**: The Replace Item ID with field is available in Sage 50 Premium Accounting and higher.
Vendor Beginning Balances

Beginning balance invoices are vendor invoices that are outstanding as of the date you begin to use Sage 50 Accounting. Since these bills were recorded to the appropriate accounts in your previous accounting system, they should not affect the General Ledger in Sage 50. The balance of the Accounts Payable account in the General Ledger should equal the total amount of the vendor beginning balances as long as no other payable transactions have been made.

Vendor Beginning Balances Window

The Vendor Beginning Balances window, accessed from the vendor’s History tab, is used to enter information regarding outstanding purchase invoices/bills that comprise the starting balance for the vendor. Each tab is described below:

Vendor Balances Tab

This tab displays your list of vendors and amounts. To adjust beginning balances for a vendor, double-click the vendor’s name.
Purchases from Tab

The Purchases From tab is used to enter information for each beginning balance invoice. Beginning balances are not posted to the General Ledger; however, you should enter an Accounts Payable account in the right-hand column to ensure the program decreases the appropriate account balance when the payment is made for the invoice.

Fields of interest are described below:

- **Invoice Number**: Enter the number that identifies the outstanding invoice.
- **Date**: Enter the original invoice date of the invoice, to allow proper aging of the document.
- **Purchase Order Number**: If a purchase order is related to the invoice, enter the number in this field.
- **Amount**: Enter the unpaid dollar amount of the invoice.
- **A/P Account**: Enter the account that this invoice’s value is tracked in. If your company uses the cash-basis accounting method, this field is not available.
Inventory stores and tracks information about the products and services your company purchases and sells. In this chapter, you will learn how to:

- Establish default settings and information for inventory items
- Add new Items
- Enter beginning balances for inventory

Sage University (www.SageU.com) offers training opportunities on this topic to expand your knowledge and help you to maximize your Sage software investment and improve productivity.
Introduction

The **Inventory & Services** navigation center provides easy access to inventory items and services, and related transactions such as purchase orders, receiving and shipping, and inventory counts. An **Inventory / Service Management** tab helps you quickly find and view detailed information about a specific inventory and service item record.
Entering Inventory Defaults

You can enter default information for inventory items, such as General Ledger accounts, taxes and shipping methods, customer fields and price levels. Later, specific information is established for each item. To access the default information window for inventory items, select **Set Up Inventory Defaults** from the **Inventory Items** icon.

**Inventory Item Defaults Window**

The **Inventory Item Defaults** window is used to enter basic information that applies to most of your inventory items. Each tab is described below:

**General Tab**

On this window, you can specify to allow duplicate numbers in the UPC/SKU field, as well as Part Number field. In addition, a default Item Class is established here. Each inventory item is assigned to an item class that defines the way the inventory item is used in Sage 50 Accounting. Quantity on hand and cost are tracked for stock and assembly items only. There are a variety of item classes available to encompass the needs of many different kinds of businesses as described below:

- **Stock item**: The traditional inventory item that is bought and sold. Quantities, costs, vendors, minimum stock levels, and other values are tracked for stock items.
- **Master Stock item**: A special item that does not represent inventory you stock but rather contains information shared with a number of Substock items generated from it. Once you generate a master item and specify its primary and secondary attributes, Sage 50 creates the Substock items automatically.
- **Serialized Stock Item**: An item that must have a serial number associated with it and the serial number must be specified whenever the item is purchased, sold, or adjusted into or out of inventory. Costing for this type of item is specific to the individual item.
- **Non-stock item**: This is an item that is not normally stocked. Quantities, descriptions, and unit prices are printed on invoices, but quantities on hand are not tracked.
- **Description only**: This item class is used when you want to print text on the invoice. For example, a warranty disclaimer could be entered with this item class; and when an invoice is created, you would enter the warranty Item ID to print it on the invoice.
- **Service**: This item class is used to simplify entry of services paid for by your company or sold to a customer.
- **Labor**: This item class is used to simplify entry of labor paid for by your company or sold to a customer. This class can also be used to track labor cost associated with assemblies.
- **Assembly**: This item class consists of two or more inventory items that are grouped together and sold as one unit. The components of the assembly are entered on the Bill of Materials tab. Quantities, costs, and other values are tracked for assembly items.
- **Serialized Assembly**: Items assigned this item class are assembly items in that they are built from other inventory items, but they are also assigned a serial number at the time of assembly, and this number must be specified when the item is sold.
- **Activity Item**: Items assigned this item class are used on employee or vendor time tickets when recording time spent performing services for a customer, for a job, or for internal administrative work. Use activity items when you plan to bill customers for reimbursable payroll expenses in sales/invoicing.
- **Charge Item**: This item class is used for expenses recorded by an employee or vendor on expense tickets when expenses are incurred for a customer or job. Charge Items are also used to record administrative tasks within the company and employee out-of-pocket reimbursable expenses. Use charge items when you plan to bill customers for reimbursable expenses recorded on expense tickets in Sales/Invoicing.
Ordering Tab

- **Quantity Available - Include purchase orders when calculating the quantity available:** Select this option to include items on purchase orders when calculating quantity available.
- **Sales Invoice/Receipt Out of Stock Warning Message:** Choose one of the three options regarding a notice about items that are out of stock when you select them in Sales Invoicing or Receipts.
- **Sales Order/Proposal Out of Stock Warning Message:** Choose one of the three options regarding a notice about items that are out of stock when you select them in Sales Order and Proposal entry. Proposals are available only in Premium Accounting.
- **Auto Creation of Purchase Orders:** Choose one or both options to have Sage 50 create purchase orders automatically when quotes, sales orders, or invoices are created.

GL Accts/Costing Tab

On the GL Accts/Costing tab you specify several default GL accounts for the various item classes of inventory items.

![Image of Inventory Item Defaults window](image)

For each Item Class, select the most common General Ledger accounts to be used in the sale and purchase of inventory items. Some fields are inaccessible for certain item classes. For example, you cannot enter General Ledger accounts for Description only items because no accounting is tracked for this item class.

- **GL Sales/Inc:** Enter the income account to be credited for the sales price amount when the item is sold.
- **GL Invtry/Wage:** Enter the inventory account to be debited for the purchase cost when you purchase stock items or build assembly items. This account is credited for the cost when the item is sold.
- For non-stock, service and labor items, enter the salary or wage expense account or other expense account to be debited when the item is purchased. This account is credited for the expenses when the item is sold. The sale of non-stock, service, and labor items will then reclassify the expense associated with the item from the original GL Salary/Wage or other expense account to the GL Cost of Sales account.
- **GL Cost Sales:** Enter the cost of goods sold account that is debited for the cost when the item is sold.
- **Costing:** Enter the costing method for stock and assembly items. Sage 50 Accounting tracks the cost of goods sold based on the costing method chosen for stock and assembly items only.
- **GL Freight Account:** Enter or select the account to be used when freight charges are billed to customers on sales invoices.
Taxes/Shipping Tab

On the Taxes/Shipping tab, define whether your tax types are taxable or tax exempt. In the Ship Methods list, enter the different shipping methods available when you enter transactions for your customers and vendors.

Custom Fields Tab

Sage 50 Accounting allows you to customize up to five additional fields for maintaining information about your inventory items. Enable fields and enter descriptions for the fields here.
Price Levels Tab

On the Price Levels tab you may set up price levels according to your needs. Price levels provide a way for you to charge different prices to different customers. For instance, you can assign a price level to each customer to ensure accurate pricing. For Price level 1, you can choose to have the program calculate the price based on the last cost recorded. In addition, for Price Levels 2 through 10, you can base the calculation on Price Level 1.

In Sage 50 Pro Accounting, there are five price levels and are not available for calculation.

- **Level Name**: Enter a description of up to 14 characters that describes the pricing; for example, Distributor, Warehouse, or Retail.
- **Default Calculation**: The text shown in this box is the result of what has been chosen in the Edit option.
- **Edit**: Click the Edit button to open the Default Price Level Calculation window to set up the options for calculating sales prices.
- **Use**: The options found in this field differ based on which Price Level you are editing.
- **Price Level 1**: Not available when calculating Price Level 1, this option can be chosen for Price Level 2 through Price Level 10. Use it when you want to base the calculation on the price used for Price Level 1.
- **Last Cost**: Used for any level, choose this option to base the calculation on the last cost for the item.
- **No Calculation**: Select this option if you prefer to enter a specific price rather than use a calculation. When chosen, the next three fields become unavailable for use.
- **And**: Select to increase or decrease the amount by either a percent or an amount. Then, indicate the amount or percent in the following field.
- **Round Price**: You have three options for rounding the sales price.
  - **No Rounding**: If you choose this option, the prices are set exactly as calculated.
  - **Specific Cent**: Choose this option to indicate the exact cent you want the price to round up to. Another field appears that allows you to enter the cent amount.
  - **Next Dollar**: Select this option and the program rounds the price up to the next dollar.
After entering the inventory item default information, the next step is to enter each item. As items are added, you can use the default information that was entered or you can assign different information. To add or edit inventory items, select the **Inventory Items** icon.

**Maintain Inventory Items Window**

The **Maintain Inventory Items** window is used to enter, change, and store information on the products and services you purchase and sell.

On the toolbar are standard buttons found throughout Sage 50 Accounting. While most are self-explanatory, several are described below:

- **List**: Select this option to open a list of inventory items currently set up in Sage 50. From the list, you can add new items, edit existing ones, print, search for an existing item, or open a task or report associated with the current list. In addition, you can customize a list by adding or removing fields, changing the order in which fields appear, and changing the sort field and order.

Select the **Settings** button on the toolbar to customize the list. Select a field from the Available Columns list on the left, and move it to the Selected Columns list on the right using the Add button in the middle.

- **Change ID**: Select this option to change the item number of an existing item. When you change an Item ID, all data records and transactions associated with this item reflect the new ID, including current and past transactions.

- **Attach**: A document can be attached to the Item file, such as a drawing or warranty document, for easy reference later. It is important to note that a copy of the document is attached to the item record, and any changes made to the original are not reflected in the attachment.

Each tab of the **Maintain Inventory Items** window is described below, except for Item Attributes and Serial Numbers.

- **Item ID**: Identifies the inventory item in lookup lists, transactions, and reports.
- **Description**: Enter a brief description of the item. This description appears in the Item lookup list on transaction windows.
- **Item Class**: Select an item class from the drop-down list, as discussed previously. The initial value is the Item Defaults established previously.
NOTE: Different fields appear for each inventory class. Once an item has been saved, the Item Class field cannot be changed.

General Tab

Information specific to each inventory item is entered on the General tab. Depending on the item class of the inventory item, some fields may not be available on the General tab. Beginning balances are also entered and maintained on the General tab. Fields of interest are described below:

- **Description for Sales/for Purchases**: Enter two descriptions per item, one for sales and another for purchases. The sales description for this item appears when you enter quotes, sales orders and invoices. The purchase description for an item appears when purchase orders and purchases are entered.

- **Price**: Enter the sales price for the inventory item. To enter additional price levels, click the arrow button to open the Multiple Price Levels window. You can assign each customer a price level.

- **Last Unit Cost**: For stock and assembly items, enter the last purchase price paid for the item. Once a beginning balance or transaction is entered using this item, this field is updated by Sage 50. For non-stock, service, and labor items, enter the Cost of Sales amount that should be posted when the item is sold.

- **Cost Method**: Select one of the three available costing methods from this drop-down list. The cost method cannot be changed after the inventory item has been saved. This field is displayed only for stock and assembly inventory items.

- **Average Cost**: When an item using Average Costing is sold, Sage 50 uses the average cost of the item to calculate the cost of goods sold. The cost of goods sold amount is the average cost multiplied by the quantity of the item sold.

- **FIFO**: Using the First In, First Out method, inventory is valued with the assumption that items are sold in the order in which they are received. The oldest cost of an item is the first cost to be used to calculate the value of the item.

- **LIFO**: Using the Last In, First Out method, inventory is valued with the assumption that items are sold in the reverse order in which they are received. The newest cost of an item is the first cost to be used to calculate the value of the item.

- **Item Type**: This case-sensitive field can be used to filter records for reporting purposes, and can be a powerful reporting tool.

- **Minimum Stock, Reorder Quantity, Preferred Vendor ID** – Enter the appropriate information in these three fields to enable the auto-creation of purchase orders for this item, if applicable.
**Custom Fields Tab**

The **Custom Fields** tab contains the custom field labels entered through default information. Enter information specific to each inventory item in these fields.

If a field label is dimmed, then the field is not available, and you cannot enter information in the field. To make the field available, enable it in the **Inventory Item Defaults** window.
History Tab

Select the **History** tab to view the inventory item history information. This window displays the period history date and for that date the number of units sold, dollar sales, number of units received, and total costs for the selected item. Changes cannot be made on this window.
Bill of Materials Tab

An assembly is a group of products or services that you sell as a unit. To create an assembly item, you must select the required component items and enter the quantities of each needed on the **Bill of Materials** tab.

**Quantity Needed:** Enter the number of units required to build one assembly.

**Add - Remove:** You can use these buttons to add and delete components of an assembly.

**WARNING:** Once an assembly item has been used in a transaction in Sage 50 Pro, Complete or Premium Accounting, you cannot change the bill of materials. If the bill of materials for an assembly item has changed, a new assembly item must be created using the revised bill of materials. Sage 50 Quantum Accounting allows revisions to an assembly item’s Bill of Materials.

**NOTE:** A Serialized Inventory Item **cannot** be part of an assembly.
Entering Inventory Beginning Balances

Beginning balances for inventory is the quantity and costs of each item as of the date you begin to use Sage 50 Accounting. Since these items were received and recorded in your previous accounting system, they should not affect the General Ledger in Sage 50. The total beginning balances amount should equal the amount entered as the beginning balance in the General Ledger inventory account. Inventory beginning balances can be updated until the fiscal year is closed, by selecting Beginning Balance on the General tab of the item.

Inventory Beginning Balances Window

Enter information regarding the current quantity on hand and cost of each inventory item in the Inventory Beginning Balances window.
Chapter 6 – Setting Up Customers

Customers are the people and companies who purchase your goods and services. In this chapter, you will learn how to:

- Establish default information for Customers, Statements and Invoices
- Set up sales taxes
- Add customers
- Enter beginning balances for customers

Sage University (www.SageU.com) offers training opportunities on this topic to expand your knowledge and help you to maximize your Sage software investment and improve productivity.
Introduction

The Customers & Sales navigation center provides easy access to customers, and most transactions involving customers including quotes, sales orders, invoices, finance charges and payments.
Entering Customer Defaults

You can enter default information for customers, such as standard terms, default expense accounts and payment methods to be used during transaction entry, as well as custom fields and finance charge information. Later, specific information is established for each customer. To access the default information for your customers, select Set Up Customer Defaults from the Customers icon.

Customer Defaults Window

The Customer Defaults window stores basic information that applies to most of your customers and sales transactions. Each tab is described below:

Terms and Credit Tab

In the Standard Terms section, you select the terms method most often assigned to your customers. You will specify the number of days extended by you for paying your invoices and any discounts. In addition, you can set the default credit limit that applies to all customers as well as the default credit status. Later, you can choose to use these standard terms or credit limit for a customer, or modify them as necessary. You can also enter a customer notification message that will appear when processing sales transactions for customers who’s Credit Status has been set to Always Notify.

NOTE: When you change the payment terms on this tab, the default terms for customers that use standard terms change automatically.

In the GL Link Accounts section, a default Sales Account can be identified to serve as the default sales account for all customers. If left blank, the Sales Account for new customers is also blank but can be modified for the specific customer. For terms that allow discounts, the Discount GL Account is utilized to record the amounts.
Account Aging Tab

Select the Account Aging tab to establish how invoices will be aged, either by invoice date or due date. Additionally, the categories of aging are also determined here, and are reflected on the Aged Receivables report and Aged Receivables section of the Business Status Center, as well as the Collection Manager accessed from the Analysis menu.

Custom Fields Tab

Sage 50 Accounting lets you customize up to five additional fields for maintaining information on your customers. Additionally, many reports can be filtered using these fields. Enable fields and enter descriptions for the fields here.
Finance Charges Tab

Select the Finance Charges tab to enter customer finance charge information. You can set up default parameters for all customers and elect not to calculate charges for individual customers. Finance charges are calculated by multiplying the number of days past due by the daily finance charge rate, then by the outstanding invoice amount. Fields of interest are described below:

- **On invoices**: Enter the number of days beyond the invoice date or due date of an invoice in order for finance charges to be applied. A finance charge calculates from the first day the invoice is overdue, but the charges are not applied until the grace period expires.
- **Days overdue, up to $**: Enter the amount that divides different annual interest rates.

