

M. PURBHOO

# Using Sage 50 Accounting 2017

Canadian Edition (Formerly Sage Simply Accounting)

Covers both Sage 50 Premium Accounting® 2017  
and Sage 50 Pro Accounting® 2017



 Pearson

**Included:** Student DVD with Data Files and Access Code  
with instructions to download Sage 50 Premium Accounting®  
2017 Student Version Software

M. PURBHOO

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 **Canadian Edition** (Formerly Sage Simply Accounting)

**Covers both Sage 50 Premium Accounting® 2017  
and Sage 50 Pro Accounting® 2017**



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### Accounting Cycle Tutorial

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# PREFACE

## NOTES

In 2013, Sage renamed the Sage Simply Accounting program to Sage 50 Accounting, Canadian Edition.

**U**sing **Sage 50 Accounting 2017** provides full coverage of Sage 50 Accounting 2017 (Pro and Premium versions). The Student version (Release 2017.0) is also a Premium version program, so all users can learn the program with the same release used to create the data files, screens and keystrokes. Although we do not address the Quantum version of Sage 50, the book is also compatible with this version. We provide detailed instructions for downloading, installing and activating the Student version in Appendix A of this text.

As in last year's edition, the keystrokes and source documents are integrated throughout each chapter, printed in colour with check boxes. All source documents are numbered.

No topics were added in this edition, but we created one new application: Sound, Inc. (budgeting in Chapter 14).

But we maintained aspects of previous editions that have been well received:

- a diversity of companies and business situations, including non-profit, service and inventory businesses
- comprehensive and current tax coverage for different provinces, including GST, HST, PST and QST, and tax remittances
- a realistic approach
- easy-to-follow, step-by-step keystroke instructions and screen illustrations, updated for Version 2017
- current information that has been updated to reflect the business realities in 2017
- several company setup chapters increasing in complexity and a separate setup for payroll, all with keystroke instructions
- separate chapters for basic and advanced Accounts Receivable and Payable topics
- comprehensive company profiles and realistic source documents throughout the text to give you the “feel” of real companies

The Student DVD with Data Files for the text has the following resources:

- Pro and Premium version data files for all applications (except for the setup chapters: Chapters 7, 16 and 17)
- review questions and cases for each chapter (Appendix D)
- supplementary materials in Appendices E – M
- the interactive Accounting Cycle Tutorial, which introduces basic accounting terms and concepts

We continue to provide options for automatically installing data from the Student DVD: backup data files for Premium and Pro versions, and full Premium version data files for the source document applications in the text. Supplementary files are provided only as backup files. Of course, we still include detailed instructions on restoring backups. These alternatives have additional advantages — if computer speed and time permit, users can install the full data files; otherwise, the smaller backup files can be copied quickly or backup files can be restored to your hard disk directly from the DVD one at a time. Premium version users can install both the full and backup sets of files. Backup files may be restored as often as needed without reinstalling.

The removable page-length bookmark attached to the back cover has a mini index and a ruler-marked edge to help you refer to specific lines on a page. This

bookmark should help to manage page-flipping, which is inevitable because most keystrokes for a transaction go beyond the page with the transaction.

As in the past, we work with module windows in the Enhanced view throughout the text, create user-specific customized shortcuts to access journals in other modules and use industry-specific terms for the different applications. Classic View margin notes like the following are included for users who prefer this approach:



These notes describe how icons, keystrokes or terms in the Classic view are different from those in the Enhanced view.

The basic organization of the text is unchanged. Part One provides an overview and introduction to Sage 50 and sales taxes. Data applications that can be completed with both Pro and Premium versions are located in Part Two. We introduce the six ledgers of Sage 50 (General, Payables, Receivables, Payroll, Inventory and Division) in separate applications. Budgeting and bank deposits and account reconciliation are covered in two more applications. Advanced Receivables and Payables features (orders and quotes, tax remittances, credit card payments, transactions with foreign customers and suppliers and Internet links) are demonstrated in two more chapters. An online banking simulation (in Appendix I on the Student DVD) allows you to download a bank statement that integrates with data from the text. The required data files for all these chapters are set up in advance, and for each new type of transaction we provide detailed keystrokes and matching screens.

Four applications cover setting up a computerized accounting system using Sage 50. Again, detailed instructions with screen illustrations are given for each setup as you learn to design, convert and implement a complete accounting system.

- Chapter 4: set up a non-profit organization that uses only the General Ledger
- Chapter 7: set up an organization using the General, Payables and Receivables ledgers
- Chapter 9: add payroll to a data file that already has the General, Payables and Receivables ledgers
- Chapter 16: set up a comprehensive retail organization that uses the General, Payables, Receivables, Payroll and Inventory ledgers

In the final application in Part Two (Stratford Country Inn, Chapter 17), you set up a computerized accounting system on your own. All source documents in this chapter are realistic and descriptive.

Time & Billing and Departmental Accounting, advanced features available only in the Premium version, are covered in Part Three. Separate chapters and data files are prepared for these. All Part Three pages are edged with a blue stripe so that you can find them quickly.

For reference or further study, we include three appendices in Part Four of the text and 10 more on the Student DVD in PDF format — placing them on the DVD allows us to cover additional and advanced features of the program. The appendices on the Student DVD are available for you to read or print. These supplementary appendices are provided as reference material that should prove to be useful in any working environment.

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# USING THIS BOOK

**T**he accounting applications in this text were prepared using Sage 50 Premium Accounting, Canadian Edition (Release 2017.0) and Sage 50 Pro Accounting, Canadian Edition software published by The Sage Group PLC. The Windows 10 operating system was used to create and test the screen images and keystrokes.

You must have a hard disk and DVD drive or a network system with Windows installed. If you do not have your own copy of the Sage 50 program, you can download the Student Premium software from the Sage Web site (refer to page xii and Appendix A). Network system users should work with the site administrator to ensure complete data access.

In addition, you should have a standard accounting text for reviewing accounting principles. The text provides some accounting principles and procedures, and the Review of Basic Accounting (Appendix M) and the Accounting Cycle Tutorial on the Student DVD also provide an introduction. However, these are not intended to replace the breadth and depth of most standard accounting texts. You should also consult the Help features of Sage 50 described in Chapter 1, because they also include information about accounting procedures.

The text is as simple and straightforward as we could make it, but familiarity with computers and some fundamentals of troubleshooting will make your progress through this text easier.

## Student Resources

### The Student DVD with Data Files

The Student DVD has an autorun feature that should open the Student DVD home page automatically when you insert the DVD into your DVD drive. From this home page you can choose to install data files, view the supplementary appendices (PDF format), run the Accounting Cycle Tutorial or browse the DVD. The Student DVD home page will remain open for you to make another selection until you close it.

Complete instructions for installing and accessing the files on the Student DVD are provided in Chapter 1.

Separate data sets with separate installation programs will help you install the data set you need and make it easy for all users to follow the text. To choose the correct data set, you must know what version of Sage 50 you are using. You can get this information from the Welcome and Select Company window in the program (see page 8). SAGE 50 PRO ACCOUNTING or SAGE 50 PREMIUM ACCOUNTING appears in the Home window for all data files. You can open the Sample file to find this information. If you accepted the default installation settings, the program folder name in Program Files also matches the version. The Student version is a Premium version program, Release 2017.0.

All installation programs create a data folder named SageData17 on drive C (Local Disk C: or [OS] C:). If you need to work with another location for your data, refer to page 6 in this text. You can install the data as often as you need to. We recommend renaming the previous folder to prevent overwriting all your previous



#### NOTES

If you have the retail version of Sage 50, the program version will be on the program package or CD.

The Sage 50 desktop shortcut label also includes the version.

files that may include data you want to keep. If you started by installing the backup files, you will not need to reinstall them because they remain unchanged.

You can restore backup files directly from the Student DVD to your hard disk. However, we recommend installing the backup files to your hard disk and keeping the original DVD safe for later use.

The following chart will help you install the data set you need from the Install Data screen:

<b>FOR VERSION</b>	<b>Pro Version 2017</b>
<b>CLICK INSTALL BUTTON</b>	Install Pro Version Backup Files
<b>DATA SET (FOLDER ON DVD)</b>	Pro_Backup_Version
<b>FOR VERSIONS</b>	<b>Student Version 2017</b> <b>Premium Version 2017</b> and <b>Quantum Version 2017</b>
<b>CLICK INSTALL BUTTON</b>	Install Premium Version Full Files
<b>DATA SET (FOLDER ON DVD)</b>	Premium_Full_Version_Data
	<b>or</b>
<b>CLICK INSTALL BUTTON</b>	Install Premium Version Backup Files
<b>DATA SET (FOLDER ON DVD)</b>	Premium_Backup_Version

If you are using Sage 50 Quantum Accounting, the Sage 50 Upgrade Company wizard will convert the Premium data files when you open them or restore them. Because the DVD files remain unchanged, you can install the same files later and use the Premium version.

## Supplementary Data Files

In addition to the data files needed to work through the keystroke applications in the text, we provide supplementary files. Backup files are included for online bank reconciliation (Appendix I on the Student DVD) and importing accounting transactions from an Accountant's Copy (Chapter 12). These backup files will be located in the BANK and ACCOUNTANT folders in SageData17, respectively, when you install the data files. The ACCOUNTANT folder also has the text file that you import. The LOGOS folder includes company and inventory logos for the setup chapters and new inventory items.

