

Sage 200 Accounts v2009 is supplied with a new help system. The new help system is complemented by a comprehensive search facility across all of the accounting modules.

We have provided this *Sage 200 v5.1 Nominal Ledger PDF* for your reference only. All of this information and all **new features** are described in the **help** system.



Nominal Ledger Guide

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1

Welcome to the Nominal Ledger

Welcome to the Sage 200 Nominal Ledger documentation.

Sage 200 is a .Net accounting system that offers a complete accounting solution to meet your business needs.

The Nominal Ledger is one of four financials modules within the Sage 200 Financial Suite.

There are also four commercial modules, a Bill Of Materials module and an Accounting System Manager module. Each module has its own documentation. The Price Book module is described within the *Sage 200 Sales Order Processing* documentation.

In this chapter:

Using this documentation

What the Nominal Ledger offers your business

How the Nominal Ledger helps financial operations

The nominal account

Chapter summary

Using This Documentation

The Sage 200 Help system and User Guide provide information on how to use the Sage 200 Nominal Ledger. You can access Help for each module from the menu bar, or press 'F1' on the keyboard to display help topics for the screen you are currently working in.

We hope you will find the documentation comprehensive. If you want to email us with your comments, please email the Sage 200 Documentation Team at SageTechnicalAuthors@sage.com and mark the subject line as 'Sage 200 v5'.

Process-oriented approach

This documentation is written to describe the processes that you will go through when setting up and running your company's Nominal Ledger accounting system.

Where the processes comprise of more than one activity, a snapshot of activities is provided in the coloured side panel on the first page of all chapters. Where it does not, a snapshot of the topics included in the chapter is provided.

Conventions

- References to other sections in this documentation, or to other documents are given in *italics*.
- Navigation to a window is illustrated by the name(s) you need to choose separated by a '>' symbol. For example, Choose Nominal Enquiries > Account Enquiry means choose 'Nominal Enquiries' then 'Account Enquiry' from the menu.
- References to on-screen items are enclosed in single quotation marks. For example, on the 'Contacts' tab, click 'Save'.
- Where there are prerequisites to perform activities these are indicated graphically using the ✓ symbol so you can easily identify them.

For detailed information on the operation of Sage 200 see the *Sage 200 Operations* documentation.

Introduction to the Nominal Ledger

Sage 200 Nominal Ledger forms the heart of your company's accounting system and lets you take care of the finances of your business. It maintains accounts for revenue and expenditure and accumulates transactions recorded in other Sage 200 modules and collates the information you need to track your financial position. Graphs, tables and tailorable reports through to a comprehensive series of management reports including 'Trial Balance', 'Profit and Loss' statement and 'Balance Sheet', means the important information you need to manage your business effectively is readily available.

You can create and structure your own nominal accounts in as little or as much detail as you need with the option to attach cost centre and department codes. There is budgetary control to keep a tight rein on those expenses and to check the performance of your business.

What Sage 200 Nominal Ledger offers your business

You can tailor nominal account records to suit your particular type of business. You can apply cost centre and departmental codes to the account to provide more flexibility when analysing and reporting on your financial position. You can view a history of transactions for any account as well as showing financial graphs and budget details.

The Journal routines provide a means to record nominal journal entries to nominal accounts. Journals can be put on hold for approval and you can even set up recurring journals to take care of repetitive transactions. A special posting routine provides a means to reverse journal entries. You can also create journal templates for regular postings through which you can apportion income and expenditure as percentages to your nominal accounts.

The 'Prepayments' routine manages prepaid expenses across relevant periods to ensure your 'Profit and Loss' statement reflects a true and fair account of your profits. The 'Accruals' routine also records special journals that need automatic adjustment for accurate Profit and Loss reporting to account for expenses normally paid for in arrears.

A routine to make postings for bank payments and receipts, either with or without VAT, is provided. If you intend to use the Sage 200 Cash Book, these postings can be posted to the bank account of your choice.

The Nominal Ledger provides standard reports for you to use immediately. All you need is your data. They range from straight forward account listings to detailed analysis of balances and transactions. You can specify your own criteria to ensure you get only the information you need. You can print your reports to a printer installed in Windows and you can preview reports on screen as well as filing them for printing at a later date.

The reporting routines let you produce the main accounting and financial reports you expect from such a comprehensive accounting system including 'Trial Balance', 'Profit and Loss', 'Balance Sheet' and budget comparison reports. The 'Profit and Loss' and 'Balance Sheet' financial statements are tailored to your own design and you can have more than one layout for each statement. For more information, see your *Sage 200 Operations* documentation. You can design your own reports too. For more information, see your *Sage Report Designer* documentation.

At the end of each day, period and year there are certain housekeeping activities that have to be done. You need to ensure that all the information accumulated in other Sage 200 modules is transferred to the Nominal Ledger by running the necessary routines.

If you operate several Nominal Ledgers for a group of companies, there is a 'Consolidation' routine that merges the balances of accounts to create a group Nominal Ledger for consolidated financial reporting and analysis.

How the ledger helps your financial operations

Sage 200 helps you to manage your nominal accounts by:

- Providing you with an integrated system of accounting within which to manage your nominal accounts and establish your financial position.
- Providing you with flexible nominal accounts that you control.

System integration

The Nominal Ledger can be used as a stand-alone module or integrated with other Sage 200 modules. As an integrated system, the Nominal Ledger accumulates the transactions posted in the other modules that affect the financial position of your company. Postings can be transferred to the Nominal Ledger in the following ways:

- On-line, in which case the nominal account balances are updated as soon as you make postings in the other modules.
- As a batch process, in which case you need to run a transfer routine to update the nominal accounts at the end of each day.

Sage 200 Nominal Ledger is designed to integrate with the following modules.

Integrate with	Integrate how
Sales Ledger	Send details of sales values such as VAT and discount.
Purchase Ledger	Send details of purchase values such as VAT and discount.
Cash Book	Make payments directly into Nominal Ledger.
Stock	Updates stock values.
Sales Order Processing	Sends cost of sales postings.
Purchase Order Processing	Sends the value of invoices not yet received which are then accrued.
Invoicing	Sends cost of sales postings.
Bill Of Materials	Provides a combined stock assembly and process-costing function.

Note: Postings in other modules, such as Invoicing and Sales Order Processing can also affect nominal account balances indirectly as postings in these modules update the transactions in the Sales Ledger, which in turn updates the Nominal Ledger.

Benefits of integration

The main benefit of using an integrated system is that you only need to enter information once, in one module, and it is used in the relevant areas.

Sage 200 automatically handles common data, ensuring the appropriate information is directed to the relevant modules. This saves time and reduces the risk of errors by removing the need to re-enter information.

To pass information between modules in general you need only:

- Ensure that the appropriate account codes match between your modules.
- Select the appropriate period end routines within each module.

Control of accounts

You can control your nominal accounts through the definition and application of settings at three levels within Sage 200.

- Global level.

Using the Accounting System Manager, define settings that apply throughout Sage 200 and which you can apply within your Sage 200 Nominal Ledger. These settings provide the broadest level of control within your Sage 200 system. They help you to define the operation of Sage 200 in the best way for your organisation.

- Module level.

Apply global settings, and define settings using the Nominal Ledger that apply when you create new accounts or process transactions in the Nominal Ledger. These allow you to specify your preferred nominal account information when you create new nominal accounts and process transactions.

- Account level.

Apply module settings, and define settings specific to each account when you create new accounts or process transactions in the Nominal Ledger. These are local and unique to each nominal account.

The Nominal Account

The Nominal Ledger stores all your accounting transactions in nominal accounts. Whether you make postings in the Nominal Ledger itself or in other Sage 200 modules, the nominal accounts accumulate debit and credit balances according to the type of transactions you process.

The accounts are maintained in what is commonly referred to as a Chart of Accounts, with each account allocated its own code for identification within Sage 200. The accounts include those used for integration purposes by other modules, such as the default sales, default purchases, bank account, suspense and the currency adjustments accounts. For more information, see *Manage Default Nominal Accounts on page 77*.

Types of account

There are three types of nominal accounts, posting, memorandum and group. For more information, see *Account types on page 38*.

You can combine the three types of accounts within your Nominal Ledger in any mix that you want, depending on your needs for a detailed nominal transaction breakdown.

Documentation Summary

The following is a summary of the remaining sections in this documentation. The appendices hold detailed examples and other technical information.

Set Up the Nominal Ledger

This section guides you through the setup process for the Nominal Ledger. It describes the many settings you can use to customise the ledger to meet your company's needs.

See *Set Up the Nominal Ledger* on page 11.

Establish and Maintain Nominal Accounts

This section explains setting up nominal accounts commonly referred to as the Chart of Accounts. It aims to help you get the most out of Sage 200 when it comes to analysing and reporting on the financial status of your organisation.

The section covers the application of budgets to your nominal accounts as a means to monitor projected spend against actual spend. The use of category codes used when designing your Profit and Loss and Balance Sheet financial statements is also explained.

See *Establish and Maintain Nominal Accounts* on page 31.

Manage Transactions

This section deals with the methods you can use to transfer values between your nominal accounts. It includes how to record receipts and payments that do not relate directly to a customer or supplier transaction.

See *Manage Transactions* on page 97.

Manage Nominal Accounts

This section deals with the nominal account as a whole, covering both the account record and its associated transactions. It covers the activities you need to perform to keep your nominal account balances up to date, thereby providing you with accurate and complete financial records. This section also explains the various reports used to manage your nominal accounts.

See *Manage Nominal Accounts* on page 127.

Maintain the Nominal Ledger

This section covers the regular housekeeping routines needed to maintain an efficient and effective Nominal Ledger. It includes the routines used to identify the status of the Nominal Ledger as a whole and covers the mechanisms employed to maintain the integrity of the data stored on the ledger.

See *Maintain the Nominal Ledger* on page 155.

Prepare Financial Statements and Reports

This section describes the various financial statements and reports produced when preparing your final accounts. It covers the process of designing your 'Profit and Loss' and 'Balance Sheet' financial statements. It also covers the process of preparing your 'Trial Balance', 'VAT Return' and various budget reports.

See *Prepare Financial Statements and Reports* on page 167.

Consolidate Nominal Ledgers

This section describes the additional considerations and tasks when consolidating the ledger of subsidiary companies into one group ledger.

See *Consolidate Nominal Ledgers* on page 207.

Glossary of Accounting Terms

This section includes frequently used Sage 200 accounting terms and their meanings.

See *Glossary of Accounting Terms* on page 219.

Set Up the Nominal Ledger

This section guides you through the setup process for the Nominal Ledger. It describes the many settings you can use to customise the ledger to meet your company's needs.

Activities:

Plan setup

Use setup checklist

Set up ledger

Before you begin...

You must have:

- ✓ Set your Sage 200 defaults, using the Accounting System Manager module. For more detail refer to your *Sage 200 Accounting System Manager* documentation.

Note: You must have suitable security privileges to perform these activities. See your system administrator for more information.

Remember...

For more information on using the help system, see the *Sage 200 Operations* documentation.

Plan Nominal Ledger Setup

The setup process builds on and complements the settings within the Accounting System Manager. The aim of this process is to tailor the ledger to your company's needs. By doing so, it saves you and other users time when using the ledger on a day to day basis.

There are several settings for you to choose from on the Nominal Ledger. Settings are grouped and described in the following pages under headings that reflect financial management tasks you may want to perform using your Nominal Ledger:

- *Set account defaults and controls on page 14.*
- *Analyse accounts on page 19.*
- *Consolidate company accounts on page 22.*
- *Perform account and transaction housekeeping on page 25.*

Setting descriptions may cover more than one box on the window, if the boxes are related. The descriptions prompt many questions, for example:

- Do you want to keep historical transactions on file?
- How do you want to analyse your accounts?

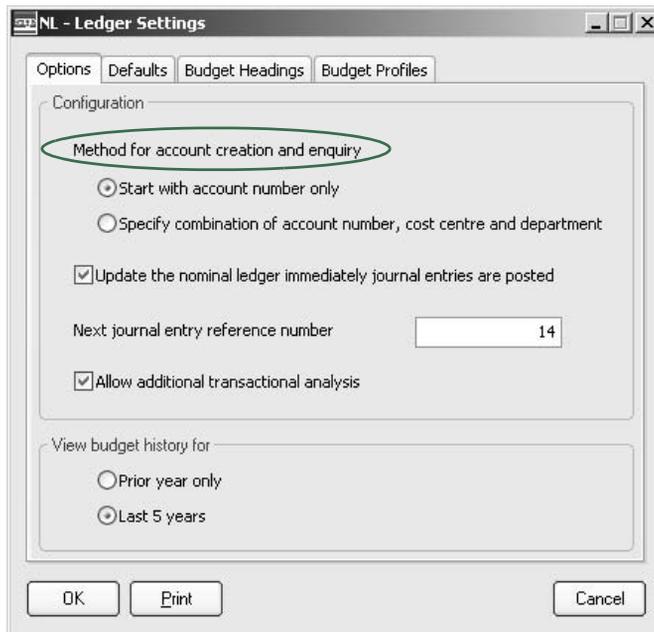
Read through the settings you can apply within the ledger and select the options that meet your needs. Use the *Setup Checklist on page 28* to note down your requirements, then you can refer to the checklist as you work through the setup process. Then to complete the process, select the settings using the on-line forms within the Nominal Ledger.

Note: You can change some settings after you start using the Nominal Ledger, but if you do this it may affect your data when you are adding and processing transactions. Setting changes should only be made when there are no users updating the Nominal Ledger.

Set account defaults and controls

The following settings govern how the ledger applies transactions to nominal accounts and then deals with their storage.

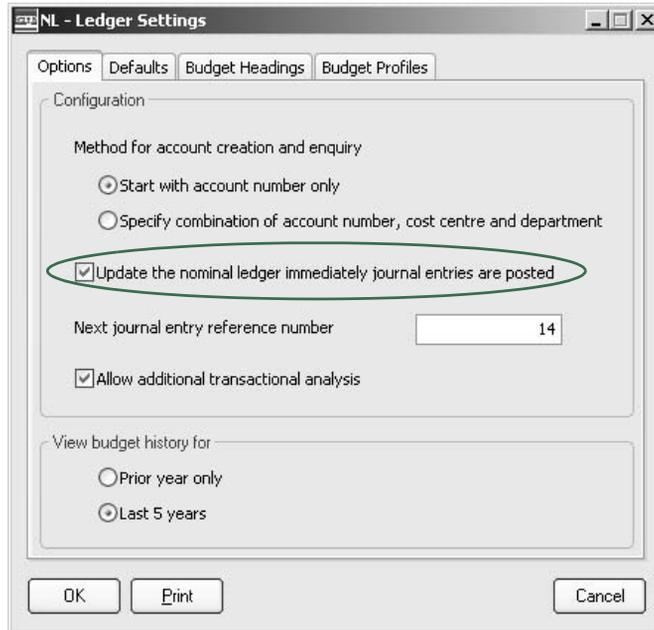
Method for account creation and enquiry



The 'Method for account creation and enquiry' determines how you create nominal accounts and perform certain transaction enquiries.

