

Sage 50 - Level 1

Essential Skills for Everyday Accounting

Courseware #1668

Sage50



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Lesson 1: Introduction to Sage 50 Premium Accounting

Lesson Objectives

The objective of this lesson is to introduce you to the basic operation of Sage 50 Premium Accounting 2025. Upon successful completion of this lesson, you should know how to:

- ☐ Define what Sage 50 Accounting is
- ☐ Start and exit Sage 50 Accounting
- ☐ Identify the Sage 50 Accounting home window
- ☐ Move around Sage 50 Accounting
- ☐ Use the help system
- ☐ Understand the chart of accounts
- ☐ Create, modify, find, edit and delete accounts
- ☐ Save changes to data files
- ☐ Find and amend the company information
- ☐ Work with the session date
- ☐ Input dates into Sage 50 Accounting
- ☐ Change to accounting terminology
- ☐ Review the general module linked accounts
- ☐ Input, adjust, or reverse general journal transactions
- ☐ Store and recall recurring transactions
- ☐ Produce a general journal report
- ☐ Backup data files

Understanding Bookkeeping Systems

Accounting

Accounting is often referred to as the language of business.

Every business manager and owner need good financial information to make good business decisions. Orderly records of businesses' financial activities are called accounting records.

Bookkeeping

Bookkeeping is a system of record keeping, comprising the recording, summarizing and reporting of basic accounting information that provides business owners and managers with the information necessary to profitably manage their business.

Books of Record

In any bookkeeping system, financial information is recorded in various journals and ledgers referred to as **Books of Record**. Some common examples of these books of record are:

- General Journal
- General Ledger
- Accounts Payable
- Accounts Receivable

Each of these books has a specific purpose. The process of recording information in them follows very strict guidelines which will be outlined throughout the course.

Note: Canada Revenue Agency requires a minimum of: Journal and Ledger.

Bookkeeping for a Business

A *transaction* is any business dealing involving an exchange of goods or services for money. It may be a sale, a purchase, a loan or any activity in which money is shifted from one place to another. The money may be in the form of cash, cheque, charge slip or invoice.

The most basic tool for recording transactions is the *journal*, where transactions are recorded in a chronological order, the order in which they occur. This process is called making a journal entry or *journalizing*. Journalizing is followed by the next step, transferring the information from the journal to the ledger, called *posting*.

Double Entry Bookkeeping System

The double entry bookkeeping system is most useful because it provides built in checks and balances that help determine the accuracy of the work performed in a bookkeeping system.

This means that basically for every dollar entered as a debit, it will be offset with an equal dollar amount of credit.

The Fundamental Accounting Equation

The double entry bookkeeping system is based on the *Accounting Equation*. This is the formula that will ensure the accuracy of the work performed in the system.

It can be stated in two ways as follows:

Assets – Liabilities = Capital

Assets = Liabilities + Capital

Assets What the business owns

Any property the business owns is called an *Asset*. This includes any property that is not fully paid for. Any debt owed on such property will be listed as a liability.

Assets include such things as land, buildings, equipment, cash, accounts receivable, inventories.

Liabilities What the business owes

Any debt the business has owing to others are called *Liabilities*. This may include accounts payable, mortgages, bank loan payable, wages payable.

Capital What the business owes itself

The amount that would be left over after all debts of the business have been paid.

Revenue The earnings of the business

This is the money which comes in from the sale of products or services. This includes but is not limited to accounts (records of the same type of activity) such as the following:

Construction Business	Flower Shop	Service Station /Convenience Store
Housing Construction Sales	Cut Flower Sales	Fuel Sales
Renovation Sales	Dried Flower Sales	Oil Sales
Contract Sales	Live Plant Sales	Parts Sales
	Delivery Revenues	Confection Sales
		Cigarette Sales

Expenses The costs of doing business

These are funds to pay for things needed by the business to generate revenues.

Examples are: Advertising, Bank Charges, Office Supplies, Telephone Expense, Utilities Expense, Miscellaneous Expenses

Financial Statements	A set of Financial Statements usually comprises two documents – the Balance Sheet and the Income Statement.
Balance Sheet	This is like a snapshot of the business at a certain point in time. Several balance sheets over a period of time for one business will provide a reasonable assessment of the health of the business.
Income Statement	This is a report that shows the results of the business activities over a period of time. The time frames are usually monthly, quarterly, semi-annually, and annually.

Analyzing Transactions

The process of analyzing transactions is determining what information is needed from the source document (a piece of paper that provides the needed information of a business transaction) to create and record the entry into the bookkeeping system.

Making Journal Entries

Once the transaction has been analyzed, then a journal entry must be completed, and posted to the relevant ledger.

When bookkeeping was manually completed on paper, huge journal and ledger books were

maintained with each transaction recorded individually. Since the advent of computers the mundane aspects of these procedures have been taken over by programs such as Sage 50 Accounting and others.

The benefit has been less work for the bookkeeper and increased accuracy of the entries, and thus a vast array of reports and information available to management.

However, the background processes of these computer programs continue to maintain the basics of the double entry bookkeeping system. This has been the standard for bookkeepers since 1494 when Luca Pacioli first described the system of debits and credits in journals and ledgers that is still the basis of today's accounting systems.

Overview: What is Sage 50 Premium Accounting 2025?


Sage 50 Premium Accounting 2025 is an integrated, modular accounting package suitable for most small to medium-sized businesses needing such accounting modules as the General Ledger, Accounts Payable, Accounts Receivable, Canadian Payroll, Inventory, Time and Billing and Project (Project) Costing.

Sage 50 Accounting is a popular program as it includes a variety of important and “user-friendly” features.

- When using the program, windows and data entry screens resemble their actual digital or paper counterparts; for example, the Sales Journal screen resembles a standard invoice form.
- The package is easy to learn, providing you with icons, menus and toolbars, as well as keyboard-activated commands.
- You can customize the package to your needs with such options as interest on overdue receivable accounts, using non-accounting terminology, varying the aging periods for Receivables and Payables.
- Payroll entry is quick and straightforward, eliminating the need for manual tax table searching with current payroll tables. (Additional fees apply.)
- You can track profitability by job or project to determine the most profitable areas of your business.
- You can keep accurate track of your inventory, including inventory turnover and minimum inventory levels.
- You can customize and print or email invoices, cheques and statements.
- You can print/email professional reports without wasting time designing and formatting.
- In one easy report, you can track all Sales Taxes, (GST, HST and PST) paid or received on transactions processed using the Payables and Receivables modules.
- The program offers extensive help and on-line accounting advice, as well as assistance available from local Certified Consultants or Premier Advisors.
- You have the ability to use Purchase Orders, To Do Lists, Check Lists, Business Advice, Sage 50 Wizards and toolbar buttons.
- The bank reconciliation feature can be fully automated with downloaded statements from the Internet (discussed in the Level 2 courseware).
- This version enables you to export data to Microsoft Excel, Access or other programs, provides automatic advice, a credit card section, lets you update budget amounts, provides the ability to create quotes to customers or quotes from vendors, and keeps track of shipping information and management reports.
- It also provides automatic import of emailed invoices, orders and quotes. You can send emails to vendors and customers directly from the vendor and customer ledgers, and email invoices to customers.
- The software also provides for maintenance of accounts in foreign currency (discussed in the Level 2 courseware).

Starting Sage 50 Accounting

There are a number of ways to start Sage 50 Accounting, depending on how it was installed on your system and your version of Windows. In Windows 10 the following options are available:

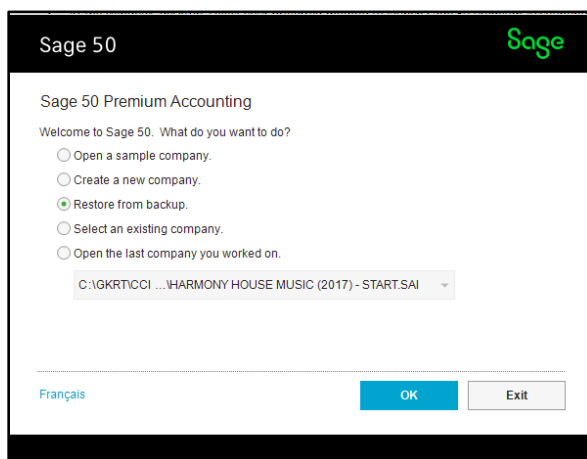
- Click the **Start** button/icon , and then **All Apps**. Scroll to the **Sage** folder and click to open it, select **Sage 50 Premium Accounting Version 2025**.
- From the **Windows** button select the program from the Most Used list (available after having opened the program a number of times).
- Double-click the **Sage 50 Premium Accounting Version 2025** icon on the desktop if available.

This courseware requires the data to be saved on a hard drive. Please see the Preface for instructions on how to download the data files from www.ccilearning.com and then expand the data files to a designated place, as directed by your instructor.

1 Learn the Skill

2  In this exercise, you will learn how to start Sage 50 Accounting.

1. At the Windows desktop, select your preferred method to launch Sage 50 Premium Accounting.
2. Any one of the three methods will lead you to the following window:



3. Leave this screen displayed for the next exercise to learn more about the Select Company window.

Selecting a Set of Data Files

Every time you enter the Sage 50 Accounting environment, the opening screen or window asks you to select the company data files to use from existing data files stored on your computer or network. This enables you to have several companies' accounting data files on your hard disk.

If you are just beginning to work with Sage 50 Accounting, you will not have any existing accounting data files and you will have to create them. You can create a new set of files from scratch by entering all of the General Ledger accounts. Alternatively, you can create a set of files by using the "starter" data file templates that come with Sage 50 Accounting.

In the Level 2 courseware, you will learn to create the accounting data files from scratch. Creating a company and preparing data files using one of Sage 50 Accounting's pre-defined Chart of Accounts

templates are covered in the Appendix of this courseware. For this courseware, you will work with a set of data files that have already been set up for you.


From the Welcome to Sage 50 screen, you will see the following:

Open a sample company	Use this feature as a tutorial and a learning tool to help you learn Sage 50 Accounting. This can also be very useful to review how the professionals completed some more complicated transactions.
Create a new company	When you are starting a new company, you can choose to start from scratch or select among the many Chart of Accounts templates provided by Sage 50 Accounting.
Restore from backup	Restore from your backup data in the event your current data file is corrupt and you are unable to open it in Sage 50 Accounting.
Select an existing company	When you want to use one of the companies you worked on previously.
Download a Sage Drive company	Allows you to store your data on the cloud, with the ability to access it from any internet location. Requires the purchase of an additional service plan.
Open the last company you worked on	Open the file for the last company you worked on. This option will not appear the first time you start Sage 50 Accounting.
Do not show the Select Company window at startup	Select this option to bypass the Welcome to Sage 50 window and take you directly to the Sage 50 Accounting Open Company window to select an existing data file. Except for experienced users, it is generally not a good idea to checkmark this box.

If you decide to store your company data files on your own hard disk, store these files within the *Sage 50 Premium Accounting Version 2025\blankdb* folder (generally found in C:\Program Files (x86)). Sage 50 Accounting has created this folder for this purpose so that you can easily locate your company data file(s).

Throughout this courseware, the material assumes that the default drive for saving data files of information is your hard disk drive, usually Drive C. Check with your teacher to learn where you should save the files, or where they may be located on the network, for your course.