Pay Methods Tab

Sage 50 Accounting allows you to define up to ten payment methods which appear on various transaction windows. Additionally, you can have **Sage 50 assign Deposit Ticket IDs**, as described below:

- **In Receipts**: Select this option to assign the IDs for your deposits as you enter receipts from customers or vendors. Sage 50 will automatically enter the current system date in the Deposit Ticket ID field in Receipts.
- **In Select for Deposit**: Choose this button to assign the IDs for deposits when running the Select for Deposit process. If you select this option, Sage 50 will leave the Deposit Ticket ID field in Receipts blank.
Setting up Sales Taxes

To add or edit sales taxes, select the Sales Taxes icon to open the Sales Tax Wizard. When you enter an invoice for a customer, the sales tax is used to calculate the appropriate amount. Later, the Taxable/Exempt Sales report shows taxes collected per agency.

Sales Tax Wizard

Sage 50 Accounting utilizes the Sales Tax wizard to assist you in establishing your sales tax agencies and sales taxes. On the first screen of the Sales Tax wizard, select to Set up a new sales tax. Later, you can edit, delete and review information established here.

Set up a New Sales Tax

- **What is the total rate that you will charge?** Enter the total of the tax rate. If this tax rate combines multiple taxes, for instance a state tax of 4% and a county tax of 2%, enter the total tax to be charged (6%, in this instance) here. If the rate is based, in whole or in part, on a formula, leave this field blank.

- **How many individual rates make up this total rate?** Enter the number of agencies that comprise this tax rate. If this tax rate is made up of, for instance, a state tax and a county tax, enter 2 here.

Add Sales Tax Agency

Next, you will add the sales tax agencies that make up this tax. You will create or select the same number of agencies as the number that you entered in the How many individual rates make up this total rate? field on the previous screen. Enter the appropriate information and click Next. Repeat the process as necessary to create or select all tax agencies for this tax.

- **Sales tax agency ID:** Select or enter a new ID for the tax agency.
- **Sales tax agency name:** Enter a description for the ID.
- **Which Vendor do you send the taxes you’ve collected to?** Select the appropriate Vendor to whom taxes are sent. A new Vendor can be added “on the fly” by selecting the New button on the drop-down window.
- **How are taxes collected for this agency?** Select by single rate if the tax is a flat percentage. Select by formula if the rate is based on a formula. If you select by formula, Sage 50 provides additional fields to enter the formula information. For additional information on the “by formula” calculation, refer to the in-product Help.
- **Rate:** Enter the rate to collect for this tax agency. Continuing the previous example, if a state rate of 4% and county rate of 2% is combined for a total of 6%, enter either the state or county rate here, depending on which agency you are adding. Later, you will add the other agency, and then combine them to calculate the total rate of 6%.
- **Select an account to track sales taxes:** Enter or select the appropriate account number which holds the amounts due to this tax agency for taxes collected. Later when payment is made, this account is also used to pay the amount owing.
Sales Tax Entered

After the sales tax agencies are created, the Sales Tax Entered window appears.

- **Sales Tax ID & Sales tax name**: Enter an ID and description which will appear on customer records and sales transactions. Select View existing sales taxes to see previously configured taxes.
- **Do you charge sales taxes on freight?** Select yes to include freight on an invoice in the calculation of sales tax. Select No to exclude freight from the sales tax calculation.
- **Agency Name**: The agencies previously selected appear in the grid below, showing also the ID and rate. Below the grid Sage 50 displays the Total tax Rate.
Adding Customers

After entering customer default information and sales tax information, the next step is to enter each customer. As you add customers, you can use the default information or change the information for specific customers. To add or edit customers, select the Customers icon.

Maintain Customers/Prospects Window

The Maintain Customers/Prospects window is used to enter, change, and store information on the people and companies to whom you sell products and services.

On the toolbar are standard buttons found throughout Sage 50 Accounting. While most are self-explanatory, several are described below:

List – select this option to open a list of the customers set up in Sage 50. From the list, you can add new customers, edit existing ones, print, search for an existing customer, or open a task or report associated with the current list. In addition, you can customize a list by adding or removing fields, changing the order in which fields appear, and changing the sort field and order.

Select the Settings button on the toolbar to customize the list. Select a field from the Available Columns list on the left, and move it to the Selected Columns list on the right using the Add button in the middle.

- Change ID – select this option to change the customer number of an existing customer. When you change a Customer ID, all data records and transactions associated with this customer will reflect the new ID, including current and past transactions.

Additionally, there is an option to Add Attachments. A document can be attached to the customer’s file, such as a contract, application or other document, for easy reference later. It is important to note that a copy of the document is attached to the customer record, and any changes made to the original are not reflected in the attachment.
Each tab of the **Maintain Customers/Prospects** window is described below:

![Maintain Customers/Prospects window](image)

- **Customer ID**: Identifies the customers in lookup lists, transactions, and reports.
- **Name**: Enter the name as it should appear on transactions and reports.
- **Inactive**: When a customer is marked inactive, this is usually an indication that the customer is no longer used and may be deleted; in fact, when you choose to purge after closing the fiscal year, all customers that have no outstanding transactions *and* are tagged as inactive are purged. However, if a customer is marked inactive and a transaction is entered for the customer, a warning appears, though the transaction can still be processed.

  **WARNING**: If the **Global Option** is selected to **Hide Inactive Records**, inactive customers do not appear in reports or lists, even if outstanding transactions still exist for the customer.

### General Tab

Enter information specific to each customer, such as the customer’s name, address, and telephone numbers, on the **General** tab. Fields of interest are described below:

- **Account #**: Enter the account number that you assign to this company. This information is entered automatically in the Memo field on payments.
- **Customer Type**: This case-sensitive field can be used to classify customers into groups for reporting. To add a customer type, simply type a code up to 7 characters in the field, such as North, South, East and West to group customers.
- **Current Balance**: Once the customer record is saved, the current balance amount, if there is one, displays here. To see the list of individual invoices that make up the balance, click the balance amount link.
Contacts Tab

Use the Contacts tab to keep records of contacts for a specific customer. You can have a virtually unlimited number of contacts per customer and track their address, company name, phone numbers, email address, notes and other information. You can also add a new address for a contact or edit the existing address for a contact, or mark a contact as the default or primary ship-to contact for a customer. Click the Edit Addresses button to keep track of up to twenty shipping addresses associated with each contact. You can have a separate sales tax for each shipping address.
History Tab

The **History** tab offers a view of sales, receipts, last invoice, and payment information. Sage 50 updates this window each time you enter a transaction for the customer. You can enter historical information when creating a customer, but once the record is saved, you cannot make changes.
Sales Info Tab

Select the Sales Info tab to view sales information assigned to the customer. This tab is used to enter sales reps, shipping methods, pricing levels, and General Ledger sales accounts for customers. Fields of interest are described below:

- **Sales Rep:** Select an employee who is the sales representative for this customer.
- **GL sales account:** Select or modify the default sales account used when entering invoices to this customer. The initial account is from the Customer Defaults established previously.
- **Open PO number:** Enter PO # to be used as a standing purchase order for use with this customer. This defaults as their PO# on Quotes, Sales Orders and Sales/Invoicing windows.
- **Ship via:** You can select the primary shipping carrier you want to use to ship items to this customer. Whatever you select here will default for sales transactions you enter for this customer. Shipping carriers are set up in the Inventory Items Defaults window, which you can open by clicking the link to the right of this field.
- **Resale number:** If this customer purchases items for resale, enter the resale number here. Resale numbers are required by most states for businesses that sell taxable goods. It enables the business to sell goods to other businesses for resale without charging a tax or to buy goods from other businesses for resale without paying a tax. If a customer intends to resell your goods, enter the customer's resale number (also called seller's permit) here.
- **Pricing Level:** Select the default inventory pricing level for this customer, which can be changed at the time of a sales transaction.
- **Form Options:** Select this option to automatically send a paper form or e-mail to the customer when creating a quote, sales order, or invoice. You can also have Sage 50 automatically send a copy to the Sales Rep.

  **NOTE:** For Sage 50 to automatically forward the form to sales reps, they must have their e-mail addresses entered on the General tab of their Employee/Sales Rep records.

Replace Item ID with: Select this option to enable Sage 50 to replace the Item ID with either the UPC/SKU or Part Number from the item record for this customer.

  **PREMIUM:** The Replace Item ID field is available in Sage 50 Premium Accounting and higher.
Payment and Credit Tab

This tab contains default payment information for the customer that is used on the Receipts window. Also, you can customize the payment terms and credit status for a customer. To override the default terms, select Customize terms for this customer from the Terms and Credit drop-down arrow.
Entering Customer Beginning Balances

Beginning balance invoices are customer invoices that are outstanding as of the date you began to use Sage 50 Accounting. Since these invoices were recorded to the appropriate accounts in your previous accounting system, they should not affect the General Ledger in Sage 50. The balance of the Accounts Receivable account in the General Ledger should equal the total amount of the customer beginning balances as long as no other receivable transactions have been made.

Customer Beginning Balances Window

The Customer Beginning Balances window, accessed from the Customer’s History tab, is used to enter information regarding outstanding sales invoices that comprise the starting balance for the customer. Each tab is described below:

Customer Balances Tab

The Customer Balances tab displays your list of customers. If you want to adjust beginning balances for a customer, double-click the customer’s name.

Invoices for Tab

The Invoices for tab is used to enter information for each beginning balance invoice.

Fields of interest are described below:

- **Invoice Number**: Enter the number that identifies the outstanding invoice.
- **Date**: Enter the original date of the invoice, to allow proper aging of the document.
- **Purchase Order Number**: Enter the purchase order number, if one is related to the invoice.
- **Amount**: Enter the unpaid dollar amount of the invoice.
- **A/R Account**: Enter the account to which this invoice’s value was posted. If your company uses the cash basis accounting method, this field is not available.

**NOTE**: The A/R Account field is included so that Sage 50 knows which account to decrease when Receipts are entered. The beginning balance amounts are not posted to the General Ledger.
You can select options for your customer statements and invoices in the **Statement/Invoices Defaults** window. These options control whether your company name and contact information print on the forms, which statements print, and the dunning messages that print on statements. To enter defaults for statements and invoices, select **Set Up Customer Statement Defaults** from the Customer Statements icon.

**Statement/Invoices Defaults Window**

The **Statement/Invoices Defaults** window is used to enter basic information that applies to printing customer statements and sales invoices. Each tab and field on this window is described below:

**Statement Print Options Tab**

The **Statement Print Options** tab is used to specify the conditions that must be met for a customer to receive a statement. You also choose whether or not company information prints on customer statements and invoices. Each field on this tab is described below:

**Activity and Balance Print Options**

These fields are used to determine which customer statements print.

- **Print Statements for customer accounts with:** Select the option to specify the conditions that must be met for customer statements to be printed.
- **Any activity since the last statement was printed:** Prints statements for customers with any type of transaction since the last statement date.
- **Balances at least:** Select this check box and enter an amount that a customer’s balance must be greater than or equal to for a statement to be printed.
- **At least one invoice ___ days past due:** Select this check box and enter the number of days past due an invoice must be for a statement to be printed.
- **In addition to the above options, print statements with:** There are additional options for customers with negative and zero balances.
  - **Negative balances:** Select an option from the drop-down list to include or exclude customers with negative account balances.
  - **Zero balances:** Select an option from the drop-down list to include or exclude customers with zero dollar account balances.

  **NOTE:** If you do not select any of the first three options and you select Never for the Negative and Zero Balance options, no statements will ever print, despite the customer range selected in Reports.

- **Set Default Statement Type to:** Choose the type of statement format.

**Company Print Option**

**Print your company name...:** Select this option if you are not using preprinted forms to have information in the Maintain Company Information window print on your invoices and statements.
Dunning Messages Tab

Select the Dunning Messages tab to enter dunning messages.

You can enter one message for each category listed. If a customer has multiple overdue invoices, Sage 50 Accounting prints the dunning message that corresponds to the oldest overdue invoice.
Chapter 7 – Setting Up Payroll and Employees

Payroll tracks information related to employees and their paychecks. In this chapter, you will learn how to:

• Establish default information for employees
• Set up the payroll system
• Add employees
• Enter beginning balances for employees

Sage University (www.SageU.com) offers training opportunities on this topic to expand your knowledge and help you to maximize your Sage software investment and improve productivity.
Introduction

The Employees & Payroll navigation center provides easy access to employees, and most transactions involving employees, including time and expense tickets, direct deposit and paycheck information.

Important Note Regarding Payroll Tax Tables

When upgrading, you will now be required to have a Sage Business Care Gold or Platinum subscription in order to create and report on payroll checks in your Sage 50 Accounting solution.
The first step in setting up payroll is to establish default payroll settings, such as using a Sage 50 Payroll Solution, default payroll accounts, as well as standard and optional payroll fields.

**Payroll Setup Wizard**

The Payroll Setup Wizard guides you through the process of establishing default payroll, and each window in the wizard is described below:

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**NOTE:** After you use the Payroll Setup Wizard for the first time, its name changes to Payroll Settings.

**Overview**

This window gives you an overview of the process.
Choose Payroll Options

The Payroll Options window gives you the opportunity to select a payroll system for your company. With Full Service Payroll, Sage handles the payroll for your employees. With Do It Yourself In-House, you handle your payroll yourself. To continue the Payroll Setup Wizard, select the option, and click Next.

NOTE: If you have purchased and registered a Sage 50 Payroll Solution, you do not see this window.

Other Payroll Options

This window allows you to learn about and purchase other payroll options, such as direct deposit or E-filing.

Company Information

Use this window to enter information about your company that is needed to run payroll. This includes your Federal Employer ID, State Employer ID, State, State Unemployment Rate, and any local taxes.

NOTE: If you completed the federal and state employer number fields while creating your company, you do not need to fill those fields here.
Pay Types

Use this window to enter the different types of pay that employees receive. You have separate boxes for hourly and salary type workers. Enter the Pay Type and the Expense account that you want for the different types of pay.

Benefits

Select which benefits listed apply to your company. Depending on the options you select, Sage 50 Accounting leads you through several other windows on which you enter information specific to that benefit.
Set up Taxes

Use this window to specify the accounts that payroll taxes go to when you cut checks for employees.

Payroll Setup Complete

Finally, the Setup Complete window appears. Select Finish to save the payroll defaults.

After standard payroll fields are set up, you can modify the default setup at any time by selecting Payroll Settings from the Payroll Setup icon.
After payroll defaults are established, **Employee Defaults** can be defined. Employee defaults include setting up custom, employee and company fields, employee review ratings, and employment statuses. To access the employee defaults select **Set up Employee Defaults** from either the **Employees** or **Payroll setup** icon.

**Employee Defaults Window**

The **Employee Defaults** window is used to enter basic information that applies to most of your employees. Each tab is described below:

![Employee Defaults Window](image)

**General Tab**

The **General** tab contains the locality information about your company’s payroll, as well as custom field headings. **Custom Fields** are used to track additional information about employees. Enable and enter fields labels here as desired. The state and locality information automatically displays on the **General** tab if it was entered during the **Payroll Setup Wizard**. You can change the information in these fields at any time.
Employee Fields Tab

Select the Employee Fields tab to define the deductions, additions, and exceptions that affect employee pay checks. Here you can maintain up to 40 payroll fields that appear by default for each employee in the Maintain Employees/Sales Reps window. If necessary, you can customize the setup for each employee.

- **Field Name**: Enter the name of the payroll field to be set up. The name you create can apply to a deduction, miscellaneous income, or an accrual, such as vacation time. This description appears on the Payroll Entry window, and prints on payroll check stubs and payroll reports.
- **Calc**: Select this check box to automatically calculate the payroll field amount. If the check box is cleared, a dollar amount may be entered in the Amount field.
- **Tax Name**: If the Calc check box is selected, you must select a tax table calculation name from this field.

  **NOTE**: State calculation names are set up with wildcard characters. This means that asterisks (**) represent the two-letter state abbreviation. When a payroll check is created for an employee, the asterisks are automatically replaced with the state abbreviation assigned to the State/Locality field on the employee’s record.