## Passwords

We have not added passwords to any data files to ensure maximum accessibility. However, if you are using the program in a multi-user or network environment that includes users and passwords, you will need to enter your user name and password before you can open the data files. Ask your instructor or site administrator for the user name and password that you should use. Refer to Chapter 16, page 688, and Appendix G on the Student DVD for instructions on working with passwords.

## Working with Different Versions of Sage 50

### Pro Version

#### NOTES

We used Windows 10 for all screenshots and keystrokes in this text and to create and test the data files. Fortunately, the screens and functionality of Sage 50 are the same for different versions of Windows. They differ only at the interface between Windows and Sage 50 – in the screens for browsing, opening and saving files. Sage 50 is also compatible with Windows 7 and Windows 8.

Although we have written this text primarily for the Premium version and show Premium version screens, you can use the Student DVD data files with the Pro, Premium and Quantum versions of Sage 50, Release 2017.0 or later, and with the Premium Student version (2017 only).

Therefore, we have tried to make version differences, such as differences in features, terminology and labels, as clear as possible. We use margin notes identified by a Pro version heading and icon:



These notes for Pro version users describe how screens, terms or keystrokes in the Pro version are different from those in the Premium version.

### Student Version of Sage 50

The Student Premium version of Sage 50 must be downloaded from the Sage Web site ([sage.com/ca/about-us/education](http://sage.com/ca/about-us/education)). All copies of the 2017 Student version program have the same **serial number — 242P1U2-1000014**. Detailed instructions for downloading, installing, registering and activating your Student version of Sage 50 are provided in Appendix A. The installation procedure is the same for the regular retail CD version of the program. Only the activation process — also described in Appendix A — is different.

Students needing help with the program should work with their instructor. Additional help for students is available online from the student forum that you access from the following Web site: [sagecity.na.sage.com](http://sagecity.na.sage.com). For more information about accessing this site and posting your questions, refer to Appendix A in this text, pages A-10–A-12.

### About the Student Version Program

The Student version is a fully functional Premium version that remains valid for 14 months after installation, but you cannot restore or open data files from previous versions with it. If you have already installed a Trial version, the date you installed it will count toward this 14-month limit. You can install only one version of Sage 50 Accounting 2017 on your computer. If you are using the Pro version or a Trial version and you want to install the Student Premium version, you must first completely uninstall the Pro or Trial version from the Control Panel in Windows (refer to Appendix A, page A-10). After you use a data set with the Student version for 14 months, you must use a regular retail licensed version of the program to access that data.

None of the data files were created with a Student or Trial version, so the data itself will not expire. If you have used the data with a Student version for 14 months, however, you may see a data expired message.

If you see a message that the program has expired when you try to install it or open a data set, and you have not yet used the program for 14 months, you should refer to page A-10 (Student Version Expired Error Message) and ask your instructor for assistance.

The differences between the Student version and the retail Premium version are very small, but we have identified them with margin notes as shown here:



These notes describe how the Student version differs from the regular or retail Premium version.

## Earlier Versions

If you try to access the data files with earlier versions of Sage 50 Accounting (2017.0 and earlier), Sage 50 displays an error message. In this case, you should download and install the Student version. Refer to Appendix A for information on downloading and installing the Student version.

## Later Versions

Although the data files can be used with later versions of the software, you may see changes in screens, keystrokes and payroll tax amounts. Before you open a data file with a later version, the Sage 50 conversion wizard will update the data file to match the later version you are using. Always refer to the manuals and update notices for later versions. Once the file has been updated, you will no longer be able to use it with the earlier version or release, unless you reinstall the data files from the Student DVD.

For this reason, we recommend that you not install updates until you have finished working with the data files in the text. For the 2017 program, the option to modify your update settings, that is, to turn automatic updates off or on, is located on the Support Info screen (Home window, Help menu, About Sage 50). Automatic updates are not available for the Student version.

## Quantum Version

This text can be used with Sage 50 Quantum Accounting. All the features covered in the text are available in the Quantum version, though you may see small variations in the screens. The Quantum version includes features that are not available in the Premium version — these advanced features are not covered in this text. If you are using the Quantum version, the Sage 50 data conversion wizard will convert the Premium data files when you open them or restore them. Because the DVD files remain unchanged, you can install and use the same files later with the Premium version.

# Working Through the Applications

## Keystroke Instruction Style

We have incorporated different paragraph styles for different kinds of statements in the text to help you identify the instructions that you must follow to complete the transactions correctly and see the screens that we present. These different styles are illustrated below:

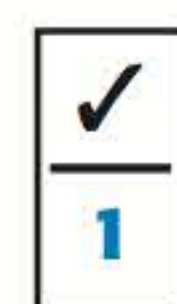
**Type**    Foothills Hardware  
(Keystroke command line with text you type in a special font.)

---

**Press** **enter** or **press** the **Add button** to start the Add Account wizard. (Keystroke command line — command word is in bold and the object of the command, what you press, is in colour. Commands are indented and spaced apart. Additional text or information for the line is shown in plain text.)

Or, you can click the Comment field to advance the cursor. (Alternative keystroke sequence that you may want to use later. Paragraph is indented in block style and plain text style is used.)

Regular text is presented in normal paragraphs, like this one. **Key words** are shown in colour to make it easy to identify the topics. Names of icons, fields, text and tool buttons that you will see on-screen have all initial letters capitalized (for example, Adjust A Previously Posted Invoice tool or E-mail Confirmation Of Invoices And Quotes). Account names included in regular text paragraphs are italicized (for example, *Revenue from Sales* or *Cost of Goods Sold*).

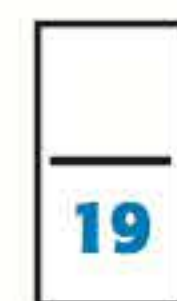


**Purchase Invoice #DS-642**

**Dated May 1/19**

**From Data Savers, \$1 320 plus \$198 HST for off-site data backup and restoration services for one year. Invoice total \$1 518. Terms: net 30.**

(Source document — with all text in colour — that you should enter using Sage 50. The ✓ in the check box indicates that keystroke instructions are provided. The number in colour in the lower part of the check box shows the source document number. All source documents are numbered in sequence.)



**Cash Purchase Invoice #BC-6110**

**Dated May 12/19**

**From Bloomers, \$1 280 plus \$192 HST for batch of tree saplings to grow for future sales. Invoice total \$1 472 paid in full by cheque #180.**

(Source document — with all text in colour — that you should enter on your own using Sage 50. No keystroke instructions are provided — the upper part of the check box is empty and the lower part contains the source document number in colour.)

In addition to the different types of margin notes already described for the Pro and Student versions and the Classic view, the text includes regular margin Notes that contain additional important information for all users and Warning notes when extra attention is needed:



Regular Notes for all users providing additional general information.



Warning notes point out common errors or things to watch out for!  
All users should read these notes carefully.

## Order of Applications

Setup applications are introduced early in the text. Advanced users should have no difficulty working through the applications in the order given and may choose to skip some applications. However, at a minimum, we recommend working through all keystroke transactions (the ones with a ✓ in the check box beside them) so that you become familiar with all the journals before starting the more comprehensive applications.

There are alternative ways of using the text for introductory and advanced level courses. Students can complete the General, basic Payables, basic

Receivables, Payroll and Inventory transaction applications (Chapters 3, 5, 6, 8 and 10) in the introductory course and the remaining chapters later. Chapters 11 and 12 may be completed at any time after Chapter 6 because these chapters do not have payroll or inventory transactions. Chapters may also be completed in a different sequence, as outlined below and on the following page:

1. Read and work through the two Getting Started chapters in Part One.
  - 2A. Complete the ledger applications in order: Muriel's Murals (General), Groen Fields (basic Payables), Phoebe's Photo Studio (basic Receivables), Helena's Academy (Payroll), Flabulous Fitness (Inventory), Andersson Chiropractic Clinic and Maple Leaf Rags (advanced features of the first three ledgers) and Shady Corners\* (Division or Project).
  - 2B. (Premium version only) Complete the Part Three applications in any order: Ryder's Routes (Time & Billing) and Able & Associates (departmental accounting).
  3. Complete Tesses Tresses (Chapter 15, account reconciliation and deposit slips) and Sound Inc. (Chapter 14, budgeting).
  4. Complete the four setup applications in order: Love It Again (General), Air Care Services (three ledgers), Northern Lights (adding the Payroll ledger) and VeloCity (five ledgers).
  5. Complete the Stratford Country Inn setup application with realistic source documents. Users may want to attempt this setup with the help of the setup wizards from the Setup menu in the Home window.
  6. Complete the cash-basis accounting application in Appendix H at any time after Chapter 6.
  7. Complete the setup for some of the other chapters based on the company information provided at the start of the chapter.
- \* Shady Corners (Division Ledger, Chapter 13) may be completed at any time after these chapters because it does not introduce keystrokes required for later applications. Later chapters may be completed before Shady Corners.

This order is shown graphically in the chart on the following page.

## Organization within Chapters

All chapters are organized the same way. After stating the objectives of the chapter, a comprehensive company profile brings the business to life. This profile includes a description of the business's primary activities; its customers, suppliers, employees and inventory; historical financial data for all Sage 50 modules used by this company; and company-relevant accounting procedures.