Learn the Skill

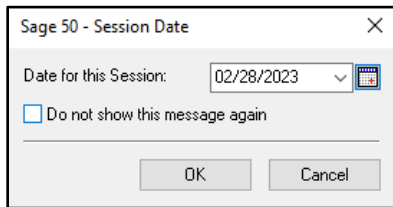
 *In this exercise, you will restore and open an existing company data file.*

Harmony House Music is one of the companies included in the student data file download. It is used for the Learn the Skill exercises, as well as the practice exercises at the end of each lesson.

For Sage 50 Accounting to use this data file, it must be restored to the computer.

1. In the Sage 50 window select **Restore** from backup and click **OK**.
2. In the Restore from Backup dialog box click **Next**.
3. Click **Browse** to locate the Harmony House Music 2023.0 - Start1.CAB file, select the file and click Open.
4. In the Select Backup File dialog box click **Next**.
5. In the Confirm Backup File dialog box click **Next**.

6. Browse to the folder where the restored data file is to be stored, and type: HHM Lesson 1 - your name in the File name field to replace the word New and click **Save**. (Use your own name to replace the words your name).
7. In the New File Name dialog box click **Next**, then **Finish**.
 - The data file will be restored and Sage 50 Accounting will proceed to open it.
 - If you are working with a later version of Sage 50 Accounting you may be asked to upgrade the data file to the more recent version. The data file for this course was created using Release 2023.0. In the event you need to upgrade accept all the prompts by clicking Next and finally Finish.



8. The Session date should be February 28, 2023 (02/28/2023). Click **OK** to accept the Session Date.

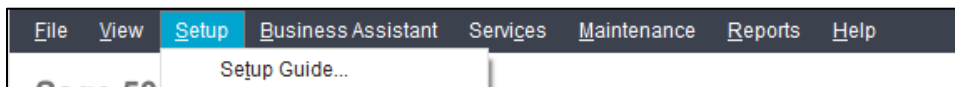
As you progress through the exercises in this course, you may occasionally note a variance in the image displayed on your computer screen to that shown in the manual. There are a number of reasons for that to occur. The version used to create this courseware is the Sage 50 Premium Accounting Education version. Sage 50 occasionally creates updates, which may contain slight enhancements and/or changes. This will not affect the overall operation of the program.



Learn the Skill

This exercise displays ways of assisting you to make changes in various modules in Sage 50 Accounting without going through the Home window.

1. If necessary, close the Checklists window and the Daily Business Manager window. These two windows usually appear on top of one another (the Daily Business Manager window may be hidden behind the Home window). Later in the courseware, the Daily Business Manager will be used.
2. In the Add Records area of the Welcome to Sage 50 window, click **Open the Setup Guide**. (Click Setup on the toolbar on the top and then click on **Setup Guide**)



3. In the Setup Guide window, click the **Customers** option and the following window will be displayed:

Setup Guide - Customers

File Edit View Help

Add Customer Remove Customer Edit Customer

Customer Setup

Edit contact information about your customers. To add more information about a customer, double-click the name to open the customer record.

[Watch tutorial](#)

Customer*	Contact	Telephone	Email	Street 1	Street 2	City	Province	Postal Code
School Board District #56	Robert Jones	604 403-6539			3745 Maple ...	Burnaby	BC	V2S 4E3
Baier's Music School	John Baier	604 459-3256		78945 Main St.		Port Coquitlam	BC	V3T 6G9
Big Brothers & Sister...	Jackie Brently	604 555-1257		3861 Frontier St.		Maple Ridge	BC	V2T 5Y7
Deborah Mackie	Deborah J. ...	(604) 569-7951			4509 Lakep...	Burnaby	BC	V1S 3T6
H.G. Palmer Second...	Pamela Smith			9587 Queen St.		Burnaby	BC	V1S 4C5
Maple Ridge Marchin...	Judy Denver	604 479-6954	judyd@shaw.ca	4378 Elm St.		Maple Ridge	BC	V3P 5T6
Pitt Meadows Eleme...	Mr. James R...	604 788-3564		5984 Agassiz ...		Pitt Meadows	BC	V3P 4W5
Richmond Symphony...	Gerald Mast...	604 886-3547		P.O. Box 567		Richmond	BC	V3S 6T7
Terry Fox Secondary	Ms. Nicole S...	604 942-3399	nicole@fox.ca	123 Wellngto...		Port Coquitlam	BC	V3B 2J9

Number of Customers: 9 Total Balance Owing: \$23,442.98

*Required Field

Close Help

4. Locate H.G. Palmer Secondary School. Click in the Telephone field and enter the following phone number: 6044034325.
5. Find Deborah Mackie, and in the address area, copy the address information from Street 2 to Street 1 and then delete the address from Street 2. The Telephone number for Deborah is incorrect, replace 569 with 403.
6. Similarly, copy the address for the School Board District #56 from Street 2 to Street 1 and clear the Street 2 field.
7. Enter the E-mail address for Pitt Meadows Elementary as follows: j.royal@pme.edu.
8. Click the **Close** button.
9. Click **Close** twice more to close the Setup Guide and Welcome to Sage 50 windows.

Looking at the Home Window

Sage 50 Premium Accounting now displays the Sage 50 Accounting – Home window. This is the window you see after you load the program. The view shown below is the Enhanced View for the Customers & Sales (Receivable) module. We will be using the Enhanced View throughout this courseware.

The screenshot shows the Sage 50 Premium Accounting Home window. The interface includes a menu bar, a toolbar, a navigation bar, and a main workspace. The workspace is divided into several sections: a left sidebar with navigation links, a central area with task icons, and a right pane showing customer data and reports.

Numbered callouts identify the following elements:

1. Control Icon
2. Title Bar
3. Menu Bar
4. Toolbar
5. Journal Icons
6. View
7. Navigation Bar
8. Shortcuts
9. Status Bar
10. Current User

1. Control Icon	Contains the Control Menu to select such options as Restore, Move, Size, Minimize, Maximize and Close. These options are standard Windows options available on most Control icons.
2. Title Bar	Contains the name of the active data file, for example, HHM LESSON 1 – YOUR NAME.SAI.
3. Menu Bar	Provides access to the main menus (File, View, Setup, Business Assistant, and so on). Each main menu contains a different set of commands or features to manipulate the data.
4. Toolbar	Use the buttons on the toolbar in the Home window to perform various actions that are shortcuts for menu-activated functions.
5. Journal Icons	Access journals to enter transactions such as General Journals, Account Reconciliations, Vendors, Purchases, Orders & Quotes, Payments, Customers, Sales, Orders & Quotes, Receipts, Employees, Paycheques, Payroll Cheque Run, Inventory & Services, Item Assembly, Inventory Adjustments and Projects. If you point to a journal icon, a description of the icon's function appears in the status bar at the bottom of the Home window (only in Classic View). Some icons have an arrow attached to them. This is an indication that menu choices are available. Clicking the arrow opens a drop-down menu of those choices. Clicking directly on the icon activates the default attached to that icon.
6. View	Allows the user to switch from the Enhanced View to the Classic View depending on their preference and familiarity with the software. The Enhanced View feature is used to save time and enhance usability.
7. Navigation Bar Options	Accesses the data areas to manipulate items such as General Ledger, Vendors & Purchases (Accounts Payable), Customers & Sales (Accounts Receivable), Employees & Payroll, Inventory & Services, Projects, Banking and the Dashboard (a management tool which provides an instant snapshot of the business' key performance indicators.)
8. Shortcuts	Allows the user to create customizable shortcut lists to add links to the features most commonly used.
9. Status Bar	In the Classic View the Status Bar displays help or status messages when you point to an icon or a field.
10. Current User	Identifies the user currently logged into Sage 50 Accounting using these files. If using a single user copy (as in the case of this courseware), the user name will show as sysadmin until you set up individuals to use Sage 50 Accounting on this computer. On a network, the person designated as the Administrator will set up the user names and will require you to log in with a user name and password before you can open Sage 50 Accounting.








Learn the Skill

In this exercise you will view a report which will be added to your commonly viewed reports list.

1. Select the **Payables** module located in the Navigation Bar on the left side of the Home window.

Customers			Balances as of: 12/31/2022
Customer Name	Telephone	Balance	
▼ School Board District # 56	604 403-6539	\$0.00	
▼ Baier's Music School	604 459-3256	\$0.00	
▼ Big Brothers & Sisters Club	604 555-1257	\$2,297.75	
▼ Deborah Mackie	(604) 569-7951	\$252.00	
▼ H.G. Palmer Secondary School		\$689.89	
▼ Maple Ridge Marching Band	604 479-6954	\$1,948.80	
▼ Pitt Meadows Elementary	604 788-3564	\$0.00	
▼ Richmond Symphony Orchestra	604 886-3547	\$14,941.85	
▼ Terry Fox Secondary	604 942-3399	\$3,312.69	

- Move the mouse to point to the  within the Vendors heading on the right side of the window. Click the  and the list of Vendors will disappear. This is known as "collapsing" the view.
- Click the  of the Vendors heading to show the expanded view.
- In the Reports area click the drop-down arrow, select the **Vendor Aged Summary** report, and click the  button.




Vendor Aged Summary


Create

Report Centre

- The report can be modified, exported, customized, and so on, which will be discussed later in the course.

Customer Aged Summary						
File Options Help						
Print Print Preview Change Print Settings Export Open in Excel® Modify Refresh						
As at: Today Date: 02/28/2023						
Harmony House Music (2023) - Your Name						
Customer Aged Summary As at 02/28/2023						
Name	£	Total	Current	31 to 60	61 to 90	91+
Big Brothers & Sisters Club		2,297.75	-	-	-	2,297.75
Deborah Mackie		252.00	-	-	-	252.00
H.G. Palmer Secondary School		689.89	-	-	-	689.89
Maple Ridge Marching Band		1,948.80	-	-	-	1,948.80
Richmond Symphony Orchestra		14,941.85	-	-	-	14,941.85
Terry Fox Secondary		3,312.69	-	-	-	3,312.69
Total outstanding:		23,442.98	-	-	-	23,442.98

- Click  to close the report.
 - In the Recent Reports area, the last report viewed will appear. This feature saves you time when viewing common reports. Depending on the activity in the data file, the Recent Reports list may vary from one computer to the next.

Reports	
 <div>Customer Aged Summary</div> <div>Create</div>	
Report Centre	
Recent Reports	
Customer Aged	Open
Supplier Aged	Open
All Journal Entries	Open
General Ledger	Open

Moving Around

Sage 50 Accounting supports both mouse and keyboard-activated commands.

To move around the Home window using the mouse or keyboard, do one of the following:

- Click the **Payables** module on the left side of the screen. Press the **DOWN** arrow on the keyboard. Sage 50 Accounting moves to the next module (Inventory & Services). You can then continue by using arrow keys to navigate to the available module icons.
- When using the mouse, point to the icon or menu item you want, and then click the left mouse button.
- To access commands from the menu bar, press the **ALT** key and the associated underlined character that appears for each of the menu items. For example, press **ALT+F** to access the File menu or press **ALT+H** to access the Help menu.



Learn the Skill

In this exercise, you will learn to hide a module icon that will not be used in the Receivables window. The use of Projects and Time & Billing modules is covered in the Level 2 courseware.