- **Amount**: Enter a standard deduction or earnings amount in this field if the amount remains the same each pay period for most employees. To enter an amount in this field, clear the Calc check box. Enter positive numbers for earnings and negative numbers for deductions.
- **Memo**: Select this check box if you want to track an amount without affecting the net check amount. For example, restaurant tips that an employee receives from customers do not normally affect your company books or the amount paid to the employee, but must be included as taxable income. Also, all non-dollar fields, such as vacation hours, should be marked as memo fields.
- **Run**: Select this check box if you want to keep a running total of this field after the payroll year is closed. For example, you would not want to clear an employee advance at year end. If this option is cleared, the payroll field total resets to zero at the end of the payroll year.
- **Adjust**: Click this arrow button to display the Calculate Adjusted Gross window. On this window, check Use next to fields that should be added to or subtracted from gross prior to calculating the tax.
Company Fields Tab

Select the **Company Fields** tab to define up to 40 taxes paid by the company. Each field on this tab is described below:

- **Field Name**: Enter the name of the Payroll field, or use the default selection provided.
- **Liability**: Enter the General Ledger employer liability account that is credited when a payroll check is posted.
- **Expense**: Enter the General Ledger employer expense account that is debited when a payroll check is posted.
- **Calc**: Select this check box to automatically calculate the payroll field amount.
- **Tax Name**: If the **Calc** option is selected, you must select a tax table calculation name from this field.
- **Adjust**: Click this arrow button to display the Calculate Adjusted Gross window. On this window, select the Use option for fields that should be added to or subtracted from gross prior to calculating the tax.
Review Ratings Tab

Use this tab to create up to 10 performance review ratings for your employees. You can select these ratings when you enter review information on the Performance Reviews window, which can be accessed from the Pay Info tab in Maintain Employees/Sales Reps. This feature is available in Sage 50 Premium Accounting and above.

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Employment Status tab

Use this tab to set up statuses for your employees. There are five default statuses but you can modify these and create more. You can use these on the Additional Info tab in Maintain Employees to keep track of each employee’s status. This feature is available in Sage 50 Premium Accounting and above.
Adding Employees

After completing the Payroll Setup Wizard and entering your employee default information, the next step is to enter each employee. As you add employees, you can use the default information entered or change the information for specific employees. To add a new employee, select **New Employee** from the **Employees** icon.

Maintain Employees & Sales Reps Window

The **Maintain Employees/Sales Reps** window is used to enter, change, and store information about your employees. On the toolbar are standard buttons found throughout Sage 50 Accounting. While most are self-explanatory, several are described below:

List – select this option to open a list of the employees set up in Sage 50. From the list, you can add new employees, edit existing ones, print, search for an existing employee, or open a task or report associated with the current list. In addition, you can customize a list by adding or removing fields, changing the order in which fields appear, and changing the sort field and order.

Select the **Settings** button on the toolbar to customize the list. Select a field from the **Available Columns** list on the left, and move it to the **Selected Columns** list on the right using the **Add** button in the middle.

Change ID – select this option to change the employee number of an existing employee. When you change an Employee ID, all data records and transactions associated with this employee reflect the new ID, including current and past transactions.

Additionally, there is an option to **Add Attachments**. A document can be attached to the employee’s file, such as a copy of their driver’s license or signed tax form, for easy reference later. It is important to note that a copy of the document is attached to the employee record, and any changes made to the original are not reflected in the attachment.
Each tab of the **Maintain Employees & Sales Rep** window is described below:

![Maintain Employees & Sales Rep Window](image)

- **Employee ID**: Identifies the employee in lookup lists, transactions, and reports.
- **Name**: Enter the employee’s name, using the three separate fields for first name, middle initial and last name.
- **Employee - Sales Rep - Both**: Select the option that describes the selected employee. This option determines where this person’s information appears.
  - **Employee**: Allows the individual to appear on employee-related reports and the Payroll Entry window.
  - **Sales Rep**: Allows the individual to appear in the Sales Rep lookup list and on Accounts Receivable sales rep reports. **Paychecks cannot be entered for Sales Rep only records**.
  - **Both**: Allows the individual to appear on both employee-related reports and Accounts Receivable sales rep reports. Paychecks can be entered for these individuals.

### General Tab

The **General** tab appears when you open the **Maintain Employees & Sales Reps** window. Basic contact information about each employee is entered on this tab. Fields of interest are described below:

- **Type**: This case-sensitive field can be used to classify employees into groups for payment and reporting. To add an employee type, simply type a code up to 7 characters in the field, such as ADMIN, MGMT, or STAFF to group Employees.
- **Add Photo**: A picture can be stored of each employee. The file type can be .jpg, .bmp or other common image file types.
- **Customizable Fields**: These are the fields named in the Employee Defaults window and can be changed at any time.
Additional Info Tab

This tab stores information on each employee, such as emergency contact, demographic information, and details about their position, such as job title, supervisor, division, department, and I-9 status.
Pay Info Tab

Select the **Pay Info** tab to maintain information about how you pay employees.

Fields of interest are described below:

- **Rate Used To Bill Customer**: Enter a dollar amount to bill customers by the hour for time recorded on time tickets.
- **Hours per Pay Period**: Enter the most common number of hours the employee works in a payroll period. This option is available only if you selected Hourly—Hours Per Pay Period as the pay method.
- **Use Defaults**: Clear this check box if you do not want to use the standard General Ledger payroll expense account for the employee. Then, select a different General Ledger account in the G/L Account field.
- **Account**: Lists the General Ledger account to which the wages expense is posted. If necessary, this account can be changed after clearing the Use Defaults check box. You can also change this account when a payroll check is entered.
- **Performance Reviews**: Opens the Performance Reviews window on which you can enter and view information for performance reviews. This is available in Sage 50 Premium Accounting and higher.
- **Raise History Button**: Opens the Raise History window on which you can enter and view raise history information. Fields of interest are described below:
  - **Applicable Rate**: Select the pay rate to which you want to apply the raise.
    - **NOTE**: The Applicable Rate drop-down list includes pay rates that have associated general ledger accounts and pay rates that have previously been used in the Raise History table.
  - **Raise Amount**: Enter a specific amount for the raise in the Raise Amount field. If you enter the employee's raise as a percentage instead, the amount is still calculated and appears in the Raise Amount field.
    - **WARNING**: The amount entered here is for informational purposes only. To affect the pay rate on the employee’s pay check, you must change the rate on the Pay Info tab as well.
- **Raise Percentage**: Enter a specific percentage for the raise in the Raise Percentage field. If you enter the employee's raise as an amount instead, the percentage is still calculated and appears in the Raise Percentage field.
PREMIUM: The Raise History button and feature is available in Sage 50 Premium Accounting and higher.

**Withholding Info Tab**

Use the **Withholding Info** tab to enter employee withholding information for federal, state, and local taxes. You can also enter the employee’s 401k percentage here.

![Employee Information Screen](image)

**WARNING:** Some state tax formulas use the **Allowances** and **Additional Withholding** fields for tax calculation purposes. Before using these fields, read any comments listed with your state income tax formula in the Sage-Maintained Tax Table. If the comment discusses proper use of these fields, you should follow the steps listed. To find your state income tax formula, select File, Payroll Formulas, and Sage-Maintained.

**Withholding Information:**

- **Employee has Retirement Plan:** Select this check box to indicate that the employee participates in a 401(k) or other plan. Selecting this check box places a check on the Retirement Plan box on the employee’s W-2 form.
- **Statutory Employee:** Select this check box if the employee qualifies as an employee by statute according to IRS guidelines.
**Vacation/Sick Time Tab**

Use this tab to modify vacation or sick time selections that were set up during the Payroll Setup Wizard.
Employee Fields Tab

Select the **Employee Fields** tab to enter deduction information specific to an individual employee. Depending on the payroll fields you are using, you might have employees whose payroll deductions differ from the company-wide deductions that were established in the default information. Fields of interest are described below:

- **Use Defaults**: Clear this check box in order to make changes to the standard payroll field information for the employee.
- **Calculated**: Select this check box to automatically calculate the payroll field, rather than entering a flat rate amount in the Amount field.
- **Formula**: Select the name of the calculation used to calculate the deduction.

**TIP**: An incorrect Formula will cause errors during payroll entry. For this reason, Sage 50 Accounting recommends selecting the Tax Name from the lookup list.

- **Amount**: Enter a deduction or addition amount to apply a specific amount per pay period. Deductions should be entered as negative amounts and earnings as positive amounts.
Company Fields Tab

Select the **Company Fields** tab to change default employer company taxes.
**Entering Employee Beginning Balances**

Entering your employee beginning balances ensures that your monthly, quarterly, year-end reports and W-2s print with the correct figures. You can enter a beginning balance for each employee and edit it at any time. These beginning balance amounts do not affect the General Ledger. They do update the year-to-date totals for each payroll field; therefore, you should enter employee beginning balances before posting payroll checks.

If you begin using Sage 50’s payroll after January 1st, you will enter employee beginning balances for previous quarters and for each pay period in the current quarter. For example, if you started using Sage 50 Accounting payroll on October 20th and payroll is processed on a semi-monthly basis, you can set up dates for March 31st, June 30th, and September 30th for quarterly amounts. Then, set up October 15th for the current quarter pay periods. The information for the rest of the year will be updated as you process payroll, and the accounting history will be correct.

**Employee Beginning Balances Window**

The **Employee Beginning Balances** window is used to enter information regarding paychecks you have not entered in Sage 50.
Chapter 8 – Processing Purchases and Payments

Transactions are entered in the **Vendors & Purchases** navigation center for purchases related to the overall operations of the business, and inventory-related purchase transactions are entered in the **Inventory & Services** navigation center. In this chapter, you will learn how to:

- Enter Purchase Orders
- Receive Inventory and Enter Bills
- Record Payments, Prepayments, and vendor refunds
- Run Vendor & Purchases Reports

Sage University (www.SageU.com) offers training opportunities on this topic to expand your knowledge and help you to maximize your Sage software investment and improve productivity.
Purchase transactions can be entered in a variety of ways. **Purchase Orders**, which can be used for inventory and non-inventory related purchases, can be entered and printed from either the **Inventory & Sales** or **Vendors & Purchases** navigation centers using the **Purchase Orders** icon. The **Receive Inventory** icon in the Inventory & Services navigation center allows you to fill purchase orders, and the same window can be accessed from the **Enter Bills** icon to enter operations-related purchases, such as for utilities and rent. You have the option of paying one vendor at a time or paying a group of vendors in the Vendors & Purchases navigation center.

Finally, Purchases reports organize the transactions and display the information in a way that helps you better manage your vendor-related tasks. Also, the total payments for vendors are tracked in Sage 50 Accounting so you can print 1099 forms at year-end.
Entering Purchase Orders

On the Purchase Orders window you can enter and print purchase orders for your vendors. Purchase orders can be edited by adding or removing line items. Sage 50 Accounting automatically closes a purchase order when all the items on it have been received, but also gives the option of manually closing it if necessary.

To enter a purchase order, select New Purchase Order from the Purchase Orders icon from either the Inventory & Services or Vendors & Purchases navigation centers.

Purchase Orders Window

The Purchase Orders window is used to enter and print purchase orders for inventory and supplies ordered from vendors. Fields of interest are explained below:

- **Good thru**: By default, this date is one month after the purchase order date, but you can enter a different date.
- **PO No.**: If you plan to print the purchase order, leave this field blank. You will enter it during the print routine. If this PO was manually written, enter the purchase order number.
- **Close PO**: Select this check box to close a purchase order manually.
  
  **NOTE**: A purchase order is automatically closed after all items are received.

- **Drop Ship**: Select this option to specify a drop shipment from a vendor directly to a customer.
- **Customer ID**: Enter the ID of the customer receiving the drop shipment.
• **Bill to Address/Ship to Address**: When specifying a drop shipment, select the address where the drop shipment will be sent.

• **View related transaction**: Click this link to view transactions that are related to the currently displayed purchase order.

• **Quantity**: Enter the quantity of items to be purchased

• **Item**: Enter or select the item to be purchased. The item can be added “on the fly” by selecting the New button at the bottom of the drop-down list. If the item is not inventory-related (for example, furniture for the office), then skip this field, and enter a description.

• **Unit Price**: By default, this is the last purchase cost for the item but you can change it as necessary. New items that have not been ordered before and do not have beginning balances use the cost assigned to them in the Last Unit Cost field on the Maintain Inventory Items window. For non-inventory items, enter a price here.

• **Amount**: A calculated field of quantity x unit price; however, if an amount is entered in this field, Sage 50 recalculates the unit price field by dividing the amount by the quantity.

• **Job**: Enter a job if the transaction line needs to be applied to a job. The amount is not applied to the job until the items are received.

  **NOTE:** Inventory set up as stock items or assemblies cannot be applied to a job on a purchase order. These items should be applied to a job when the customer is billed for the items or when an inventory adjustment is entered to remove the items from stock.

**Editing Transactions**

Posted transactions can be fully edited throughout Sage 50 Accounting if the following conditions are true:

- The transaction is posted in one of the currently available accounting periods.
- The transaction is a purchase order or sales order not yet filled.
- The transaction is an invoice with no associated payments.

To edit a transaction, open the Lists window for that transaction. You can either select the transaction you need to edit and click **Open**, or simply double-click the transaction you need to edit. The transaction opens in the window. Make any changes necessary, then click **Print** to reprint the transaction, or click **Save** to save changes.

**Accounting Behind the Screens**

Purchase orders do not affect your general ledger account balances, nor do they appear on your Aged Payables report. Purchase orders reflects only an “intent” to purchase and do not become a commitment until you actually receive the items or services into your system. Only when a purchase order is received through Sage 50’s Purchases/Receive Inventory task window does it update your general ledger account balances and appear in your Aged Payables report.
Purchase Order Journal

<table>
<thead>
<tr>
<th>Account No.</th>
<th>Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>12000.00</td>
<td>Prefabricated Birdhouse-Lag</td>
<td>258.75</td>
<td></td>
</tr>
<tr>
<td>12000.00</td>
<td>Prefabricated Birdhouse-Lag</td>
<td>258.75</td>
<td></td>
</tr>
<tr>
<td>12000.00</td>
<td>Prefabricated Birdhouse-Lag</td>
<td>258.75</td>
<td></td>
</tr>
<tr>
<td>12000.00</td>
<td>Prefabricated Birdhouse-Small</td>
<td>187.50</td>
<td></td>
</tr>
<tr>
<td>12000.00</td>
<td>Prefabricated Birdhouse-Small</td>
<td>187.50</td>
<td></td>
</tr>
<tr>
<td>12000.00</td>
<td>Prefabricated Birdhouse-Small</td>
<td>187.50</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Totals:</strong></td>
<td>1,785.00</td>
<td>1,785.00</td>
</tr>
</tbody>
</table>

Note: Accounts are updated only when items on the purchase order are received.
Receiving Inventory and Entering Bills

The Purchases/Receive Inventory window allows you to receive items on a purchase order as well as enter vendor invoices and bills for non-inventory related purchases. To access this window, select New Bill from the Enter Bills icon on the Vendors & Purchases pane, or Receive Inventory from the Receive Inventory icon on the Inventory & Services pane.

Purchases/Receive Inventory Window

The header area of the Purchases/Receive Inventory window contains fields for vendor-specific information for the transaction. Click the vendor’s name to view more detail about the vendor. The Apply to Purchases tab is used either to record vendor invoices that do not have a purchase order on file or to add items when you receive more items than were ordered. The Apply to Purchase Order # tab is used to receive items from a purchase order. Fields of interest are explained below:

- **Invoice No.**: Enter the invoice number, if known, from the vendor. If not known, select the Waiting on Bill option below to update Sage 50 Accounting without the invoice.
- **Due Date**: Enter a due date, in different than the default.
- **Waiting on Bill**: Select this option if a shipment of inventory is received without a vendor invoice. This allows the receipt to be recorded and inventory to be updated. The invoice is not available for payment until the transaction is edited by clearing this check box and saving again.
- **Pay Now**: If the invoice is unpaid or partially paid, you can click this link to display the Payments window with the invoice checked and ready to pay.
- **Amount Paid at Purchase**: Enter the payment amount here to make a partial or full payment to an invoice. Two additional fields appear when an amount is entered in the Amount Paid field.
- **Reference**: Enter a reference number for the payment transaction in this field. A reference number must be entered before the transaction can be posted.
• **Cash Account**: Select the cash account to which the payment amount is posted.