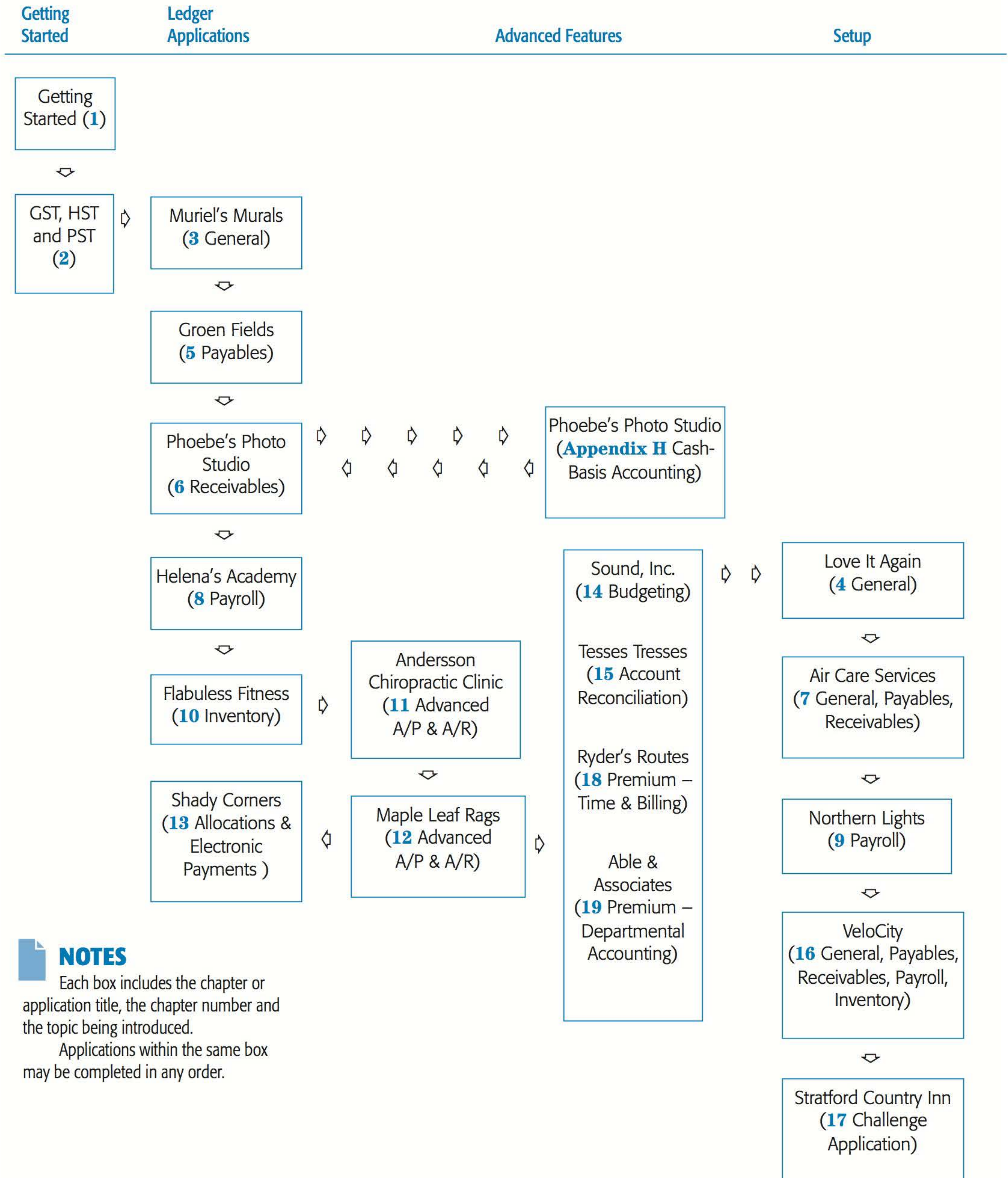
Instructions for the chapter follow. The keystroke section comes next with detailed instructions for each new type of transaction or setting up the company files. For the setup chapters, the transactions follow the keystroke section. Otherwise, the keystrokes and transactions are presented together — the instructions for each new type of transaction follow the transaction.

Instructions and descriptions for reports for the module and features covered in a chapter appear at the end of the chapters.

Review questions and cases for all chapters can be found in Appendix D on the Student DVD.



**AN ALTERNATIVE SEQUENCE FOR WORKING THROUGH THE APPLICATIONS**



**NOTES**

Each box includes the chapter or application title, the chapter number and the topic being introduced.  
 Applications within the same box may be completed in any order.

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## Supplements

### The Student Text Enrichment Site

A text enrichment site accompanies this text: [pearsoncanada.ca/text/purbhoo2017](http://pearsoncanada.ca/text/purbhoo2017). This site has an online banking simulation for VeloCity in Chapter 16, including the bank statement that you can download for reconciliation. Instructions for accessing the site and completing the simulation are in Appendix I on the Student DVD.

### Instructor Supplements

- **Solutions** Solutions for all applications in the text are available as Sage 50 Premium Accounting backup files. These files have all the source document transactions in the text completed. The files must be restored with the Sage 50 program and all reports may be displayed or printed.
- **Additional Setup Files** Backup files for the setup chapters (Chapters 4, 7, 9, 16 and 17) are provided with setup completed and ready for entry of source documents. Two additional files are provided for Chapter 16 — for journal entries beginning in the second and third month of the applications. Files for bank reconciliation are also included: February bank reconciliation for Tesses Tresses; Case 8 in Appendix D for VeloCity; and Case 3 in Appendix D for Stratford Country Inn. Appendix D is on the Student DVD. These additional files are provided with the Solutions.
- **Instructor's Manual** The Instructor's Manual is a file in PDF format with information about all the instructor resource materials, teaching and testing suggestions and some troubleshooting tips.
- **Answers to Review Questions and Cases** includes answers to all the end-of-chapter questions and cases (Appendix D on the Student DVD). It is available as a PDF and a Microsoft Word document so that instructors may choose or modify individual answers.
- **Test Bank** Multiple-choice tests (with over 500 questions) organized by textbook chapter and several applied tests that require students to set up company files and enter source documents using Sage 50 are provided. The applied tests have alternate versions and may be completed as intermediate or end-of-course tests. All test files are provided in Microsoft Word format and may be modified by instructors. Solutions are included for all test items. For increased flexibility, the applied test solutions are Sage 50 backup files at two stages of completion: with the setup completed but history not finished and with all source transactions completed. The setup solution files may be given as separate tests (entering source transactions only) or they may be modified to create your own tests.
- **Source Documents** Source document files for all chapters are available. These PDF-formatted source document files do not include any keystrokes.

All instructor supplements except the source document files are available for download from a password-protected section of Pearson Canada's online catalogue [catalogue.pearsoned.ca](http://catalogue.pearsoned.ca). Navigate to the catalogue page for this text to view a list of the supplements that are available. Contact your local sales representative for details and access.

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# ACKNOWLEDGMENTS

**T**hirty years ago the first Purbhoo text was published to help with teaching and learning a small but fully integrated DOS-based computerized accounting program named Bedford Accounting. Since then the software has gone through many changes, including its name. It has grown in size and complexity, as has this text. Over these years, a large number of people played an important part in the projects, and I wish I could remember and name them all to say thank you. The list would fill this page. Some were involved briefly, and some for longer periods. Some moved on to other jobs and places, and some, sadly, have passed away.

Two Pearson employees deserve special mention. Without them, we could not have a book ready for September. Avinash Chandra, you cannot know how much I appreciate your commitment to the Purbhoo book. And Anthony Leung, senior designer at Pearson — your dedication to creative design is truly appreciated. Anthony has worked on all the Purbhoo books and still generates new, and I think interesting, designs for the outside and inside of the book and to make changes on the fly.

Madhu Ranadive resumed the position of content manager for this text. She was one of the first editors for the Purbhoo texts, and although she was not involved in the book for many years, she always provided support in other ways. Michael Kelley and Carolyn Sebestyen have, once again, assisted with technical advice and support.

Megan Farrell, acquisitions editor, manages the contracts with Sage and the contacts with sales representatives and instructors — their questions and the errors they found provide important feedback.

As before, I have counted on Leanne Rancourt — developmental editor, copy editor and production editor — you have been reliable, professional, efficient and effective, and flexible in all these roles. So, thank you, it has been a pleasure. Together with Susan Bindernagel, who carefully proofread the entire manuscript, they continue to find ways to make this a better book.

Several individuals at Sage — Jim Collins, Melissa Lutman, Mark Hubbard and others — have been helpful throughout this project, providing access to Sage resources needed to create this text and technical support.

We are also grateful for the cooperation of Sage Payment Solutions and Bambora — by allowing access to these programs, they make it possible for the students to see how Sage 50 reaches further into the real world of business.

Authors learn from many different sources, and in the process of preparing this book for students, I am continually learning — from instructors, consultants and technical experts. At the end of the day, the content and the errors remain my responsibility, but the help of many behind the scenes make my job possible.

And, of course, I rely heavily on family and friends who provide balance between work and play — and because it is play that inspires new material, they are essential. Thank you to all of you.