1. Select the **Receivables** module. You will see the following in the Tasks area:

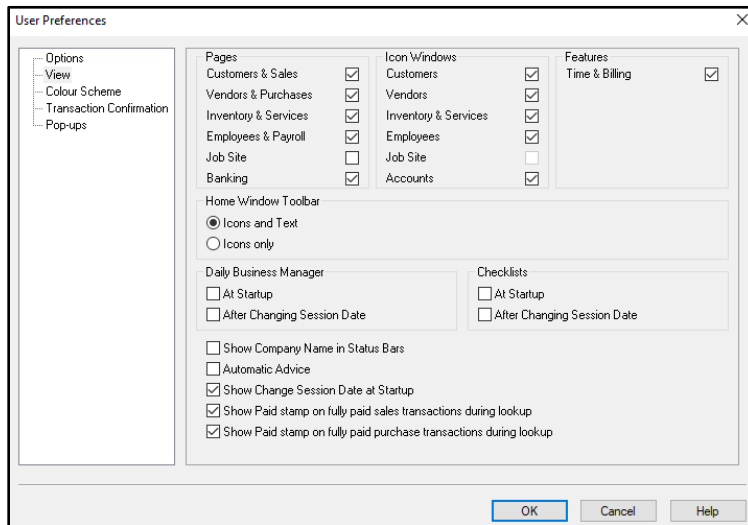


2. From the Menu bar, click **Setup, User Preferences**, and then select **View** from the pane on the left.
3. In the View tab, clear the check mark next to Time & Billing in the top-right corner, by clicking it, then click **OK**.



Notice that the Time Slips icon no longer appears.

4. You will now remove the Project module icon. Click **Setup, User Preferences**, select **View**, and in the View tab, click to remove the checkmark from the **Project** option in the Pages section.



Both checkmarks under Pages and Icon Windows have been removed. All icons and windows associated with Job Sites are no longer available.

5. Click **OK**.

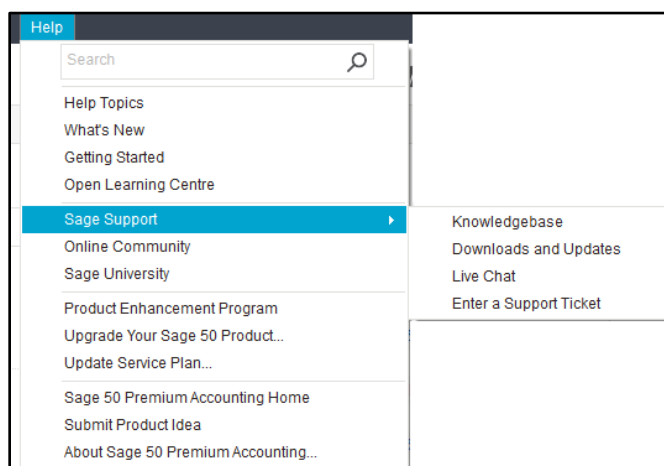
Both modules have been removed from view and can be restored to the view by repeating the process above, and placing a checkmark next to Projects and Time & Billing.

A message may appear prompting you about the removal of these items. Leave Projects and Time & Billing hidden for the remainder of this lesson.

6. If necessary, click **Yes** to confirm the removal of these items on the screen.

Using the Help System

There will be times when you may require immediate help for a particular task or problem. To access the Help system, click the **Help** menu and choose one of the following options:

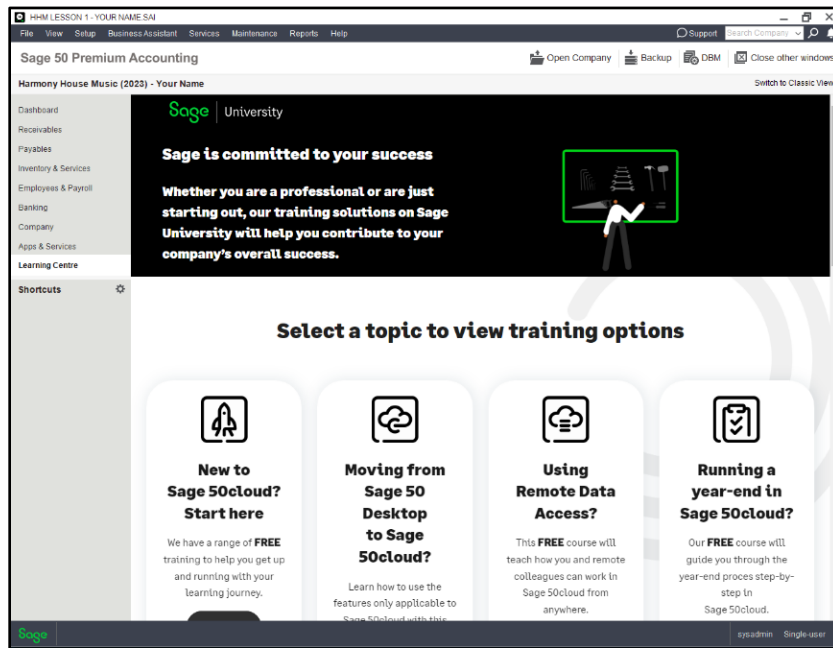


Search	Enter a search string to locate related Help topics.
Help Topics	Provides step by step instructions how to perform various tasks
What's New	Opens the online help to see what's new or what has changed in this version.

Getting Started	Opens the PDF version of the Getting Started Guide. Requires Adobe Acrobat Reader to view. The guide walks you through various topics such as Setting Up Your Company, Setting Up Customers & Vendors, Setting Up Items, Setting Up Payroll, Setting Up Projects, Reporting, and System Administration.
Open Learning Centre	Provides video tutorials for various topics, training resources, go online to connect with peers, business partners, and support specialists.
Sage Support	Provides additional methods to contact Sage. Some will require the purchase of a service plan.
Online Community	Provides contact to other users of Sage products to raise issues on an immediate basis.
Sage University	Provides schedules for on-line courses as well as classroom instruction in various locations across Canada.
Product Enhancement Program	Allows users to participate in the collection of statistics by Sage as to the use of the software. Data collected includes the Sage product used, use of Sales window, operating system used on computer, product serial number, Payroll Service status.
Upgrade your Sage 50 Product	You can upgrade your current version of the program to a higher version (Quantum Edition) if you or your company require more advanced features and functionality only offered in the higher versions of the software. An agent will be able to provide you with an upgrade price and key code to unlock the version from your current program to save you time from purchasing another CD or downloading the program again.
Sage 50 Premium Accounting Home	A direct on-line link to Sage 50 Home page.
Submit Product Ideas	Submit ideas for product enhancement in a group environment.
About Sage 50 Premium Accounting	Displays information about this installation of Sage 50 Accounting, including registration information, serial number, key code and ID numbers, as well as the program release (version) number, and validity dates of the tax tables incorporated in the software.

The Learning Centre

The Learning Centre allows you to view classroom courses being offered throughout Canada, view common FAQ's (Frequently Asked Questions) from the Knowledgebase, and access the forum/blogs and view contact information if you require support. Any updates to the Learning Centre are automatically downloaded and updated to the program if you are connected to the Internet. In addition to the Learning Centre, the video tutorials available in the Getting Started window can also be accessed here. The topics displayed in this screen will change from time to time and students are encouraged to explore areas of interest to familiarize themselves fully with the available material.



Understanding the Chart of Accounts

Before making entries within Sage 50 Accounting, you must first define a Chart of Accounts for your company. This Chart of Accounts works using five main account groups. These are:

Balance Sheet			Income Statement	
┆ Assets	┆ Liabilities	┆ Equity	┆ Revenue	┆ Expense

The Chart of Accounts will contain accounts such as bank accounts, accounts receivable and payable, inventory accounts, equity accounts, revenue, and expense accounts. Your Chart of Accounts can be simple or complex but must adhere to the following guidelines:

For Balance Sheet accounts:

- For **Asset** accounts, assign account numbers from 1000-1999.
- For **Liability** accounts, assign account numbers from 2000-2999.
- For **Equity** accounts, assign account numbers from 3000-3999.

For Income Statement accounts:

- For **Revenue** accounts, assign account numbers from 4000-4999.
- For **Expense** accounts, assign account numbers from 5000-5999.

The numbering system shown above uses four digit account numbers. While this is standard and generally used by most companies, Sage 50 Accounting permits account numbers to vary from four to eight digits.

You should also adhere to the following recommended general ledger account structure:


- Leave plenty of room between account numbers to allow for future growth. For example, if you number accounts without any spaces or gaps between the numbers you assign, you may have a problem if you want to add an account within a particular range at a later date. Remember that you have 1000 account number spaces for each type of account (Assets, Liabilities, Equity, Revenue and Expenses).

- Place accounts in the order of liquidity. For example, when you are entering the current asset accounts, place your petty cash and bank account before your accounts receivable and inventory. This is a standard practice so that external readers of your financial statements can easily determine the “liquidity” of your balance sheet accounts (the relative ease that you can convert them into cash). Do the same for the liabilities—you should place them in order of timing of payment. For example, you pay accounts payable before making the current bank loan payment; therefore, list the accounts payable first.

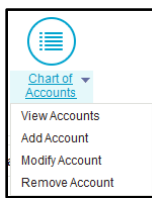
Most business enterprises consult and are guided by the advice of an accountant when creating a Chart of Accounts. The accountant typically provides a suggested Chart of Accounts, as well as recommends a format and layout for the Balance Sheet and Income Statement. This is important, as it will determine the Account Type (see next topic) to be allocated in Sage 50 Accounting.

The Chart of Accounts has already been set up for you for the exercises in this courseware. You are going to make a few minor changes and additions to the Chart of Accounts.

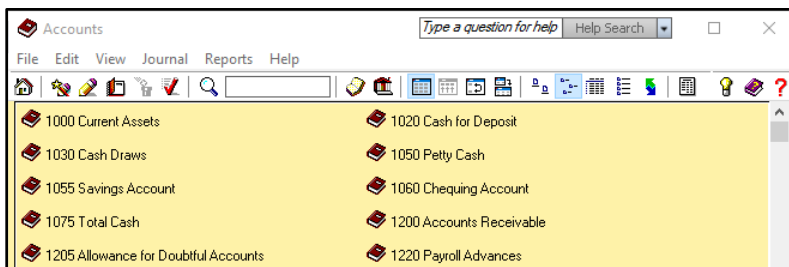
1 Learn the Skill



2  In this exercise, you will learn to access the Accounts window.

- Select the **Company** module from the left pane, and then click the **Chart of Accounts** icon (if you have clicked on the drop-down arrow, select **View Accounts**).



- Click **View**, then **Small Icon** to change your view to look similar to the following:



You can also click one of the **Display** (   ) buttons on the toolbar to change the view.

The Accounts window displays the General Ledger accounts that have already been created. Along the top of the Accounts window, you can select from the following menu options:

File	Offers options to open, create or remove a particular General Ledger account.
Edit	Use to search for a particular General Ledger account.
View	Change the view mode Sage 50 Accounting uses to display the General Ledger accounts in the Accounts window or bring the Home window to the front.
Journal	Use to enter a transaction for the General Journal or a Reconciliation & Deposits Journal.
Reports	Provides easy access to all General Ledger reports. This includes such reports as the Trial Balance, Balance Sheet, and Income Statement.
Help	Provides easy access to the Help system.

- Click each item on the menu bar. Familiarize yourself with each menu.

You can access the same functions described above by clicking the buttons on the toolbar.