**Apply to Purchases Tab**

If you select a vendor with no open purchase orders, the **Apply to Purchases** tab appears. This tab is used to enter purchases that did not originate on a purchase order, or were received but not included on the original purchase order. Fields are similar to fields on the Purchase Orders window, described previously.

![Image of Sage 50 purchase window](image)

**NOTE:** Inventory set up as stock items or assemblies cannot be applied to a job on a purchase. These items should be applied to a job when the customer is billed for the items or when an inventory adjustment is entered to remove the items from stock.

**Apply to Purchase Order No. Tab**

When you select a vendor who has one or more open purchase orders, the **Apply to Purchase Order #** tab appears. If you want to enter a purchase from this vendor that does **not** originate from a purchase order, just click the **Apply to Purchases** tab and enter it there. Fields of interest are described below:
Apply to Purchase Order No.: Select a purchase order from the drop-down list. All open purchase orders for the selected vendor are listed.

Remaining: Displays the number of items that remain outstanding on the purchase order. This field cannot be changed on this window.

Received: Enter the quantity of each item received. The purchase order remains open until all items are received or until it is manually closed.

Accounting Behind the Screens

Purchase invoices are recorded in the Purchases Journal subledger, and update your general ledger account balances. Because payment is being deferred until a later date, a credit amount for the total purchase is posted to an accounts payable account. This amount is removed from the accounts payable account balance when payment is made to the vendor for the invoice.

NOTE: The Accounts Payable account defaults to the last account saved that was saved in it. If you ever have to change it to another account (i.e. Notes Payable), remember to change it back to your regular accounts payable account the next time you enter a regular invoice.

Depending on whether you are purchasing product or services, other types of accounts are debited to offset the accounts payable account and balance the journal entry:

- If product is being purchased, the Inventory account assigned to each inventory record entered as a line item is debited. Inventory is an asset-type account and inventory purchases increase the value of your assets on your Balance Sheet.
- When purchasing services or internal expenses, an expense account is usually debited. A cost of goods sold account may be substituted if you would like the purchase to directly affect your gross profit on your income statement.
- If partial payment is being recorded at the time of purchase, a cash disbursement journal entry is made by the invoice as well. This extra entry credits your cash account by the amount being paid, and debits the accounts payable general account by the same amount, decreasing the overall amount you owe for the invoice.
Paying Bills

In Sage 50 Accounting, you have three methods of paying bills, all accessed from the Pay Bills icon:

- **Pay Bills** – you can apply payments to open invoices or directly to expenses. Use this method when you need to pay only one vendor.
- **Write Check** – you apply payments directly to expenses. Use this method when paying bills that have no corresponding invoices, or for payments to non-vendors.
- **Pay Multiple Bills** – Sage 50 selects invoices for payment based on specific criteria such as discount dates, due dates, and selected groupings of vendors.

**Pay Bills**

The **Payments** window is used to enter purchases without an invoice, as well as purchases for previously-entered invoices. When a vendor ID is entered, all unpaid bills for the vendor appear on the Apply to Invoices tab. You can choose to pay an entire bill or make partial payments. Credit memos and prepayments may also be applied to invoices on this window. For purchases without an invoice, the Apply to Expenses tab is used. Each tab is described below:

- **Vendor ID/Customer ID**: Select to enter a payment for a vendor or customer. Then, enter the ID for the vendor or customer being paid. To pay a vendor who is not in the vendor list, leave this field blank and enter the name in the Pay to the Order of field. Select Customer ID to issue a refund to a customer.
- **Check Number**: If you plan to print the check, leave this field blank. You will enter it during the print routine. If this check was manually written, enter the check number.
- **Dollars**: Enter the payment amount at this field. If you enter an amount that exactly matches the Amount Due of a listed invoice, the program will automatically check Pay next to that invoice and will enter the same amount in the Amount Paid field. If the payment amount entered does not exactly match an amount in the open invoice list, Sage 50 will apply the receipt amount to open invoices in chronological order. Partial payments may also be calculated.
- **Payment Method**: Select a Payment Method for the payment method here.
- **Memo**: By default, the account number entered in the Maintain Vendors window appears in this field for vendors set up in Sage 50. Modify this information as necessary.
- **Cash Account**: Enter the account from which funds are withdrawn when the check is written. The account number displayed is the last cash account used for a payment, but can be changed if necessary.
- **Cash Account Balance**: Displays the balance of the selected account as of the date of the check. This amount is updated when checks are posted.
• **Prepayment:** Select this option to enter a prepayment to a vendor.

**Apply to Invoices Tab**

The **Apply to Invoices** tab lists all outstanding invoices for the selected vendor. Choose invoices/bills to pay by selecting the **Pay** check box next to each one. When you have included all the invoices you want, click **Print** to print the disbursement check immediately, or click **Save** to print the check later.

- **Invoice:** Click an invoice link to view the purchase invoice in detail.
- **Date Due:** This date is entered in the Date Due field of the invoice. This date will determine if the invoice is eligible for a discount, if any.
- **Amount Due:** The current amount owed on the unpaid or partially paid invoice.
- **Description:** Enter a description for each invoice in this field. Text entered in this field prints on the disbursement check stub. The message “Waiting on Bill From Vendor” appears in this field when an invoice has a Waiting on Bill status in Purchases/Receive Inventory, and cannot be paid yet.
- **Discount:** Displays the amount of the discount if the invoice qualifies for a discount. If necessary, the amount in this field can be changed. A discount amount cannot be entered for a partially paid invoice.
- **Amount Paid:** Enter the amount to apply to the invoice. When you enter an amount, the Pay check box is checked automatically.
- **Pay:** Select this check box to pay the invoice in full.
- **Pay All / None:** Click a link to select or deselect all listed outstanding invoices.
Apply to Expenses Tab

When you select a vendor without any outstanding invoices/bills, the Apply to Expenses tab appears. The Apply to Expenses tab is used to enter prepayments and cash purchases.

- **Quantity**: Assign a quantity to the item or service purchased. This can be a physical quantity for stock items or units assigned to a service, such as hours.
- **Item**: If you are purchasing inventory, select an item from the lookup list.
- **Description**: Displays the description for the item selected. You can change the description, or enter a description when receiving items not tracked through inventory.
- **GL Account**: Displays the account found in the GL Inventory Account field (Maintain Inventory) for the item selected. When you are ordering items not tracked through inventory, the account is the vendor’s purchase account. If necessary, enter a different account.
- **Unit Price**: Displays the last purchase cost for the item selected. You can change it if the price has changed. New items that have not been ordered before and do not have beginning balances use the cost assigned to them in the Last Unit Cost field on the Maintain Inventory Items window.
- **Amount**: Enter an amount here for the item purchased, if a unit price was not entered.
- **Job**: If the item’s expense should be applied to the cost of a job, select the job, phase, or cost code from the Job field lookup list.
Apply to Customer Account

If you select a customer ID on the Payments window, the Apply to Customer Account tab appears. This tab can be used to process customer refunds.

Using the Apply to Customer Account tab in conjunction with the Credit Memo window in Accounts Receivable allows a customer-issued credit memo and a customer-issued check to be recorded. The two transactions can be reconciled on the Receipts window. To enter these transactions, follow these steps:

Enter the credit memo on the Apply to Sales tab on the Credit Memo window. This creates a credit to Accounts Receivable and a debit to an income account.

Record the check on the Apply to Customer Account tab in Payments. This creates a credit to cash and a debit to Accounts Receivable.

Reconcile these two transactions in Receipts. Select the Pay check box for both the credit memo and the payment to create a zero dollar receipt. Enter a unique identifier in the Reference field.
Writing Checks

**Write Checks** allows you to quickly enter a check and apply the amount to an expense. If the payment does not involve invoices or inventory items, this is the easiest payment method to use. The **Write Checks** window is also used to write a check to a vendor who does not have a Vendor ID. This window is a simplified version of the **Payments** window that allows you to quickly enter check information without having to enter line-item distributions.

- **Check Number**: If you plan to print the check, leave this field blank. You will enter it during the print routine. If this check was manually written, enter the check number. If paid by cash, enter a reference number such as CASH0201 to prevent the check from printing.
- **Memo**: By default, the account number entered in the Maintain Vendors window appears in this field for vendors set up in Sage 50 Accounting. Modify this information as necessary.
- **Split**: Opens the Split Transaction window on which you can distribute the expense to multiple accounts. Once you click OK, all fields at the bottom of the Write Checks window are unavailable. To change the transaction distribution, click Split.

- **Description**: Enter a description of the payment. This description prints on the check stub.
Pay Multiple Bills

When you Pay Multiple Bills, the Select for Payment-Filter Selection window appears. Use this window to select the invoice and vendor filter criteria used to select invoices and bills to pay.

Once you enter the selection criteria on the Select for Payment-Filter Selection window, click OK to display the Select for Payment window. Sage 50 searches for all outstanding invoices, credit memos, and prepayments that match the filter selection criteria, selecting them for payment. Clear the Pay check box for any invoices you do not want to pay. Each vendor with bills paid is issued a single check regardless of the number of bills being paid. Fields of interest are described below:

- **Discount Amt**: If an invoice is eligible for a discount, the discount amount shows in this field. If necessary, the value in this field can be changed.
- **Pay Amount**: This amount is the full amount of the invoice or the amount of the invoice less the discount amount. To make a partial payment, change this amount to a value less than the balance of the invoice.
**Accounting Behind the Screens**

There are two main types of payments that can be made in Sage 50 Accounting – payments that pay for purchases made on credit, and regular expense payments.

When a payment is applied to an outstanding invoice, it typically credits a cash account and debits the accounts payable account recorded with the invoice. If paid in full, the invoice is also removed from aging.

If you are receiving a discount for prompt payment, the discount amount should credit an expense account assigned for your purchase discounts. This contra balance offsets your overall expenses incurred for the purchase, decreasing total expenses reported on your income statement.

Purchases made on the Apply to Expense tab update the general ledger in much the same way a purchase invoice does. The only difference is that a payment credits a cash account instead of Accounts Payable for the full payment amount.
Voiding Checks

Checks can be voided by selecting the Void Checks icon.

- **Account ID**: Enter or select the account used by the check you want to void. Only checks using the account display in the list of checks.
- **Void Date**: Enter the date the check should be voided. This is also the date the void posts to the General Ledger.
- **Number - Date - Source - Amount - Payee**: Lists information for each check. The Source displays AP for Accounts Payable checks and PR for Payroll checks. Click any column heading to sort by that column.

Click a transaction you want to void; then click **Void**. A message appears, asking if you are sure you want to void the transaction. Click **Yes** to void the transaction or **No** to return to the Void Existing Checks window.

When a check is voided, the check is removed from the list of checks that can be voided. A new transaction is created with a check number consisting of the original check number followed by the letter *V*. This new transaction reverses the entries made to the General Ledger by the original check. For example, if check 4020 is voided, a new transaction with a check number 4020V is created.

Both the original check and void entry appear on reports and on the Account Reconciliation window. Both transactions need to be cleared on the Account Reconciliation window when you reconcile the bank statement.

**WARNING:** Voiding a check results in the reinstatement of any invoices paid by the check. If the invoices will never be paid, you must create a credit memo for the invoices and apply the invoices to the credit memo.
Prepayments are often made to vendors for deposits on goods to be purchased, or services to be provided by the vendor. Sage 50 Accounting provides an easy method to record and utilize prepayments, as explained below.

**Entering a Prepayment**

When you pay a vendor a prepayment or deposit, this amount can be applied to future invoices. To enter a prepayment, open the Payments window from the Enter Bills icon in the Vendors & Purchases navigation center.

After selecting a vendor and other information in the top portion of the window, select the Prepayment option, circled above. Next enter the appropriate Description, GL Account, and Amount in the rows below. It is recommended to enter a description of the prepayment in the Description field. Then, select a General Ledger account from the GL Account lookup list. Finally, enter the amount of the prepayment in the Amount fields. Save the transaction as usual.

**Applying a Prepayment**

To apply a prepayment to a vendor invoice, open the Payments window. When a vendor with a prepayment is selected from the Vendor ID lookup list, the Apply to Invoices tab appears. Prepayments are displayed with a minus sign preceding the dollar amount in the Amount Due column.

Select the Pay check boxes next to the prepayment and the invoices being paid. The payment amount reflects the total of the selected invoices minus the amount of the prepayment.

If you need to apply the prepayment to the vendor invoices, change the values in the Amount Paid column as needed so that the payment total is zero. If the prepayment amount is larger than the invoices due, you can apply only a portion of the prepayment. This leaves a partial prepayment amount available for future invoices.

If you need to pay the vendor and apply the prepayment to vendor invoices, change the values in the Amount Paid column as needed so that the payment total matches your desired check amount.
Recording a Vendor Refund

Occasionally a refund is received from a vendor, for goods returned to the vendor or some other overpayment. To record this transaction, Sage 50 Accounting uses three steps, as outlined below.

Apply to Purchases Tab

- Vendor ID: enter the Vendor from whom the refund is expected
- Description: enter a description including the reason for the credit memo
- GL account: enter an account to credit
- Amount: enter the amount of the credit and anticipated refund

Enter the refund check from the vendor using the Receipts window in the Customers & Sales navigation center. Note the following when entering the receipt of the check:

- Apply to Vendor Account Tab
  - Vendor ID: enter the Vendor from whom the refund is received
  - Cash account: enter or select the bank account to which the check will be deposited
  - Description: enter a description including the reason for the refund
  - Amount: enter the amount of the refund

- Apply the credit memo and the refund check using the Payments window in the Vendors & Purchases navigation center. This removes the credit memo and the refund check from the Vendor Ledgers report.

Pay: Select the Pay check boxes next to the refund and credit memo being applied. The payment amount should be zero if the refund and credit memo are the same amount.
Vendor Credit Memos are entered to record various credits from vendors, including broken merchandise received from a vendor or discounts. They are entered by selecting **New Vendor Credit Memo** from the **Credits and Returns** icon. Each tab is described below:

**Apply to Purchases Tab**

If you select a vendor with no open invoices, the **Apply to Purchases** tab appears by default. This tab is used to enter credits that are not applied to an existing invoice.

**Apply to Invoice Tab**

You can use the **Apply to Invoice** tab to apply credits to open invoices. Select the appropriate invoice and enter appropriate information.

**Accounts Payable Reports**

Accounts Payable reports provide information about your vendors and their associated transactions. To preview or print these reports, select **Accounts Payable** from the **Reports** icon in the **Vendors & Purchases** navigation center.
Report Descriptions

- **1099 Vendor Report**: Lists 1099 amounts for vendors that meet the lower limits.
- **Aged Payables**: Shows open, unpaid invoices and unapplied credits by vendor, listed in the appropriate aging column as of the selected period(s). This report is useful in resolving questions about individual vendor activity and balances. In addition, the total outstanding vendor balances can be reconciled with the General Ledger Accounts Payable balance and used to identify errors in posting.

- **Cash Disbursements Journal**: Lists cash payments with related General Ledger distributions for a selected date range. This report is useful for verifying General Ledger postings and tracking cash payments.
- **Cash Requirements**: Lists outstanding invoices with invoice dates, due dates, and possible discount amounts if paid within the discount period. This report is useful in forecasting cash payments for a given period of time.
- **Check Register**: Lists all checks posted for the selected date range. This report is useful for keeping track of checks.
- **Items Purchased from Vendors**: Displays items and quantities purchased from vendors. It is useful in analyzing purchase trends and forecasting cash payments.
- **Purchase Journal**: Lists purchases made with related General Ledger distributions for a selected date range. This report is useful for verifying General Ledger postings and tracking purchase transactions.
- **Purchase Order Journal**: Shows all purchase orders for the period with related General Ledger distributions. This report is useful for verifying General Ledger accounts of purchase orders that are posted once the items are received.
- **Purchase Order Register**: A chronological listing of all purchase orders and their Good Thru dates. It is useful for keeping track of outstanding purchase orders.
- **Purchase Order Report**: Identifies the status of each item on order. Shows the quantities ordered, the quantities received, and the quantity remaining to be received on a specific order.
- **Vendor Ledgers**: Lists detailed vendor transactions and the outstanding balance for each vendor for a selected date range. Helps resolve questions regarding individual vendor activity.
- **Vendor List**: Lists vendor names, contact name, telephone number, and tax ID number. This report can be used as a vendor telephone list.
• **Vendor Management Detail:** Use this report to review and manage your payables.
• **Vendor Master File List:** Lists names, addresses, telephone numbers, credit terms, and such for vendors. It is useful for verifying that vendors are set up correctly.
• **Vendor Transaction History:** Lists purchases by vendor with detail invoice information.
Vendor Management

The Vendor Management Center allows you to save time by viewing an all-in-one snapshot of your vendor details to help you gain insight about your relationships with your vendors.