- The 'Start with account number only' setting enables the 'Generate New Accounts' routine for creating nominal accounts, and also the 'Account Summary and Breakdown' enquiry. For more information on these routines, see *Create a set of nominal accounts on page 69* and *Account summary and breakdown on page 138*.
- The 'Specify combination of account number, cost centre and department' setting disables the 'Generate New Accounts' routine, and the 'Account Summary and Breakdown' enquiry.

Update the nominal ledger immediately journal entries are posted



A journal entry is a transaction added to the Nominal Ledger that transfers values from one account to another. To set how the ledger updates nominal accounts with journal entries, use the 'Update the nominal ledger immediately journal entries are posted' option:

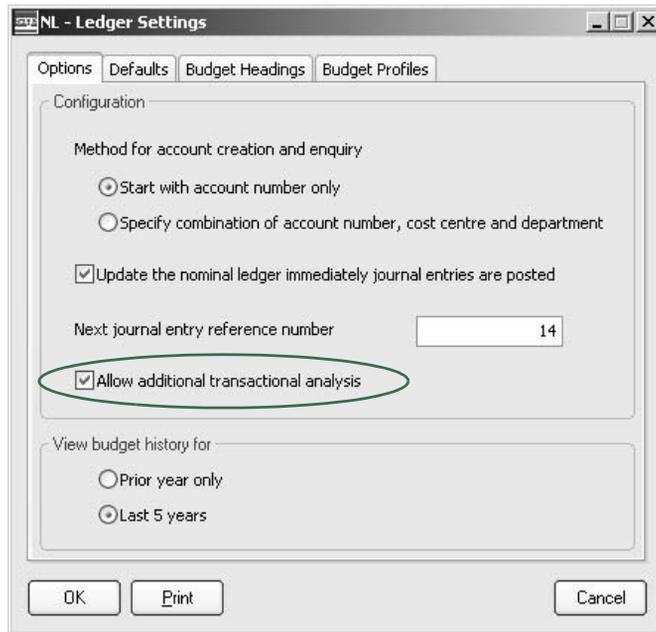
- Activating this option results in journal entries bypassing the waiting postings file and updating the nominal accounts directly. This means the accounts are immediately up-to-date.
- Not activating this option means the journal entries are held in a waiting postings file and are updated to the nominal accounts when you run the 'Update Waiting Postings' routine. For more information, see *Apply Waiting Transactions on page 129*.

Updating the Nominal Ledger immediately as journal entries are posted is appropriate where you have few accounts or you make few journal postings. For more intensive posting activities, it is more effective to use the waiting postings file.

If you carry out a lot of journal entries, you may find it easier to leave them in the postings file and update the accounts once a day or week. Updating immediately can reduce the speed of processing journal entries as each account involved has to be retrieved and updated there and

then. In addition, when the 'Update Waiting Postings' routine is used, you can make use of the account level setting 'Use batch postings'.

Allow additional transactional analysis



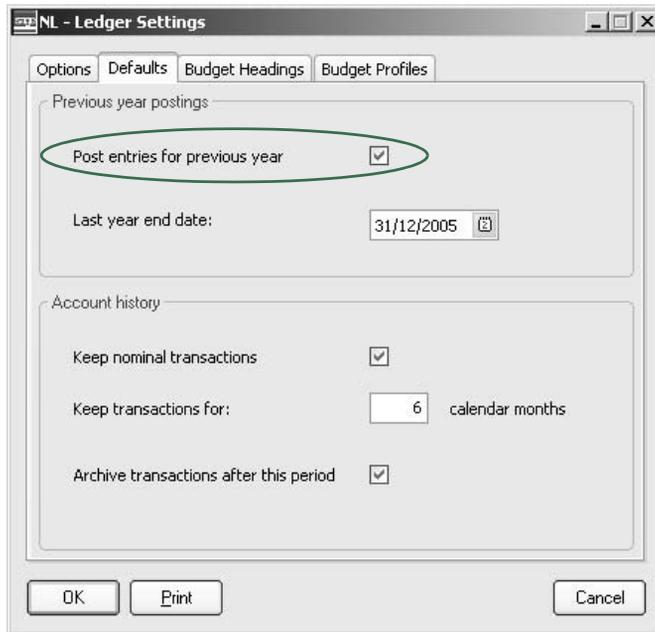
Use the 'Allow additional transactional analysis' setting to specify an additional code on your transactions. This gives you extra flexibility by allowing you to link a set of transactions together that may be difficult or inappropriate to group using account numbers, cost centres and departments.

For example, if you want to group transactions together for a particular short-term campaign, it would be inefficient to create a series of nominal accounts that would only be used for a short period. Using a transactional analysis code for the campaign, related transactions can be linked together for analysis purposes.

When this setting is enabled, a 'Transaction Analysis' column will be displayed when entering transactions or making transaction enquiries.

Note: To use transactional analysis, it must be enabled in the Accounting System Manager module. For more detail, refer to your *Sage 200 Accounting System Manager* documentation.

Post entries for previous year



The screenshot shows the 'NL - Ledger Settings' dialog box with the 'Options' tab selected. The 'Previous year postings' section contains the following settings:

- Post entries for previous year:** (This checkbox is circled in green in the original image)
- Last year end date:** 31/12/2005

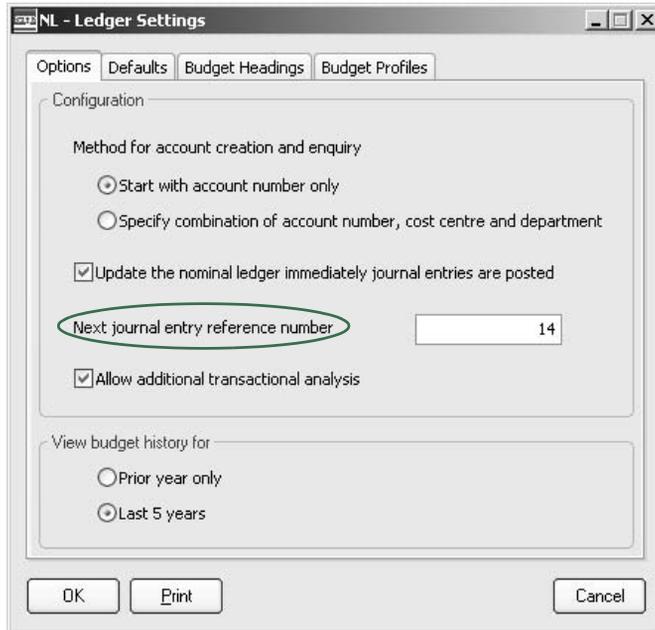
The 'Account history' section contains the following settings:

- Keep nominal transactions:**
- Keep transactions for:** 6 calendar months
- Archive transactions after this period:**

Buttons at the bottom include 'OK', 'Print', and 'Cancel'.

By activating the 'Post entries for previous year' setting, you enable the 'Previous Year Journal Entry' routine (for more information, see *Adjust Accounts Based on the Previous Year on page 123*). This means you can make adjustments to your nominal accounts for the previous year. In order to make adjustments that originate from the previous year you must specify your year end date in the 'Last year end date' box.

Next journal entry reference number



The screenshot shows the 'NL - Ledger Settings' dialog box with the 'Options' tab selected. The 'Configuration' section contains the following settings:

- Method for account creation and enquiry:
 - Start with account number only
 - Specify combination of account number, cost centre and department
- Update the nominal ledger immediately journal entries are posted
- Next journal entry reference number**: 14
- Allow additional transactional analysis

The 'View budget history for' section contains the following settings:

- Prior year only
- Last 5 years

Buttons at the bottom: OK, Print, Cancel.

Each journal entry has its own reference number that is applied automatically by the Nominal Ledger. Each time that you create a new journal entry, the number is automatically incremented and applied to the journal entry. If you already have a system for allocating journal numbers, you can specify the entry number at which to start in the 'Next journal entry reference number' box.

You can use the reference number to trace transactions in printed reports or when viewing them on the screen. You must also use the journal reference number if you enter transactions in a previous year's journal entry.

Analyse accounts

The following settings refer to the application of budgets to your nominal accounts. If you apply budgets to your accounts the ledger performs the necessary calculations for you to determine the financial status of your organisation.

View budget history for

The screenshot shows the 'NL - Ledger Settings' dialog box with the 'Configuration' tab selected. The 'View budget history for' option is circled in green. The settings are as follows:

- Method for account creation and enquiry:
 - Start with account number only
 - Specify combination of account number, cost centre and department
- Update the nominal ledger immediately journal entries are posted
- Next journal entry reference number:
- Allow additional transactional analysis
- View budget history for:
 - Prior year only
 - Last 5 years

Buttons at the bottom: OK, Print, Cancel.

The Nominal Ledger provides the facility to enter and report on budget values for the current financial year. Use the 'View budget history for' setting to retain budget values from the previous year or for the last five years. For more information, see *Using Budgets on page 50*.

When preparing the system for a new financial year the 'Year End' routine manages the previous years' budget values for you. It automatically moves the current year's budget values to the budget last year boxes and each 'Year End' routine will continue to move the budgets into the relevant previous year. Any values held in next years budget are copied to the current year's budget boxes. These values can be amended if necessary.

If you choose not to activate this setting, you can enter budget values on your nominal accounts only for the current year. In this case, when you run the 'Year End' routine you have the option to

retain your existing budgets or set the budget values to zero. If you decided to retain your existing budgets you can then access them and amend them accordingly.

Budget headings are used to identify the budget year you are working with. See *Budget headings on page 21*.

Budget profiles

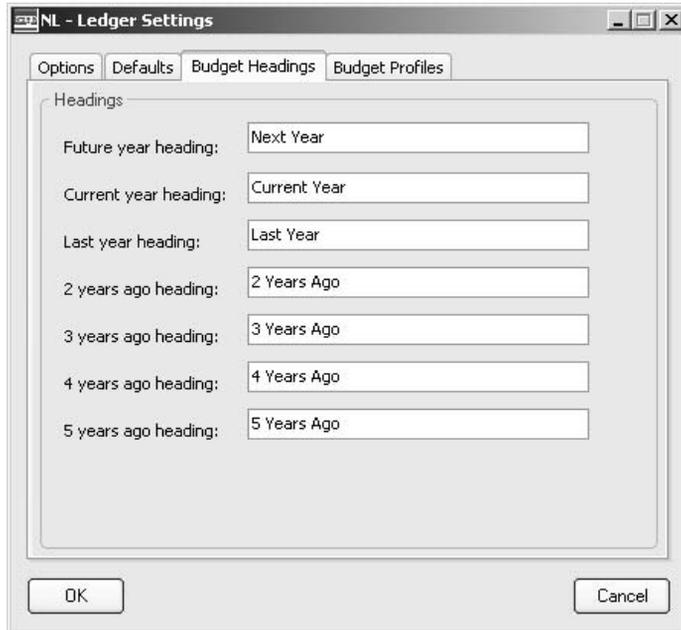
Budget profile 1		Budget profile 2		Budget profile 3	
Period	Budget	Period	Budget	Period	Budget
1	10.00	1	10.00	1	100.00
2	7.00	2	10.00	2	0.00
3	8.00	3	10.00	3	0.00
4	15.00	4	10.00	4	0.00
5	15.00	5	5.00	5	0.00
6	5.00	6	5.00	6	0.00
7	5.00	7	5.00	7	0.00
8	20.00	8	15.00	8	0.00
9	3.00	9	15.00	9	0.00
10	5.00	10	5.00	10	0.00
11	4.00	11	5.00	11	0.00
12	3.00	12	5.00	12	0.00
Total:		Total:		Total:	
100.00		100.00		100.00	

Budget profiles are used to apportion a yearly budget across your accounting periods, which take into account known seasonal or market trends. You can weight certain periods more than others by entering an appropriate percentage of the annual budget in each of the period boxes.

The Nominal Ledger provides three budget profiles. When you create and then maintain your nominal accounts you can apply one of the budget profiles to the account to analyse its budget. There are other budget options you can apply to your nominal account such as, a monthly, group or annual budget. For more information, see *Create Nominal Account Records on page 60*.

Budget profiles match the accounting periods specified for the financial year. Typically the year will be split into 12 periods. To set up a budget profile, click in the appropriate box in the 'Budget' column for each period and enter the required value. You must ensure the total of all the periods adds up to 100.

Budget headings



The screenshot shows a dialog box titled "NL - Ledger Settings" with four tabs: "Options", "Defaults", "Budget Headings", and "Budget Profiles". The "Budget Headings" tab is selected. Inside the dialog, there is a section labeled "Headings:" containing seven rows of text labels followed by text input fields. The labels and their corresponding field values are: "Future year heading:" with "Next Year", "Current year heading:" with "Current Year", "Last year heading:" with "Last Year", "2 years ago heading:" with "2 Years Ago", "3 years ago heading:" with "3 Years Ago", "4 years ago heading:" with "4 Years Ago", and "5 years ago heading:" with "5 Years Ago". At the bottom of the dialog are "OK" and "Cancel" buttons.

Label	Value
Future year heading:	Next Year
Current year heading:	Current Year
Last year heading:	Last Year
2 years ago heading:	2 Years Ago
3 years ago heading:	3 Years Ago
4 years ago heading:	4 Years Ago
5 years ago heading:	5 Years Ago

Budget headings are only relevant if you have enabled the ledger setting to view the budget history for the last five years (see *View budget history for on page 19*). The headings are used to identify the budget year that you are working in.

Each budget heading represents a column heading and is displayed on screen when you enter, amend or view budget values on nominal accounts. The headings can be amended to suit your needs.

Consolidate company accounts

The following settings are only relevant if you intend to consolidate subsidiary companies into a group company ledger. Before you activate these settings, you must create and set up the group company's Nominal Ledger. For more information, see *Prepare the System for Consolidation on page 211*.

Note: The settings are activated in each subsidiary company, not the group ledger.



Employ consolidation

Activate this setting to establish that the subsidiary ledger is correctly consolidated into the group ledger.

Parent uses same base currency

Although Nominal Ledgers only work in one base currency, you can have your subsidiary Nominal Ledgers operating in different currencies to each other and that of the group ledger. Foreign currency conversions are dealt with using the system exchange rate table. For more information, see your *Sage 200 Accounting System Manager* documentation.

This setting establishes the link between the currency of the subsidiary ledger and that of the group ledger. The setting 'Parent uses same base currency' is selected by default.

Parent uses different base currency

Select this setting if the base currencies in the subsidiary ledger and the group ledger differ. Then select the subsidiary's currency from the drop-down list (the drop-down displays the currencies set up in the group ledger).

Failure to select the correct currency will result in erroneous postings made to the group ledger.