Mary Purbhoo

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# Part 1

## Getting Started



# CHAPTER ONE

## Getting Started



**After completing this chapter, you should be able to**

### OBJECTIVES

- **start** the Sage 50 program
- **open** a working copy to access the data files for a business
- **restore** backup files to access data files for a business
- **understand** the Help feature in Sage 50
- **save** your work
- **back up** your data files
- **finish** your session
- **change** default date format settings



#### **WARNING!**

In 2013, Sage Simply Accounting was renamed Sage 50. You will be unable to open the data files with Sage 50 Accounting 2016 or earlier releases of Sage 50 Accounting.

The Student DVD with Data Files will be referred to as the Student DVD throughout the text.



#### **NOTES**

The instructions in this chapter for starting the program and copying files refer to Windows 10 procedures. If you are using a different version of Windows, please refer to Sage 50 and Windows Help and manuals for assistance with these procedures.

Sage 50 works best when Internet Explorer is your default browser and you keep your Internet connection open.

## GETTING STARTED

### Data Files and Abbreviations

The applications in this workbook were prepared using Windows 10 and the Sage 50 Premium Accounting and Sage 50 Pro Accounting (Release 2017.0) software packages produced by Sage. Before 2013, this program was named Sage Simply Accounting (Premium and Pro). You will be unable to open the data files with any version or release of Sage 50 Accounting earlier than 2017, Release 0. Do not install updates for the Sage 50 program while working through this text. Later releases and versions of the software use later income tax tables and may have changes in screens or keystrokes. If you have a version other than Release 17.0, you can download and install the Sage 50 Premium Accounting – Student Version program to work through the applications. Refer to Appendix A if you are installing the Student version.

The instructions in this workbook have been written for a stand-alone PC with a DVD drive and a hard drive with Windows correctly installed. Your printer(s) should be installed and accessible through the Windows program. Refer to the corresponding manuals for assistance with these procedures.

This workbook reflects the author's approach to working with Sage 50. There are alternative approaches to setting up company accounts and working with the software. Refer to Sage 50 and Windows Help and manuals for further details.

**DATA APPLICATION FILE NAMES AND LOCATIONS** (All folders and files are located in C:\SageData17\)

Company	Full File Installation	Backup File Installation	Chapter
Getting Started	START\START.SAI	START1.CAB	1
Muriel's Murals	MURALS\MURALS.SAI	MURALS1.CAB	3
Love It Again	TEMPLATE\SKELETON.SAI plus user setup	SKELETON1.CAB plus user setup	4
Groen Fields	FIELDS\FIELDS.SAI	FIELDS1.CAB	5
Phoebe's Photo Studio	PHOTO\PHOTO.SAI	PHOTO1.CAB	6
Air Care Services	user setup required	user setup required	7
Helena's Academy	HELENA\HELENA.SAI	HELENA1.CAB	8
Northern Lights	NORTHERN\NORTHERN.SAI plus user setup	NORTHERN1.CAB plus user setup	9
Flabuless Fitness	FLABULESS\FLABULESS.SAI	FLABULESS1.CAB	10
Andersson Chiropractic Clinic	ANDERSSON\ANDERSSON.SAI	ANDERSSON1.CAB	11
Maple Leaf Rags	MAPLE\MAPLE.SAI	MAPLE1.CAB	12
Shady Corners	SHADE\SHADE.SAI	SHADE1.CAB	13
Sound, Inc.	SOUND\SOUND.SAI	SOUND1.CAB	14
Tesses Tresses	TESS\TESS.SAI	TESS1.CAB	15
VeloCity	user setup required	user setup required	16
Stratford Country Inn	user setup required	user setup required	17
Ryder's Routes (Prem.)	RYDER\RYDER.SAI	RYDER1.CAB	18
Able & Associates Inc. (Prem.)	ABLE\ABLE.SAI	ABLE1.CAB	19
Phoebe's Photo Studio (Cash-Basis)	CASH\PHOTO-CASH.SAI	CASH1.CAB	Appendix H

**NOTES**

Applications in Chapters 1 through 17 can be completed with both the Pro and the Premium versions. For the applications in Chapters 18 and 19 you must use the Premium version.

Data files for the applications in Chapters 4, 7, 9, 16 and 17 – the setup chapters – are not set up in advance. You must complete these setups on your own.

In addition to the data files, the Student DVD includes data files for cash-basis accounting in Appendix H (CASH folder or CASH1.CAB backup file) and a backup file VELOBANK1.CAB (Bank folder) for online banking in Appendix I. Appendices H and I are on the Student DVD as PDF files.

The applications increase in complexity. Each one introduces new ledgers, setups or features as indicated in the following chart:

DATA APPLICATION	LEDGER USED						OTHER
	GL	AP	AR	PAY	INV	DIV	
Muriel's Murals	*						
Love It Again	*						2
Groen Fields	*	*					
Phoebe's Photo Studio	*	*	*				3
Air Care Services	*	*	*				2, 3
Helena's Academy	*	*	*	*			
Northern Lights	*	*	*	*			2
Flabuless Fitness	*	*	*	*	*		3
Andersson Chiropractic Clinic	*	*	*				
Maple Leaf Rags	*	*	*				3, 4, 7
Shady Corners	*	*	*	*	*	*	3, 4, 7, 9
Sound, Inc.	*	*	*	*	*		3, 5, 7
Tesses Tresses	*	*	*		*		6
VeloCity	*	*	*	*	*		2, 3, 4, 7
Stratford Country Inn	*	*	*	*	*		1, 3, 7, 8
Ryder's Routes	*	*	*	*	*		PREMIUM 1
Able & Associates Inc.	*	*	*	*	*		PREMIUM 2
Phoebe's Photo Studios (Appendix H)	*	*	*				10

**LEDGERS**

GL	= General Ledger	PAY	= Payroll
AP	= Accounts Payable	INV	= Inventory
AR	= Accounts Receivable	DIV	= Division or Project Allocations

**Other:**

- |   |                                 |  |
|---|---------------------------------|--|
| 1 All realistic source documents (most chapters have some realistic source documents) | 5 Budgeting                     | 8 Setup application without keystrokes |
| 2 Setup application with keystrokes   | 6 Account reconciliation        | 9 Electronic payments                  |
| 3 Credit cards  | 7 Foreign currency transactions | 10 Cash-basis accounting               |

**PREMIUM 1** Time & Billing; Build from Bill of Materials; Inventory locations (Premium version only)

**PREMIUM 2** Departmental Accounting (Premium version only)

## The Sage 50 Program

Sage 50 is an integrated accounting program with many features that are suitable for small and medium-sized businesses. It includes several ledgers and journals that work together so that data entered in one part of the program will be linked to and available in other parts of the program. Ledgers are automatically updated from journal entries, and reports always include the most recent transactions and ledger changes. A business can use one or more of the accounting modules: General, Payables, Receivables, Payroll, Inventory, Project and, for the Premium and Quantum versions, Time & Billing. You need to set up only the features you use. Thus, if payroll is not used, there is no need to set up the Payroll module, and it can be hidden from view. A more complete description of the program and its features is presented in Chapter 16, pages 623–624.

### NOTES

For assistance with installing the Sage 50 program, refer to Appendix A.

### NOTES

You can access the Sample Data file from the Sage 50 Welcome Select Company screen on page 8.

### PRO VERSION

The Pro version does not have the add-in for Microsoft Outlook.

## Sage 50 Program Components

When you select the Typical Installation option, several components will be installed:

- **Sage 50 Program:** the program that you will need to perform the accounting transactions for your company.
- **Sample Data:** complete records for a sample company — Universal Construction.
- **Templates:** predefined charts of accounts and settings for a large number of business types.
- **Customizable Forms:** a variety of commonly used business forms.
- **Microsoft Office Documents:** a variety of Microsoft Office documents designed for integrated use with Sage 50.
- **Manuals & Tutorials:** documentation and videos to help you learn the program.
- **Add-in for Microsoft Outlook:** a program link that connects your data with Microsoft Outlook.

## The Student Data DVD

Before you begin the applications, you must copy the data to your hard drive. The Student DVD has both full data files and Sage 50 backup files. The full data files are large and will take longer to install, so we provide only backup files for supplementary data files (refer to page xi) and for Pro users. Furthermore, you cannot work from CD or DVD files because they are read-only files. Keep the Student DVD in a safe place in case you need to start over from the original files. The following instructions will copy all the files to your hard drive and create the necessary folders.

## Installing Your Data

The Student DVD contains Pro and Premium versions of the data files and several supplementary files for the book. It also has programs that will automatically copy the data to a new SageData17 folder on your hard drive (drive C:). If you want to use a different location for your data files, proceed to page 6.

You must work with the correct version of the data set. If you are working with the Pro version, install the Pro data files — you cannot open Premium version files. If you are working with the Premium (or Student) version, install the Premium data files.

If you are using the **Pro version**, refer to the Pro Version margin notes throughout the text for the differences between the Pro and Premium versions for 2017.