4. Point to each button and identify them for future use.

Any button in colour on the toolbar means that particular item is active; a button that is greyed out indicates the feature is unavailable at this time.

5. When done, close the Accounts window to return to the Home window.

Account Types

The Account Type field is a very important aspect of Sage 50 Accounting because it enables you to format the financial statements (Balance Sheet and Income Statement) presentation, as desired. Consider the following partial sample Balance Sheet:

City Computers Inc. Balance Sheet January 31, 2023	
Assets	
Bank Account	\$7,000.00
Petty Cash	250.00
Accounts Receivable	2,630.00
Prepaid Expense	1,200.00
Furniture & Fixtures	5,600.00
Accum. Depreciation - Furniture/Fixtures	(1,425.00)
Total Assets	\$15,255.00

While this Balance Sheet is correct, it does not display the accounts in an easy-to-read format. All the company's assets are grouped together (current and fixed assets), and it is not easy to determine the total cash in this business. It is also difficult to determine the net value of the fixed assets (Furniture & Fixtures and Accum. Depreciation - Furniture/Fixtures).

The types of accounts you can choose when assigning a type to each account are:

Section Heading	Identifies the main sections of the balance sheet and income statement. The following Section Headings are used: ASSETS , LIABILITIES , EQUITY , REVENUE , and EXPENSE . These are automatically printed by the program in bold capital letters, and cannot be changed. The five headings and their appropriate account numbers were listed in the previous topic.
Group Heading (H)	Use this to signal the start of a new group of accounts. You cannot assign or post any details (transactions or balances) to this account type; use it as a display header only, Current Assets, for example.
Subgroup Account (A)	Use this to have Sage 50 Accounting display an account in the left column in a financial statement. Balances will be subtotaled in a Subgroup Total account type before going back to using the standard Group Account.
Subgroup Total (S)	Use this in conjunction with the Subgroup Account type. You need this account type to display the subtotal of the left column accounts specified in the right column.
Group Account (G)	Use this for all other accounts that Sage 50 Accounting does not display as Subgroup Account, Group Heading, or Group Total accounts. This is the default account type whenever you create a new General Ledger account. The account balance displays on its own in the right column of figures on financial statements.


Group Total (T)	Use this in conjunction with a Group Heading account type to indicate you have reached the end of an account group (i.e. Current Assets) and want to total this account group (i.e. Total Current Assets).
Section Total	A total that matches the main sections of the balance sheet and income statement. The following Section Totals are used: TOTAL ASSETS, TOTAL LIABILITIES, TOTAL EQUITY, LIABILITIES & EQUITY, TOTAL REVENUE , and TOTAL EXPENSE . The section totals add all block totals in the section together, and are automatically printed in bold capital letters. They cannot be changed.
Current Earnings (X)	A system "X" account whose balance shows the net difference between the postable revenue account totals and the postable expense account totals. The program automatically recalculates the Current Earnings each time an entry is made that affects a revenue or expense account in order to balance the Balance Sheet. This is a system account that cannot be changed in any way or deleted—it is also not a postable account. As this account represents the balancing factor in the Balance Sheet, it will not be included in the figures shown on a Trial Balance.

The following general rules may be helpful:

- an **H** (Heading) account must always have a **T** (Total) account somewhere below it.
- a list of **A** (Subgroup) accounts must always have an **S** (Subtotal) account at the end.
- a **G** (Group) account cannot be placed in a list of **A** (Subgroup) accounts.
- a **G** (Group) account stands on its own in the right column of figures in the financial statements.

Based on the characteristics of each account group, the previous partial Balance Sheet has been changed to incorporate the Account Groups along with Account Numbers, as shown in the partial sample in the following:

City Computers Inc. Balance Sheet January 31, 2023			
Assets			
1000 - Current Assets			Group Heading (H)
1020 - Bank Account	7,000.00		Subgroup Account (A)
1040 - Petty Cash	250.00		Subgroup Account (A)
1060 - Net: Cash		7,250.00	Subgroup Total (S)
1200 - Accounts Receivable	2,630.00		Subgroup Account (A)
1210 - Advances Receivable	0.00		Subgroup Account (A)
1220 - Net Receivable		2,630.00	Subgroup Total (S)
1300 - Prepaid Expense		1,200.00	Group Account (G)
1490 - Total Current Assets		11,080.00	Group Total (T)
1500 - Fixed Assets			Group Heading (H)
1510 - Furniture/Fixtures	5,600.00		Subgroup Account (A)
1520 - Accum. Deprec-Furniture (1,425.00)			Subgroup Account (A)
1530 - Net Furniture/Fixtures		4,175.00	Subgroup Total (S)
1590 - Total Fixed Assets		4,175.00	Group Total (T)
Total Assets		\$15,255.00	


Sage 50 Accounting is unable to generate financial statements unless the Chart of Accounts is correctly constructed. This can be checked by clicking  **(Check the validity of accounts)** in the Accounts window. It is generally a good idea to check the validity of accounts after having added a few accounts or modified the account structure. Even experienced Sage 50 Accounting users occasionally make mistakes. The best way of viewing the Chart of Accounts is the **Type** view, as it not only shows the layout of the accounts, but provides additional information such as the current account balance.

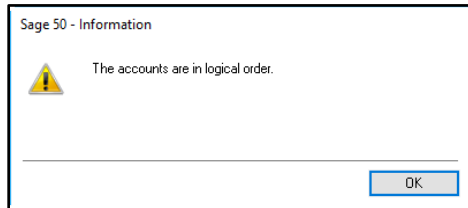
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In this exercise, you will learn to check the validity of the Chart of Accounts, and to change the way the information in the Accounts window is displayed.

1. If necessary, select the **Company** module from the left pane. Open the Accounts window by clicking the **Chart of Accounts** icon. Check the validity of the accounts by clicking  (**Check the validity of accounts**) in the Accounts window.



2. Click **OK** to close the Information window.
3. Click **View** in the menu bar, and select **Type** to change the way the accounts display. (Retain this method of viewing the accounts for the remainder of the course). If necessary, widen your window to display the balance of each account.
4. In the Search field, type the number: 1 to jump to **1000 Current Assets**.

	Type	Balance
1000 Current Assets	H	
1020 Cash to be deposited	A	0.00
1030 Cash Draws	A	0.00
1050 Petty Cash	A	0.00
1055 Savings Bank Account	A	0.00
1060 CIBC Chequing Bank Account	A	9,281.21
1067 Foreign Currency Bank	A	0.00
1075 Total Cash	S	9,281.21
1080 Visa Receivable	A	0.00
1082 MasterCard Receivable	A	0.00
1084 American Express Receivable	A	0.00
1086 Other Credit Card Receivable	A	0.00
1088 Online Payment Receivable	A	0.00
1090 Total Payment Receivables	S	0.00
1100 Investments	G	10,000.00
1200 Accounts Receivable	A	23,387.78
1205 Allowance for Doubtful Accounts	A	0.00
1220 Payroll Advances	A	0.00

5. Close the Accounts window to return to the Home window.

Creating Accounts

From the Accounts window, there are two ways you can create new ledger accounts: using the Account Wizard to guide you through all the different steps of creating an account, or using the **File, Create** feature to present all information on one screen.

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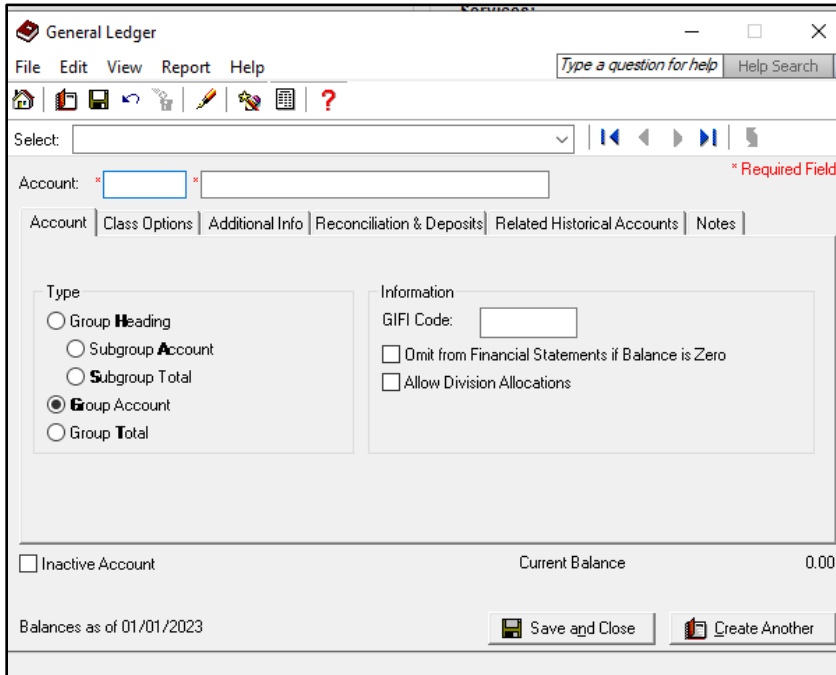
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In this exercise, you will create General Ledger accounts using the File, Create feature.

1. If necessary, click the **Company** tab from the left side of the window. Click **Chart of Accounts** (if you clicked on the drop-down arrow, select **Add Account** and go to step 3).

- From the Accounts window menu bar, click **File, Create** or click  (**Create**) on the toolbar. The General Ledger window opens.



- In the Account field, type: 1150 and press **TAB**. In the second Account field, type: Guaranteed Investment Certificate.

Press the **TAB** key or use the mouse to move between fields.

- If necessary, in the Type area, click **Group Account**.
- Skip the **GIFI Code** field. Please read the following:

Corporations must include financial statements when filing a T2 Corporate Tax Return. The General Index of Financial Information (GIFI) is the standard method of filing this information adopted by the Federal Government. You can obtain a full list of all GIFI codes from the Canada Revenue Agency or from their Web site at www.cra-arc.gc.ca (use their search tool and enter GIFI as the keyword). When you use the built-in Setup Wizard to construct your initial set of accounts, Sage 50 Accounting will automatically insert the GIFI codes into these accounts for you. However, when you add new accounts or change the use of an account, you will have to find the correct GIFI code and enter it manually.

- Skip **Omit from Financial Statements if Balance is Zero**.

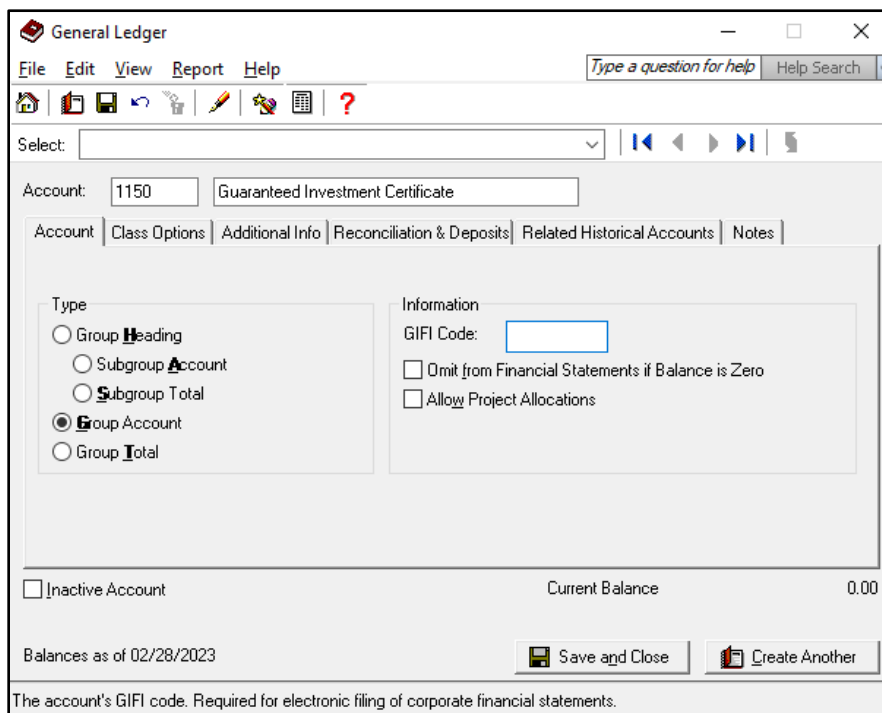
This option will omit this account from the financial statements if its balance is zero.