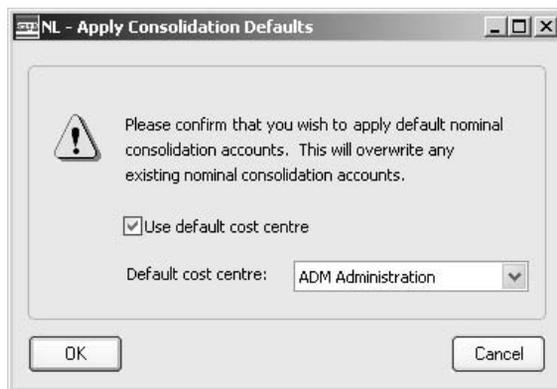
Apply Defaults

The consolidated account is a second account code assigned to nominal accounts within the subsidiary ledger. The second code corresponds to a nominal account in the group ledger. When consolidation takes place, the balance of any given account in a subsidiary ledger is posted to the specified account in the group ledger. The structure of the nominal accounts in the group and subsidiary ledgers is a key factor when dealing with consolidation. For more information, see *Organising Chart of Accounts on page 209*.

There are three ways the consolidated account can be assigned to the subsidiary nominal accounts:

- As you create nominal accounts using 'Enter New Account'. The required consolidated account code is selected from the 'Account' drop-down list provided. For more information, see *Create Nominal Account Records on page 60*.
- Using the 'Amend Report and Consolidation Settings' routine after you have created the nominal accounts. For more information, see *Reassign report categories and consolidation codes on page 93*.
- Using this routine to apply the default consolidation accounts after you have created the nominal accounts.

To apply the default consolidation accounts, click 'Apply Defaults'.



This setting can save time when creating nominal accounts for a subsidiary ledger. It relies on a cost centre code to identify those nominal accounts in the group ledger which relate to the subsidiary ledger. Provided nominal accounts in the group ledger use the specified cost centre the system suggests an account for consolidation from those stored in the group ledger.

If a cost centre is specified the system suggests a default consolidation account based on that cost centre and the number of the account you are creating. For example:

Nominal account for the Newcastle subsidiary				Suggested default consolidation account			
Rent	16100	AAA	ADM	Rent	16100	NEW	AAA

If no cost centre is specified the suggested default consolidation account is the same as the subsidiaries nominal account.

Nominal account for the Newcastle subsidiary				Suggested default consolidation account			
Rent	16100	AAA	ADM	Rent	16100	AAA	ADM

The suggested consolidated accounts are assigned to the subsidiary nominal accounts for you.

Note: This setting will override any existing consolidated account codes assigned to your subsidiary nominal accounts.

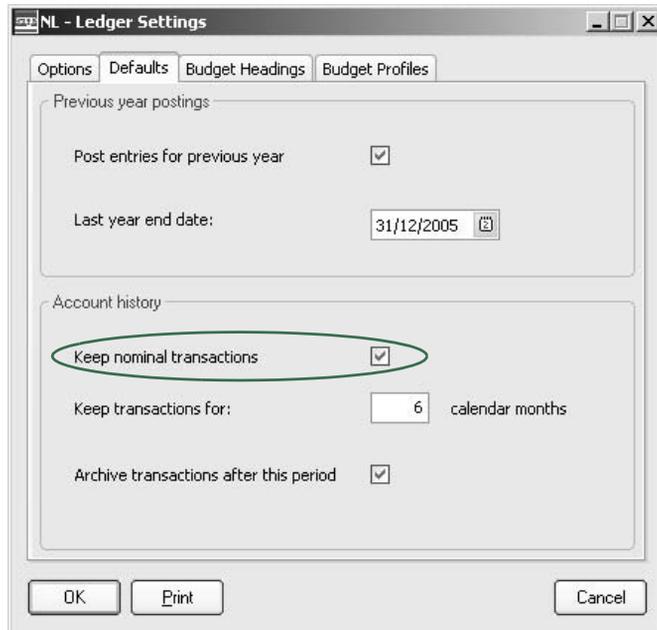
If at a later date you decide not to consolidate the ledger and clear the 'Employ Consolidation' setting, the system will remove the consolidated account codes from the subsidiary ledger's nominal accounts.

Perform account and transaction housekeeping

The 'Account history' settings deal with the storage of transactions that make up the account history of each nominal account, as well as the storage of historical transactions in an archive file.

Your decision to retain an account history depends on the amount of disk space you are using and the length of time you require the transactions stored.

Keep nominal transactions



The screenshot shows the 'NL - Ledger Settings' dialog box with the 'Options' tab selected. The 'Account history' section contains the following settings:

- Keep nominal transactions:** (This checkbox is circled in green in the original image)
- Keep transactions for:** 6 calendar months
- Archive transactions after this period:**

Other settings in the 'Options' tab include:

- Post entries for previous year:**
- Last year end date:** 31/12/2005

Buttons at the bottom: OK, Print, Cancel.

Enable 'Keep nominal transactions' to store a history of your transactions.

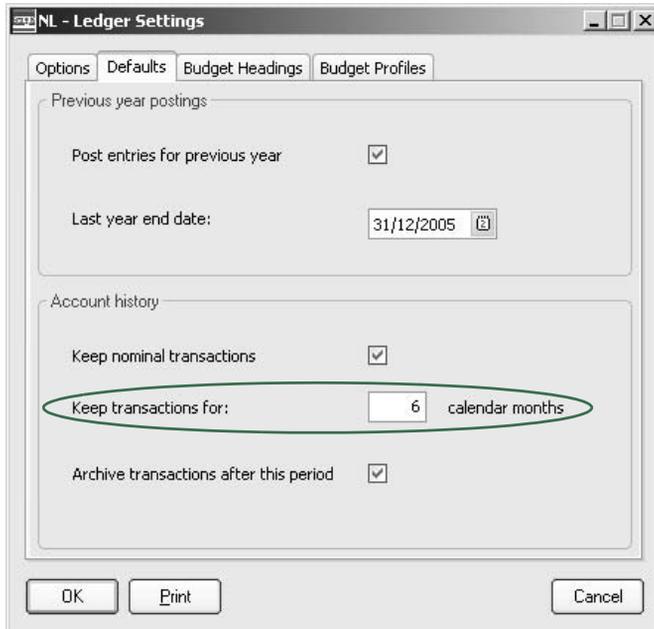
A history of transactions can be stored on a nominal account for up to a maximum of 36 months. While the transactions are stored with the nominal account they can be used for analysis purposes.

Historical transactions that exceed their specified duration will either be deleted from the account or transferred to an archive file.

To maintain an archive file and keep a history of old transactions on nominal accounts, activate the 'Archive transactions after this period' setting.

Note: If you do not enable this setting and therefore decide not to keep a history of transactions, then the ledger maintains a brought forward balance on each nominal account and no transactions are stored on accounts.

Keep transactions for



If you intend to keep a history of transactions, you need to specify how long you want to retain the transactions in the 'Keep transactions for' box. The value you specify here is automatically applied to a nominal account when it is created, although the value can be overridden. A history of transactions can be stored on a nominal account for up to a maximum of 36 months.

Archive transactions after this period

The screenshot shows the 'NL - Ledger Settings' dialog box with the 'Options' tab selected. The 'Account history' section contains the following settings:

- Keep nominal transactions:
- Keep transactions for: 6 calendar months
- Archive transactions after this period: (This option is circled in green in the image)

Other settings visible include 'Post entries for previous year' (checked) and 'Last year end date' (31/12/2005). Buttons for 'OK', 'Print', and 'Cancel' are at the bottom.

This setting is only relevant if you have activated the 'Keep nominal transactions' setting, described earlier.

Once transactions in the stored account history exceed the specified duration, the ledger automatically moves the transactions to an archive file or deletes them from the ledger when you close the period. If you activate this setting the transactions are transferred to the archive file.

While the transactions are held in archive you can view and print them as required. You also have the flexibility to delete transactions from the archive file. For more information, see *Delete archived transactions on page 161*. You may want to delete archived transactions that are over a year old, or more frequently depending on the disk space used.

Do not activate this setting if you want the ledger to delete transactions from nominal accounts once they have exceeded the specified account history length.

Note: If a large volume of transactions are held on the system, depending on your operating system and server specification, you may experience a slower response time when enquiring and sorting transactions.

Setup Checklist

Set nominal account defaults and controls

- Update the nominal ledger immediately journal entries are posted.
- Use Transaction Analysis.
- Post entries for previous year. Last year end date.....
- Next journal entry reference.....

Analyse finances

- View budget history for the last 5 years
- Budget profiles (total must equal 100).
- Budget headings:
 - 1.....
 - 2..... 3.....
 - 4..... 5.....
 - 6..... 7.....

Consolidate company accounts

- Employ consolidation.
- Parent company uses same base currency.
- Parent uses different base currency.
In the parent, the subsidiary base currency is known as.....

Perform account and transaction housekeeping

- Keep nominal transactions. Keep transactions for.....months.
- Archive transactions after this period.

Setup Process

Before you begin...

You must have:

- ✓ Planned the Nominal Ledger setup. See *Plan Nominal Ledger Setup on page 13*.

Access the window

Choose Utilities > Ledger Set Up > Ledger Settings.

Enter the details

- Use the window to activate or specify each setting according to your needs. (Use the *Setup Checklist on page 28* to keep a copy of the settings you choose).

Note: If you have other forms open in Sage 200, you cannot edit the Ledger Settings; but you can still view them by choosing Utilities > Ledger Set Up > View Ledger Settings.

Outcomes

- The Nominal Ledger is set up for your company's preferred operation.

View ledger settings

If you have forms open in Sage 200, you may need to close these before you can open and make changes to the Ledger Settings.

If you only need to view (and not amend) the Ledger Settings, select Utilities > Ledger Set Up > View Ledger Settings.

For more information on the Ledger Settings, see *Setup Process on page 29*.

Establish and Maintain Nominal Accounts

This section explains setting up nominal accounts commonly referred to as the Chart of Accounts. It aims to help you get the most out of Sage 200 when it comes to analysing and reporting on the financial status of your organisation.

The section covers the application of budgets to your nominal accounts as a means to monitor projected spend against actual spend.

The use of category codes when designing your 'Profit and Loss' and 'Balance Sheet' financial statements is also explained.

Activities:

Plan the Chart of Accounts

Use cost centre and department accounting

Use category codes

Use budgets

Create accounts

Set default nominal accounts

Set up cost centre breakdown

Enter opening balances

Amend account

Before you begin...

You must have:

- ✓ Set your Nominal Ledger defaults, using the Nominal Ledger Settings window. For more information, see *Set Up the Nominal Ledger on page 11*.

Note: You must have suitable security privileges to perform these activities. See your system administrator for more information.

Remember...

For more information on using the help system, see the *Sage 200 Operations* documentation.

Build the Chart of Accounts

This section describes what a nominal account record consists of, the types of nominal accounts used by the Nominal Ledger and how to plan the structure of your accounts. The phrase Chart of Accounts is often used to describe a set of nominal accounts.

The nominal account explained

Nominal accounts are fundamental to the successful management of your finances. They are used to store all your accounting transactions. Whether you make postings in the Nominal Ledger itself or in another Sage 200 module, the nominal accounts accumulate debit and credit balances according to the type of transactions you process. Creating your nominal accounts is such an important task that it is worth while taking the time to plan the accounts you need. In some cases, you cannot post transactions in other Sage 200 modules until you have created certain important default accounts. For more information, see *Manage Default Nominal Accounts on page 77*.

All financial transactions in Sage 200 fall into several categories such as assets, liabilities, income and expenditure. Your nominal Chart of Accounts needs to include account records in all of these categories. Assets and liabilities relate to Balance Sheet, and income and expenditure to the Profit and Loss financial statement.

- Assets include the value of all resources that are needed to carry out your business. At the outset, the owner or owners of a business probably supply some resources, either as money, premises, skills or equipment. This is the capital of the business. If no other resources are supplied, then the value of the assets would be equal to the value of the capital.
- Liabilities are other resources that are needed, such as stock bought from suppliers, employees, services engaged and bank loans. The value of assets equal the value of capital plus liabilities. They amount to the same values because they are in fact the same resources viewed in different ways. No matter how many transactions your business undertakes or what kind of resources you employ, the value of assets should always equal the value of liabilities and capital.
- Income from your business accumulates as you sell goods or services. As far as bookkeeping is concerned, the value of income increases as soon as you invoice for the goods delivered or services rendered, not necessarily when you get paid and the invoices are settled. As the income is itself a resource (it is money available to the business) it is classed as an asset. The value of all outstanding invoices, that is the value of your trade debtors, is known as the debtors' total. Of course, you may get income in other ways, such as interest earned on savings, which are assets too.

- Expenses are incurred during the course of your business. You need to pay for items such as heating, lighting, employee salaries, office consumables, insurances and travel expenses. This is money spent trying to attain income. Many expenses are paid for on the spot. If you are allowed credit for expenses (time to pay for the expenses at a later date), then these expenses are included in the liabilities category. Trade creditors are all included in the liabilities category and the value of these is known as the creditors' total.

Each business transaction affects the asset, liability, income and expenditure accounts in different ways, according to the type of transaction. For example, if you buy some stock on credit from a supplier, the value of the stock asset accounts increases as does the value of the liability. If the same stock was bought for cash (in other words, you wrote out a cheque for the goods on delivery), then, instead of the liabilities account being increased, the bank asset account would be decreased. The stock asset account would still be increased.

Assets

All resources that are needed to carry out your business are known as assets. Asset accounts include the value of your assets at any particular point in time. Assets also include all the tangible things that are part of your business: the premises, machinery, office equipment, furniture, vehicles and tools. For example, if you buy a new cartridge for your computer printer, this is an expense because it is a consumable and not an asset.

The term fixed assets is used to describe those assets that are not used up quickly or are not intended to be sold or disposed of in the short term. The removal of a fixed asset from the business would have a noticeable effect on the business or the working environment. Therefore, fixed assets include the premises itself, plant and machinery, vehicles, office equipment and the like.

The term current assets is used to describe those assets that vary according to the everyday conduct of the business. These include the bank and cash, trade debtors and stock. If you are selling products from stock every day, then the balances of your stock, debtors, bank and cash asset accounts vary every day too.

By their very nature, fixed assets tend to stay with the business for some time; usually more than a year, sometimes for decades. Over a period of time, the value of fixed assets changes. When you buy a new car, you know that next year, the car will be worth somewhat less than its original value. The same is true for most fixed assets though some, such as premises, will accrue value over time. The balances of fixed asset accounts must vary to reflect the change in value over time, but this does not happen with the same frequency as current asset account balances. Periodically, perhaps monthly, quarterly or annually, the value of fixed assets must be reassessed. Adjustments need to be made to the account balances to reflect the change in values. If an asset increases in value over time, your business has effectively made a profit that is equal

to the difference between the original value and the new one. If the item decreases in value over time, then your business makes a loss equal to the difference. These profits and losses have to be recorded and affect the true profit that your business makes in a given period.