In the Vendor Management Center you can:

Create a customizable dashboard view of vendor information and drill down to see the detail of vendor transactions.

Save time by looking up vendors quickly with the vendor search feature.

- Easily export vendor information to Microsoft Excel, PDF format, or launch an e-mail from the Vendor Management Center. This feature is available in Sage 50 Premium Accounting and higher.

Vendor Management tab

The Vendor Management tab is found on the Vendors & Purchases navigation center, as shown below:

Header area

- **Vendor ID**: From the drop-down, select a vendor to view a snapshot of their information.
- **Find vendor with**: Allows you to search for a vendor using various search filters on the vendor’s contact information. Enter the text, then select the search filter in the drop-down list. Click **Find** to display your search results.
- **View/Edit**: Opens the Maintain Vendors window to view or edit a vendor’s record.
- **Email icon**: Provides an easy way to send an email to your vendor. If your vendor has an email address in Maintain Vendors, then the e-mail message automatically populates with this e-mail address.
Recent Selections: After viewing information on the Vendor Management tab for at least two vendors, this link displays the last nine vendors selected.

**Sections area**

You can modify the Vendor Management tab by selecting **Customize this page** in the toolbar above the tabs. The **Settings** window opens, as shown below, and displays a list of available sections that can be added to the **Vendor Management** page.

To add a section to the Vendor Management tab, highlight a section(s) and click **Add** or **Add All**. Rearrange sections in the Selected Sections by clicking the **Move Up** or **Move Down** buttons. Click **Rename** to change the name of a selected section. Click **OK** to save the settings.

**NOTE:** Each section on the **Vendor Management** tab is controlled by your existing user security settings for your company. It only displays information that your Sage 50 users have access to through the **User Security** window.

The **Vendor Management** page can be customized for each Sage 50 user that you set up in **Maintain, Users**. Most sections have a toolbar that allows data to be printed, customized, or sent to Excel, PDF, or E-mail.

**TIP:** You can make side-by-side comparisons by adding the same section more than once to see related, but different, information. Most of the Vendor Management sections allow you to drill down on a particular transaction to see the details. You can easily access additional search options on each section by selecting the **Advanced** link.

Auto-populate is available in most sections of the Vendor Management page. Right-click in the details area of a section, and select the **Add a new** transaction option.

Sage 50 opens a new transaction window pre-populated with your selected vendor’s information.
**Toolbar**

Print: Allows you to print the information on a section.

- Send: Opens a drop-down list from which you can select the following options to send the information to:
  - Excel: Inserts a copy of the information into a Microsoft Excel spreadsheet. Sage 50 opens Microsoft Excel and inserts it into a worksheet; retaining most of the report's original formatting.
  - E-mail: Select this option to send the information to an e-mail so it can be e-mailed in PDF format.
  - PDF: Saves the information in PDF (Portable Document Format) so that it can be opened with Adobe Acrobat Reader.
- Settings: Customize the columns that appear on each section.
Chapter 9 – Adjusting Inventory & Using Assemblies

In addition to purchases of inventory, adjustments and assemblies are transactions that affect inventory. In this chapter, you will learn how to:

• Enter Inventory Adjustments
• Build and Use Assemblies
• Run Inventory Reports

Sage University (www.SageU.com) offers training opportunities on this topic to expand your knowledge and help you to maximize your Sage software investment and improve productivity.
Entering Inventory Adjustments

It is sometimes necessary to adjust inventory levels to match the physical count. Inventory adjustments can also be used to reduce the stock of items used for a job. To enter an inventory adjustment, select the **Inventory Adjustments** icon.

**Inventory Adjustments Window**

The quantity on hand of an inventory item can be increased or decreased using the **Inventory Adjustments** window. To increase the quantity on hand, enter a positive number in the **Adjust Quantity By** field and enter the cost of each item in the **Unit Cost** field. To decrease the quantity on hand, enter a negative number in the **Adjust Quantity By** field. Sage 50 Accounting calculates the cost of a negative adjustment using the costing method assigned to the item.

- **GL Source Acct**: Inventory adjustments affect the inventory account and the account entered in this field. When a negative adjustment is made to inventory, the General Ledger inventory account is credited and this account is debited. When a positive adjustment is made to inventory, the General Ledger inventory account is debited and this account is credited.

- **Unit Cost**: Enter the cost of the item if the adjustment is increasing the quantity on hand.

  **NOTE**: You cannot enter a value in this field if your inventory adjustment is negative. When you enter a negative adjustment to decrease the quantity on hand of an item, the program calculates the cost based on the chosen costing method.

  **TIP**: Be sure to assign a unit cost when adjusting the quantity of an inventory item to the positive; otherwise, Sage 50 assigns a zero value to the adjusted units. This will undervalue your inventory on your balance sheet and may result in a zero cost of sales calculation when the zero cost items are eventually depleted from your inventory.

- **Adjust Quantity By**: Enter a positive number to increase the quantity on hand. Enter a negative number to decrease the quantity on hand.
After establishing an assembly item in **Maintain Inventory Items** including the bill of materials, use the **Assemblies** option to build or break down the assembly item. When an assembly is built, the quantities of the component items are decreased and the quantity on hand of the assembly item is increased. When an assembly is unbuilt, the quantity of the assembly item is decreased and the quantities of each component item are increased. After an assembly is unbuilt, the components that comprised the assembly can, once again, be sold as individual items. To build an assembly, select **Build New Assembly** from the **Assemblies** icon.

### Build/Unbuild Assemblies Window

The **Build/Unbuild Assemblies** window is used to build or unbuild assemblies using the components defined on the **Bill of Materials** tab. On this window, you can see the components required for this assembly item, including the quantity needed for the build, and the quantity on hand of each component.

Fields of interest are described below:

- **Qty**: Specify the number of items to build or unbuild.
  - When an assembly is built, Sage 50 Accounting increases the quantity and value of the assembly item and decreases the quantities and values of the components. Components are taken out of inventory at the cost based on the costing method assigned to each item. The assembly item’s cost is the sum of each component’s cost.
  - When an assembly is unbuilt, Sage 50 decreases the quantity and value of the assembly and increases the quantities and values of the components. Components are returned to inventory at their most recent cost. Any value difference between the per-unit value of the assembly item and the sum of the components of the assembly is adjusted to the cost of goods sold account.

- **TIP**: When an assembly is built, Sage 50 verifies that there are sufficient quantities of each component on hand to build the number of assemblies specified. It is not possible to build more assembly items than there are component items available. Also, it is not possible to unbuild more assemblies than there are on hand.

Adjustments can be made directly to the bill of materials for assembly items that have not been used in any transactions; however, if any transactions reference an assembly item, the bill of materials cannot be edited for that item. To work around this situation, follow the steps outlined below:
• Select the assembly item in the Maintain Inventory Items window.
• Enter a new ID in the Item ID field. This copies the assembly’s attributes, including the bill of materials to the new ID.
• On the Bill of Materials tab, the components of the assembly and quantities of each component can now be changed, since this new item does not have any transactions associated with it.
• Save the new record.
• If the old assembly will not be used, make the original inventory item inactive after completing this process.
• Revising the Bill of Materials is available in Sage 50 Quantum Accounting.
Inventory reports provide both historical information and information about the current status of inventory items. To preview or print these reports, select the Reports icon.

**Report Descriptions**

- **Assemblies Adjustment Journal**: This report shows the General Ledger transactions generated when assemblies were built and unbuilt using the Build/Unbuild Assemblies window. This report can be used to verify the General Ledger posting accounts used during assembly adjustments.

- **Assembly List**: Provides a listing of all inventory items set up with the Assembly Item Class. This report lists each assembly showing its components and the quantities required. It is useful in ensuring that assemblies were set up correctly.

- **Bill of Materials Report**: Lists assemblies and information on components including the number and cost of each component and the estimated cost to build an assembly.
  
  **NOTE**: The Bill of Materials report is available only in Sage 50 Complete and Premium Accounting.

- **Buyer Report**: Lists items, their descriptions, the buyer ID, and preferred vendor information. This report is very useful for determining who is responsible for items that are low in stock.
  
  **NOTE**: The Buyer report is available only in Sage 50 Complete and Premium Accounting.

- **Component Use List**: Provides a list of components used in assemblies, the assemblies they are used in, and the quantity of the components required for the assembly. You can order the report by either the Component ID or the Assembly ID.

- **Cost of Goods Sold Journal**: This report lists the total cost for each item sold at the time of sale and the accounts that were debited or credited. It is used to verify that the General Ledger postings for cost of goods sold and inventory accounts for sales transactions are correct.

- **Inventory Adjustment Journal**: Allows you to reconcile inventory adjustments and verify General Ledger posting accounts. This report is useful in tracking changes in inventory quantities.

- **Inventory Profitability Report**: Displays each stock or assembly item with units sold, costs, gross profit, and gross profit percentage for the selected accounting period(s). This report is useful for identifying items that contribute the most to gross profit and item sales information.

- **Inventory Reorder Worksheet**: Serves as a guide to determining the number of items to reorder based on current quantities and back orders and the established minimum stock level. Only stock and assembly items are listed in this report.

- **Inventory Stock Status Report**: Serves as a reorder report to identify inventory items on hand for the current period and identifies balances that are below the minimum stocking level. Only stock and assembly items are listed in this report.

- **Inventory Unit Activity Report**: Shows the beginning quantity, purchases, sales, and other information for stock or assembly inventory items for the selected accounting period(s). This report is useful in investigating discrepancies about an item's quantity on hand.

- **Inventory Valuation Report**: Shows quantity on hand of stock and assembly inventory items and the item value of what is in stock. Provides detail about the quantities and inventory value as of the selected accounting period.

- **Item Costing Report**: Shows cost and quantity information for stock and assembly inventory items for the selected date range. Shows history for all sales, purchases, inventory adjustments, assembly activity, and automatic cost adjustments made by Sage 50. Useful for investigating discrepancies related to an item’s quantity on hand or value.

- **Item List**: Provides a list of inventory items and assemblies. This report can be used to track quantities on hand of items and assemblies.
• **Item Master List**: Shows all information entered concerning the inventory items in the Maintain Inventory Items window. This report is useful for verifying that items were set up correctly. This information is also useful if you wish to export Sage 50 data for use in other applications.

• **Item Price List**: Serves as a company price sheet for inventory items. This report includes fields such as item ID, description, unit of measure, and sales prices for all pricing levels.

• **Physical Inventory List**: This report lists the item ID, description, and unit of measure. It also includes a space to write the item count. It serves as a worksheet for counting inventory items.

• **Serial Number History Report**: Lists the status of serial numbers and their transaction history, including the cost, type of transaction, transaction reference number, and transaction date.

  **NOTE**: The Serial Number History report is available only in Sage 50 Complete and Premium Accounting.

• **Shipment Register**: Lists shipments made within Sage 50, including the shipment date, shipment status, the ship to name, and the total. This report can be ordered by shipment number, Shipment date, or Ship to ID.

  **NOTE**: The Shipment Register report is available only in Sage 50 Complete and Premium Accounting.
Chapter 10 - Processing Sales & Receipts

Purchases by customers are entered in the Customers & Sales navigation center, as well as payments from customers for their purchases. In this chapter, you will learn how to:

- Enter Quotes, Sales Orders and Sales Invoices
- Record Receipts, Prepayments, and customer refunds
- Run Accounts Receivable Reports

Sage University (www.SageU.com) offers training opportunities on this topic to expand your knowledge and help you to maximize your Sage software investment and improve productivity.
**Introduction**

Customer transactions can be entered in a variety of ways. *Quotes* can be entered for customers and later converted to *Sales Orders* or *Sales Invoices* when the customer commits to the sale. Sales Orders can be entered when customer orders are received. Sales Invoices allow you to fill orders, or enter invoices unrelated to orders, and are paid using *Receipts (Receive Money)*. *Finance charges* can be applied to outstanding customer balances. All of these transactions are entered in the *Customers & Sales* navigation center.

Finally, Sales reports organize the transactions and display the information in a way that helps you better manage your customer-related tasks. Also, customer statements can be produced to assist in collecting balances owed by customers.
Customers or prospects often request pricing information about goods or services that a company sells. Since they are not receiving any products or services, they are provided with a quote. Once accepted by a customer, quotes can be converted to sales orders or sales invoices at any time. Quotes do not affect the General Ledger. To enter a quote, select the **Quotes and Proposals** icon, then **New Quote**.

### Quotes Window

The **Quotes** window is used to enter and print quotes for customers. Fields of interest are explained below:

- **Good thru**: By default, this date is one month past the quote date, but can be modified as necessary.
- **Quote No.**: If you plan to print the quote, leave this field blank. You will enter it during the print routine. If this quote was manually written, enter the quote number.
- **Drop Ship**: Select this option if the items on the quote are to be drop-shipped directly from the vendor to the customer.
- **View related transaction**: Click this link to view transactions that are related to the currently displayed quote.
- **Quantity**: Enter the quantity of items to be quoted.
- **Item**: Enter or select the item to be purchased. The item can be added “on the fly” by selecting the New button at the bottom of the drop-down list. If the transaction is not for an inventory item, this field can be left blank, and a description entered in the next field.
- **Description**: Displays the description for the item selected. You can change the description or enter a description when entering items not tracked through inventory.
- **Unit Price**: Displays the sales price of the item selected. If the item ordered is not tracked through inventory, enter a sales price. If necessary, this price can be changed. For items tracked through inventory, you can select a different sales price from the drop-down list.
- **Tax**: Displays the item tax type for the item selected. If the item ordered is not tracked through inventory, select an item tax type. If necessary, the item tax type can be changed.
- **Amount**: A calculated field of quantity x unit price; however, if an amount is entered in this field, Sage 50 Accounting re-calculates the unit price field by dividing the amount by the quantity.
Converting a Quote

After a customer accepts a quote, it can be converted to a sales order or an invoice.

There are several options on the Convert Quote window.

- **Sale/Invoice**: Select this option to convert a quote to an invoice. If this option is selected, you can use the Invoice # field below to enter an invoice number. If the invoice will be printed later, the invoice number can be entered at the time of printing.
- **Sale/Invoice and Print Now**: Select this option to convert a quote to an invoice and then print the invoice. You will be given the opportunity to enter the invoice number prior to printing.
- **Sales Order**: This option converts a quote to a sales order. When a quote is converted to a sales order, Sage 50 uses the next available sales order. This number is displayed in the SO # field on the Convert Quotes window and can be changed if necessary.
- **SO #**: Enter the sales order number if one exists for this quote and it does not need to be printed.
- **Proposal**: Select this option to convert the quote into a proposal, which you can bill in Sales Invoicing. Proposals are available only in Premium Accounting.
Entering Sales Orders

Sales orders are used when a customer agrees to purchase items or services that are not shipped immediately. The Sales Orders window allows partial orders to be shipped and backorders to be tracked. To enter a sales order, select the **Sales Orders** icon, then **New Sales Orders**.

Sales Orders Window

The **Sales Orders** window is used to enter and print sales orders for products and services ordered by customers. Fields of interest are explained below:

- **Ship By**: Enter a date that the order should be shipped by.
- **SO No.**: Displays the sales order number assigned by Sage 50 Accounting. This number is increased by one automatically each time a sales order is posted. It can be changed, but you cannot save sales orders with numbers. This field is blank for the first sales order entered.
- **Close SO**: Select this option to manually close a sales order. A sales order is automatically closed after all items are shipped.
- **View related transaction**: Click this link to view transactions that are related to the currently displayed sales order.
- **Description**: Displays the description for the item selected. You can change the description or enter a description when ordering items not tracked through inventory.
- **Unit Price**: Displays the sales price of the item selected. If the item ordered is not tracked through inventory, enter a sales price. If necessary, this price can be changed. For items tracked through inventory, you can select a different sales price from the drop-down list.
- **Tax**: Displays the item tax type for the item selected. If the item ordered is not tracked through inventory, select an item tax type. If necessary, the item tax type can be changed.
Accounting behind the Screens

Sales Orders are not considered a commitment to buy until an invoice is applied to it. For this reason, sales orders do not affect your general ledger account balances and are not reported as a receivable in aging.