- Skip **Allow Projects Allocations**.

The option to allocate amounts to Projects or departments from this account will be covered in Level 2. Note that this applies only to Revenue and Expense accounts.

Under some circumstances the Allow Projects Allocations may already be activated. If that is the case, remove the checkmark to deactivate the option.

Your screen will be similar to the following:



8. Click the **Class Options** tab below the Account number. Change the Account Class to **Cash Equivalents**.

At this point, you have two choices in saving your information:

- **Save and Close** will save and close the General Ledger window;
- **Create Another** will save and give you the option to input a new ledger account.

9. Click Create Another.

You can cancel the creation of an account any time by clicking **Close** and then **No**.

- Create the following new account:

Acct	Account Name	Account Type	Class Options
5620	Bad Debt	Group Account	Bad Debt Expense

10. Click **Save and Close**. Leave the Accounts window open for the next exercise.



Modifying Accounts

Within the Accounts window, you can access, modify, and delete previously entered General Ledger accounts.

Finding and Modifying an Account

Sage 50 Accounting provides several methods to quickly and easily locate the required account:

- Select **Edit** from the menu, then **Search**. In the Search field type either the **Number** or the **Name**; or
- With the Chart of Accounts window open, use the scroll bar at the right side of the Chart of Accounts, scroll until the required account is visible, then double-click to open the General Ledger for the account; or

- Click the  (**Edit**) button in the toolbar of the Chart of Accounts window.
- Once the Chart of Accounts General Ledger window is open you can use the following to find the account you want to edit:
- Use the  on the right of the **Select** field; or
- Click the down arrow beside the **Select** field and then use the vertical scroll bar.




Learn the Skill

In this exercise, you will find and modify General Ledger accounts using the Edit, Search feature.

1. From the menu bar click **Edit, Search** or click  (**Search**) on the toolbar.

2. In the **Search** field type: 1060, click **OK** or press **ENTER**.

You can also double-click the account in the list, or click  (**Edit**) from the toolbar to change an account.

3. In the second **Account** field, change the description from Chequing Account to: CIBC Chequing Account.

4. Click the **Class Options** tab and fill in as shown:

Chart of Accounts Records

Select: 1060 Chequing Bank Account

Account: 1060 CIBC Chequing Bank Account

Account Class Options | Reconciliation & Deposits | Additional Info | Related Historical Accounts | Notes

Account Class: Bank Account Type: Chequing

Institution: CIBC Next Deposit No.: 1

Branch Name: Main Branch

Transit Number: 600000100

Account Number: 159753

Web Site: Home Page: http://www.cibc.com Online Banking Login: https://www.cibc.com/onlineba

☐ Inactive Account Current Balance 19,599.86

Balances as of 02/28/2023 Save and Close

5. Click **Save and Close**.
6. Following the previous steps, click **Edit, Search** and modify account 1055 Savings Account to 1055 CIBC Savings Account. Then modify the **Class Options** tab.

Select: 1055 Savings Account

Account: 1055 CIBC Savings Account

Account Class Options | Reconciliation & Deposits | Additional Info | Related Historical Accounts | Notes

Account Class: Bank Account Type: Savings

Institution: CIBC Next Deposit No.:

Branch Name: Main Branch

Transit Number: 600000100

Account Number: 159753

Web Site: Home Page: http://www.cibc.com Online Banking Login: https://www.cibc.com/onlineba

☐ Inactive Account Current Balance 0.00

7. Click **Save and Close** to close the General Ledger window. Leave the Accounts window open for the next exercise.

Deleting Accounts

To delete or remove an existing General Ledger account, you must first locate the account so that Sage 50 Accounting displays it within the General Ledger window. You can then delete the account.

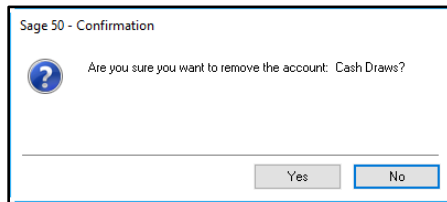


Learn the Skill

In this exercise you will delete various accounts not required for this data file.

1. If necessary, scroll to the top of the Accounts window, select **1030 Cash Draws** ledger account as the account to be deleted.

- From the Accounts toolbar, click **File**, then **Remove**, or click  (**Remove**) on the toolbar, or press **DELETE**.



- Click **Yes** to confirm this action.

You can only delete those General Ledger accounts that do not have a current balance or a transaction history. Accounts that are “linked” (see later in this courseware) cannot be deleted.

- Use one of the previous methods to delete the following Ledger account:
2640 Loans from Owners
- From the Accounts window menu bar, click **View, Small Icon**. On the Accounts window menu bar, click **View** then select **Re-sort Icons**. Select **View**, and **Type**.
- Close the Accounts window to return to the Home window.

Saving Changes

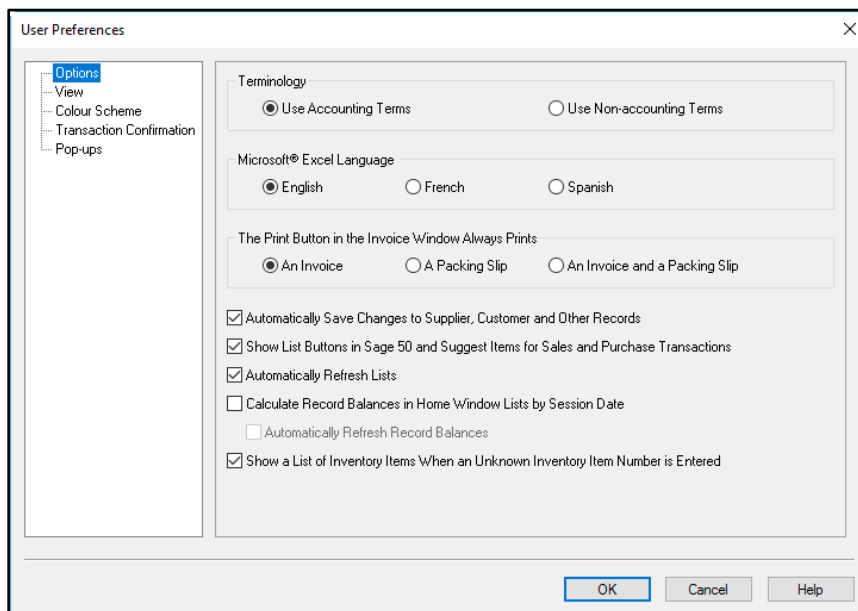
By default Sage 50 Accounting is set up so that all changes are saved automatically as they are made into the system.




Learn the Skill


In this exercise you will check your accounts to ensure they are in order. If your accounts are not in order, you will not be able to print your financial statements until they are corrected.

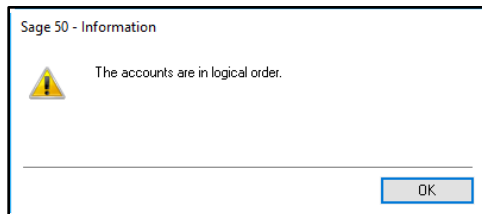
- In the Home window menu bar, click **Setup, User Preferences**.



- Note the Automatically Save Changes to Vendor, Customer and Other Records option in the middle of the window is selected. Click **Cancel** (because you have made no changes).

If the Automatically Save Changes to Vendor, Customer and Other Records option was unselected, Sage 50 Accounting automatically displays the  **Save and Close** button on any windows that require modifying (Chart of Accounts, Vendors, Customers, and so on).

- Open the Accounts window.
- Use  (**Check the validity of accounts**) to verify that the accounts have been created correctly.



- Click **OK** and close the Accounts window.

Company Information

This function displays important information for the company file you are using.



Learn the Skill

In this exercise, you will modify the company information so that each student's work can be identified when printed.

- In the Home window, click **Setup, Settings**. Select **Company** and then click **Information**.
- Fill in as follows, ensuring you change *Harmony House Music (2023) - Your Name* in the **Name** field to reflect your own name, such as *Harmony House Music – Joe Smith*.

Sage 50 Accounting automatically formats a postal code correctly, as well as entries for the telephone and fax numbers for vendors, customers, and employees (no brackets or hyphens required).

Name:	ony House Music (2023) - Your Name	Fiscal Start:	01/01/2023
Street 1:	630 West Hasting Street	Fiscal End:	12/31/2023
Street 2:		Earliest Transaction:	01/01/2023
City:	Vancouver	Session:	02/28/2023
Province:	BC British Columbia	Latest Transaction:	02/28/2023
Postal:	V6B 1L9		
Country:	Canada		
Phone 1:	(604) 518-8648		
Phone 2:			
Fax:			
Email:			
Web Site:			
Business No.:	12345123R1		
Industry Type:	Retail		

- When done, click **OK**.

Printing the Chart of Accounts

To ensure you have created the Chart of Accounts correctly, print a hard copy of it.

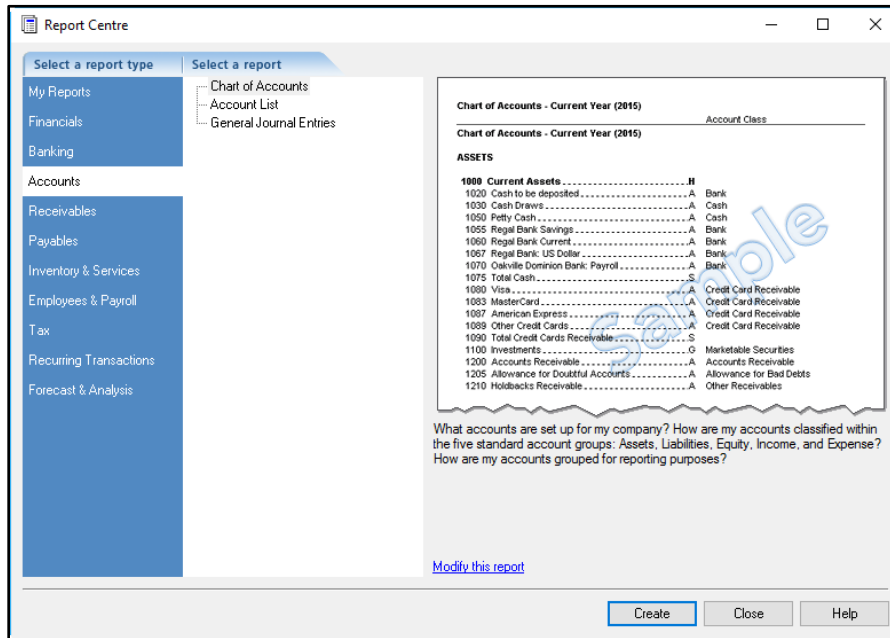


Learn the Skill

In this exercise you will learn how to use the Report Centre.