Since there are few fixed assets that increase in value with the exception of premises owned (unless your business is full of antiques or rare paintings), most businesses are concerned with the losses that are incurred when fixed assets depreciate in value.

Liabilities

Liabilities include the value of all items that you owe to others. These can include outstanding purchase invoices, loan balances and mortgages. Any commitments that reduce the assets of the business in the foreseeable future are included in the liabilities category. For example, if your business is registered for VAT, there is a good chance that you will have accrued VAT over your VAT accounting period. Since the money will have to be paid in due course, it must be added to the liabilities total. Similar rules apply for income tax and national insurance, pensions, and other accrued expenses. Capital is also a liability. When owners invest money or other items of value in the business, the business owes that value to them. In some cases, it may never be repaid, but remains a liability as far as the business is concerned.

Liabilities are further categorised according to the period over which they may become due. Long-term liabilities are those repaid over a long period of time. These include mortgages, debentures, loans and hire purchases. Short-term liabilities include those that vary during the course of everyday business such as the amount owed to suppliers (the creditors' total), PAYE, national insurance and pension funds.

Income and expenditure

For all commercial enterprises, whether a sole trader or a large conglomerate, continued business means earning income or revenue. The amount of income must exceed the running expenses, at least in the long term, if the business is to survive. Sufficient income needs to be raised to make a profit to enable further investment in the business if it is to grow. Most of the income comes from the goods or services sold by the business. Other income can be earned in the form of interest on savings, charges, rents and appreciation on assets.

For most businesses, expenses are incurred in the process of earning income. There is a whole range of expense accounts that may be maintained, from paper clips to electricity bills. The types of expenses incurred clearly varies according to the type of business. The amount of detailed analysis required determines how many accounts are needed to accumulate the value of expenses. For example, it may be sufficient to include all petty expenses, such as magazines, tea and coffee, cleaning fluids in a sundry expenses account rather than holding one account for

each heading. You may want separate accounts for electricity, gas and coal, or to accumulate them all under one heat and light expense heading.

- Purchases.

When goods or services are bought for the purpose of manufacture, resale or other aspects of trading, they are generally considered to be purchases. For example, a business that sells cameras, purchases stock from a supplier and resells the goods to their own customers for a profit. As the business improves, more cameras are sold and therefore more have to be purchased. There is a relationship between expenditure and sales. Similarly, if a company manufactures goods from raw materials, then the more business done, the more raw materials are purchased and used in the process.

- Labour costs.

Additional labour costs may be incurred, such as overtime. Again, there is a direct or indirect relationship between the expenditure and sales. All expenses that fall into this category are often grouped under the terms cost of sales accounts, trading expenses, direct and indirect expenses.

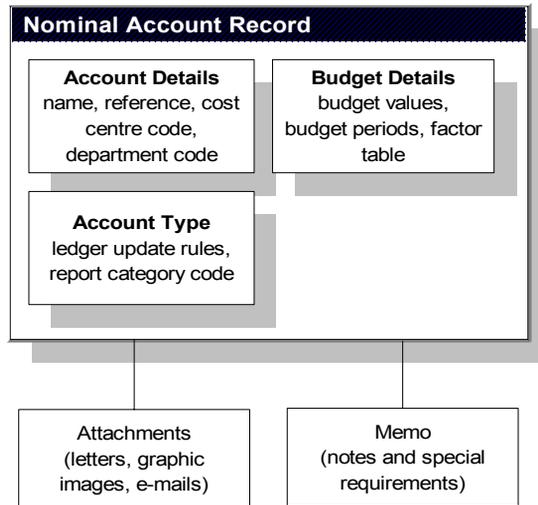
- Overheads.

The other types of expenses are called overheads. These are costs that would be incurred regardless of whether sales were taking place. The rent on office premises, the electricity bill, the cost of administrative staff and insurances, all have to be met regularly and are not directly affected by sales. That is to say, they do not necessarily increase or decrease as income fluctuates from one week or month to another. Overheads include all kinds of sundry expenses, such as office cleaning, lighting, road tax for a van, work clothes, telephone and fax, paper and office consumables.

If you incur an expense regularly with a particular supplier and you are offered credit, then you may want to include them in the Purchase Ledger, even though they may not be classified as purchases in the sense described previously. It is simply convenient to track outstanding invoices for expenses incurred on credit in this way. For petty cash expenses, repayment of mortgages and loans, insurance, rates and other nominal expenses, it is sufficient to enter transactions through the Nominal Payment and Receipt routine to update nominal accounts directly.

The nominal account in Sage 200

Nominal accounts evolve through a life cycle of creating, amending and deleting, all of which are described within this section. Each nominal account is unique and holds key information:



A nominal account is made up of an account reference, which can consist of both alpha and numeric characters; and a cost centre and department code, both of which are optional.

You could prefix all expense accounts with the code EXP followed by a number that identifies the type of expense account and the specific account itself, for example:

EXP2201

where	EXP	=	expense account
	22	=	rates
	01	=	general rates

An alternative example below uses numbers only:

71300

where	71	=	rates accounts
	300	=	general rates

The nominal account reference provides eight characters from which you build your account structure. Another important feature of the nominal account is the category code, which governs the position of the nominal account within your financial statements. This may mean some people prefer to design the 'Profit and Loss' and 'Balance Sheet' financial statements first before creating the nominal accounts. For more information, see *Using Category Codes on page 46*.

Account types

There are three nominal account types used within the Nominal Ledger and you can have a mix of account types.

- Posting accounts.
- Memorandum accounts.
- Group accounts.

Note: You cannot change an account type assigned to a nominal account once you have posted transactions to the account.

Posting accounts

Posting accounts are the only account type that accounting transactions are applied to. These accounts are reflected in the 'Trial Balance' and include accounts used in your 'Profit and Loss' and 'Balance Sheet' financial statements.

Memorandum accounts

These accounts are provided for additional analysis. Memorandum accounts act in the same way as posting accounts except that postings to them are deemed to be outside any double-entry bookkeeping. Whenever you are posting transactions to the Nominal Ledger using the journal entry facilities, the total of all postings in the batch needs to balance to ensure accurate double-entry bookkeeping. However, any value associated with a memorandum account does not affect either the debit or credit total of the journal. This enables you to analyse values in more than one way without affecting the balance of accounts or the ledger as a whole. Memorandum accounts are used to enter supplementary information relating to account activities. These accounts are not included in the totals for financial statements but are still reported on. They may also be included in the account analysis reports.

Memorandum accounts must have their own unique category code, this category code must not be associated with any posting account types. Balances on memorandum accounts can be

included in your financial statements if required. However, they should be positioned independently within the main body of either the Profit and Loss or Balance Sheet (normally at the end of the layouts).

Group account

Group accounts are used for reporting purposes only. You can associate budgets to these accounts for budget comparison reporting, but you cannot make postings to them. For more information, see *Using Budgets on page 50*.

For budgetary control purposes, the nominal account number is used to associate group accounts and posting accounts. Group accounts can be a parent (higher in the hierarchy) and/or a child (lower in the hierarchy) of other group accounts.

When planning your nominal accounts structure you must consider the way the nominal account number is associated with other accounts, particularly if you intend to use budget reporting. Your Chart of Accounts must conform to the same pattern for group budgeting. We recommend you have a Chart of Accounts in one of the following arrangements:

- with cost centres
- with cost centres and departments
- without cost centres (and therefore no departments)

This example illustrates group budgeting using a Chart of Accounts without cost centres or departments. The accounts are associated with the first account through the account reference 08. Account 09310 is not included.

Account number	Account type
08	Group
081	Group
08101	Posting
08102	Posting
08103	Posting
08104	Posting
09310	Posting

If you intend to use cost centres we strongly recommend using cost centres on all nominal accounts; not a mixture of cost centres for some accounts and not for others.

Further information about using nominal accounts with cost centres and departments is defined later in this section. For more information, see *Using Budgets on page 50*.

Default nominal account codes

Default nominal account codes are used for integration purposes. They are used to direct postings from other Sage 200 modules to the appropriate Profit and Loss/or Balance Sheet nominal accounts in the Nominal Ledger. The accounts you choose to set as defaults from your Chart of Accounts are those you expect to use in most instances. This saves time for example, when creating new trader accounts as the module you are working in automatically displays the default nominal account for either sales or purchases. This can be overridden, if required, and any appropriate cost centre or department codes applied.

Default nominal account codes are also applied to transactions. For example, when entering a sales invoice you apply the appropriate Profit and Loss codes for nominal analysis, but the system assigns the appropriate default nominal codes for debtors and VAT analysis. For more information, see *Manage Default Nominal Accounts on page 77*.

Plan the structure of nominal account codes

To ensure you get the most out of your nominal accounts you must plan and structure your nominal accounts, grouping similar accounts into a logical structure. This is particularly important if you intend to use group budgets.

If you are transferring your accounts from another accounting system, either manual or computerised, you may be tempted to keep your existing structure. However, it is worthwhile reading about the way in which the codes can be used to assist in reporting within Sage 200, as you may find a better way of charting your accounts. It is far better to recognise this before building your Chart of Accounts than trying to adapt it later.

You may already have some idea of what your Chart of Accounts will comprise, especially if you have already adopted references and codes from your previous accounting system. However, in the absence of defined structure you may want to create your nominal accounts from the suggested Chart of Accounts defined in this manual. For more information, see *Nominal Account Examples on page 253*.

Using Cost Centre Codes and Department Accounting

Using cost centre and department codes increases your reporting range by providing the ability to analyse accounts from other modules to the Nominal Ledger.

Cost centres are used to segment parts of the organisation so that you can monitor individual areas within your company. They are used to collect the costs/revenues associated with the specified parts of the organisation.

Departments are subdivisions of a cost centre where costs/revenue are required to be collected and reported on separately. For example, a cost centre could be a sales area such as North East or South West, and different departments could be sections such as Administration or Training.

If you are consolidating Nominal Ledgers into a group, we strongly recommend you set aside a cost centre for each subsidiary company, thereby segregating each company. For more information, see *Consolidate Nominal Ledgers on page 207*.

Once you have decided to subdivide your nominal accounts into cost centres and departments, you can then produce financial reports in the Nominal Ledger and report separately on these distinct areas of your business, as well as the business as a whole. This can be of great benefit in controlling the costs and income of the various areas.

Note: Using cost centres and departments is optional.

Cost centre and department breakdown

The principle reason for subdividing your Nominal Ledger into cost centres and departments is to produce reports detailing the various segments and subdivisions of your organisation separately.

The principle accounting reports known as the Profit and Loss, and Balance Sheet can be produced for the entire organisation or for individual segments and subdivisions. This is achieved by filtering the report by cost centre and department.

If you want to have the ability to produce Profit and Loss reports for each segment and subdivision, you must create the appropriate nominal accounts and apply the appropriate nominal codes when posting transactions. However, the nominal codes used to update a transaction to the Balance Sheet are applied automatically by Sage 200 and cannot be amended when entering a transaction.

Should you want to produce a Balance Sheet filtered by cost centre and department you must instruct Sage 200 to apply the appropriate Balance Sheet nominal codes to your transactions.

This is done by enabling a feature called 'Split postings between cost centres for Balance Sheet accounts' in the Accounting System Manager. When this setting is enabled, Sage 200 constructs the nominal accounts to be used for Balance Sheet postings using the organisation's default nominal codes together with cost centres and departments appropriate to the transactions.

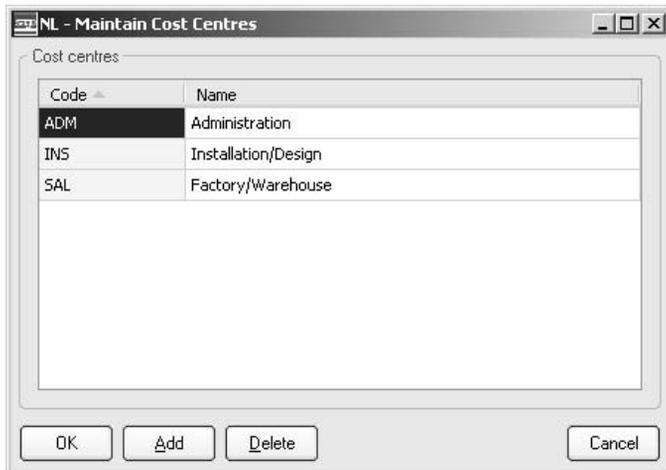
The organisation's default nominal codes are used directly for Balance Sheet postings when this setting is not used.

Examples illustrating the effect of cost centre breakdown in the Nominal Ledger are available. For more information, see *Cost Centre Breakdown on page 269*.

Create cost centre codes

Access the window

- To create a new cost centre, choose Utilities > Ledger Set Up > Cost Centre Names.



Enter the details

- Click 'Add', and enter a 'Code' of up to three (3) characters.

Note: Alphabetic characters should be in upper case. If you enter in lower case, Sage 200 converts and displays these as upper case.

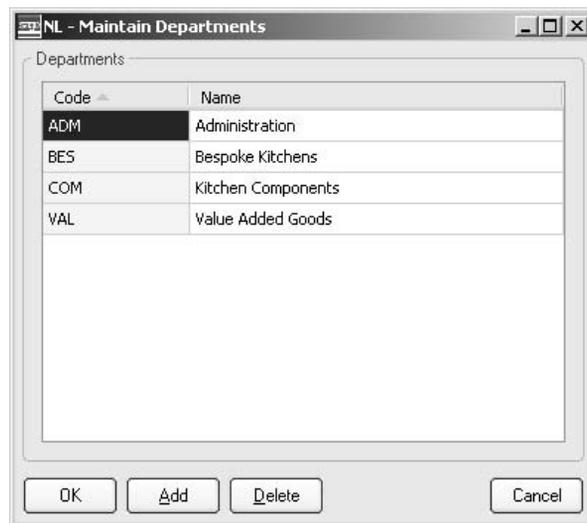
- Enter a 'Name' for the cost centre of up to 60 characters.

- Add as many names as you require, and then click 'OK'.

Create department codes

Access the window

- To create a new department, choose Utilities > Ledger Set Up > Department Names.



Enter the details

- Click 'Add', and enter a 'Code' of up to three (3) characters.

Note: Alphabetic characters should be in upper case. If you enter lower case characters, Sage 200 converts and displays these in upper case.

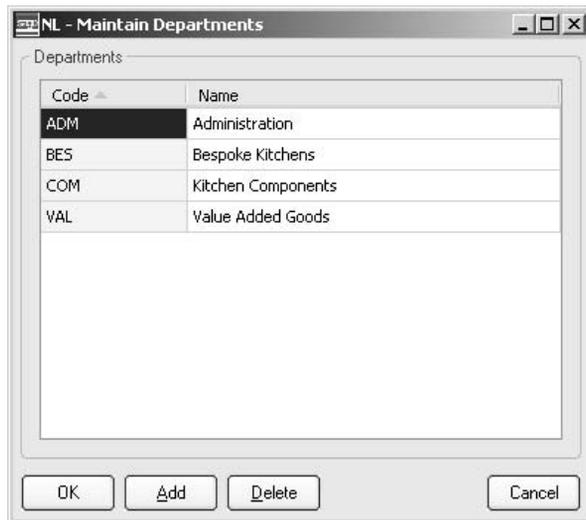
- Enter a 'Name' for the department of up to 60 characters.
- Add as many names as you require, and then click 'OK'.