![Accounting Behind the Screens]

Date: Mar 1, 2014
SO #: 10313

<table>
<thead>
<tr>
<th>Account No.</th>
<th>Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>21100.00</td>
<td>GEORGIA: Georgia State Sales</td>
<td>6.95</td>
<td></td>
</tr>
<tr>
<td>22100.00</td>
<td>GWINNETT: Gwinnett County</td>
<td>3.43</td>
<td></td>
</tr>
<tr>
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<td>Red Rose Starter Bush</td>
<td>101.94</td>
<td></td>
</tr>
<tr>
<td>40000.SD</td>
<td>Trumpet 5th. Bag</td>
<td>41.84</td>
<td></td>
</tr>
<tr>
<td>40000.HT</td>
<td>Bell 2 Gooseneck Gardens</td>
<td>16.99</td>
<td></td>
</tr>
<tr>
<td>40000.HT</td>
<td>Bell 3 Go Garden/Transplanted</td>
<td>12.99</td>
<td></td>
</tr>
<tr>
<td>11000.00</td>
<td>Accounts Receivable</td>
<td>184.39</td>
<td></td>
</tr>
</tbody>
</table>

| Totals      | 184.39     | 184.39  |

G/L accounts are updated only when items on the sales order are invoiced.
Entering Sales Invoices

Use the Sales/Invoicing window to enter invoices and bills for customers, as well as to invoice customers for items that were entered on sales orders. Unlike quotes and sales orders, invoices update the General Ledger. To enter invoices, select the Sales Invoices icon, then New Sales Invoices.

Sales/Invoicing Window

The header area of the Sales/Invoicing window is used to enter customer-specific information. The Apply to Sales tab is used to record customer invoices without a sales order on file. The Apply to Sales Order tab is used to ship inventory items from sales orders. Each tab is explained below:

- **Invoice No.**: If you plan to print the invoice, leave this field blank. You will enter it during the print routine. If this invoice was manually written, enter the invoice number.
- **Due Date**: Enter a due date, in different than the default.
- **Pay Now**: If the invoice is unpaid or partially paid, you can click this link to display the Receipts window with the invoice checked and ready to pay.
- **Amount Paid at Sale**: Enter the payment amount here to make a partial or full payment to an invoice. An additional window appears when selected.
- **Deposit Ticket ID**: Accept the session date, or enter a different ID. All receipts that have the same date for account reconciliation will have the same reference number.
- **Reference**: Enter a check number, credit card approval number, or “cash” for the payment transaction in this required field.
- **Cash Account**: Select the cash account to which the payment amount is posted.
Apply to Sales Tab

Direct sales to customers are entered on the Apply to Sales tab. Fields of interest are described below:

- **Description**: Displays the description for the item selected. You can change the description or enter a description when ordering items not tracked through inventory.
- **GL Account**: Displays the account set up for the item selected. When ordering items not tracked through inventory, the account displayed is the customer’s sales account. If necessary, enter a different account.
- **Unit Price**: Displays the sales price of the item selected. If the item ordered is not tracked through inventory, enter a sales price. If necessary, this price can be changed. For items tracked through inventory, you can select a different sales price from the drop-down list.
- **Apply Tickets/Expenses**: Click the arrow button to open the Apply Tickets/Expenses window on which you can select which time tickets, expense tickets, and reimbursable expenses should be applied to the invoice. **PREMIUM**: Apply Tickets/Expenses is available in Sage 50 Premium Accounting and higher.
- **Freight**: Enter the shipping amount. In Sage 50 Premium Accounting, you can click on this link and Sage 50 will open the Shipments window, automatically filling in appropriate fields with information from the current Sales invoice.
- **Amount Paid at Sale**: Enter the payment amount here to make a partial or full payment to an invoice. An additional window appears when selected.
Apply to Sales Order # Tab

When a customer with one or more open sales orders is selected, the **Apply to Sales Order #** tab appears. Fields of interest are described below:

- **Apply to Sales Order #**: Select the sales order being filled from the drop-down list. All open sales orders for the selected customer are listed.
- **Remaining**: Displays the number of items that remain outstanding on the sales order. This field cannot be changed on this window.
- **Shipped**: Enter the quantity that will be shipped to the customer. This is also the number of items for which the customer will be invoiced.
- **Amount**: Displays the value of the Shipped quantity times the Unit Price. When shipping an item not tracked in inventory, enter the total price of the item in this field.
**Accounting Behind the Screens**

When you sell on credit, a debit is made to an accounts receivable account for the net due amount of the invoice. A credit is then made to the income account assigned to each line item on the invoice for revenue earned for that item.

If stock inventory is sold, a cost of sales calculation debits the cost of sales account assigned to the item. This calculation is based on the costing method defined with the item and is reported on your Income Statement. A credit for the same amount is posted to the inventory account assigned to the item. This results in a decrease of your overall assets on your Balance Sheet.

If you click the Journal button on a sales invoice, you may notice that “To Be Calculated” is displayed rather than the actual amount of the debit and credit. A fixed cost is not recorded with the actual sales journal entry. Instead, Sage 50 Accounting calculates cost at the time a report is viewed based on the sale or negative adjustment date of the inventory items. This is because costing is date-sensitive in Sage 50, meaning that inventory cost of sales can recalculate for saved invoices if new invoices are pre-dated before the saved ones.

Finally, when selling taxable items, tax is calculated and credits each tax agency’s sales tax payable account.

- **NOTE:** If partial payment is being recorded at the time of sale, a cash receipts journal entry is made by the invoice. This extra entry debits your cash account by the amount received, and credits the accounts receivable account assigned to the invoice, decreasing the overall amount owed by the customer.
Voiding Sales Invoices

Sales invoices can be voided in cases where the invoice was entered in error and you want to have an audit trail for the invoice. (Deleting an invoice removes the invoice and does not maintain an audit trail.)

To void a sales invoice, follow these steps:
Select the invoice (View and Edit Sales Invoices from the Sales Invoices icon).
Choose the Delete drop-down icon in the toolbar, and click the Void option.

The Void Existing Invoice window opens, allowing you to enter the void date for the invoice. Click OK to void the invoice.

When an invoice is voided, a new transaction is created with an invoice number consisting of the original invoice number followed by the letter V. This new transaction reverses the entries made to the General Ledger by the original invoice. Then, the original invoice and void transaction are applied to each other as a zero dollar cash receipt with the same reference as the original invoice.
Entering Credit Memos

Credit Memos are issued to customers for the return of merchandise, discounts, and other types of credit can be entered using the Credit Memos window. To open this window, select the Credits and Returns icon, then New Credit Memo.

Credit Memos Window

You can use the Credit Memos window to enter credits to customers. Each tab is described below:

- **Credit No.**: If you plan to print the credit memo, leave this field blank. You will enter the number during the print routine. If this credit memo was manually written, enter the credit number.
Apply to Sales Tab

Credits to customers with no open invoices are entered on the Apply to Sales tab. Fields of interest are described below:

- **Unit Price**: Displays the sales price of the item selected. If the item being returned is not tracked through inventory, enter a sales price. If necessary, this price can be changed. For items tracked through inventory, you can select a different sales price from the drop-down list.
- **Sales Tax**: Displays the total sales tax to be refunded to the customer for all taxable line items. This field is calculated based on the sales tax selected.
Apply to Invoice Tab

When a customer with one or more invoices is selected, the **Apply to Invoice** tab appears. Fields of interest are described below:

- **Apply to Invoice #**: Select an invoice from the drop-down list. All invoices for the selected customer are listed.
- **Quantity**: Shows the original quantity for this item on the invoice.
- **Returned**: Enter the number of the item being returned on this credit memo.
Entering Receipts/Receive Payments

When customers pay invoices and bills, the amount they pay is entered on the Receipts window. Cash sales can be entered on this window if a customer does not require a printed invoice. To enter customer payments, select the Receive Money icon, then Receive Money from Customer.

Receive Money Window

The Receive Money window is used to enter cash sales and deposits without invoices, as well as to apply payments to customer invoices. When a Customer ID is entered, all unpaid sales invoices appear. You can enter payments for the entire amount or partial amounts. Credit memos and prepayments may also be applied to invoices on this window. Each tab is described below:

- **Deposit Ticket ID**: Enter a reference to group this deposit with other deposits in Account Reconciliation. Receipts with the same Deposit Ticket ID will be grouped as a single deposit in Account Reconciliation.
  
  **TIP**: Leave the Deposit Ticket ID field blank if you plan to use Select for Deposit to group your receipts in Account Reconciliation.

- **Customer ID/Vendor ID**: Select to enter a receipt for a customer or vendor. Then, enter the ID for the customer or vendor. To enter a receipt for a customer who is not in the customer list, leave this field blank and enter the customer name in the Name field. Choose Vendor ID to deposit a refund received from a vendor.

- **Reference**: Enter the check number or another reference for tracking this receipt.

- **Receipt Number**: Enter the number corresponding to the receipt number on your preprinted form.

- **Receipt Amount**: Enter the payment amount at this field. If you enter an amount that exactly matches the Amount Due of a listed invoice, the program will automatically check Pay next to that invoice and will enter the same amount in the Amount Paid field. If the payment amount entered does not exactly match an amount in the open invoice list, Sage 50 will apply the receipt amount to open invoices in chronological order. Partial payments may also be calculated.

- **Process Credit Card**: Select this button to open a window in which credit card payment information can be entered. Information entered on the Payment Defaults tab in the customer file appears automatically.

- **Prepayment**: Select this option to enter a deposit from a customer. After a prepayment has been posted, it can be applied to one or more of the customer’s outstanding invoices on the Apply to Invoices tab.

- **Description**: Displays the description for the item selected. You can change the description or enter a description when ordering items not tracked through inventory.
• **GL Account**: Displays the account set up for the item selected. When ordering items not tracked through inventory, the account displayed is the customer’s sales account. If necessary, enter a different account.

• **Unit Price**: Displays the sales price of the item selected. If the item ordered is not tracked through inventory, enter a sales price. If necessary, this price can be changed. For items tracked through inventory, you can select a different sales price from the drop-down list.

**Apply to Invoices Tab**

Select the **Apply to Invoices** tab to receive payments against customer invoices. Fields of interest are described below:

![Apply to Invoices Tab Image]

• **Invoice**: Click an invoice link to view the sales invoice in detail.

• **Date Due**: This date is entered in the Date Due field of the invoice. This date will determine if the invoice is eligible for a discount, if any.

• **Amount Due**: The current amount owed on the unpaid or partially paid invoice.

• **Discount**: Displays the amount of the discount if the invoice qualifies for a discount. If necessary, the amount in this field can be changed. A discount amount cannot be entered for a partially paid invoice.

• **Amount Paid**: Enter the amount to apply to the invoice. When you enter an amount, the Pay check box is selected automatically.

• **Pay**: Select this check box to pay the invoice in full.
Prepayments are often made by customers as deposits on goods to be purchased, or services to be provided. Sage 50 Accounting provides an easy method to record and utilize prepayments, as explained below.

### Entering a Prepayment

When you receive a prepayment or deposit from a customer, this amount can be applied to future invoices. To enter a prepayment, open the **Receive Money** window from the **Receive Money** icon in the **Customers & Sales** navigation center.

After selecting a customer and other information in the top portion of the window, select the **Prepayment** option next to the **Apply to Revenues** tab. Next, enter the appropriate **Description** and **Amount** in the rows below. It is recommended to enter a description of the prepayment in the **Description** field. Save the transaction as usual.
Applying a Prepayment

To apply a prepayment to a customer invoice, open the Receive Money window. When a customer with a prepayment is selected from the Customer ID lookup list, the Apply to Invoices tab appears. Prepayments are displayed with a minus (-) sign preceding the dollar amount in the Amount Due column.

Select the Pay check boxes next to the prepayment and the invoices being paid. The payment amount reflects the total of the selected invoices minus the amount of the prepayment.

If you need to apply the prepayment to the customer invoices, change the values in the Amount Paid column as needed so that the payment total is zero. If the prepayment amount is larger than the invoices due, you can apply only a portion of the prepayment. This leaves a partial prepayment amount available for future invoices.

If you need to record a receipt from a customer and apply the prepayment to their invoices, change the values in the Amount Paid column as needed so that the receipt amount matches the amount paid by your customer.
Accounts Receivable Reports

Accounts Receivable reports provide information about your customers and their associated transactions. To preview or print these reports, select Accounts Receivable from the Reports & Forms menu.

Report Descriptions

- **Aged Receivables**: Shows open, unpaid invoices or unapplied credits by customer, listed in the appropriate aging column as of the selected date. The Aged Receivables report can help to resolve questions regarding individual customer activity and balances, and is useful in determining customer bad debt so that the proper year-end adjustments can be made. The total outstanding customer balances can be reconciled with the General Ledger Accounts Receivable balance and used to identify errors in posting.

- **Cash Receipts Journal**: Lists cash deposits with related General Ledger distributions for a selected date range, and displays the individual amounts that make up a deposit and other information the bank statement does not usually provide. This report is useful for verifying General Ledger postings and tracking cash deposits.

- **Contact List**: Shows you a list of contacts for each customer, including contact name, customer name, phone number, job title, address. You can use this report to filter contacts names by either the full name or a partial name.

- **Customer Ledgers**: Lists detailed customer transactions and the outstanding balance for each customer for a selected date range. Helps resolve questions regarding individual customer activity.

- **Customer List**: Lists the name, address, telephone number, and resale number of each customer. This report can be used as a customer telephone list.

- **Customer Management Detail**: Use this report to review your receivables.

- **Customer Master File List**: Shows pertinent customer information. It is useful for verifying that customers were set up correctly. This information is also useful if you wish to export Sage 50 data for use in other applications.

- **Customer Sales History**: Shows total sales by customer, including both credit and cash sales. This report includes transactions entered on the Sales/Invoicing window, as well as direct sales that are not associated with an invoice.

- **Customer Transaction History**: Lists invoices by customer and other transactions associated with that invoice.

- **Invoice Register**: Chronologically lists all invoices and their amounts for a selected date range. This report is useful for keeping track of outstanding invoices.

- **Items Sold to Customers**: Lists quantity, amount, and profit of items sold to customers. This report is useful in analyzing sales trends and forecasting cash receipts.

- **Picklist Report**: Once a sales order has been entered in Sage 50 Accounting, you can use this report to pull items to fill sales orders.

- **Proposal Register**: Lists proposals and their status (opened or closed).

- **Proposal Report**: Lists all open, accepted proposals showing the proposal amount, previously billed amount and amount remaining to be billed.

  **PREMIUM**: The two proposal Reports are available Sage 50 Premium Accounting and higher.

- **Prospect List**: Shows all prospect names, contacts, and telephone numbers. Can be used as a sales tool to identify and contact potential customers.

- **Quote Register**: Identifies open quotes along with their Good Thru date. It can be used as a sales tool by listing customers with open quotes who need to be contacted.

- **Sales Backorder Report**: Reflects pending shipments for inventory items on sales orders and proposals. You can use this report to identify the items that have not been shipped or items with insufficient quantities on hand.

- **Sales Journal**: Lists all sales invoices for the selected date range with related General Ledger distributions. Sales Journals are useful for reconciling sales and for verifying postings.

- **Sales Order Journal**: Lists all sales orders for the period with related General Ledger distributions. This report is useful for verifying General Ledger accounts of sales activities that will be posted once invoiced.
NOTE: Sales orders do not create actual entries to the General Ledger. Transactions are posted to the General Ledger once you have invoiced the customer.

- **Sales Order Register**: A chronological listing of all sales orders and their status. This report is useful for keeping track of outstanding sales orders.
- **Sales Order Report**: Identifies the status of each item on an order. It shows quantities ordered and shipped, and the quantity remaining to be shipped on a specific order.
- **Sales Rep Reports**: Shows commissioned sales, noncommissioned sales, and total sales for all sales reps for the time period specified. This report also includes a percent-of-total column. This column, based on the sales rep's total sales, shows you the percentage of the company's total sales this rep earned.
- **Sales Taxes**: Lists each Sales Tax with all corresponding Sales Tax Agencies, their tax rate, and payment information. This report can be used to verify additions and changes to agencies and rates.
- **Taxable/Exempt Sales**: Provides useful documentation in resolving sales tax report issues. Use in preparing sales tax reports required by the government before year-end.
Customer Statements

Statements are printed to show documentation on the recent transactional history for a customer and the net amount due. The net amount may include more than one sales invoice. A statement can also display payment history for the customer. To access customer statements, select Customer Statements, then Print Customer Statements.