- From the Home window, click **Reports** then click **Report Centre**.
- Select **Accounts**, then click **Chart of Accounts** in the Select a report type pane to view a sample Chart of Accounts.




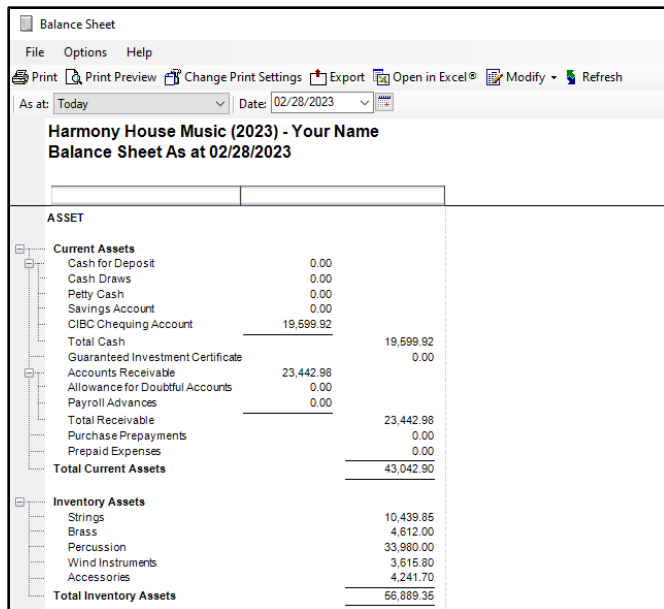
- Click **Create**.

Chart of Accounts			
File Options Help			
Print Print Preview Change Print Settings Export Open in Excel® Modify Refresh			
Harmony House Music (2023) - Your Name			
Chart of Accounts			
No.	Description	Type	Account Class
Chart of Accounts - Current Year (2023)			
ASSET			
1000	Current Assets.....	H	
1020	Cash for Deposit.....	A	Bank
1030	Cash Draws.....	A	Cash Equivalents
1050	Petty Cash.....	A	Cash
1055	Savings Account.....	A	Bank
1060	CIBC Chequing Account.....	A	Bank
1075	Total Cash.....	S	
1100	Guaranteed Investment Certificate.....	G	Cash Equivalents
1200	Accounts Receivable.....	A	Accounts Receivable
1205	Allowance for Doubtful Accounts.....	A	Allowance for Bad Debts
1220	Payroll Advances.....	A	Other Receivables
1230	Total Receivable.....	S	
1300	Purchase Prepayments.....	G	Other Current Asset
1320	Prepaid Expenses.....	G	Other Current Asset
1400	Total Current Assets.....	T	
1500	Inventory Assets.....	H	
1520	Strings.....	G	Inventory
1530	Brass.....	G	Inventory
1540	Percussion.....	G	Inventory
1550	Wind Instruments.....	G	Inventory
1560	Accessories.....	G	Inventory
1590	Total Inventory Assets.....	T	


4. Once Sage 50 Accounting displays the chart, you can maximize the window and move around the Chart of Accounts report using the vertical scroll bar on the right.
5. To print the report, click **File, Print**, or click  **Print** on the toolbar.
6. Return to the Report Centre window by closing the Chart of Accounts report.

Now display the Balance Sheet.

7. In the Report Centre window, select **Financials**, then click the  next to Balance Sheet, select **Standard** and click **Create**. Your Balance Sheet should look similar to the following:



Balance Sheet		
File Options Help		
Print Print Preview Change Print Settings Export Open in Excel® Modify Refresh		
As at: Today Date: 02/28/2023		
Harmony House Music (2023) - Your Name		
Balance Sheet As at 02/28/2023		
ASSET		
Current Assets		
Cash for Deposit	0.00	
Cash Draws	0.00	
Petty Cash	0.00	
Savings Account	0.00	
CIBC Chequing Account	19,599.92	
Total Cash		19,599.92
Guaranteed Investment Certificate		0.00
Accounts Receivable	23,442.98	
Allowance for Doubtful Accounts	0.00	
Payroll Advances	0.00	
Total Receivable		23,442.98
Purchase Prepayments		0.00
Prepaid Expenses		0.00
Total Current Assets		43,042.90
Inventory Assets		
Strings		10,439.85
Brass		4,612.00
Percussion		33,980.00
Wind Instruments		3,615.80
Accessories		4,241.70
Total Inventory Assets		56,889.35

8. Close the Balance Sheet.
Now display the Income Statement.
9. In the Report Centre window, click the  next to Income Statement, select **Standard** and click **Create**. Review the Income Statement.
10. When finished, close the Income Statement and the Report Centre window to return to the Home window.

Understanding the Session Date

When you opened the data file for these exercises, Sage 50 Accounting displayed a session date of 02/28/2023. A session date will be displayed each time you enter the data file.

The purpose of the session date is to minimize date input errors by only allowing dates that are within a specific date range. Sage 50 Accounting gives you two options:

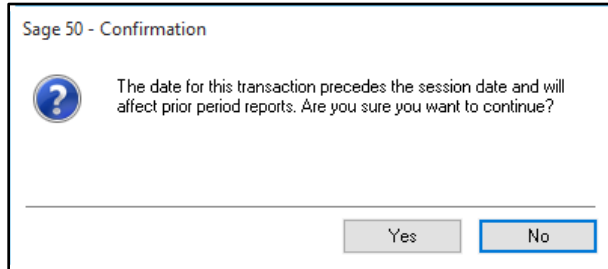
- enter transactions up to a certain session date; or
- enter transactions anytime within the entire fiscal year (including ahead of the current date, up to the end of the fiscal year).

Transactions can be entered ahead of the session date provided the feature has been activated on the **Setup, Settings, System** tab.

By entering a session date, you are making that date the default date or the date that appears when you enter transactions and generate reports.

When working on your company's accounting records or using Sage 50 Accounting on a daily basis, the session date should be the current date. However, if you enter your company's transactions at the end of each month, the session date should be the last day of the current month.

Sage 50 Accounting recognizes the month in the date as the current operating month. If you attempt to post an entry dated in any prior month the following Confirmation message will appear.

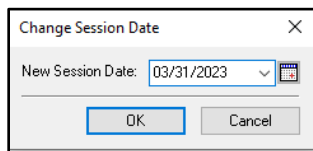


1 Learn the Skill

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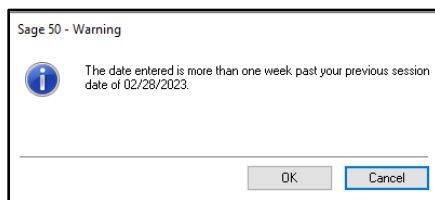
In the following exercise, you will advance the session date to March 31, 2023. This sets the financial period to March, allowing input of any entry dated during that month or previous months (with a warning) to the beginning of the current fiscal year (January 1, 2023 in this instance).

1. From the Home window menu bar, select **Maintenance, Change Session Date**.
2. Choose **No** if a backup data confirmation window appears.
3. Type: 033123 or 3/31/23 or 3-31-23 as the new date or use the pop-up calendar to change the date to **March 31, 2023**.



You can also click (**Change session date**) in the toolbar. (This option is only available in Classic View). Another option is to use the calendar displayed on the Home screen beside **Session Date**.

4. Click **OK**.

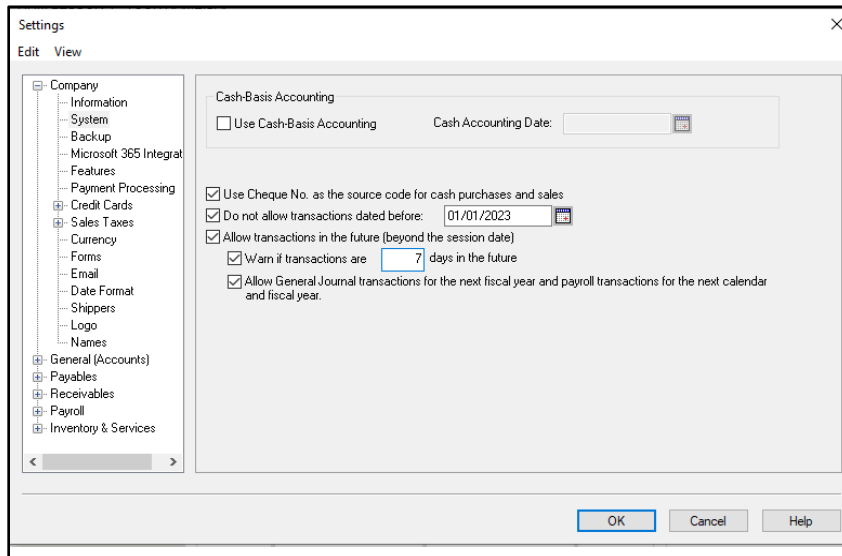


5. Click **OK**. If the Sage 50 Accounting Backup window appears, select **No**.

The Checklists and Daily Business Manager screens may appear on changing the session date.

6. Close the Checklists window and the Daily Business Manager window, which may be hidden behind the Home window.
7. In the Home window, click **Setup, Settings** on the menu bar.
8. If necessary, click next to **Company** and then select **System**.

9. Turn the **Do not allow transactions dated before** feature on and enter the date: 01/01/23 (the date when you set up the company in Sage 50 Accounting), then change the **Warn if transactions are** field to **7 days in the future**.



You will usually change the date to the beginning of the current fiscal year.

Leave the **Allow transactions in the future** feature on.

10. Click **OK** to activate the changes.

Inputting Dates

Sage 50 Accounting uses a 6-digit date format for its operations. This can be either in a mmddyy or ddmmyy format, as dictated by the settings in the Windows operating system. When a valid date is entered, Sage 50 Accounting will automatically insert date separators.

The following examples illustrate the various ways of keying in January 31, 2025 where Windows is set in mmddyy format:

013125	1/31/25	Jan 31 2025*
01/31/25	1-31-25	January 31 2025*
1/31/**	Jan 31/25*	January 31, 2025*

* the system will also recognize a lower case "j" in the word January.


** if no year is entered Sage 50 Accounting will assume the current year, in this case 2025.

You can also use the Pop-up Calendar feature to input dates into Sage 50 Accounting.

Accounting / Non-Accounting Terminology

The data files provided with this courseware have been set up using accounting terminology. Note the module titles used (Receivables, Payables). This can be changed as required.

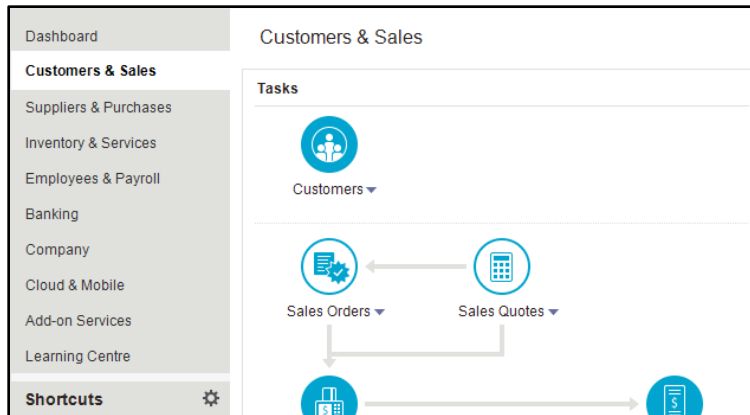
1 Learn the Skill

2  In this exercise, you will change the terminology.

1. If necessary, click **Receivables** in the left pane to view the Receivables Home window using accounting terms.

- Click **Setup, User Preferences** on the menu bar.
- Click **Use Non-accounting Terms** in the Terminology area, and click **OK**.