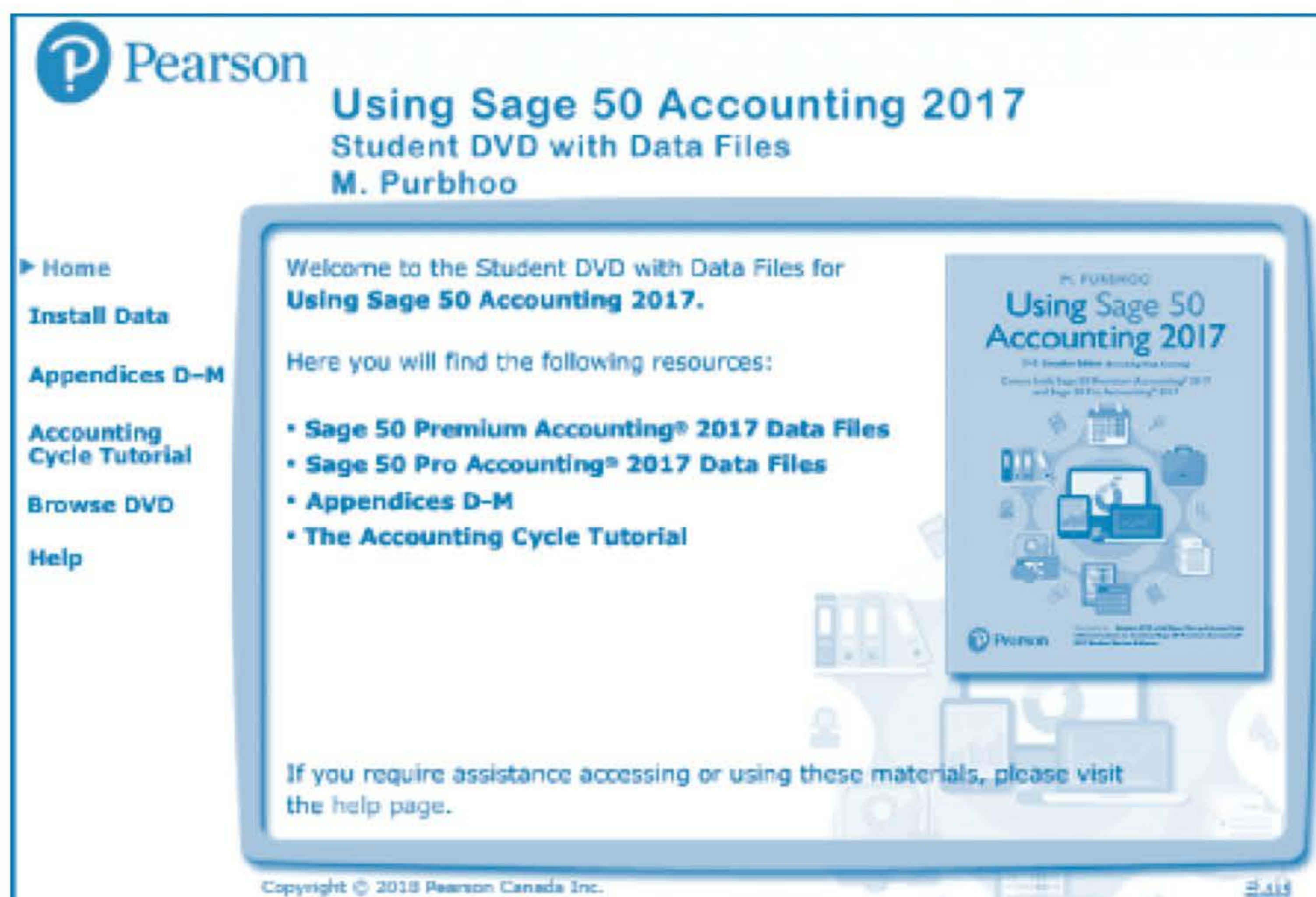
### NOTES

Sage 50 writes directly to your working data file as you enter transactions. Therefore, you cannot use read-only files as your working copy. All CD and DVD files are read-only files, so you cannot open the Sage 50 data files from the Student DVD.

### WARNING!

Unless you have experience working with Windows folders, we recommend using the auto-install feature on the Student DVD to install your data set.

**Insert** the **Student DVD** into your DVD drive. The home page appears:



This page has your options for installing data files and viewing the additional resources and allows you to access these options from the left-hand side pane.

If the Student DVD home page does not open automatically when you insert the Student DVD,

**Click** the **Windows Start icon**  on your desktop task bar.

**Type** `d:\start.exe` (where D: is the drive letter for your DVD drive). The Search field opens automatically, and this file should be available on your DVD.

**Click** **D:\START.EXE** to open the installation options on the previous page.

**Click** **Install Data** to open your data installation options:



All data installation options will create the SageData17 folder on your hard drive — This PC — OS C: or Local Disk C:, and all files will be placed in this new folder.

The **Install Premium Version Full Files** option (~2 GBytes) will copy folders and files for each company data set in the primary keystroke chapters. In addition, you will have backup files for online banking and importing entries from an accountant. This installation requires substantially more time for copying the files.

The **Install Premium Version Backup Files** option (~60 MBytes) will install backup files for all the applications in the text except the setup chapters. When you restore

## NOTES

If you are working with the Quantum version, you should install the Premium version files. Your program will automatically upgrade the files to the Quantum version when you open or restore them.

## NOTES

If the Student DVD does not start automatically, open your Computer or Windows Explorer window. Right-click the DVD and click Explore. Double-click Start.EXE to run the DVD.

Clicking Browse DVD on the DVD home page (in the left navigation pane) will open the DVD directory and list all the files on the Student DVD.

## NOTES

Keystroke instructions that you must use have highlighted text in indented paragraphs, like the ones on this page starting with **Click**, **Type** and **Close**.

The command words are in **bold black** type and the object of the command is in **colour**.

Text you should type or key uses the Courier font after the command word **Type**.

Additional key words are also in **colour**.

## NOTES

The Student DVD also has an appendix that reviews accounting principles and an interactive Accounting Cycle Tutorial that introduces basic accounting procedures for manual accounting.

## NOTES

Windows 10 uses the name "This PC" for the computer, so this term will be used in this text. This name may be customized on your own computer, but we have not done so.



**NOTES**

A black DOS Command screen will scroll through all the files as they are being copied to your hard drive. There are thousands of individual files in the full version data set, so this will take some time.

All data files will be copied to C:\SageData17\, the starting point we use throughout the text.

If you reinstall the files, you will be prompted to replace the older files. Your options are to replace all (type A), replace just this one file (type Y) or do not replace this one file (type N). Press **enter** after making your choice. Choosing All (typing A) will automatically replace all the files and you will not get this same prompt for each of the thousands of individual files.

these with Sage 50, the default location will be the same as that for the Full File Installation option. If you are working on a slower computer, we recommend this option.

The **Install Pro Version Backup Files** option will install backup files for the applications for Pro users. Pro version files are provided only in backup format.

Instructions for restoring backup files begin on page 25.

**Click** **Install Pro Version Backup Files** to copy the data set for Pro 2017.

The Premium, Student Premium and Quantum versions use the same data files.

**Click** **Install Premium Version Full Files**, or

**Click** **Install Premium Version Backup Files**.

While the files are being copied, a black DOS window will open, scrolling through all the files being copied. This will take some time if you are installing the Premium Version Full Files, so please be patient. (Read the margin Notes.)

When all the files have been copied, you get a confirmation message:



**Click** **OK**. The data files are located in C:\SageData17. The DOS window closes.

You can also view the supplementary files on the DVD. You can save these PDF files to your hard drive or print them if you want.

**Click** **Appendices D-M** in the left navigation bar and then **click** the **file** you want.

**Close** the **PDF file** when you have finished viewing or printing it.

**Click** **Exit** to close the Student DVD window.

All the data files for the book are now located in the new SageData17 folder in drive C:. We will use the shorthand C: instead of This PC\C:, Local Disk C: or OS C:. We will open and restore the backups from this folder and use it as our working data folder.

## Working with Other File Locations


You can copy the files to a different location by copying the data from the DVD just as you would copy other files to your hard drive. Choose the correct version of the data set (Pro or Premium) and be sure to copy the entire folder for each data set to include both the SAJ folder and the .SAI file. These must be kept together for Sage 50 to be able to open the data file.

You cannot open a Sage 50 data file directly from a CD or DVD, but you can restore a Sage 50 backup file from a CD or DVD. You must save the file on your hard drive before you can work with the data.

You can also work on a removable USB drive in Sage 50 because this is a rewritable medium, but working from a hard disk drive is faster and is the preferred method.

## Starting Sage 50

A Sage 50 shortcut icon was added to your desktop when you installed the program.

**Double-click** , the Sage 50 program shortcut on your desktop.

**NOTES**

Alternative instructions or commands that you may use are given in indented paragraphs without highlighting, like the paragraph beside this note beginning with "You can copy the files to."