Amend cost centre or department name

You cannot amend a cost centre or department code if it is associated with records in the accounting system, but you can amend the cost centre name.

Access the window

- To amend a cost centre name, choose Utilities > Ledger Set Up > Cost Centre Names.
- To amend a department name, choose Utilities > Ledger Set Up > Department Names.



The activity works in the same way for both cost centre and department. The screen above shows an example for department names.

Enter the details

- Click on the 'Name' that you want to amend.
- Make the required changes.
- Repeat as often as you need to, and then click 'OK'.

Delete cost centre or department codes

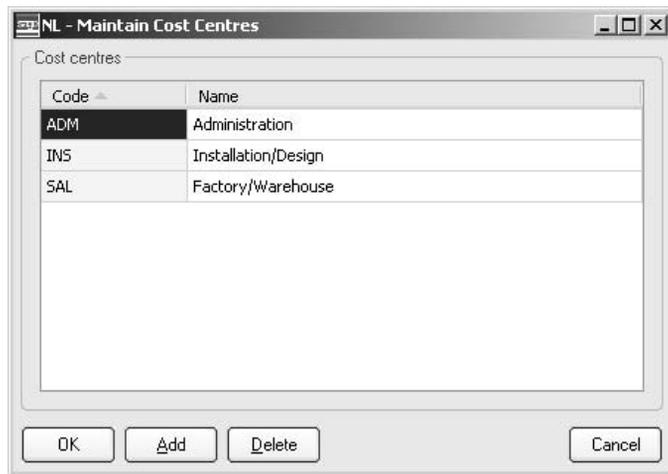
Before you begin...

You must have:

- ✓ Ensured that the cost centre or department you want to delete is not allocated to a nominal account.

Access the window

- To delete a cost centre, choose Utilities > Ledger Set Up > Cost Centre Names.
- To delete a department, choose Utilities > Ledger Set Up > Department Names.



This activity works in the same way for both cost centre and department. The screen above shows an example for cost centre names.

Enter the details

- Select the cost centre or department that you want to delete, and click 'Delete'.
- Repeat as often as you need to, and then click 'OK'.

Using Category Codes

The category code is an alphanumeric reference that must be applied to posting and memorandum type nominal accounts. For more information, see *Account types on page 38*.

The category code is also used to group together nominal accounts that are accumulated under the same heading within the 'Profit and Loss' or 'Balance Sheet' financial statements. It is also used by the ledger to apply nominal account values to either financial statement.

Note: The values for each Profit and Loss nominal account are set to zero when you run the 'Year End' routine. It is particularly important to set the categories correctly as either Profit and Loss or Balance Sheet to prevent the loss of valuable information when the 'Year End' routine is invoked.

Plan how you can use category codes to group similar types of accounts. For example, use a range of codes for all income accounts. If you use a random method of coding, you may find it more tedious to plan your 'Profit and Loss' and 'Balance Sheet' financial layouts as well as your nominal account records.

As the category code governs the position of the nominal account within your financial statements you may prefer to design the Profit and Loss and Balance Sheet financial statements first before creating the nominal accounts. For more information, see *Design Financial Statements on page 169*.

In the same way you manage your nominal accounts you need to manage the category codes. Therefore you will create, amend and delete category codes as and when appropriate using the Nominal Ledger.

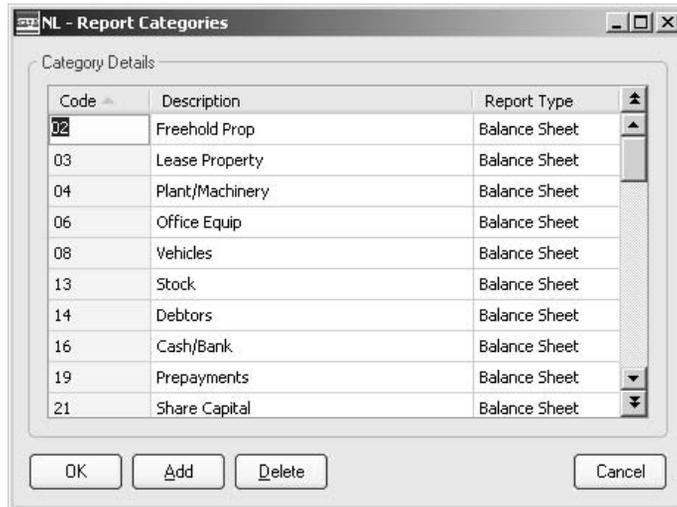
Note: You cannot create category codes while creating new nominal accounts.

You are ready to manage your category codes when you have:

- ✓ Established your nominal account structure.

Access the window

Choose Utilities > Ledger Set Up > Report Categories.



Create a category code

- Click 'Add'.
- Enter the 'Code' reference. This is the unique code that will identify the category.
- Enter a 'Description' of the category.
- Specify the 'Report Type' for the category from 'Profit and Loss' or 'Balance Sheet'.
- Click 'OK'.

Amend a category code

- To amend a category code, click on the 'Code' and enter the new code.
- To amend the category description, click on the 'Description' and enter the new description.
- To amend the category report type for the category, click on 'Report Type' and select either 'Profit and Loss' or 'Balance Sheet' from the list.
- Click 'OK'.

Delete a category code

- Select the category code from the list.
- Click 'Delete'.

Importing Report Categories

You can create new report categories by importing data from another software package into Sage 200 or from one Sage 200 company to another.

To import report categories you need to prepare an import file using a suitable ASCII format. Sage 200 can import data in CSV or XML file formats. For more information, see *CSV and XML Import on page 283*.

You can validate the import file before committing the data to the Nominal Ledger module or you can proceed with the import once the file has been prepared. To do this there are two options available during the import activity.

- The 'Validate records only' option checks the import file is correctly prepared. It checks the database identifiers are specified correctly and the data is compatible with existing data in your system's database. If invalid records are found, a report is generated detailing why the records have failed.
- The 'Validate and import records' option checks the import file is correctly prepared as previously described, and then creates the new report categories from the valid data. Invalid records are removed during the validation process. A report is generated detailing successful records and those that have failed.

Import report categories

- Click Utilities > Import > Import Report Categories



- To check the import file, select the 'Validate records only' option.
- To import the report categories records, select the 'Validate and import records' option'.
- Click 'OK'.
- Click 'Yes' to confirm the start of the import process.
- Locate the CSV or XML file that you want to import and click 'Open'.

The import process will start. Once completed a report will appear informing you if the import has been successful.

- Click OK to confirm the results of the import routine and return to the Import Report Categories window.

Using Budgets

A budget can be assigned to any nominal account type. The budget information is used by the ledger to track your projected expenditure against your actual expenditure. The results can be displayed on screen or printed using various budget reports. For more information, see *Design Financial Statements on page 169*.

Budget values can be both positive and negative. Negative values apply to accounts whose balances are normally a credit. This applies to revenue accounts but may also feature elsewhere in your own account structure.

The budget types are as follows:

- No budget.

No budget figures can be entered on the account. The account will not appear in any comparison with budget reports.

- Annual budget.

Use this option to enter one value that represents the total budget for the year for the nominal account. This value is then automatically divided across your accounting periods. Any odd pence are added to the last period's budget figures.

- Monthly budget.

Use this option to enter a budget figure manually for each of your accounting periods on the nominal account. You can also omit months if required.

For accounts that have occasional monthly irregularities, you may find it convenient to enter an annual budget and then change the individual monthly figures.

- Profiled budget.

Use this option to apply a profiled budget to the nominal account. By entering the total budget for the year the ledger automatically calculates the budget for each period for you using the percentage values specified in the budget profile. There are three budget profiles available during the Nominal Ledger setup process. For more information, see *Analyse accounts on page 19*.

- Group budget

Selecting this option indicates that you do not intend to enter any budget figures for this account, since they will be included in the budget figures for a group account. You can use group budgeting to analyse many accounts against a budget applied to a group account. This means you can apply one budget to a group account which is used to analyse other accounts without the need to enter budgets on individual accounts. To achieve this the account number for group account(s) must start with the same characters as the budgeted accounts.

Example 1: nominal accounts without cost centres and departments

Account number	Account type	Budget £	Budget type
08	Group	500,000	Annual
081	Group	-	Group
08101	Posting	-	Group
08102	Posting	-	Group
08103	Posting	-	Group
082	Group	100,000	Annual
08201	Posting	-	Group

- All budgeted accounts look to the group accounts' budget for reporting purposes.
- The budget reports then total the actual values for each budgeted account and analyse it against the budget from the group account(s) to arrive at the variance.

The above example shows the group accounts with annual budgets. For budget reporting purposes, the actuals from the posting accounts are compared with the budgets from the group accounts. Budget values for group accounts roll up values. For example, the group budget value for group total 08 would be £600,000.

If you are using cost centres and departments as part of your nominal code structure, the same cost centres and departments must be used for group and posting accounts. Examples 2 and 3 illustrate this and demonstrate how a company's budget of £500,000 for vehicles has been analysed to two branch offices.

Example 2: nominal accounts with cost centres and departments

Account number	Account type	Budget £	Budget type
08/LON/ADM	Group	300,000	Annual
081/LON/ADM	Group	-	Group
08101/LON/ADM	Posting	-	Group
08102/LON/ADM	Posting	-	Group
08103/LON/ADM	Posting	-	Group
082/LON/ADM	Group	-	Group
08201/LON/ADM	Posting	-	Group

Example 3: nominal accounts with cost centres and departments

Account number	Account type	Budget £	Budget type
08/NEW/ADM	Group	200,000	Annual
081/NEW/ADM	Group	-	Group
08101/NEW/ADM	Posting	-	Group
08102/NEW/ADM	Posting	-	Group
08103/NEW/ADM	Posting	-	Group
082/NEW/ADM	Group	-	Group
08201/NEW/ADM	Posting	-	Group

If you are using nominal codes with cost centres but no department code, then the same rules must apply. The following examples illustrate this.

Example 4: nominal accounts with cost centres only

Account number	Account type	Budget £	Budget type
08/LON/___	Group	300,000	Annual
081/LON/___	Group	-	Group
08101/LON/___	Posting	-	Group
08102/LON/___	Posting	-	Group
08103/LON/___	Posting	-	Group
08104/LON/___	Group	-	Group
08105/LON/___	Posting	-	Group

Example 5: nominal accounts with cost centres only

Account number	Account type	Budget £	Budget type
08/NEW/___	Group	300,000	Annual
081/NEW/___	Group	-	Group
08101/NEW/___	Posting	-	Group
08102/NEW/___	Posting	-	Group
08103/NEW/___	Posting	-	Group
08104/NEW/___	Group	-	Group
08105/NEW/___	Posting	-	Group

Budgetary control

The previous examples demonstrate an account structure where a budget is applied to the group account only. However, budgets can be set at different levels in your account code structure. You can:

- Set the budget at a high level on group accounts, in which case the actuals posted at the lower level are totalled and compared to the higher level budget figure.
- Set the budget at a low level on posting accounts. Again these are totalled and reported against a group budget figure, if applicable.
- Combine the above methods to assign a budget for a group of accounts and also set individual budgets on individual postings accounts.
- Set budgets on accounts independent to any group budgets. To do this, the account number used for that account should be different to any other group account in your Chart of Accounts (account number 0913 in the following three examples illustrates this).

The following section describes how you can incorporate budgets into your nominal accounts and the results to expect. The examples use nominal accounts without cost centre and department codes. If you are using cost centre and departments, the cost centre and department codes must be the same for the group account and the associated posting accounts.

Using budgets with posting accounts

To obtain a detailed level of budgetary control, assign a budget value to each posting type account.

If there are group accounts for these posting accounts the group account must have a budget type group, but this is only applicable if the group account does not have its own budget. If it does have a budget, then the budget type can be set to either annual, monthly or profiled.

The reported group budget figure is the total of all the individual posting accounts budgets within that group.

Accounts with no budget set are not included in the budget reports.

Example 1: budgets assigned to posting accounts

Account type	Account reference	Budget type	Budget amount	Actuals amount
Group	08	Group		
Posting	0803	Annual	6,000	5,000
Group	081	Group		
Posting	0812	Annual	5,000	2,000
Posting	0813	No budget		6,000
Group	082	Group		
Posting	0823	Annual	2,000	1,000
Posting	0824	Annual	1,500	300
Posting	0825	Annual	3,000	500
Posting	0913	Annual	3,000	2,900

The detailed budget report shows:

Report line	Account reference	Budget figure	Actuals figure
Posting total	0803	6,000	5,000
Group total	081	5,000	2,000
Group total	082	6,500	1,800
Group total	08	17,500	8,800
Posting total	0913	3,000	2,900

Using budgets with group accounts

If you require only a high level of budgetary control, set the budget at the group account level and assign a 'Budget Type' of 'Group' to the posting accounts you want to group. This assigns one budget value to all the posting accounts within the group.

The actuals reported against the group budget figure are the total of all the actuals on the posting account in the group (except those with no budget set).

Example 2: budgets assigned to group accounts

Account type	Account number	Budget type	Budget amount	Actuals amount
Group	08	Annual	28,000	
Posting	0803	Group		5,000
Group	081	Annual	3,000	
Posting	0812	Group		2,000
Posting	0813	No budget		6,000
Group	082	Annual	2,000	
Posting	0822	Group		1,000
Posting	0824	Group		300
Posting	0825	Group		500
Posting	0913	Annual	3,000	2,900

The detailed budget report shows:

Report line	Account number	Budget figure	Actuals figure
Group total	081	3,000	2,000
Group total	082	2,000	1,800
Group total	08	33,000	8,800
Posting total	0913	3,000	2,900

Using budgets with a combination of group and postings accounts

You can set high level budgetary control together with detailed budgetary control. To do this:

- Assign a 'Monthly', 'Annual' or 'Profiled' budget type to the posting accounts you require detailed budget information for.
- Assign the budget type 'Group' to the posting accounts that do not have an individual budget but look to the group accounts for the budget.
- Assign the budget type 'Annual' to the group type account, ensuring that the budget amount set on this account does not include the individual budget values for the posting accounts.

When the budget report is prepared, the total budget figure for the group account and the individual accounts are rolled up together to report the overall group budget figure. The actual figure on all the posting accounts is rolled up to report the overall actuals figure for the group.

When groups of accounts have subgroupings exactly the same process applies; for example the overall group budget figure is the total of the figure set on the group account, plus all those set on each subgroup account and any set on individual posting accounts in the group.