Observe that some of the titles on the left side have changed, such as Customers & Sales and Vendors & Purchases.



- Repeat steps 2 and 3 to return the Terminology to **Use Accounting Terms**.

General Module Linked Accounts

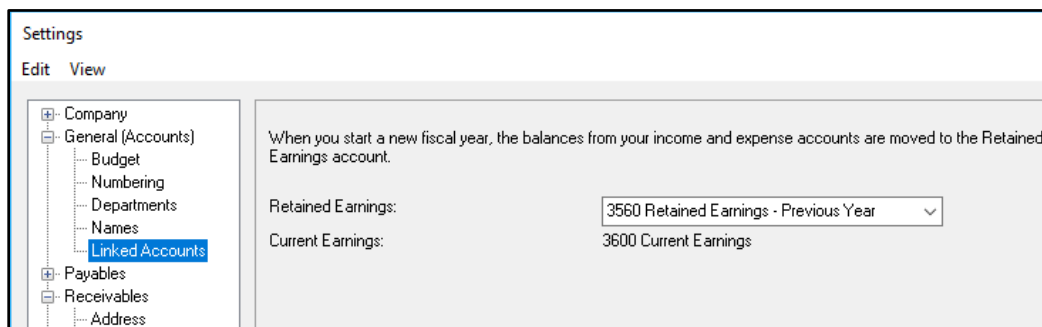
Sage 50 Accounting makes extensive use of linked accounts. This means that these accounts are automatically used when it processes most types of transactions without having to continuously prompt you. This structure saves time when entering transactions, prevents accidental use of the wrong accounts, and enables users with minimal accounting training to use Sage 50 Accounting without much difficulty.

When you initially set up your company data file, you will be asked to identify certain accounts that you normally use to perform various functions. If you have made changes to your Chart of Accounts, you can change the links to your modified accounts when necessary. This process should generally be left to a well-versed user of Sage 50 Accounting. Incorrectly linked accounts can have disastrous results.

1 Learn the Skill

2 In this exercise, you will view linked accounts.

- Click **Setup, Settings**, on the Home window menu bar.
- Click **+** next to the **General (Accounts)** then click **Linked Accounts**.



- Make no changes and click **Cancel** to close the window. We will be reviewing the linked accounts for all the different modules in each lesson.

General Journal Transactions

You should always select the appropriate journal for a particular type of transaction. For example, use the Sales Journal to enter a sale, and use the Payments Journal to enter a payment to a vendor.

The General Journal is slightly different—you should use it only for transactions that do not fit into any of the other modules. Note that you must enter all purchases and sales into the Purchases Journal or the Sales Journal rather than the General Journal. Sage 50 Accounting does not normally track the GST/HST entered in the General Journal. When you enter purchases and sales into the appropriate journals, Sage 50 Accounting keeps accurate records of the GST/HST you have charged and paid, and creates accurate Customer and Vendor records.

The types of transactions that might be entered in the General Journal include:

- Bank service charges and/or interest
- General Ledger adjustments
- Depreciation transactions
- Transfers from one bank to another
- Accruals
- Owner's loans and changes to the capital structure of the business.



Learn the Skill

In this exercise you will learn how to enter a transaction in the General Journal.

1. In the Home window, select the **Company** tab from the left pane and click the **General Journal** icon.
2. In the Source field, type: Transfer (the source document you will use to make the General Journal entry) and press **TAB** twice. (The Source field must be completed. It can be a document number, memo from owner, something to identify why this entry was made. It cannot be left blank.)
3. In the Date field, type: 3/3/23 (or 030323 or 3-3-23) as the date for this General Journal entry and press **TAB** twice.
4. In the Comment field, type: Transfer to GIC as a descriptive comment for this transaction and press **TAB**.
5. In the Account field, type: 1100 (the General Ledger account you want to include in the General Journal entry – this should be the Investments account) and press **TAB**.
6. Type: 10000 as the Debits and press **TAB**.

Sage 50 Accounting assumes that you are working with dollar amounts so when 10000 is entered, the program recognizes it as \$10,000.00. You must only type a decimal point if there is a cent amount, e.g. \$10.50 should be entered as 10.5 or 10.50.

To enter a credit for this account, press **TAB** without an entry to move to the Credit column.

If you do not know the General Ledger account number, press **ENTER** in the Account column, or click the magnifying glass. Sage 50 Accounting displays a list of all the General Ledger accounts for selection.

7. Skip the Comment field and press **TAB**.

You can insert a comment for each transaction on each line of the General Journal entry.

8. If necessary, skip the Allo (Allocation) field.

This field enables you to allocate a revenue or expense account to a particular Project or department (Level 2).

9. Under 1100, type: 1060 as the second Account (CIBC Chequing account) and press **TAB**.

Sage 50 Accounting now defaults to a \$10,000.00 credit in order to try to balance this entry. Your entry should be similar to the one shown:

Account	Debits	Credits	Comment	Allo
1100 Investments	10,000.00	--		
1060 CIBC Chequing	--	10,000.00		
Total	10,000.00	0.00		

10. Before you post this entry, select **Report** from the menu bar in this window, and then **Display General Journal Entry** to review this entry for accuracy.

Account Number	Account Description	Debits	Credits
1100	Investments	10,000.00	-
1060	CIBC Chequing Bank Account	-	10,000.00
Additional Date:	Additional Field:	10,000.00	10,000.00

11. Close the General Journal Entry report.
12. Click **Post**.
13. If necessary, click to turn on Do not show this message again in the Transaction Confirmation window and click **OK**.
14. Do not close the General Journal window.

Recurring Transactions

Creating and Storing Recurring Transactions

When an entry is a standard entry that recurs on a regular basis, you can save time by creating a recurring transaction. This function lets you instruct Sage 50 Accounting to make a copy of the transaction for future use so that you will not have to rethink the bookkeeping entries or re-enter most of the information. Care should be taken to make any comments or descriptions as generic as possible to ensure they apply from one entry to the next without major re-write.



Learn the Skill

In this exercise you will learn how to store a recurring transaction.


1. Enter the following General Journal transaction, but do not post.

Account	Debits	Credits	Comment	Allo
2120 Bank Loan - Current	280.00	--		
5690 Interest & Bank Ch	38.65	--		
1060 CIBC Chequing	--	318.65		
Total		318.65	0.00	

2. In the General Journal window, click  (**Store as recurring transaction**).

You may enter your own title for the transaction, or you can accept the suggestion from Sage 50 Accounting as a recurring entry.

3. Press **TAB** to accept the default Recurring Transaction name.
4. Click the **Frequency** drop-down arrow and select **Semi-Monthly**.
5. Click **OK** to return to the General Journal window. Click **Post**.



Notice how the  (Recall recurring transaction) button is now available.


6. Close the General Journal window.

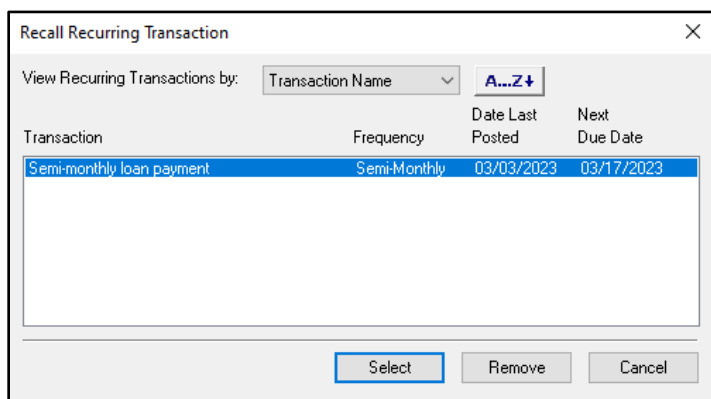
Recalling Stored Recurring Transactions

You have created a recurring transaction for the Semi-monthly Loan Payment. Now you can reuse this transaction without having to re-enter any of the information with Sage 50 Accounting inserting the next due date for you.

1 Learn the Skill

- 2  In this exercise, you will recall a recurring transaction.
- 3 

1. Click the **General Journal** icon. In the General Journal ledger, click  (**Recall recurring transaction**).



The Recall Recurring Transaction window displays the recurring transaction, as well as such information as the date last posted and the next due date.

- Because there is only one recurring entry and it is highlighted, click **Select**.

Sage 50 Accounting now loads the recurring transaction, and enables you to modify any of the applicable fields. Notice that the General Journal title bar indicates Using recurring transaction Semi-monthly Loan Payment.

- Accept the date of 03/17/2017 and press **TAB**.
- Press **ALT+P** to **Post** this entry.
- Close the General Journal window to return to the Home window.


Reversing General Journal Entries

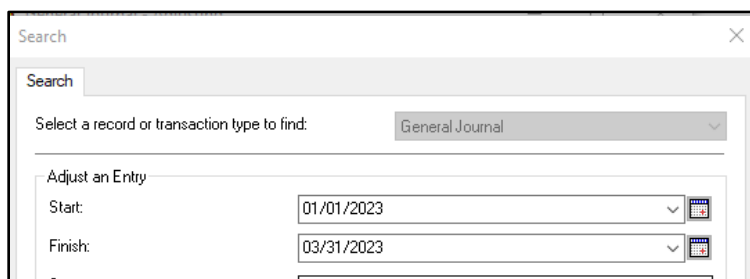
To delete a general journal entry that has already been posted, input and post a new entry to reverse it. Transactions cannot be deleted in Sage 50 Accounting.

The important thing to remember in all Corrections or Reversals, including General Journal transactions, is to use the same journal window in which the original entry was created.

1. Learn the Skill

You have renegotiated a loan with the bank. You would like to cancel the second semi-monthly loan payment created and generated on March 17, 2023.

- In the Home window, select the **Company** tab if necessary and click the **General Journal** icon.
- Click  (**Adjust a previously posted entry**) on the toolbar.



- In the Search window, ensure the **Start** and **Finish** dates are displayed as shown above and click **OK**.

To find a specific entry you can also use the source number, journal entry number or the amount (if known).


Select Entry To Adjust

View entries by: Date Z...A+

Journal Entry #	Date	Source	Comment	Amount
5	03/17/2023	Loan Payment	Semi-monthly loan payment	318.65
2	03/03/2023	Loan Payment	Semi-monthly loan payment	318.65
1	03/03/2023	Transfer	Transfer to GIC	10,000.00
6	01/25/2023	Loan Payment	Monthly loan payment	454.58

Select Cancel

The Semi-monthly Loan Payment that was made on 03/17/23 is highlighted. In the View entries by: field you have several choices to display the order of your entries. The image above was set for Date.

- Click **Select**.
- In the General Journal toolbar click the  (**Reverse entry**) button.

Sage 50 - Confirmation

Are you sure you want to reverse this transaction?

Yes No

- In the Confirmation window, click **Yes**.
- Close the General Journal.