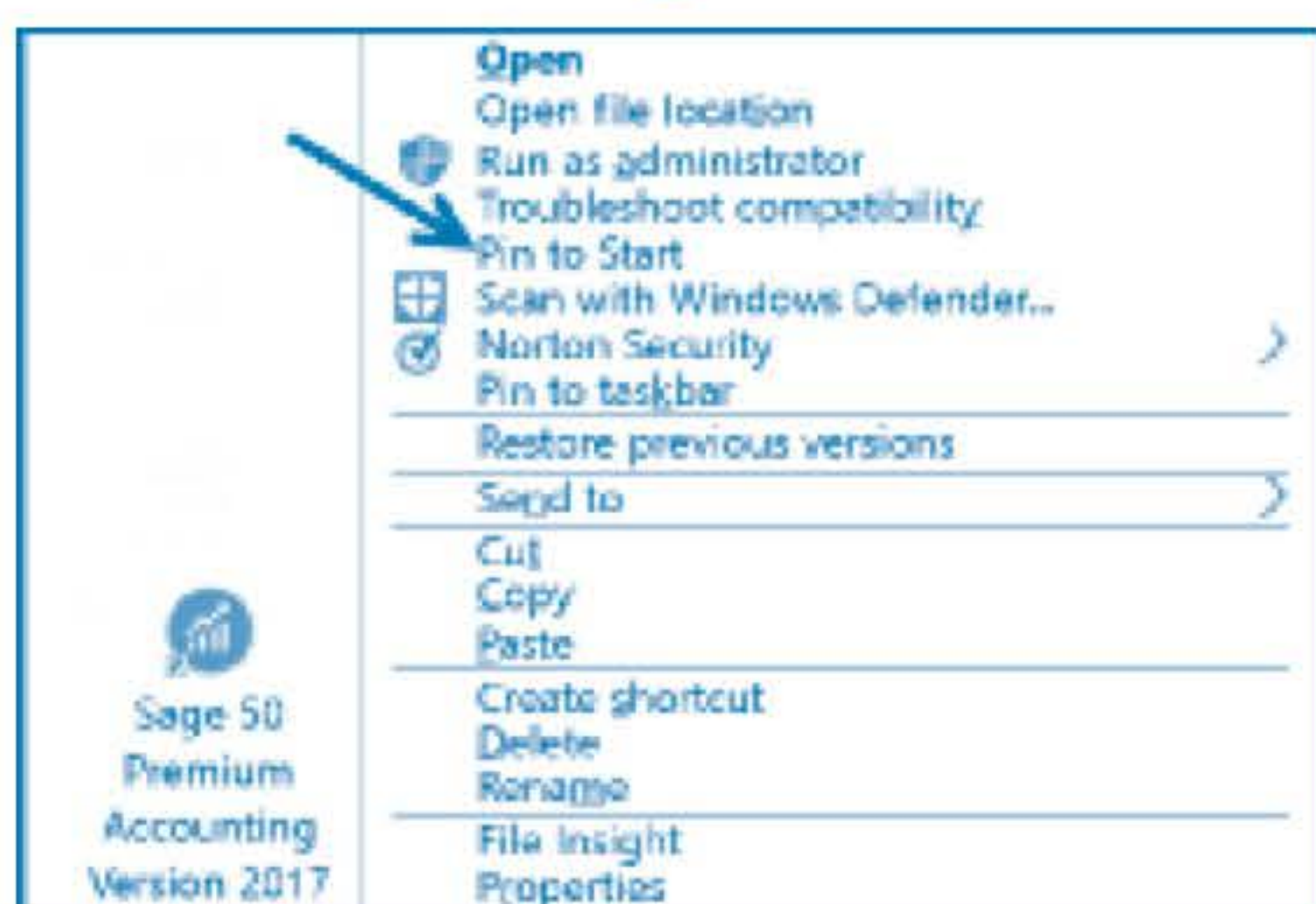
**PRO VERSION**

The desktop shortcut is labelled Sage 50 Pro Accounting Version 2017.

**pro** The desktop shortcut is labelled Sage 50 Pro Accounting Version 2017.

From this shortcut, you can pin the program to your Windows 10 Start page.

**Right-click** the **Sage 50 shortcut** to open a pop-up menu:




**Click** **Pin To Start**. You can now start Sage 50 from the Windows Start page (Tablet mode). A shortcut has been added here for the program:




**Click** **Sage 50 Premium Accounting Version 2017**.

If you are not viewing your screen in Tablet mode, you will begin from  (the Windows Start icon) in the task bar.

**Click** the **Start icon**  to expand the Start menu. All your applications are in alphabetic order with their program icons. The shortcut you created earlier will be included in the tablet part of the screen.

**Click** the **Sage 50 Premium Accounting Version 2017** shortcut you added here to start the program:



Click the Expand list icon  above the first Start menu entry if necessary.

**Scroll down** the list of Apps to Sage. **Click Sage** and then **point to Sage 50 Premium Accounting Version 2017**:



**Click** **Sage 50 Premium Accounting Version 2017**. The word “new” will appear beside the program name if you have recently installed it.

## NOTES

We intentionally use large arrow pointers in our screenshots.

## NOTES

From this pop-up menu, you can also pin a shortcut to the desktop task bar and then click this shortcut to start the Sage 50 program.

## PRO VERSION

The Start page shortcut is also labelled Sage 50 Pro Accounting Version 2017.

## PRO VERSION

You will click Sage and then click Sage 50 Pro Accounting Version 2017.

**NOTES**

The Select Company window includes the version you are using. This window has Premium added to the program name.

The Select Company window option is located in the View menu (refer to Chapter 4, page 84).

**WARNING!**

You will be allowed to use the retail version of the program only for a limited time before entering the registration validation codes.

Remember to activate Payroll as well. Refer to Appendix A in this text. You must have a payroll ID code in order to use the Payroll features of the program.

You must register and activate the Student version before you can use it, but you will not need to activate payroll.

Refer to Appendix A for information about registering and activating your program.

**NOTES**

Your screens may look different if you have selected different viewing options, such as displaying the folders as icons, details or lists. The viewing options can be changed from the View icon drop-down menu.

**WARNING!**

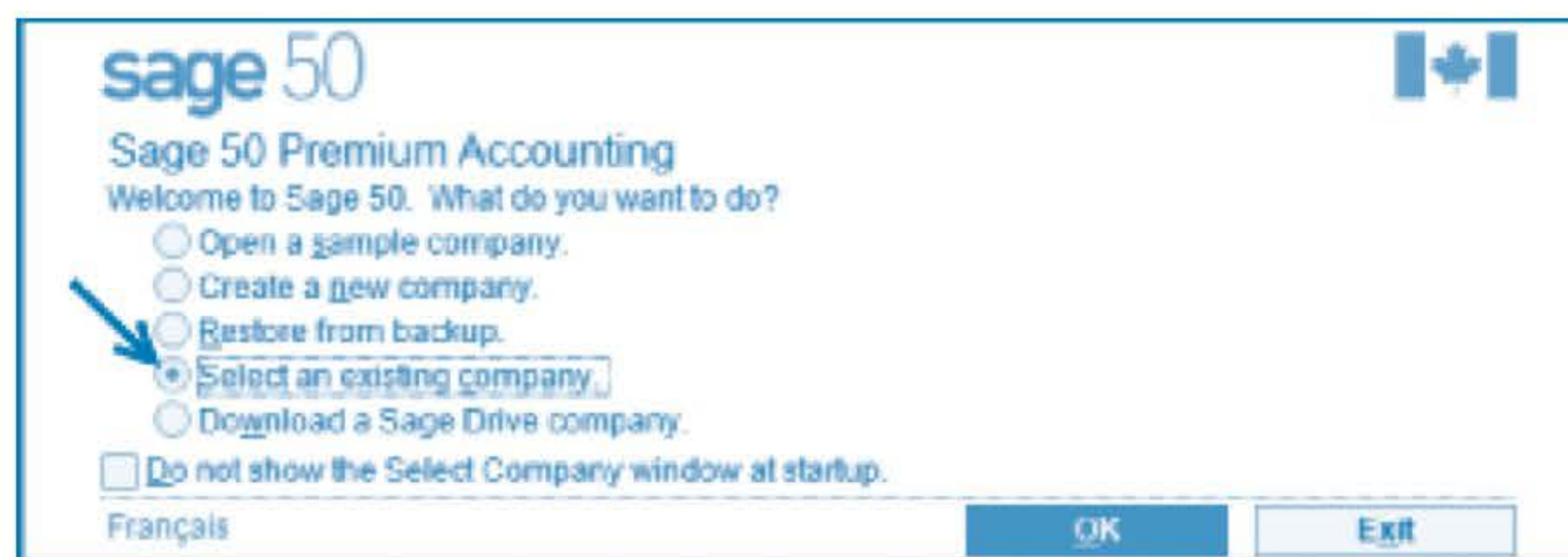
Each application has many files containing different parts of the accounting information. All files must be contained in the same folder. If any file is missing, you will be unable to access the information. The auto-install procedure keeps the necessary files together.

**NOTES**

The path for the most recently used company file will be used initially. Therefore, we cannot be certain what your screen will have in the path field. Our instructions should direct you to the data files from any location.

We provide the complete path and extensions for files. These are folder options in Windows.

You will open the registration screen the first time you use the program. Otherwise, you will open the Sage 50 Welcome and Select Company screen:



If you have not yet registered the program, refer to the boxed notes in Appendix A, pages A-3–A-4 in the text. Until you register and activate the program, you will be allowed to use the program only for a limited time. The Student version must be activated before you can use it. Refer to Appendix A, pages A-5–A-6 and A-9.

If you are restoring the Premium or the Pro version backup file, refer to page 25 for instructions.