Example 3: budgets with a combination of accounts

Account type	Account number	Budget type	Budget amount	Actuals amount
Group	08	No Budget		
Posting	0803	Annual	6,000	5,000
Group	081	Group	10,000	
Posting	0812	Annual	5,000	2,000
Posting	0813	No budget		6,000
Posting	0814	Group		8,000
Group	082	None		
Posting	08224	Group		1,000
Posting	08226	Group		300
Posting	08238	Annual	3,000	500
Posting	0913	Annual	3,000	2,900

The detailed budget report shows:

Report line	Account number	Budget figure	Actuals figure
Posting total	0803	6,000	5,000
Group total	081	15,000	10,000
Posting total	08238	3,000	500
Group total	08	24,000	16,800
Posting total	0913	3,000	2,900

Independent budgets

To report on the budgets and actuals of a posting account independently to any group budget, use an account number that does not belong to any grouping. Posting account 0913 in the previous examples illustrate this.

Processing assumptions

To summarise, when calculating the budget and actual figures in budget reports the system makes these assumptions:

- The overall group budget consists of the total of any budget amounts set up on all accounts in the group, whether group or posting accounts.
- The overall group actuals consist of the actuals recorded against all the posting accounts in that grouping, unless the budget type on the posting account is set to 'No Budget'.
- Posting accounts with budget figures are reported on independently but also as part of the group they belong to, if applicable.
- Group accounts with the budget type of 'No Budget' are ignored for budget reports.

Create Nominal Account Records

Nominal account records can be created either using the Nominal Ledger, or from existing data imported into the Nominal Ledger. Importing existing data is often used by organisations to create new records in the Nominal Ledger from data in another system or captured from an external source.

Create a single nominal account

To create a single nominal account, enter the unique nominal details for that account plus additional information such as the budget, memos or attachments. A number of default settings for the account are set in the Nominal Ledger Settings and the Accounting System Manager. For information on how to set up the Nominal Ledger, see *Set Up the Nominal Ledger on page 11*.

Some boxes on the window have a set of predetermined entries and the nominal entry may only be selected from the valid entries given in a drop-down box. This is the case with the 'Account Type' box, for example.

The nominal account consists of five sections, or tabs; 'Account', 'Budget This Year', 'Budget Next Year', 'Attachments' and 'Memo'. The nominal account consists of a number of sections, or tabs: However, it is only the 'Account' and 'Budget This Year' tabs that are used to create the nominal account.

Access the window

Choose Nominal Accounts > Enter New Account.

Enter the details

For more detailed information about these settings, see *Account tab on page 64*.

1. On the 'Account' tab, enter the account details.
 - Enter the account reference ('A/C ref.').
 - Enter the 'Cost centre' to be used or select it from the drop-down list.
 - Enter the 'Department' code to be used or select it from the drop-down list.
 - Enter the 'Name' for the account.
 - Select the 'Account type' from the drop-down list.

- If the account is a posting or memorandum type, enter the 'Report category' code to be used or select it from the drop-down list.

Note: Ensure you assign the correct 'Report category' code to the account as this is used to determine whether the account values are used in your Profit and Loss or Balance Sheet financial statements. Profit and loss values for each nominal account are set to zero during the 'Year End' routine, making the correct selection imperative.

- If the account type is a Posting' or Memorandum, and you intend to allow manual journals to be posted to the account; select the option to 'Allow manual journal entries'.
- If the account type is a posting or memorandum, and you want journal transactions posted as one value to the account; select the option 'Use batch postings'.
- To display a nominal account's balance in all nominal account drop-down lists, select the 'Display A/C balance in nominal selection' check box.
- If the account type is a posting or memorandum, accept or amend the displayed value in 'Keep transactions for', to specify the required account history length.
- If you intend to consolidate the ledger to a group ledger, and want to assign the required consolidated account manually to the nominal account; select the 'Consolidated account' from the drop-down list provided.

Note: To do this the Nominal Ledger and Chart of Account for the group company must exist and be set up correctly for Sage 200. For more information, see *Prepare the System for Consolidation on page 211*.

2. On the 'Budget This Year' tab, enter the budget requirements for the account.

Annual budget.

- Select 'Annual budget' from the 'Budget type' drop-down list.
- Enter the total value for the budget in the 'Annual budget' box.

The ledger apportions equal values to each period. A 'Year to date budget' figure is shown which is the accumulated budgets of the periods to date.

Monthly budget.

- Select 'Monthly budget' from the 'Budget type' drop-down list.
- Enter the required values for each budget period in the 'Budget This Year' column.

Group budget.

- Select 'Group budget' from the 'Budget type' drop-down list. This is only applicable for posting type nominal accounts.

Selecting this option indicates that you do not intend to enter any budget figures for this account, since they will be included in the budget figures for a group account.

Profiled budget.

- Select 'Profiled budget' as the 'Budget type' and then select the required budget from the 'Budget profile' drop-down list.

The total annual budget figure will be divided according to the percentages defined in the selected budget profile.

For more detailed information about these settings, see *Budget This Year tab on page 66*.

Account tab

The 'Account' tab holds the unique account information as well as settings that govern the nominal accounts operations within Sage 200. This information is referred to as the account header information. The Nominal Ledger uses the account header information when posting transactions and printing reports.

Note: The account number, cost centre, department, account type and report category have been explained earlier in this section.

Each nominal account is allocated a unique name. You might want to adopt a convention for naming accounts such as using the word 'Sales' as the first part of the name for all types of sales accounts you set up.

If you set the nominal 'Account type' as a 'Posting' or 'Memorandum' type, then the 'Allow manual journal entries' and 'Use batch postings' boxes are accessible.

- The option 'Allow manual journal entries' determines whether the account accepts or rejects journals entered through the Nominal Ledger. When you input a journal onto the ledger the transaction must follow the double-entry bookkeeping principle to ensure the debit and

credit amounts balance before it is posted. The type of errors that can arise through manual journals are usually incorrect postings to accounts or postings to the wrong account.

- The 'Use batch postings' option governs the level of detail required with transaction entries when they are transferred to the nominal account. Activating this option gives a total value for all entries transferred to the nominal account shown as one transaction on the account (with a batch total reference) once you have run the 'Update Waiting Postings' routine. If you activate this option, the account does not store a full history of individual transactions. To identify what the batch totals are made up of, you must retain the report produced when the transactions are updated to the account. If you decide not to activate this option, then individual transaction values are posted to the nominal account.

The 'Use batch postings' option is not effective if:

- The 'Update the Nominal Ledger immediately journal entries are posted' setting is activated.
- Future transactions are posted which result in deferred postings.
- The value displayed in the option 'Keep transactions for' is the number of months for which transactions on accounts are stored before being archived or deleted as a result of closing a period. It is specified during the Nominal Ledger setup process. Normally closing the period will calculate a brought forward balance and delete all redundant transactions, but this setting allows you to keep these transactions for longer on some accounts. You can set the values to suit the nominal account, provided you are maintaining an account history. If set to 0 months, no transaction history will be kept after the period end. This only applies to posting and memorandum accounts.
- If you intend to consolidate the ledger into a group ledger, you must assign a consolidation account to the nominal account record. This links the account to a nominal account in the group ledger. When consolidation takes place, the values in a subsidiary account are posted to the linked group ledger account. For more information, see *Consolidate Nominal Ledgers on page 207*.

Note: If the subsidiary nominal accounts do not have a consolidated account code assigned to them, the consolidated values will be posted to the 'Suspense account', in the group ledger.

There are three ways this can be done, as follows:

- As you create nominal accounts using 'Enter New Account'. The required consolidated account code is selected from the drop-down list provided.
- Using the 'Amend Report and Consolidation Settings' routine after you have created the nominal accounts. For more information, see *Reassign report categories and consolidation codes on page 93*.
- Automatically for you by applying the default consolidation accounts after you have created the nominal accounts. For more information, see *Consolidate company accounts on page 22*.

Budget This Year tab

Use this tab to specify a budget to your nominal account.

Period values

Budget type: Annual budget Annual budget: 25000.00
 Year to date budget: 25000.00

Budget details

PN	Budget This Year	Balance This Year
1	1923.08	0.00
2	1923.08	0.00
3	1923.08	0.00
4	1923.08	0.00
5	1923.08	0.00
6	1923.08	0.00
7	1923.08	0.00
8	1923.08	0.00
9	1923.08	0.00
10	1923.08	0.00
11	1923.08	0.00
12	1923.08	0.00

Save Clear Close

You can assign any 'Budget type' ('No Budget', 'Annual', 'Monthly' or 'Profiled') to the three types of nominal accounts; posting, group and memorandum. For more information, see *Using Budgets on page 50*.

Note: If you had previously set budgets on an account and then at a later date choose 'No budget' as your 'Budget type', you are prompted to delete the budgets.

The 'Year to date budget' displays the total budget for the year to date, for the months that have already been completed. This is calculated from the monthly figures displayed in the budget details.

You may enter the 'Budget This Year' figures by double-clicking the entries.

Generate a range of nominal accounts for one cost centre

You can quickly create a new cost centre with an associated range of nominal accounts at the same time using the 'Create Accounts for Cost Centre and Department' routine. The routine models the new accounts from an existing set of accounts for a specified cost centre.

This routine is particularly useful when setting up the system for consolidation. For more information, see *Consolidate Nominal Ledgers on page 207*.

When you start the routine you are prompted to specify both the new cost centre code and the cost centre you want to base the new accounts on. For example, you have a range of existing nominal accounts using cost centre LON and you want to duplicate this range but use a new cost centre MAN. By specifying the existing code LON, the routine identifies all nominal accounts using the code. It then copies each identified nominal account and replaces the cost centre code with the new code specified; this example uses MAN.

Existing nominal accounts	New nominal accounts
01100 LON ADM	01100 MAN ADM
01200 LON ADM	01100 MAN ADM
01300 LON ADM	01300 MAN ADM

New accounts are created with the settings specified in the source nominal accounts. These settings can then be amended. For more information, see *Amend a Nominal Account on page 92*. Budgets values or a balance from the source accounts are not copied to the new accounts.

Before you begin...

You must have:

- ✓ An existing cost centre and associated nominal accounts to base the new accounts on.

Access the window

Choose Utilities > Ledger Set Up > Create Accounts for Cost Centre and Department.

The screenshot shows a dialog box titled "NL - Generate Nominal Cost Centre And Department". It has three main sections:

- Generate type:** A dropdown menu with "Cost Centre and Department" selected.
- Cost Centre details:** Three fields: "Code:" with "B", "Name:" with "Centre B", and "Source:" with "SER Servicing and Repairs".
- Department details:** Three fields: "Code:" with "2", "Name:" with "Department 2", and "Source:" with "ADM Administration".

At the bottom of the dialog are "OK" and "Cancel" buttons.

Enter the details

1. In the 'Generate for' list, choose to create accounts for 'Cost Centre', 'Department' or 'Cost Centre and Department'. The window will display the cost centre and/or department details.
2. Enter the 'Code' for the cost centre and/or department.
3. Enter the 'Name' for the new cost centre and/or department.
4. Select the 'Source' cost centre and/or department.
5. To generate the accounts, select 'OK'.

Outcome

- The new cost centre or department is added to the list of cost centres or departments.
- The new nominal accounts are added to your Chart of Accounts.

Create a set of nominal accounts

The 'Generate New Accounts' routine is used to create a set of individual Nominal Ledger accounts that share the same account reference but have different cost centres or departments. The account can be created with any combination of available cost centre and department codes.

Note: This routine is only enabled if the ledger setting 'Method for account creation and enquiry' is set to 'Start with account number only'. For more information, see *Method for account creation and enquiry on page 14*.

Access the window

Choose Nominal Accounts > Generate New Accounts.

The screenshot shows a dialog box titled "NL - Enter New Accounts". It is divided into three main sections:

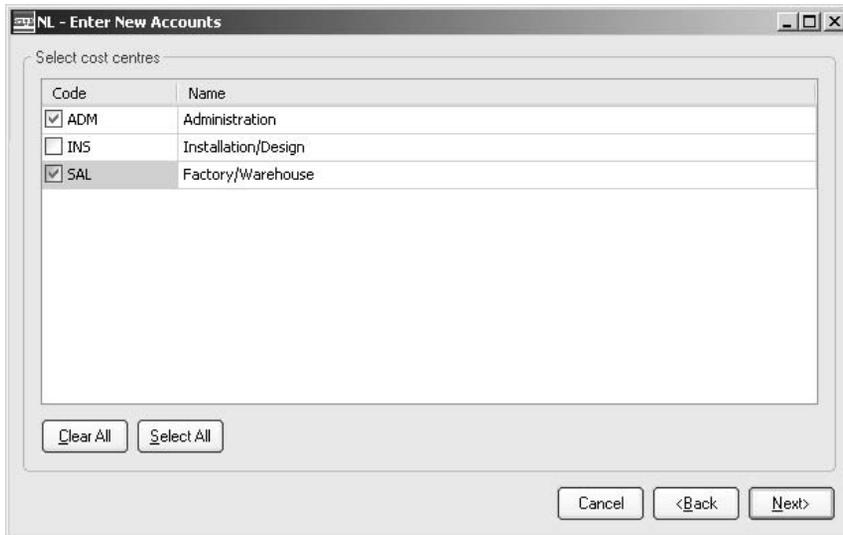
- Account selection:** Contains two text input fields. "A/C ref:" has the value "13105". "Default name:" has the value "Stocks - Part Finished Goods".
- Account options:** Contains a "Default report category:" dropdown menu set to "13 Stock" and a text field for "Balance Sheet". Below these are three checkboxes: "Allow manual journal entries" (checked), "Use batch postings" (unchecked), and "Display A/C balance in nominal selection box" (unchecked). At the bottom of this section is "Keep transactions for:" with a spinner box set to "6" and the text "calendar months."
- Consolidated:** Contains a "Default account:" dropdown menu which is currently empty.

At the bottom right of the dialog box, there are two buttons: "Cancel" and "Next>".

Enter the details

- Specify the nominal account number ('A/C ref.').

- Enter the 'Default name'.
- Enter the default 'Account options'. For more information, see *Create a single nominal account on page 60*.
- If you are using consolidation, select the default consolidation account.
- Select 'Next'. The cost centres to use with the account are displayed.



- Select the cost centres to use with the account.
- Click 'Next'. The departments to use with the account are displayed.
- Select the departments to use with the account.
- Click 'Next'. A summary list of the accounts to be generated is displayed.

A/C No	CC	Dept	Name	Category	Report Type	
<input checked="" type="checkbox"/>	13105	ADM	BES	Stocks - Part Finished Go...	13 Stock	Balance Sheet
<input checked="" type="checkbox"/>	13105	ADM	COM	Stocks - Part Finished Go...	13 Stock	Balance Sheet
<input checked="" type="checkbox"/>	13105	SAL	BES	Stocks - Part Finished Go...	13 Stock	Balance Sheet
<input checked="" type="checkbox"/>	13105	SAL	COM	Stocks - Part Finished Go...	13 Stock	Balance Sheet

- Select the accounts to be generated. Check that their details are correct and make any amendments as required.
- When you are ready to generate the accounts, click 'Finish'.