Printing Customer Statements

The Select a Report or Form window opens with the Forms list shown.

Select the form you want to print from the Forms list, as explained below:

**Statement**: Used to print statements with plain paper.
**Statement Continuous**: Used to print statements with plain paper. This format prints faster than the plain statement.
**Statement Preprinted**: Prints data on a pre-printed Sage 50 statement form.

Click the Preview and Print button located below the sample image of the form.

The Preview and Print Customer Statements filter screen opens. You can make your filter selections and click the Print/E-mail button to print the form. The tabs of the Preview and Print Customer Statements window are described below:
Print/E-mail Tab

The **Print/E-mail** tab defines the criteria you want to use to print the form:

- **Refresh List**: Select this button to refresh the selection grid. You must select this button after opening the filter screen or making any changes to the filter selections to see the correct information in the grid.

- **Selection Grid**: This grid shows all of the customers that meet the filter selection criteria. Select the customers that you want to print statements for from the grid. All of the customers are selected by default. You can manually select and deselect the customers in the grid. You can also use the All and None links above the grid to select all of the customers or deselect all of the customers in the grid. You can change the sorting of the customers in the grid by clicking on the heading of the column that you want to use to sort the customers.

- **Statement Type**: Select the type of statement that you want to print. This selection determines how the open items are shown on the form. On balance-forward statements, only the balances are shown for open items that appeared on previous statements. On open item statements, the detail is shown for all open items.

- **Include items through/from**: You can select to include items from the last statement date through a date of your choosing on the statement. If you have selected the Open Item statement type, you can choose to include all open items through a particular date. You can also choose to include items from a particular date range that you specify or a standard date range such as This Quarter. Choose Range from the Include Items drop list if you want to enter a specific date range or you can select a standard date range from the Include Items drop list. After making your Include Items selection, enter the through date or the from and to dates if necessary.

- **Print Detail for**: You can choose to print detail information for sales and credit memos, receipts, or both. Selecting this option will cause the line item details for sales and credit memos, receipts, or both to appear on the statement.

- **Use this form**: Select the form you want to print.

- **Customize this form**: Select this link if you want to customize the selected form. The form will open in the Forms Design window.
Filter customers by: This allows you to further specify the statements that you want to print. You can filter by Customer ID, Type, Delivery Method, and/or Active/Inactive.

Print Setup Tab

Select the Print Setup tab to assign the default printer for this form and set the page margins. The file name for the form is also shown on this tab. There is an Align button that you can click if you need to adjust the alignment of the form.
Email Options Tab

Select the **E-mail Options** tab to set options that determine what to do when printing forms for customers set up to receive e-mail.
Customer Management

The **Customer Management Center** allows you to save time by viewing an all-in-one snapshot of your customer details to help you better manage and service your customers. In the Customer Management Center you can:

Create a customizable dashboard view of customer information and drill down to see the detail of customer transactions. Save time by looking up customers quickly with the new customer search feature.

- Easily export customer information to Microsoft Excel, PDF format, or launch an e-mail from the Customer Management Center. This feature is available in Sage 50 Premium Accounting and higher.

**Customer Management tab**

The **Customer Management** tab is found on the Customers & Sales navigation center, as shown below:

![Customer Management Tab](image)

**Header area**

- **Customer ID:** From the drop-down, select a customer to view a snapshot of their information.
- **Find customer with:** Allows you to search for a customer using various search filters on the customer’s contact information. Enter the text, then select the search filter in the drop-down list. Click **Find** to display your search results.
- **View/Edit:** Opens the **Maintain Customers & Prospects** window to view or edit a customer’s record.
- **Email icon:** Provides an easy way to send an email to your customer. If your customer has an email address in **Maintain, Customers & Prospects**, then the e-mail message automatically populates with this e-mail address.
- **Recent Selections:** After viewing information on the **Customer Management** tab for at least two customers, this link displays the last nine customers selected.
Sections area

You can modify the Customer Management tab by selecting **Customize this page** in the toolbar above the tabs. The **Settings** window opens, as shown below, and displays a list of available sections that can be added to the **Customer Management** page.

To add a section to the Customer Management tab, highlight a section(s) and click **Add** > or **Add All >>**. Rearrange sections in the Selected Sections by clicking the **Move Up** or **Move Down** buttons. Click **Rename** to change the name of a selected section. Click **OK** to save the settings.

- **NOTE:** Each section on the **Customer Management** tab is controlled by your existing user security settings for your company. It only displays information that your Sage 50 users have access to through the **User Security** window.

The **Customer Management** page can be customized for each Sage 50 user that you set up in **Maintain, Users**. Most sections have a toolbar that allows data to be printed, customized, or sent to Excel, PDF, or E-mail.

Auto-populate is available in most sections of the Customer Management page. Right-click in the details area of a section, and select the **Add a new** transaction option.

**Toolbar**

- **Print:** Allows you to print the information on a section.
- **Send:** Opens a drop-down list from which you can select the following options to send the information to:
  - **Excel:** Inserts a copy of the information into a Microsoft Excel spreadsheet. Sage 50 opens Microsoft Excel and inserts it into a worksheet, retaining most of the report’s original formatting.
  - **E-mail:** Select this option to send the information to an e-mail so it can be e-mailed in PDF format.
  - **PDF:** Saves the information in PDF (Portable Document Format) so that it can be opened with Adobe Acrobat Reader.
- **Settings:** Customize the columns that appear on each section.
Chapter 11 – Processing Payroll

Employees can be paid individually or collectively in Sage 50 Accounting. In this chapter you will learn how to:

- Pay individual employees
- Pay multiple employees
- Run Payroll Reports

Sage University (www.SageU.com) offers training opportunities on this topic to expand your knowledge and help you to maximize your Sage software investment and improve productivity.
Paying Employees

In Sage 50 Accounting, you have two methods of paying employees, both accessed from the Pay Employees icon:

- Enter Payroll for One Employee
- Enter Payroll for Multiple Employees

Enter Payroll for One Employee

The Payroll Entry window is used to enter employee paychecks by individual employee. Fields of interest are described below:

- **Check Number**: If you plan to print the check, leave this field blank. You will enter it during the print routine. If this check was manually written, enter the check number.
- **Pay Period End**: Enter the pay period ending date for this check.
- **Taxes-Benefits-Liabilities**: This section controls deductions, additions, and exceptions.
- **Amount**: Displays the amount assigned to the field or the amount that Sage 50 Accounting calculated for the payroll field. The amounts in these fields can be changed, if necessary.
Enter Payroll for Multiple Employees

When you select Enter Payroll for Multiple Employees, the Select Employees-Filter Selection window appears. Use this window to select what types of employees to pay, by choosing specified pay frequencies and pay types. Fields of interest are described below:

- **Include Time Tickets for:** Enter a payroll period ending date if you are paying employees based on time ticket hours. All unused time ticket hours dated within the pay period chosen are used.
  
  **PREMIUM:** Time Tickets are available in Sage 50 Premium Accounting and higher.

Once you enter the selection criteria on the Select Employees-Filter Selection window, click OK to display the Select for Payment window. On this window, make any changes needed to the paychecks listed and print the paychecks. An individual can be excluded from the payroll run by clearing the Pay check box. Fields of interest are described below:

- **Check Date:** Displays the current system date or the first day of the current period if the system date is not in the current period. If necessary, enter a different date. This date prints on the paychecks and is also the posting date of the checks.
- **Hours:** Displays the number of hours the employee will be paid for each pay level. This field is only available for hourly employees. You can change this value if an employee worked a different number of hours this pay period.
- **Salary:** Displays the salary rate for the employee for each pay level. If necessary, you can change this amount when an employee should be paid a different salary amount.
- **Pay:** Select this check box to pay an employee. By default, all employees who meet the filter criteria are selected to pay when the Select Employees to Pay window is opened. If an employee should not be paid, clear the check box.
- **Detail:** Displays the detailed information for the selected employee’s paycheck. If necessary, you can make changes to the pay amounts or deductions in this window.
- **Jobs:** Displays the Labor Distribution to Jobs window on which you can apply payroll hours or salary amounts to jobs.
Accounting Behind the Screens

When posting a paycheck, the following actions happen in the background:

- The wages or salary expense account assigned to the employee’s pay fields is debited by the unadjusted gross of the check. Bonus fields usually also debit an expense account.
- Federal, State, and Local deductions are placed into payable accounts through credits. Later, you can pay down the balances of these accounts on the Payments window when you make a scheduled tax deposit with the IRS. Employer contributions typically credit the payables accounts as well.
- In addition to being a liability, employer contributions are also expenses to the company. These expenses should debit expense-type accounts created to track the employer contributions on your income statement.

<table>
<thead>
<tr>
<th>Account No.</th>
<th>Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>77500.00</td>
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<td>1,489.77</td>
<td></td>
</tr>
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<td>23400.00</td>
<td>Fed_Income</td>
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<tr>
<td>23400.00</td>
<td>Soc_Sec</td>
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<td></td>
</tr>
<tr>
<td>23400.00</td>
<td>Medicare</td>
<td>21.61</td>
<td></td>
</tr>
<tr>
<td>23600.00</td>
<td>State</td>
<td>68.23</td>
<td></td>
</tr>
<tr>
<td>23400.00</td>
<td>Soc_Sec_ER</td>
<td>92.37</td>
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</tr>
<tr>
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<td>21.61</td>
<td></td>
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<tr>
<td>23400.00</td>
<td>FUTA_ER</td>
<td>11.92</td>
<td></td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td></td>
<td>1,680.35</td>
<td>1,680.35</td>
</tr>
</tbody>
</table>
Payroll reports provide information about each employee and their earnings history. To preview or print these reports, select the Reports icon.

**Report Descriptions**

- **Current Earnings Report**: Lists payroll checks for each employee for the selected accounting period, normally the current month. Totals are provided for all payroll fields and net pay.

- **Employee Compensation Report**: Lists raise dates, amounts, and percentages in detail (by employee). This report should be printed in landscape mode.

  **PREMIUM**: The Employee Compensation Report is available in Sage 50 Premium Accounting and higher.

- **Employee List**: Lists names, addresses, social security numbers, federal filing status, and pay type of employees. This report is useful in verifying employees were set up correctly. It can be printed before processing W-2s to verify that employee names, addresses, and social security numbers are correct.

- **Exception Report**: Identifies incorrect withholding amounts so you can easily prepare the 941. This report shows each employee’s total withholding amount for a quarter, as well as the taxable gross, the calculated amount of the tax, and the difference between them.

- **Payroll Check Register**: Lists all paychecks for the selected date range.

- **Payroll Journal**: Lists payroll transactions with related General Ledger distributions for a selected date range. The report displays the individual deduction and addition amounts that make up a paycheck.

- **Payroll Register**: Chronologically lists paychecks and payroll field information for a selected date range. This report can be used to check manually entered and printed paychecks before distributing them to employees.

- **Payroll Tax Report**: Lists gross wage, taxable gross, and excess gross amounts for each employee for the selected tax.

- **Quarterly Earnings Report**: Lists payroll checks for each employee for the selected quarter. Totals are provided for all payroll fields and net pay.
• **Tax Liability Report**: Lists gross wages, taxable gross wages, taxes withheld, and liability amounts for each employee and each tax.

• **Vacation and Sick Time Report**: Lists vacation and sick time that is accrued and used, as well as each employee’s balance.

• **Yearly Earnings Report**: Lists payroll checks for each employee for the selected year. Totals are provided for all payroll fields and net pay.
Chapter 12 - Banking in Sage 50 Accounting

Banking involves deposits, checks, bank entries and account reconciliation for a company. Several of these tasks are discussed elsewhere throughout this course, however, in this chapter, you will learn how to:

• Select Receipts for Deposit
• Reconcile Accounts
• Run Banking Reports

Sage University (www.SageU.com) offers training opportunities on this topic to expand your knowledge and help you to maximize your Sage software investment and improve productivity.
Introduction

Banking transactions occur whenever money is handled. For example, when money is received from a customer, or checks are written to vendors, these result in transactions at the bank. The Banking navigation center provides easy access to many transactions that can be entered in other areas of Sage 50 Accounting, such as Receive Money and Enter and Pay Bills, but also hosts transactions unique to banking, such as Account Register and Reconcile Accounts.
Selecting Receipts for Deposit

The Select for Deposit window allows you to combine multiple customer receipts into one or more bank deposits, to match the actual deposit at the bank which appears on the bank statement. You can also print deposit tickets to submit to your bank along with the cash and checks. To access the Select for Deposit window, select New Bank Deposit from the Bank Deposits icon.

Select for Deposit Window

The Select for Deposit window lists all current receipts for the General Ledger account in the Account ID field. If this is the first time the window has been used, the default account is your company’s default cash account. Subsequently, the account that appears is the last account selected in the window.
Reconciling Accounts

Any account in Sage 50 Accounting can be reconciled using the Account Reconciliation window, though typically it is used to reconcile bank accounts such as checking and savings accounts, petty cash, and credit card accounts. To access this window, select Reconcile Accounts.

Account Reconciliation Window

The Account Reconciliation window shows un-cleared transactions that have debited or credited the selected account through the end of the current accounting period. You can use this window to reconcile the transactions entered in Sage 50 to your bank statement for the account. As you clear transactions reported on the bank statement, the Unreconciled Difference will approach zero. Once the Unreconciled Difference equals zero, the account is reconciled. Additional transactions, such as bank service charges, can be added to the General Ledger while you are reconciling the account using either the Adjust icons or the fields at the bottom of the window.

Fields of interest are described below:

- **Statement Date**: Enter the date of the bank statement. You can enter a previous period statement date and Sage 50 will list all the transactions dated in the period and any un-cleared transaction from periods before that. This feature allows you to reconcile previous period statements and accounts without having to change the current accounting period.

- **Status**: Select this check box to indicate the transaction listed also appears on your bank statement. Cleared transactions are removed from the list after you change to the next accounting period.

- **Interest Income**: Enter a single interest income amount, date, and General Ledger Account. To enter multiple amounts, select the Adjust button.

- **Service Charges**: Enter a single service charge amount, date, and General Ledger Account. To enter multiple charges, select the Adjust button.

- **Statement Ending Balance**: Enter the ending balance of the account as shown on your bank statement.

- **Unreconciled Difference**: Displays the difference between the Statement Ending Balance and the GL (System) Balance, less Outstanding Checks, plus Deposits in Transit. When all transactions listed on the bank statement are entered and cleared in Sage 50 Accounting and outstanding transactions have been accounted for, the red exclamation mark will turn into a green check mark, and the value should be zero.
**TIP:** If you are interrupted during the middle of reconciling, select **OK**, and exit the window. Later, while still in the same accounting period, you can resume where you left off. All your cleared items and other reconciliation information for the account will remain. You can also change accounting periods to edit previous account reconciliations, if necessary.
Banking Reports

Account Reconciliation reports provide information about bank reconciliation transactions. To preview or print these reports, select **Account Reconciliation** from the **Reports & Forms** menu.

**Report Descriptions**

- **Account Reconciliation**: Shows the last reconciliation information, including the GL balance and any outstanding reconciling items to compare to the ending bank balance.
- **Account Register**: Lists transactions for an account, including a running balance, much like the Account Register window.
- **Bank Deposit Report**: Displays the details of each bank deposit, showing which customer’s checks are included in the deposit.
- **Deposits in Transit**: Lists the deposits that have not yet cleared the bank.
- **Other Outstanding Items**: Lists transactions, other than deposits or checks, that have not yet cleared the bank.
- **Outstanding Checks**: Lists checks that have not yet cleared the bank.
Chapter 13 – Entering Journal Entries & Running Financial Reports

The General Ledger is updated as transactions are posted. In addition, separate transactions can be entered directly in the General Ledger. After all transactions and adjustments are posted, reports and financial statements can be run. In this chapter, you will learn how to:

- Enter General Journal Entries
- Run General Ledger Reports and Financial Statements

Sage University (www.SageU.com) offers training opportunities on this topic to expand your knowledge and help you to maximize your Sage software investment and improve productivity.
Entering General Journal Entries

The General Journal Entry window is used to enter transactions that are not recorded in other journals, for adjustments and other miscellaneous transactions. This window is also used to edit account reconciliation adjustments. In the General Journal Entry window, both debits and credits are entered to balance the transactions. To make a general journal entry, select General Journal Entry from the Banking navigation center.