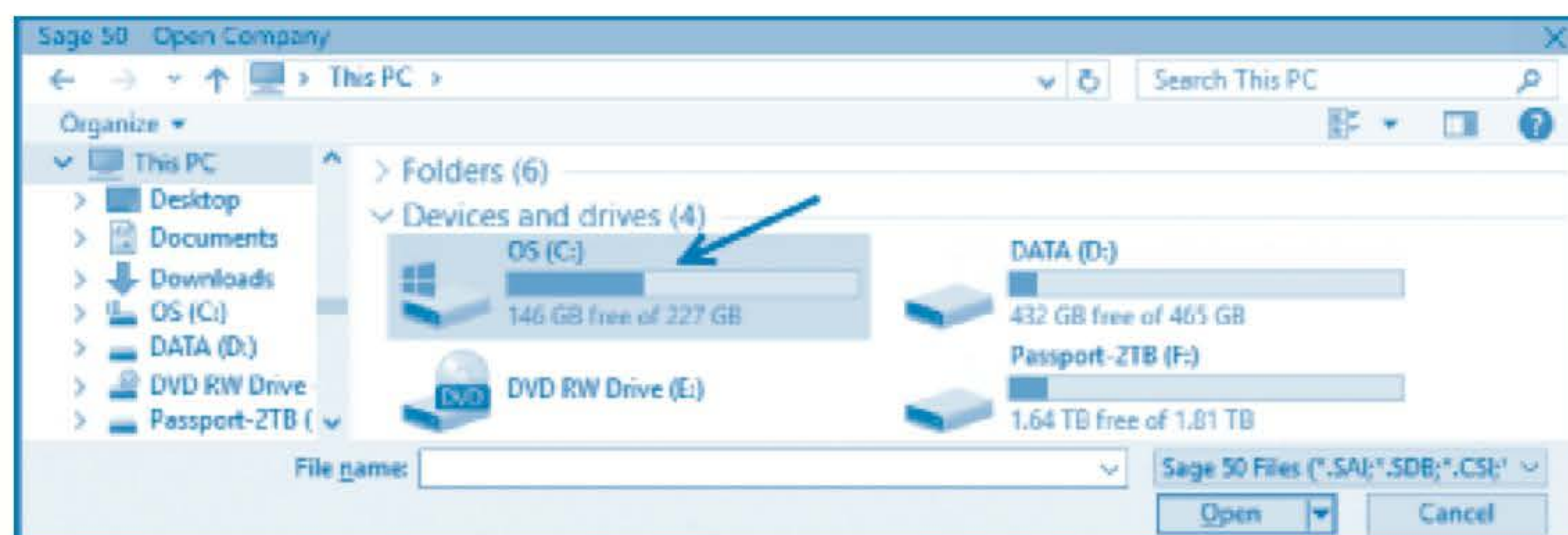
## Opening a Data File

The opening Sage 50 Welcome and Select Company screen gives you several options: working with the sample company files, creating new company files, restoring backup files or working with existing data files on your own computer or through a Sage Drive Internet connection. The next time, because we will have worked with the program before, the option to Open The Last Company You Worked On will be added with the name of the file you used (refer to page 26). If you choose this option when you use the same data set for several work sessions, you will bypass the Open Company window (the next screen on this page).

If you are restoring backup files, refer to the instructions starting on page 25.

**Click Select An Existing Company. Click OK.**

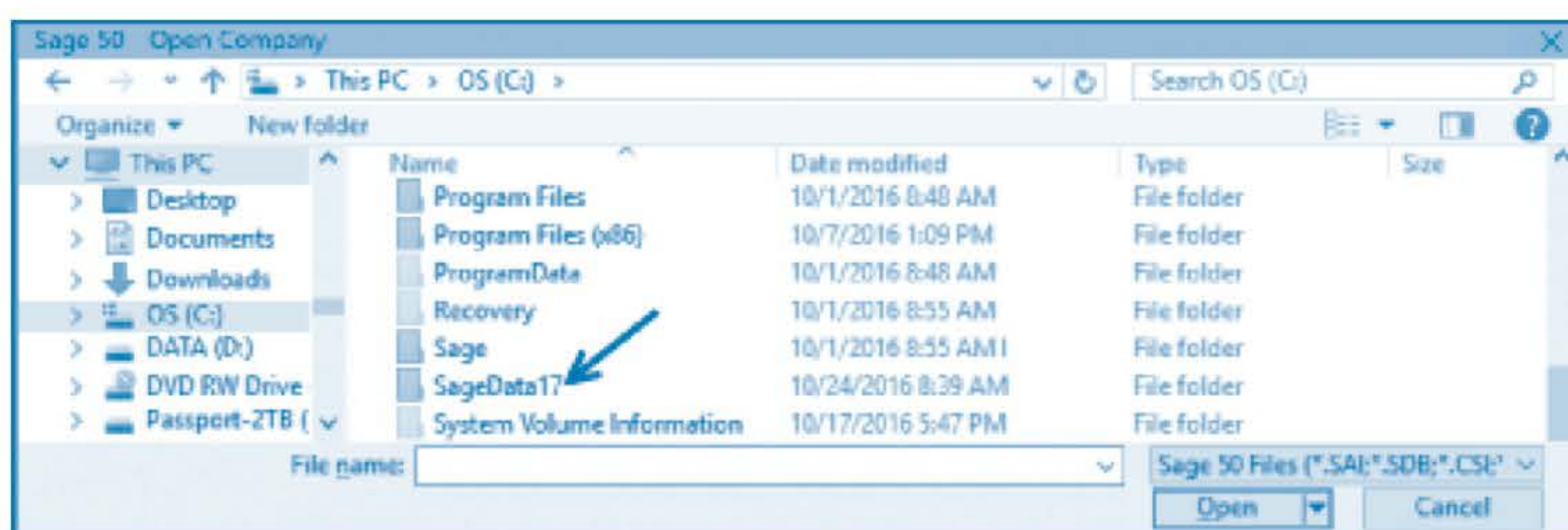
The Sage 50 – Open Company window appears next. Our screen uses the Tiles view:



The initial path will be for the file you used most recently, and it will be selected for you to accept or to change. If this is the first time you are opening a data file, your path will be determined by your program and system settings. Therefore, the folder on your screen may be different from ours.

**Click This PC** in the left pane list or in the file path field on top to open the screen above.

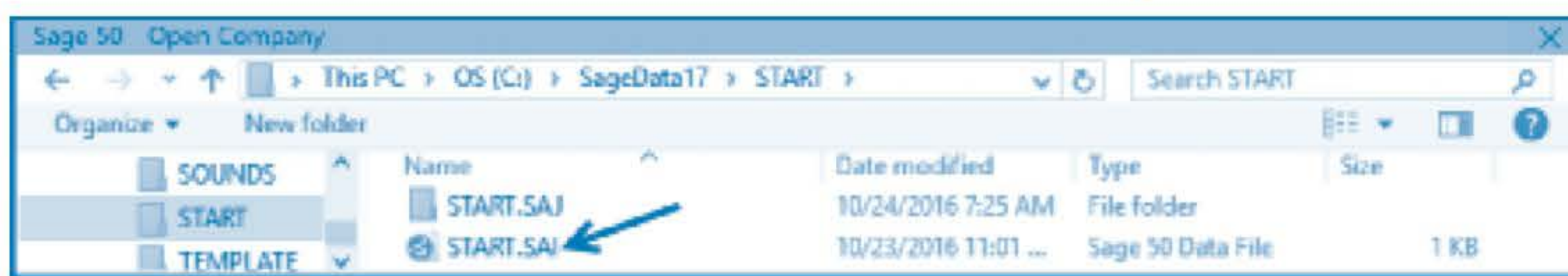
**Double-click OS (C:) or Local Disk (C:)** or the name for the local hard drive C: on your computer to list the folders on this drive. Our next screen uses the Details view for the folders:



**Click SageData17.** (Click the SageData17 folder icon  if your viewing mode is icons.) Then **click Open** for the files you installed from the Student DVD. We used the List view for folders in the next screen:

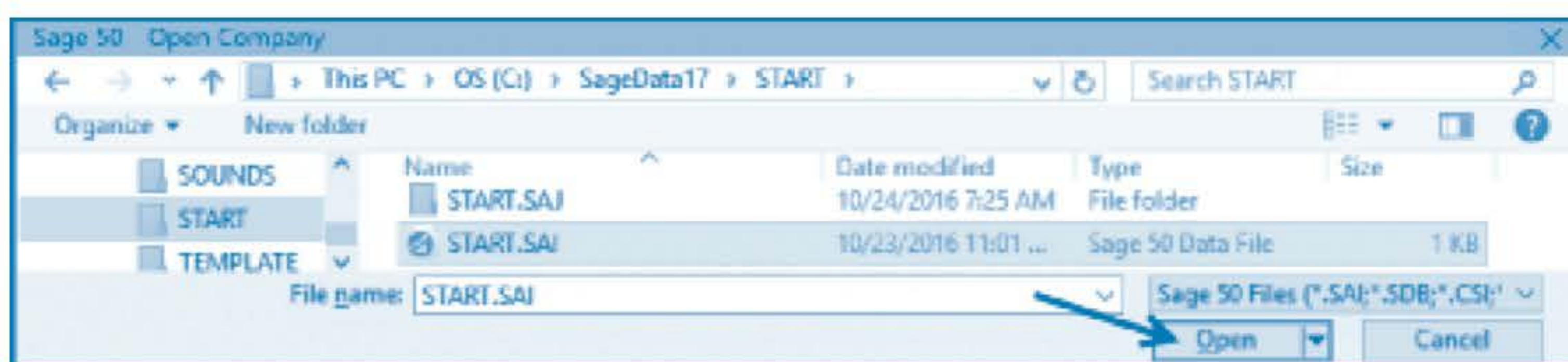


**Click START** (or its folder icon ) and then **click Open**:



You can gain access to the company records only from the **\*.SAI** file. Sage 50 recognizes this file extension as a Sage 50 format. The remaining data files for the company are in the SAJ folder. Both the .SAI file and the SAJ folder that are part of the data set must be located in the same folder. The complete data path [This PC>OS(C:)>SageData17>START] is added to the path field near the top of the screen. START is now the folder named in the Search field.