Outcomes

- A set of nominal accounts with the specified cost centres and departments are created.

Create account records from imported data

Use the 'Import Ledger File' routine to import new nominal accounts that have been generated from an external source. You can also use the import routine to apply budget values to existing nominal accounts. For more information, see *Apply budget values from imported data on page 74*.

Note: You cannot use the import routine to add information to an existing account apart from previously mentioned budget values. You cannot add the account name to an existing account for example. The import routine only writes new records for Sage 200.

To use the import routine you need to prepare an import file using a suitable ASCII format. You can use either CSV or XML data formats. For more information, see *CSV and XML Import on page 283*.

The import routine has two options:

- 'Validate records only', to check the import file.

This option only checks the import file is correctly prepared. It checks the database identifiers are specified correctly and the data is compatible with existing data in your system's database, for example valid cost centres and departments.

- 'Validate and import records', to check the import file and apply valid data to the nominal accounts.

This option checks the import file is correctly prepared as described above and then creates the new account records from valid data. The routine removes invalid records from the validation process.

When you start the import routine you have the option to specify certain defaults for nominal accounts. They are:

- Cost centre
- Department
- Account type
- Account history ('Keep transactions for').

By specifying defaults, the routine automatically applies the default values to the nominal accounts for you. This can save time when preparing the import file.

The routine automatically generates a report which details failed and successful records. Use this report to identify problems.

New accounts generated this way are immediately created in the Nominal Ledger.

Before you begin...

You must have:

- ✓ Prepared the data in the correct format and saved it on your system. For more information, see *CSV and XML Import on page 283*.

Access the window

Choose Utilities > Import > Import Ledger File.

Enter the details

- Select 'Nominal accounts' from the 'Data to import' drop-down list.
- Confirm whether you want to 'Validate and import records' or 'Validate records only', by selecting the appropriate option.
- Select the required account 'Default values' from the drop-down lists ('Cost centre', 'Department', and 'Account type') and enter the required value in the 'Keep transactions for' box, if applicable.

- Click 'OK', and specify the folder (path) of the ASCII file.
- If failures have occurred, see the generated report, investigate further and re-enter the account record details.

Outcomes

- The account records are created with all essential information, though it may be necessary to modify the information created for each nominal record.

Apply budget values from imported data

You can use the import routine to import budget values that have been generated from an external source.

You can only import the current year's monthly budgets for existing nominal accounts. Annual, group and budgets older than the previous year cannot be imported.

To use the import routine you need to prepare an import file using a suitable ASCII format. You can use either CSV or XML data formats. For more information, see *CSV and XML Import on page 283*.

The import account routine has two options; you can choose:

- 'Validate records only', to check the import file.

This option only checks the import file is correctly prepared. It checks the database identifiers are specified correctly and the data is compatible with existing data in your system's database.

- 'Validate and import records', to both check the import file and apply valid data to the nominal accounts.

This option checks the import file is correctly prepared as described above and then creates the new account records from valid data. The routine removes invalid records from the validation process.

Budget values are applied directly to the relevant nominal accounts by choosing the 'Validate and import' records option when you invoke the import routine.

Before you begin...

You must have:

- ✓ Prepared the data in the correct format and saved it on your system. For more information, see *CSV and XML Import on page 283*.

Access the window

Choose Utilities > Import > Import Ledger File.

The screenshot shows a dialog box titled "NL - Import Ledger Data". It contains the following fields and options:

- Import data:** A dropdown menu with "Budget values" selected.
- Record validation:** Two radio buttons: "Validate records only" (selected) and "Validate and import records".
- Default values:**
 - Cost centre: A dropdown menu.
 - Department: A dropdown menu.
 - Account type: A dropdown menu with "Posting" selected.
 - Keep transactions for: A text input field with "0" and the label "months".
- Import transactions:** A checkbox labeled "Transaction must balance" which is checked.
- Buttons: "OK" and "Cancel" at the bottom.

Enter the details

- Select 'Budget Values' from the 'Data to import' drop-down list.
- Confirm whether you want to 'Validate and import records' or 'Validate records only', by selecting the appropriate option.
- Click 'OK', and specify the folder (path) of the ASCII file.
- If failures have occurred, see the generated report, investigate further and re-enter the account record details.

Outcomes

- Budget values are applied to nominal accounts.

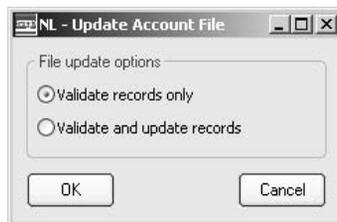
Create nominal accounts using Update Account File

This routine requires IT developer knowledge to prepare the external data into a suitable format and write it into the Nominal Ledger posting files. The routine validates the data before committing it to the ledger. This ensures the integrity of the records generated during the process. The routine adds individual nominal account headers, transactions or budget values from the validated data to the Nominal Ledger.

Note: You cannot use the 'Update Account File' routine to add information to existing accounts.

Access the window

Choose Utilities > Import > Update Account File.



Enter the details

- Specify whether you want to 'Validate records only', or 'Validate and update records'.
- Click 'OK'.

Outcomes

- The account records are created with all essential information though it may be necessary to modify the information created for each nominal account.

Manage Default Nominal Accounts

Default nominal accounts are used for integration purposes. They are used to direct postings from other modules to the appropriate Profit and Loss and Balance Sheet nominal accounts in the Nominal Ledger.

There are two types of default nominal accounts, those for Profit and Loss postings and those for Balance Sheet postings.

When you install Sage 200, the default nominal account names for both account types are listed for you. The onus then lies with you to create the nominal accounts and specify the default nominal account reference numbers. Failure to enter valid nominal codes could result in postings to the 'Suspense Account' when you begin to enter transactions onto the system.

It is not possible to process transactions until you have created the 'Suspense Account' nominal code and specified the code in default nominal accounts. Prior to generating any postings in Sage 200 we recommend you create all nominal codes and set up all default nominal accounts.

We recommend you enter a valid nominal code for each nominal default, even if you do not expect to use a routine that involves postings to nominal accounts (such as 'Discounts allowed'). In this case, we advise you to enter the 'Suspense Account' nominal account code in these boxes so that each box is populated.

Note: This routine does not create your nominal accounts for you. For more information, see *Create Nominal Account Records on page 60*.

Once you have set up your default nominal account codes the codes are then applied to the relevant routines. For example, when you create a new bank account in the Cash Book module, the default bank account, bank charges and exchange differences account codes specified in this routine automatically populate the relevant fields on the window; these can be overridden if required. Another example is when creating a new supplier account in the Purchase Ledger, the default purchases account code is brought through to the default nominal code field on the Trading tab; again this can be overridden if required.

The Balance Sheet default nominal accounts are administered by the system. They are not always displayed by routines. Depending on the transaction type, Sage 200 generates the appropriate postings to the required Balance Sheet default nominal accounts for you. For example, when you post invoices for an account in the Purchase Ledger, the tax input and creditors control account are taken from the Balance Sheet default nominal accounts.

Default nominal accounts should be set up prior to creating customer, supplier and bank records. This ensures that the default nominal codes are applied to new trader or bank account records.

Note: You can only assign a posting type account as a default nominal account.

Before you begin...

You must have:

- ✓ Created all the accounts that will be specified as your default nominal accounts.

Access the window

Choose Utilities > Ledger Set Up > Default Nominal Accounts.

Name	Use Specified	A/C No.	Cost Centre	Department	Nominal Account Name
Suspense Account	N/A	34999	N/A	N/A	N/A
Exchange Differences	N/A	39100	N/A	N/A	N/A
Bank Charges	N/A	63200	N/A	N/A	N/A
Discount Allowed	No	64100	N/A	N/A	N/A
Discount Taken	No	39200	N/A	N/A	N/A
Default Sales	N/A	31100	N/A	N/A	N/A
Default Purchases	N/A	44100	N/A	N/A	N/A
Bad Debt Write Off	N/A	68100	N/A	N/A	N/A
Bad Debt Expense	N/A	68100	N/A	N/A	N/A
Finance Charges	N/A	37110	N/A	N/A	N/A
Direct Labour BOM	N/A	41200	N/A	N/A	N/A
Overheads BOM	N/A	41300	N/A	N/A	N/A
PAYE (Project Costing)	N/A	25600	N/A	N/A	N/A
Net Pay (Project Costing)	N/A	25800	N/A	N/A	N/A
Depreciation	N/A	61000	N/A	N/A	N/A
P&L on Disposals	N/A	38100	N/A	N/A	N/A
Cost of Sales	N/A	41100	N/A	N/A	N/A
Stock Issues	N/A	44100	N/A	N/A	N/A
Stock Write Offs	N/A	13110	N/A	N/A	N/A

Enter the default Profit and Loss accounts

- To enter an account number, click on the 'A/C No.' column for the default account.

Suspense Account	This is Profit and Loss default account, to which any value is posted if there is no corresponding nominal account available according to the number specified for a particular transaction. If a transaction includes a nominal account number which does not exist in the nominal Chart of Accounts, the corresponding transaction value is automatically posted to the 'Suspense Account'.
Exchange Differences	<p>When trading in foreign currencies, changes in exchange rates may affect the Profit and Loss on a transaction. This is the Profit and Loss account for gains or losses on foreign currency transactions for postings made in the Sales, Purchase and Cash Book.</p> <p>Note: This code maybe overridden when postings are made if you have specified individual nominal account codes for your currencies. For more information, see your <i>Sage 200 Accounting System Manager</i> documentation.</p>
Bank Charges	If trading in foreign currency, you may incur charges as a result of the conversion to the bank account's currency. This is the Profit and Loss account used to analyse bank charges incurred whilst posting foreign currency transactions in Sales and Purchase Ledgers, and Cash Book.
Discount Allowed	This is the Profit and Loss account for settlement discounts allowed in the Sales Ledger.
Discounts Taken	This is the Profit and Loss account for settlement discounts taken in the Purchase Ledger.
Default Sales	This is the Profit and Loss account for sales postings in the Sales Ledger, Invoicing, Sales Order Processing and Stock Control modules; where a sales account is not otherwise specified.
Default Purchases	This is the Profit and Loss account for purchases for postings in the Purchase Ledger module, where a purchase account is not otherwise specified.
Bad Debt Write Off	This is the Profit and Loss account used to post and analyse bad debts which are written off in the Sales Ledger and Purchase Ledger.

Bad Debt Expense	This is the Profit and Loss account used to post and analyse bad debt values when processed in the Sales Ledger.
Finance Charges	This is the Profit and Loss account used for finance charges postings which have been calculated in the Sales Ledger.
Direct Labour BOM	This is the Profit and Loss account to which the cost of direct labour charges are posted from the Bill of Materials module.
Overheads BOM	This is the Profit and Loss account to which the cost of overheads are posted from the Bill of Materials module.
PAYE (Project Costing)	This is the account to which the value of PAYE deducted from subcontractors in Job Costing is posted.
Net Pay (Project Costing)	This is the account to which the value of net pay for subcontractors in Job Costing is posted when tax is deducted.
Depreciation	This is the default Profit and Loss account to which the value of depreciation calculated from the Fixed Assets module is posted.
P&L on Disposals	This is the default Profit and Loss account to which the profit or loss realised on disposal of assets, calculated from the Fixed Assets module, is posted.
Cost of Sales	This is the Profit and Loss account to which the cost of sales value is posted for Invoicing and Sales Order Processing transactions. Cost of sales values include the cost of the raw materials and the staff wages for those people who turn those raw materials into sellable goods.
Stock Issues	This is the Profit and Loss account to which the value of stock issues is posted in Stock Control.
Stock Write Offs	This is the Profit and Loss account to which the value of stock written off in Job Costing is posted.

- If you have set up a specific account to handle a certain type of transaction, you can specify that account on this window. You can select the following accounts:
 - Discounts Allowed
 - Discount Taken

For example, if you have chosen to use a specific accounts to be used for discounts, select either the Discount Allowed or Discount Taken option and select the Yes option from the Use Specified column.

When you do this, you must then select the account that you want to use. Choose the account that you want to use by clicking in the A/C No. field and selecting the account from the drop-down list. The Cost Centre, Department and Nominal Account Name details are updated automatically. The system will then use this account for all of those types of transaction entry.

The window also shows if the account is used as a cost centre, for departmental analysis and the alternate account name.

- Select OK to close the window.

Enter the default Balance Sheet accounts

- Choose the 'Balance Sheet' tab.

Name	Use Specified	A/C No.	Cost Centre	Department	Nominal Account Name
Creditors' Control	No	25100	N/A	N/A	N/A
Debtors' Control	No	14100	N/A	N/A	N/A
Unauthorised Purchases	N/A	29200	N/A	N/A	N/A
Bank Account	N/A	16800	N/A	N/A	N/A
Default Tax Input	N/A	15100	N/A	N/A	N/A
Default Tax Output	N/A	26100	N/A	N/A	N/A
Bad Debt Provision	N/A	14400	N/A	N/A	N/A
Prepayments	N/A	19100	N/A	N/A	N/A
Accruals	N/A	29100	N/A	N/A	N/A
Accumulated Profit	N/A	99999	N/A	N/A	N/A
Project Costing Control	N/A	19200	N/A	N/A	N/A
Work in Progress	N/A	13600	N/A	N/A	N/A
Sales Retentions	N/A	19300	N/A	N/A	N/A
Purchase Retentions	N/A	29110	N/A	N/A	N/A
At Cost (Fixed Assets)	N/A	06100	N/A	N/A	N/A
Accumulated Depreciation	N/A	06200	N/A	N/A	N/A
HP/Lease Obligation	N/A	24400	N/A	N/A	N/A
Sales Asset Control	N/A	14150	N/A	N/A	N/A
Purchase Asset Control	N/A	25150	N/A	N/A	N/A
Revaluation Reserve	N/A	22700	N/A	N/A	N/A
Stock	N/A	13101	N/A	N/A	N/A

OK Cancel

- To enter an account number, click on the 'A/C No.' column for the default account.

Creditors Control

This is the Balance Sheet account that double-entry postings are made to when transactions are added to the Purchase Ledger. For example, when you post an invoice, the total invoice value is credited to the 'Creditors Control' account, while the purchase account is debited with the net goods value and the 'Default Tax Input' account is debited with the VAT amount.