Fields of interest are described below:

- **Date**: Enter the date of the transaction. Any date within either the current period or a future period can be used.
- **Reverse Transaction**: Select this option to make a transaction automatically reverse the debit and credit amounts on the first day of the next accounting period. For example, use a reversing entry to record accrued payroll expenses to recognize the expense when it occurs, rather than at the time of payment.
- **Out of Balance**: Displays the difference between the total debits and total credits for the transaction. This amount must be zero before the transaction can be posted.
Recurring Journal Entries

Transactions which are the same in one or more future periods are called recurring journal entries. To copy journal entries into one or more future periods, click the Copy icon on the toolbar, and then select Create recurring. The following window appears. Recurring entries can be edited or deleted for the current period or for a future period at any time.
General Ledger Reports

General Ledger reports organize transactions recorded in the various journals by account number. To preview or print these reports, select **Reports & Forms** from the Sage 50 menu bar, and then select **General Ledger**.

**Report Descriptions**

- **Account Variance**: Provides a comparison of budget and actual figures for each account, as well as variance information. It is useful for determining the accuracy of budgets and for forecasting future budgets.
- **Account Variance-Dual Budgets**: Provides a comparison of budget and actual figures for each account, as well as variance information, using two budgets instead of one. It is useful for determining the accuracy of budgets and for forecasting future budgets.
- **Budget**: Lists period and year-to-date budget amounts for each account.
  
  PREMIUM: The three reports above are available in Sage 50 Premium and higher.

- **Cash Account Register**: Lists all transactions in a cash account, along with a running balance.
- **Chart of Accounts**: Lists each account number, account description, and account type. Useful for verifying that all necessary General Ledger accounts have been set up with the correct account type and for identifying changes or additions that need to be made to the accounts.
- **General Journal**: Lists all general journal transactions for the selected date range with related General Ledger distributions. This journal is used to record transactions that cannot be entered in one of the subsidiary journals, such as the Sales Journal or the Purchase Journal. It is useful for verifying General Journal postings, including beginning balance amounts.
- **General Ledger**: Shows all transactions in each account for the selected accounting period(s). Gives vital information about the activity and balance in each General Ledger account and provides detail for financial statements.
- **General Ledger Trial Balance**: Lists the current balance for each account. Also, provides a historical record of account balances for the selected accounting period(s).
- **Transaction Detail Report**: Shows you the detail for transactions in the system.
- **Working Trial Balance**: Lists the General Ledger accounts and their debit or credit balances. This report serves as a test as to whether the General Ledger is in balance. It can also be used as a worksheet to make adjustments to account balances.
The information stored in the General Ledger is also used to produce Financial Statements. Financial Statements are used to examine the financial position of a business and are usually prepared at the end of an accounting period and at the end of the fiscal year. You should store these reports in a secure location, since banks and lenders commonly request these reports for several years. To preview or print Financial Statements, select Financial Statements from the Reports & Forms dropdown menu at the top of Sage 50.

Report Descriptions

- **Balance Sheet**: Shows balances for Assets, Liabilities, and Capital for a given time period.
- **Balance Sheet/Budg**: Lists all assets, liabilities, and capital of a business entity as of a specific date and the corresponding budget balances.
  
  PREMIUM: The Balance Sheet/Budg. report is available in Sage 50 Premium and higher.

- **Cash Flow**: Shows increases and decreases in cash for the selected accounting period(s) and the year-to-date total.
- **GL Account Summary**: Shows beginning balance, activity, and ending balance for each account as of the selected accounting period.
- **Income - 12/13 Period**: Shows you income and expense information for all 12 or 13 periods in your fiscal year.
- **Income 2 years**: Shows income and expense activity for the selected accounting period(s) and the year-to-date total for this year and last year.
- **Income Statement**: Shows income and expense activity for the selected accounting period(s) and the year-to-date total for each account.
- **Income/2 Budget-per**: Compares the income and expense activity for the current period to two budgets.
- **Income/2 Budget-YTD**: Compares the year-to-date income and expense amounts to two budgets.
  
  PREMIUM: The 2 Budget reports are available in Sage 50 Premium and higher.

- **Income/Budget**: Compares the income and expense activity for the current period and the year-to-date amounts to the budget figures.
- **Income/Budget-Per**: Compares the current period income and expense amounts to budgeted amounts and actual amounts from last year.
- **Income/Budget-YTD**: Compares the year-to-date income and expense amounts to budgeted amounts and actual amounts from last year.
  
  PREMIUM: The Income/Budget reports are available in Sage 50 Premium and higher.
• **Income/Earnings**: Combines the Income Statement and Statement of Retained Earnings for the selected accounting period(s) and year-to-date.

• **Retained Earnings**: Shows changes in the Retained Earnings balance as of the selected accounting period.

• **Statement of Changes**: Shows changes in financial position as of the selected accounting period.
Chapter 14 – Using Company-Wide Settings

This chapter reviews settings which enhance the overall performance and functionality of Sage 50 Accounting, as well as many of the functions found in the System navigation center. In this chapter you will learn how to:

• Maintain Global Options
• Maintain your Data, including backing up, restoring, verifying and archiving
• Setup Security

Sage University (www.SageU.com) offers training opportunities on this topic to expand your knowledge and help you to maximize your Sage software investment and improve productivity.
Maintaining Global Options

The Maintain Global Options window is used to select preferences that control various aspects of Sage 50 Accounting. These preferences can be changed at any time and affect all companies in the Sage 50 data path. To change or view these options, select Options, Global from the Menu.

Accounting Tab

- **Decimal Entry**: this option is used to determine the way decimal points are used when entering numeric values. You have the choice of allowing Sage 50 to place a decimal point in amounts or to enter the decimal point yourself.
- **Automatic**: Select this option if you want Sage 50 to insert the decimal point when an amount is entered. The decimal is inserted based on the Number of Decimal Places selected. For example, if the Number of Decimal Places is set to 2, an entry of 100 would become 1.00 once you move to the next field.
- **Manual**: Select this option if you want to type the decimal point when it is needed. For example, if you type 100 and press ENTER, Sage 50 displays 100.00 in the field.
- **Number of decimal places**: Select the number of decimal places that should be used for amounts in all transaction windows. The default value is 2. For example, if these fields are set to 3 decimal places and you enter 134.2, the numbers display as 134.200 in the fields.
- **Hide General Ledger Accounts**: Each transaction window has fields that show the General Ledger accounts used by transactions. To make data entry easier and faster, you can choose not to display these fields. If the area listed is selected, the account fields on the related transaction windows are hidden; however, by selecting the Journal button in the transaction’s toolbar, you can view the Accounting Behind the Screens window to see the entire entry.

Accounts Hidden:
Accounts Shown:

- **Warn if a record was changed but not saved yet:** Displays a warning when you try to exit a new or modified record that has not been saved. If you turn this option off, Sage 50 does not display the warning and continues to the next window or record.

- **Hide inactive records:** Hides records marked as inactive from lookup lists.

- **Recalculate cash balance automatically in Receipts, Payments and Payroll Entry:** When not selected, performance is increased in various data entry windows, and the cash balance must be recalculated by selecting the icon.

- **Use Timeslips Accounting Link:** links Sage 50 Accounting with Sage Timeslips, a program which allows precise time and expense tracking for attorneys, accountants and consultants.

- **Sorting Transactions:** Provides a secondary sort option in most lists and reports.

**General Tab**

- **Improve Performance:** These options can increase the speed of report printing and the lookup of inventory items. For more details on each specific setting, refer to Help in Sage 50 Accounting.

- **Line Item Entry Display:** This option determines the display of grid lines in transactions.

1-line entry:

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Item</th>
<th>UM</th>
<th>Description</th>
<th>Unit Price</th>
<th>Tax</th>
<th>Amount</th>
<th>Job</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Landscape</td>
<td>120.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Services</td>
<td>40000-00</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2-line entry:

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Item</th>
<th>UM</th>
<th>Description</th>
<th>Unit Price</th>
<th>Tax</th>
<th>Amount</th>
<th>Job</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sales</td>
<td>120.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sales</td>
<td>120.00</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Smart Data Entry:** these options can make data entry easier and faster by enabling lookup lists to instantly appear and anticipate what you want to enter.

- **Automatic field completion:** Select this check box so that the ID entered is completed with the nearest match to the characters entered. For example, if you enter SMI in the Customer ID field and an ID of SMITH is set up, then SMITH will fill the field automatically.

- **Drop-down list displays automatically:** When at least one character is entered in an ID field, the lookup list opens. You can also press the right arrow key to display a lookup list when this option is selected.

- **Automatically create IDs on maintenance windows:** When selected, Sage 50 builds an ID based on the name or description that you enter on maintain record windows, such as Maintain Customer, Maintain Inventory items, etc.

- **Color Scheme:** enables a different color combination that can be used throughout Sage 50.

  **NOTE:** If you select a new color scheme, you must exit Sage 50 before the new color scheme is used.

- **Reset all one-time messages:** Some messages include an option that prevents the message from displaying again. Select this button to reset these messages.
Sage Partners Tab

- **Sage 50 Partners Security Level**: specify the security option for partner applications, such as Timeslips and FAS for Sage 50 Accounting.
- **Low**: allows all Sage 50 Partner applications to run automatically. Sage 50 Partner programs will be able to exchange data with your Sage 50 database without prompting you.
- **Medium**: when you start a Sage 50 Partner application you will receive a warning message that allows you to choose whether or not you want the application to run. This is the default and recommended setting.
- **High**: Sage 50 Partner applications will not run.

 NOTE: If you change the security level while you already have a Sage 50 Partner application running, the new setting does not affect the application until it is restarted.

Spelling Tab
• **Spell Check Options:** the spell check feature allows you to check spelling in various areas throughout Sage 50 Accounting. It can also check basic grammatical errors, such as incorrect capitalization, word that are typed together without a space between them, and repeated words.

You can create customized dictionaries, and add words to your dictionaries so that Spell Check skips over the specified words in the future. For example, if Spell Check treats your name as a misspelled word, you can add your name to the dictionary so that Spell Check will ignore it.

There are several ways to check spelling. You can choose Check Spelling from the **Edit** menu or press **F7** in fields where Spell Check is available. You can also set up Spell Check to review your text when you save or close a record. Spell Check can be set up to highlight misspelled words in red as you type, or to automatically correct misspelled words.

When the Check Spelling window appears, you can instruct it to replace the word, ignore it, or add it to your dictionary.

• **Check spelling as you type:** Select this option to have Spell Check highlight misspelled words in red as you type. When a word is highlighted in red, you can right-click your mouse to bring up a list of suggestions for the misspelled word.

• **Check spelling on save or close:** Select this option to have Spell Check automatically review your text when you select Save, Close, or Print from windows where Spell Check is available. For additional information about Spell Check, refer to the Help within Sage 50.
Maintaining Data

Sage 50 Accounting provides various utilities to maintain your system. Many of these are found on the System navigation center, including backup, restore, verify and archive.

Manual Backup

You can back up and restore your company data in Sage 50 Accounting. This procedure is easy to do and can save many hours of rekeying your information in case of events such as fire, flood, computer theft, or computer hard drive damage. Even minor events like power loss can damage your company information. You can also back up to a remote server using Online Backup.

Backing up creates one file that includes all company information and customized forms present at the time the backup was made. To make a backup of your company, click the Back Up Now button on the System navigation center.

- **Remind me when I have not backed up in X days**: Select the reminder to be prompted to back up in a specified number of days. If the specified number of days has elapsed since your last backup was made, a reminder message appears when you close the company or exit Sage 50.

- **Include company name in the backup file name**: Select the option to include the company name as part of the backup file name. The letters BU plus today’s date are the default file name if you do not check this box.
After you click **Back Up**, the **Save Backup** window opens.

Select the drive letter and path where you want to save the backup. The file name listed can be used, or you can enter your own name. Click **Save** to create the backup.

After you click **Save**, a message appears, indicating the amount of space the backup file will require. Click **OK** to continue.

The backup process compresses the company information to conserve space and creates a single file with an extension of PTB.

**Restore a Backup**

Restoring a company replaces all information in the open company with the information in the backup file. You can restore the company data, customized forms, Web transactions, or all three. Because all company data files are interrelated, you cannot restore individual data files; in other words, you must restore the entire company, and not just part of a company. To restore a company backup, click the **Restore Now** button on the System navigation center to open the Restore wizard.

Click **Browse** to select the backup file, then click **Open** to continue.

Select **An Existing Company** to restore to an existing company. If you need to change the company currently selected, click **Browse** and navigate to the appropriate company. If you are creating a new company using the backup, select **A New Company**. Click **Next**.

Select the appropriate option to restore what you need, then click **Next** to continue.

After you click **Next**, the **Confirmation** window opens, showing the files and company being restored. Click **Finish** to restore the backup. Once you return to the Sage 50 desktop, the company is ready to use.
Verify Data

Data Verification is a Sage 50 Accounting utility that allows you to verify if any of your data files are missing or possibly damaged. During the verification process, Sage 50 makes any needed changes so that your data records are compatible with Sage 50 data formats. For example, if an ID in a data record has more than the maximum allowable characters, Sage 50 truncates the ID. Also, any files that Sage 50 finds to be corrupt and unusable are deleted during the verification process.

Following verification, Sage 50 generates a log that details all errors encountered and reports on any changes made, as well as any corrupt records deleted.

To access the data verification utility, click the **Verify Data Now** button on the System navigation center, or select **Data Verification** from the **File** menu.

**WARNING:** It must back up your company data before you verify data with this utility; if the procedure is not successful or your computer locks up during a test, you could lose valuable data.

The following are types of tests you can perform.

- **Data Reliability:** Verifies that all data files within your Sage 50 company are set up correctly and use the proper, required format. If errors are found, you will be instructed on what to do. In most cases, Sage 50 will attempt to correct data errors for you.

  **NOTE:** If you are working in a network environment, ensure that no other users are in your Sage 50 company when data reliability is run.

- **Data Access:** Verifies that your data path is valid and that Sage 50 can access all your data files successfully. For example, your data may be stored on a network. This test searches for all linked Sage 50 data files for the current open company.

**Both Tests (recommended):** Performs both the Data Reliability and Data Access tests. Sage 50 recommends that you choose this option.

Each time you run the data verification tests, Sage 50 automatically generates a verification error log and places it in your company's data directory; new verification information is added to the log each time the verification tests are run. The log lists all errors encountered during the tests, the start and finish times for the tests, and all changes made during verification, including any corrupt data records deleted.

**NOTE:** Once you verify data, Sage 50 strongly recommends that you back up your company data (in its repaired state).
Sage 50 Accounting allows custom security access for different users. If you want to take advantage of this security feature, you set up user rights for each person who will be using Sage 50. When set up, each user is issued a user name and password that is required before opening and working with company data.

**QUANTUM:** Sage 50 Quantum Accounting provides the ability to define Roles to more easily maintain user security.

Because access is specific to a company, if you work with multiple companies, you can set up users to have access to one or more of your companies and not others.

In order to implement data security and password protection, you must set up user records. When user names and passwords are set up, Sage 50 prompts you for a user name and password combination when you open a company. If you know the password, you can access the areas of the program to which you have rights.

**NOTE:** If you use the security feature, you must set up at least one user as company administrator. The administrator will have full access to the Sage 50 program AND will be able to set up and maintain company users and their passwords.

To set up security, access the Users icon on the Company navigation center, then Set Up Security.

**User List Tab**

The **User List** tab lists the users set up in Sage 50 Accounting. A user with access to another Sage 50 company, and not the current company, is listed with an asterisk.

Use the appropriate buttons to the right of the list to add, edit, copy and delete users. Passwords can be reset by clicking the **Reset Password** button, as shown below:

If an email program is assigned in Sage 50, the new password can be emailed to the user.
When a new user is added, the following window appears:

![User rights - Bellweather Garden Supply](image)

- **User name and password**: Enter a user name and password.
  
  **NOTE**: Passwords must be at least seven characters, and contain both letters and numbers.

**What type of access does this user need?**: Select the appropriate access for the user. If Selected access is chosen, the following window appears in order to customize the rights given to the user:

![Selected Access - Bellweather Garden Supply](image)

**FOR MORE INFORMATION**: See the Help in Sage 50 Accounting for additional information on security.
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