**Click START** (or the START icon ) , or click **START.SAI** (if you show file extensions) to select it and add it to the File Name field:



**Click Open** to open the session date screen:



**Click OK** to accept the date and open the Home window. The session date is explained in Chapter 3.

## NOTES

We use the default location for the data files from the automatic installation. If you installed the files to a different location, choose the drive and location for your setup.



## PRO VERSION

You will have folders only for ACCOUNTANT, BANK and LOGOS. All data files are available as backup files. Refer to page 25 for instructions on restoring backup files.

## NOTES

Showing the complete file path as we do is a Windows option. The open folder is named in the Search field.

## WARNING!

If you are not showing file extensions, you will click START. Do not click the START.SAJ folder. The folder has a small folder icon  beside the name. The .SAI file you need has a Sage 50 program icon  beside the name.

## NOTES

The session date is explained in Chapter 3, where you will also learn how to change the session date.

The session date drop-down list includes the current session date, the end of the fiscal period and the start of the next fiscal period. The list for any date field includes the dates commonly selected.

**NOTES**

We have not set passwords for any data files in this text, but your site administrator for the network may have done so. Refer to Appendix G for more information about passwords.

**PRO VERSION**

You may get an additional message about upgrading to the Premium version of Sage 50. Choose Do Not Show This Message Again.

**PRO VERSION**

The terms do not change. Customers and Vendors will replace Clients and Suppliers on the Getting Started screen.

**NOTES**

The contents of the Getting Started screen will change to match the industry or business type of your company data set.

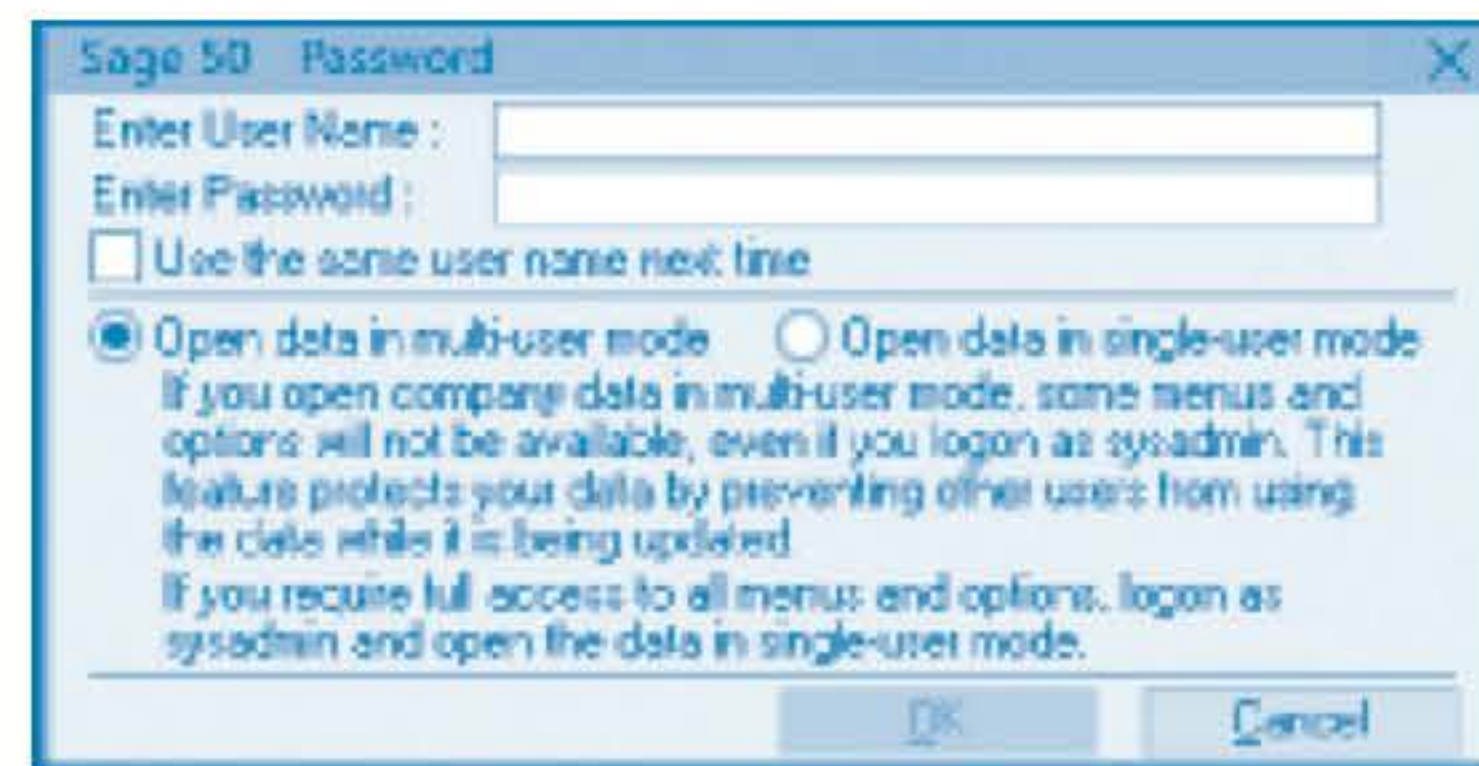
**NOTES**

You can open the Getting Started window at any time from the Home window View menu. Then click Show This Window On Start Up to have it open each time you access this data file.

**PRO VERSION**

The program name is Sage 50 Pro Accounting. Purchase replaces Supplier, and Create Sales Invoice replaces Create Client Invoice in the shortcuts pane.

If passwords have been set up for the file, you will open the password entry screen before the session date window:



Ask your instructor or site administrator for the name and password to use. Enter your user name and password. Open the file in Single-User Mode. Click OK to open the session date screen. Refer to Chapter 16, page 688, and Appendix G on the Student DVD.

If you get a message that the data has been updated to a new file format, your program may be an earlier version than 2017, Release 0, and you will be unable to open the data file. You can install the 2017 Student version to work with this text (refer to Appendix A).

The Sage 50 Getting Started Welcome screen opens:



This screen outlines various options for getting assistance with the program when you have an Internet connection open. These include brief video tutorials and instructions for some basic steps you might need when setting up data files for a new company. You will start with this screen each time you open a data file in Sage 50, unless you have turned it off. After reading the options, you can close this screen now so that it will not appear each time you open this file. For other data files in this text, we have already turned off the selection.

**Click** **Show This Window On Start Up** to remove the ✓.

**Click** **Close** to continue.

## Sage 50 Dashboard

The main Sage 50 Dashboard Home window on page 11 should now be open.

The **title bar** is at the top of the Home window, and it contains the file name, START.SAI (or START); the Control Menu icon on the left-hand side; and the size buttons on the right-hand side. The **main menu bar** with the **search** function on the right-hand side comes next. The Search field enables you to look up information in any journal or ledger. This line is followed by the program name, Sage 50 Premium Accounting, and **tool bar**. Tool buttons provide quick access to commonly used menu items. Different windows in the program have different buttons on the tool bar. Below the tool bar you will find the company name, Start Co., and the command to **Switch To Classic View** (refer to page 14).

The screenshot shows the Sage 50 Premium Accounting interface. On the right side, labels with dotted lines point to various UI elements:

- Title bar
- Menu/Search bar
- Tool bar
- Change view command
- Open module
- Modules pane
- Revenue summary
- Bank account balances
- Drill-down detail
- Aged Receivables pane
- Aged Payables pane
- Shortcuts pane
- General Journal shortcut
- Orders summary
- Status bar

The **Modules pane** on the left-hand side of the window or navigation pane lists all the modules set up for this company. It also provides direct one-click access to the Cloud & Mobile module for sharing company data with accountants or employees and sharing data with Sage One Accounting, an online accounting program. Through an Internet connection, the link to Add-on Services will provide more information about Sage 50 Payroll, cheque printing, Sage University and Sage 50 Direct Payments.

The Dashboard provides several key performance indicators in the various panes, including both graphic views and tables. Account balances for all bank, credit card, receivable and payable accounts indicate the cash position of the company. The first graph — for Revenue — has revenue, cost of goods sold and other expense information, providing both gross margin income and net income for the fiscal year to date. The Receivables and Payables graphs are pie charts with the totals divided among the different aging periods defined for the business. The proportion of the total that is overdue in each case is immediately apparent. The final two charts on the Dashboard report the relation between payroll expenses and total revenue and the items on order. This particular company has no employees, so the payroll expenses are zero.

**Point to** the **Revenue line** (the top line in the Revenue summary section) to access the amount details represented in this line.

**Point to** some **other segments** to expand the details for them.

For all graphs, details for part of a graph will appear in a bubble when you point to that part, as in the screen on this page with the detail for revenue as of February 28. Clicking any part of a graph will open the detailed Sage 50 report for that information.

Sage 50 reports are covered further in later chapters for each module.

**Click** **Cloud & Mobile** in the Modules pane on the left-hand side to access the data-sharing features of the program.

**Click** **Add-on Services** in the Modules pane of the window to learn more about these features. Remember, you must be connected to the Internet to access the additional information from the Learn More links.

**Click** **Receivables** in the Modules pane.