The General Journal Report



Learn the Skill

In this exercise, you will learn how to generate a General Journal report, review the entries that have been posted, and check that Sage 50 Accounting has made the necessary adjustments for the correction shown previously.

- In the Home window, from the menu bar, click **Reports, Journal Entries**, then **General**.
- In the General Journal – Modify Report window, ensure the **Date** option button is selected, change the **Start** date to 03/01/23 and the **Finish** date to 03/31/23, and then click to turn on the **Corrections** check box.

General Journal - Modify Report

Template: <Last used report options>

Report Options
Report Columns
Sort Report
Filter Report
Print Settings
Font Settings


Report on Fiscal Year: Current Year (2023)

Report By
☒ Date
☐ Journal Number

Start: 03/01/2023
Finish: 03/31/2023

Show
☒ Corrections
☐ Additional Information

- Click **OK**.

If a hard copy of this report is desired click  **Print** to print the displayed General Journal report.

- Compare your display with the following report:

General Journal Display				
File Options Help				
Print Print Preview Change Print Settings Export Open in Excel® Modify Refresh				
Harmony House Music (2023) - Start				
General Journal 03/01/2023 to 03/17/2023				
	Account Number	Account Description	Debits	Credits
03/03/2023	J70	Transfer, Transfer to GIC		
	1100	Investments	10,000.00	-
	1060	CIBC Chequing Bank Account	-	10,000.00
03/03/2023	J71	Loan Payment, Semi-monthly loan payment		
	2120	Bank Loan - Current Portion	280.00	-
	5690	Interest & Bank Charges	38.65	-
	1060	CIBC Chequing Bank Account	-	318.65
03/17/2023	J72	Loan Payment, Semi-monthly loan payment		
	2120	Bank Loan - Current Portion	280.00	-
	5690	Interest & Bank Charges	38.65	-
	1060	CIBC Chequing Bank Account	-	318.65
03/17/2023	J73	ADJ Loan Payment, Rev. of J72, Corr. is J73.		
	2120	Bank Loan - Current Portion	-	280.00
	5690	Interest & Bank Charges	-	38.65
	1060	CIBC Chequing Bank Account	318.65	-
			10,955.95	10,955.95

Review journal entry 72 which was the second loan payment entry and reversed by journal entry 73.

- Close any open windows to return to the Home window.



Practice the Skill

The following exercise covers some of the topics discussed in Lesson 1. It is included as extra practice and may be completed by the students in class or on their own. Omission of these exercises will not affect future lessons.

- Use the method outlined previously to select and modify the following accounts:

Acct	Account Name	New Account Name
2240	Deduction 1 Payable	AD & D Payable
2250	Deduction 2 Payable	Medical Payable
3010	Owner's Contribution	Your Name, Capital
3015	Owner's Withdrawals	Your Name, Withdrawals

- Use one of the previous methods to delete the following Ledger accounts:

Acct	Account Name
1605	Other Assets
1610	Goodwill
1620	Accum. Amort. – Goodwill
1630	Goodwill Net
1690	Total Other Assets
4450	Training

- Complete the following General Journal transactions dated **March 4, 2023**:

Transfer the funds currently in the **Insurance Expense** account (5685) to the **Prepaid Expenses** account (1320). Open the Chart of Accounts in the Company module to look up the balance of the account. Use Correction for the **Source** field.

Complete a recurring entry to set up and post a monthly transfer of 1/12th of the total insurance amount from the **Prepaid Expenses** account to the **Insurance Expense** account ($1,680.00/12 = 140.00$). View the recurring entry to ensure it is included in the list of Recurring entries. Make up a logical name for the recurring transaction name.

4. Add a **CIBC Payroll Account** (1070) to the Chart of Accounts (Subgroup Account, Main Branch, account number 369852, Account type: Chequing). Transfer \$5,000 into it from the CIBC Chequing Account, effective March 4, 2017.
5. Display your Chart of Accounts and check the validity of your accounts.

Backing Up Sage 50 Accounting Data Files

Backups should be made every time you complete a work session in which you have made changes to the Sage 50 Accounting data.

The importance of backups cannot be over-stated. Hard disk drives do fail and data files can become corrupted. Imagine having to re-enter a year's worth of work because a backup was not made!

Using Sage 50 Backup enables you to continue to work with the original file rather than using **Save As**, which saves the data as a new file.

1. Learn the Skill

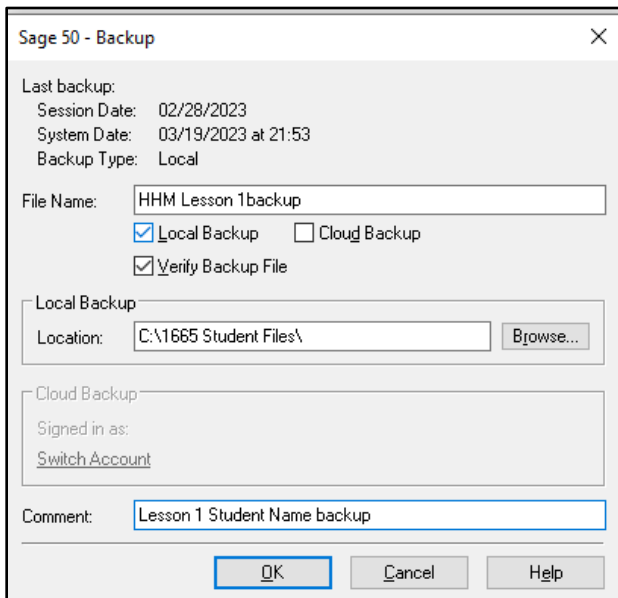
In this exercise you will learn how to complete a backup.

1. Select **File, Backup** from the Home window menu bar, or click  **Backup** from the toolbar.

The Backup window will open.

With today's technology, a backup is best put on a portable hard drive or USB memory key/drive and stored away from the company's location. In the example shown we are saving the backup to the student data files folder. Refer to your teacher if you are using another medium or location to back up your files.

2. Replace the **File Name** with: HHM Lesson 1 Backup and then navigate to the location of the student data files or check with the teacher to find the correct procedure or location for backup of files. Enter the **Comment** as shown replacing "Student Name" with your name:



Sage 50 - Backup

Last backup:
 Session Date: 02/28/2023
 System Date: 03/19/2023 at 21:53
 Backup Type: Local

File Name: HHM Lesson 1 backup

☒ Local Backup ☐ Cloud Backup

☒ Verify Backup File

Local Backup

Location: C:\1665 Student Files\ Browse...

Cloud Backup

Signed in as: Switch Account

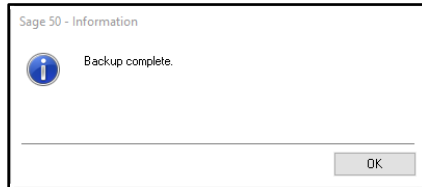
Comment: Lesson 1 Student Name backup

OK Cancel Help

When backing up for the first time, the default File Name is "Backup". ALWAYS change the file name to the corresponding file, in this case Harmony House. It is also a good habit to include the day, month and year of the backup after the file name in case you have multiple backup files. (Do not include dashes or slashes in the date). You can then select the correct file and restore the backup if required.

3. Click **OK**.

The backup starts, and when it is complete, the following message appears:



4. Click **OK** to acknowledge that the backup is complete.

Backup files are compressed before they are copied, so they take less space on your disk. If you wish to use your backup file, go to the Home window, click **File**, then **Restore** or choose **Restore from backup** in the Sage 50 Accounting Open/Welcome window and follow the steps indicated in the Restore windows.

Exiting Sage 50 Accounting

To exit from the Sage 50 Accounting program, make sure that you have returned to the Home window.



Learn the Skill

In this exercise, you will exit from Sage 50 Accounting.

1. From the Home window menu bar, click **File** and then click **Exit**.
2. If necessary, click **No** to backup and then click **OK**.

You can also press **ALT+F4**, or click **X** in the Home window.

Lesson Summary

In this lesson, you learned about the basic functions and features of Sage 50 Accounting. In particular, you learned how to:

- ☑ Define what Sage 50 Accounting is
- ☑ Start and exit Sage 50 Accounting
- ☑ Identify the Sage 50 Accounting Home window
- ☑ Move around Sage 50 Accounting
- ☑ Use the Help system
- ☑ Understand the Chart of Accounts
- ☑ Create, modify, find, edit and delete accounts
- ☑ Save changes to data files
- ☑ Find and amend the company information
- ☑ Work with the Session Date
- ☑ Input dates into Sage 50 Accounting
- ☑ Change to accounting terminology
- ☑ Review the General Module linked accounts
- ☑ Input, adjust, or reverse General Journal transactions
- ☑ Store and recall recurring transactions
- ☑ Produce a General Journal report
- ☑ Backup data files

Review Questions

1. How do you open an existing set of data files?
2. Which menu do you access to change your company's address, or name?
3. What are the account number ranges for the following categories of accounts?
Assets _____ to _____
Liability _____ to _____
Equity _____ to _____
Revenue _____ to _____
Expense _____ to _____
4. A list of the different account types follows. What is the code letter used for each and what is the purpose of each one?

Type	Code	Purpose
Group Heading	_____	_____
Group Total	_____	_____
Group Account	_____	_____
Subgroup Account	_____	_____
Subgroup Total	_____	_____

5. Which of the account types, listed in question 4 above, are non-postable accounts?
6. What are the two different ways of creating accounts in Sage 50 Accounting?
7. What conditions must exist before you can delete an account in Sage 50 Accounting?
8. What does the Session Date do?
9. The General Journal is used to input bookkeeping transactions that do not obviously fit into one of the other modules.
 - True
 - False
10. What is the purpose of a Recurring Transaction?
11. Once you have posted a General Journal entry, the only way to adjust it is by reversing the original entry, and then reposting it.
 - True
 - False
12. What report is used to print the General Journal transactions posted between specific dates?

Build Practical Accounting Skills for Real-World Success



Develop foundational skills in Sage 50 Premium Accounting 2025. This course introduces key features of Sage 50 Premium Accounting 2025, guiding learners through core modules including the General Ledger, Accounts Receivable, Accounts Payable, Inventory and Services, and Payroll. Learners will develop foundational skills to record journal entries, manage vendor and customer transactions, process payroll, and generate standard financial reports.

Ideal for learners in academic or professional settings, this course provides the essential training needed to manage daily bookkeeping and support a full accounting cycle.

Key Learning Outcomes:

- Navigate Sage 50 Premium Accounting, including starting, exiting, and using the Help system.
- Manage company information, session dates, and data file backups.
- Understand and maintain the Chart of Accounts, including creating, modifying, and deleting accounts.
- Record, adjust, reverse, and report on General Journal transactions, including recurring entries.
- Set up and manage Inventory and Service Items, linked accounts, and related reports.
- Handle vendor and purchasing tasks, including creating vendors, processing purchases (inventory and non-inventory), issuing and filling purchase orders, managing payments, prepayments, and generating payables reports.
- Create and manage customer records, process sales and quotes, handle payments and prepayments, and generate receivables reports.
- Set up and manage payroll, including employee records, linked accounts, payroll advances, processing pay, adjusting transactions, and generating payroll reports.
- Generate and print financial reports, use the Daily Business Manager and checklists, validate data integrity, print in batches, and perform key period-end and year-end procedures.

Sage 50 Accounting