Debtors Control	This is the Balance Sheet account that double-entry postings are made to when transactions are added to the Sales Ledger. For example, when you post an invoice, the total invoice value is debited to the 'Debtors Control' account, while the sales account is credited with the net goods value and the 'Default Tax Output' account is credited with the VAT amount.
Unauthorised Purchases	This is the Balance Sheet liability account to which unauthorised purchase invoices are posted.
Bank Account	This is the nominal Balance Sheet account for the current bank account.
Default Tax Input	This is the default Balance Sheet account where all input tax is analysed unless overridden by a supplier account using a particular tax rate code.
Default Tax Output	This is the default Balance Sheet account that all output tax is analysed unless overridden by a customer account using a particular tax rate code. Note: The 'Default Tax Input' and 'Default Tax Output' may be overridden if you have specified individual nominal account codes for your tax rates. For more information, see your <i>Sage 200 Accounting System Manager</i> documentation.
Bad Debt Provision	This is the Balance Sheet account to which bad debt provisions postings are analysed (Sales Ledger only).
Prepayments	This is the Balance Sheet asset account to which prepayment journals are posted.
Accruals	This is the Balance Sheet liability account to which accrual journals are posted.
Accumulated Profit	This Balance Sheet account is updated at the year end with the retained profit. This nominal account is where the 'Year End' process puts the sum of the Debit-YTD and Credit-YTD figures from the Profit and Loss accounts before setting them to zero. On the 'Year End' report, the account, cost centre, department and name is shown and the final debit or credit amount calculated by the process.

Revaluation Reserves	This is the Profit and Loss account to which the value of revalued reserves is posted from either the Sales Ledger or Purchase Ledger.
Stock	This is the stock asset account for the Balance Sheet to which postings are made from the Stock Control, Sales Order Processing, Purchase Order Processing and Invoicing modules when stock items are issued and received, thus affecting the valuation of stock.

- If you have set up a specific account to handle a certain type of transaction, you can specify that account on this window. You can select the following accounts:
 - Creditors' Control
 - Debtors' Control

For example, if you have chosen to use a specific accounts to be used as the Creditors' Control account, select the Yes option from the Use Specified column.

When you do this, you must then select the account that you want to use. Choose the account that you want to use by clicking in the A/C No. field and selecting the account from the drop-down list. The Cost Centre, Department and Nominal Account Name details are updated automatically. The system will then use this account for all of those types of transaction entry.

The window also shows if the account is used as a cost centre, for departmental analysis and the alternate account name.

- Select OK to close the window.

Outcomes

- The default nominal accounts are set up in the preferred way for your system operation.

Set Up and Apply Cost Centre Breakdown

This activity involves several tasks performed in more than one module.

Before you begin...

You must have:

- ✓ Created your cost centre and department codes.
- ✓ Created your nominal accounts. You must ensure all nominal accounts used for transaction postings exist in the Nominal Ledger. Failure to do this may result in postings to the 'Suspense Account' and further rework using journals to move the postings.
- ✓ Set up the default nominal accounts in Nominal Ledger. For more information, see *Manage Default Nominal Accounts on page 77*.

Enter the details

- Activate the 'Split postings between cost centres for Balance Sheet accounts' setting in the Accounting System Manager.
- Specify the cost centre and department codes on the trader and bank account records. This is achieved as you create and maintain your trader and bank accounts. The following illustration uses a supplier account to indicate where the cost centre and department elements of the nominal code are taken from for use in cost centre breakdown.

PL - Amend Account Details

Company Trading Payment Attachments Memo Transaction e-mail

Trading details

Country code: GB - Great Britain

Default tax code: 1 - Std Rate

Tax number: 358 1078 90

Keep transactions for: 24 calendar months

Order priority: A

Default nominal code

44100	SAL	VAL	Materials - Purchases Resale
-------	-----	-----	------------------------------

Analysis codes

Header	Value
Pur Mgr	
Region	
Sup Type	

Save Clear Delete Close

Enter Opening Balances

Once you have created your nominal accounts, you need to decide at what point you are going to start entering transactions. Whatever date you choose to do this, you are almost certain to have opening balances to enter for accounts that are currently active. In the case of the Nominal Ledger you are likely to have balances to enter for the nominal account, even if these only relate to Balance Sheet items at the start of a financial year.

Opening balances represent the financial position of your organisation on the day you start entering live transactions. Although you can start entering transactions on any date you want, many companies choose the start of the new financial year as their opening date because they or their accountant has normally drawn up a set of accounts up to that date. This closing set of accounts can then act as the opening balances for the new year.

If you want to start to use the system part way through a financial year, we recommend that you obtain a 'Trial Balance' for the final period end and use this as the basis for your opening entries on the Nominal Ledger. Ask your accountant for assistance in this matter if you are unsure about how to achieve this. It is a good idea to make sure you have created nominal account records for all accounts that are on the opening 'Trial Balance' as well as your default nominal accounts.

Closing the previous accounting period/year

If you are transferring your accounting system from an existing manual or computerised system, it is important that you close the period or year before you enter the opening balances in your new system. This ensures you enter an accurate set of opening balances, reducing the likelihood of making adjustments afterwards.

Preparing to enter opening balances

You can enter opening balances for the Sales, Purchase Ledger and Cash Book using the Opening Balance routine in the relevant module before or after you begin using the Nominal Ledger, since no nominal postings are created through those routines. Your opening Trial Balance should include the balances that reflect any outstanding debtor and creditor amounts in the Sales and Purchase Ledgers and bank accounts in the Cash Book.

Nominal Ledger opening balances are entered using the 'Journal Entry' routine. When entering transactions using this routine, you must ensure the debit and credit values balance in the journal and to comply with double-entry bookkeeping principles.

Suggested opening balance process

If you start using Sage 200 part way through your financial year, we recommend you enter your opening balances in the period prior to going live. This prevents your 'Balance this month' figures being inflated with the 'Opening balance' value.

For example, you are going live in June 2007 and your financial year runs from January to December and you use 12 monthly periods. This means period six (6) is your first period using Sage 200 for live transactions.

1. Set your ledger period to month five (5) ending 31/05/2007 for all modules using the Accounting System Manager.
2. Enter the Nominal Ledger opening balances with a date of 31/05/2007, using the 'Journal Entry' routine in the Nominal Ledger.
3. Enter the opening balances in Sales, Purchase and Cash Book modules.
4. Proceed to enter live transactions.

If you are going live in the first month of your financial year, follow the recommendation below.

1. Set your ledger to operate in the previous financial year.
2. Enter Nominal Ledger opening balances using the 'Journal Entry' routine.
3. Enter Sales, Purchase and Cash Book opening balances.
4. Close the period for all modules.
5. Run the 'Year End' routine in the Nominal Ledger.
6. Proceed to enter live transactions.

For more information, see Getting Started in your *Sage 200 Accounting System Manager* documentation.

Before you begin...

You must have:

- ✓ Checked if Sage 200 has been used as a test system prior to going live. If so, you should ensure that there are no nominal account transactions (including archive), waiting postings (current or deferred) or VAT Return transactions. If transactions are found, delete them from the system. For more information, see *Delete account postings and transactions on page 164*.

Note: As a result of deleting postings, the URN number will have incremented. For auditing and accounting purposes you must make a note of the starting URN number.

- ✓ Prepared a closing 'Trial Balance' for the period/year you have closed.
- ✓ Created all the nominal account records needed for opening balances.
- ✓ Set up the default Balance Sheet accounts using the 'Default Nominal Accounts' routine.
- ✓ Checked that your closing balances are correct.

Access the window

Choose Enter Transactions > Journal Entry.

Header details

New journal entry Use template

Journal template: Overheads

Journal title: Overheads

Journal date: 18/10/2006

Posting options

Single entry

Reversing entry

Recurring entry

Journal transactions

A/C No.	CC	Dept	Name	Type	Narrative	Tax Type	Tax Code	Debit	Credit
71100	ADM	ADM	Rent & Ra...	Posting	Overheads	N/A	0 - Exempt	0.00	2800.00
71200	ADM	ADM	Rent & Ra...	Posting	Overheads	N/A	0 - Exempt	0.00	85.00
71300	ADM	ADM	Rent & Ra...	Posting	Overheads	N/A	0 - Exempt	0.00	265.00
71400	ADM	ADM	Rent & Ra...	Posting	Overheads	N/A	0 - Exempt	0.00	186.00
72100	ADM	ADM	Heat Light...	Posting	Overheads	N/A	0 - Exempt	0.00	144.00
72200	ADM	ADM	Heat Light...	Posting	Overheads	N/A	0 - Exempt	0.00	266.00
Totals								3746.00	3746.00

Delete Clear Balance: 0.00

Post Hold Print Close

Enter the details

1. Enter the 'Journal title' and 'Journal date'.
2. Select the posting option 'Single entry'.
3. Click in the 'Journal transactions' area to add a line to the journal entry. Enter the opening balance details.
 - Enter the nominal account reference ('A/C No.').
 - Enter the opening balance values, ensuring that the debits and credits balance.
4. Click 'Post' to commit the journal to the ledger.
5. If you are not using the Nominal Ledger setting to 'Update the Nominal Ledger immediately journal entries are posted', run the 'Update Waiting Postings' routine to apply the opening balances to the nominal accounts.

6. If you have followed the suggested opening balance process, you will only need to close the period if the 'Number of open accounting periods' setting (in Accounting System Manager) is set to '1'.

Checking your opening balances

When you have completed entering your opening balances, print a 'Trial Balance' for all accounts in the Nominal Ledger. Check the values in the closing 'Trial Balance' match those in the opening 'Trial Balance'. For more information, see *Trial Balance on page 191*.

Correcting opening balances

If you find that there are errors in your opening 'Trial Balance', you can use the same 'Journal Entry' routine to post adjustments to the relevant accounts.

Once you are sure that your opening balances are correct, close the period.

Amend a Nominal Account

It is important to maintain nominal accounts and revise details such as budget values to keep them up to date. The one part of the nominal account you cannot change is the nominal account code, which consists of the account number, cost centre and department.

Maintain nominal account

You can amend nominal account details provided no one is accessing the account or producing a report.

Access the window

Choose Nominal Accounts > Amend Account Details.

NL - Maintain Nominal Account

Account Budget This Year Budget Next Year Attachments Memos

Account selection:

A/C ref: 31100

Cost centre: SAL

Department: COM

Name: Sales - Kitchens Components

Balances:

Year to Date

Debit: 750.00

Credit: 104812.63

Balance: -104062.63

Account Type:

Account type:

Report category: 31 UK Sales Profit and Loss

Allow manual journal entries Use batch postings

Display A/C balance in nominal selection box

Keep transactions for: 6 calendar months.

Consolidated:

Account	Cost Centre	Description
31	SAL	Total Sales

Save Delete Close

Enter the details

- Select the nominal account that you want to amend in the 'AC/Ref.' box.
- Amend the displayed details. See *Create a single nominal account on page 60*.

Outcomes

- Amended account details are stored on the Nominal Ledger.

Amend nominal account budget values

You can amend budget details for individual nominal accounts using the method defined for amending nominal accounts.

You can also update budget values using data that has been prepared in an external source using the 'Import Ledger File' routine. See *Create account records from imported data on page 71*.

Alternatively, use the 'Update Account File' routine; however, this does require IT developer skills. For more information, see *Create nominal accounts using Update Account File on page 76*.

Note: Amending budget values does not have a retrospective affect on variances for previous accounting periods.

Reassign report categories and consolidation codes

To quickly change the category code and consolidation code assigned to a nominal account use the 'Amend Report and Consolidation Settings' routine.

The category code is used to group together accounts under a generic title and indicate if they are to be included in the 'Balance Sheet' or 'Profit and Loss' reports.

The consolidated account is used to link a subsidiary Nominal Ledger to a group Nominal Ledger. When you consolidate to the group ledger, the system posts the consolidated balances to the group nominal accounts based on the consolidation accounts specified in the subsidiary ledger.

The 'Amend Report and Consolidation Settings' routine displays all nominal accounts and their respective category codes. If the system is set up for consolidation, it also displays the associated consolidation account codes. The displayed list can be filtered to show accounts by

account code, name or cost centre. You can then quickly determine the relationship of nominal accounts in relation to category code and consolidation code usage.

If you need to change either of these settings for a range of accounts for whatever reason (for example, to make adjustments for final accounts production), this routine is ideal when you want to amend the codes for several accounts at the same time.

Access the window

Choose Utilities > Ledger Set Up > Amend Report and Consolidation Settings.

A/C Ref.	CC.	Dept.	Name	Category	Category Description
13100			Stocks - Issues	13	Stock
13101			Stocks - Finished Goods	13	Stock
13102			Stocks - Raw Materials	13	Stock
13103			Stocks - Bought In Parts	13	Stock
13110			Stocks - Write Offs	13	Stock
13600			Stocks - Work in Progress	13	Stock

- To display a range of accounts, choose to select the range by 'Account reference', 'Cost centre' or 'Report category'. Select the range of accounts that you want to display in the 'From' and 'To' lists, and click 'Display'.
 - Click on a column heading to sort the list by a column, for example account reference ('A/C Ref.'), cost centre ('CC'), or account name ('Name').
- Click on the report category code ('Category') box or 'Consolidation' account box that you want to change and select the new code from the list.
- Click 'Save' to save your changes.

Delete a nominal account

If you no longer want to use a nominal account, you can remove it from the Nominal Ledger. However, the ledger only allows you to delete an account if it conforms to certain criteria, thereby safeguarding against deleting an active account. This means the account must have a balance of zero, have no transactions held on it either in the current or archived file or held in the waiting postings file. Also, you cannot delete the 'Suspense Account'.

Before you begin...

You must have:

- ✓ Checked the account has a balance of zero and there are no entries for the account stored on the account itself, in the archive file or in the waiting postings file.

Access the window

Choose Nominal Accounts > Maintain Account.

NL - Maintain Nominal Account

Account | Budget This Year | Budget Next Year | Attachments | Memos

Account selection

A/C ref: 31100
 Cost centre: SAL
 Department: COM
 Name: Sales - Kitchens Components

Balances

Year to Date
 Debit: 750.00
 Credit: 104812.63
 Balance: -104062.63

Account Type

Account type:
 Report category: 31 UK Sales | Profit and Loss
 Allow manual journal entries Use batch postings
 Display A/C balance in nominal selection box
 Keep transactions for: 6 calendar months.

Consolidated

Account: 31 | SAL | Total Sales

Save Delete Close

Enter the details

- Select the account that you want to delete in the 'A/C Ref.' box and then click 'Delete'.

Outcomes

- The nominal account is deleted from the Nominal Ledger.

4

Manage Transactions

This section deals with the methods you can use to transfer values between your nominal accounts.

It includes how to record receipts and payments that do not relate directly to a customer or supplier transaction.

Activities:

Using journals

Manage journal templates

Deal with prepayments

Deal with accruals

Record payments or receipts

Adjust accounts based on the previous year

Before you begin...

You must have:

- ✓ Created your nominal accounts. For more information, see *Create Nominal Account Records on page 60*.

Note: You must have suitable security privileges to perform these activities. See your system administrator for more information.

Remember...

For more information on using the help system, see the *Sage 200 Operations* documentation.

Using Journal Entries

Journal entries are used to make transfers between nominal accounts. They strictly follow double-entry bookkeeping principles. This means the journal must balance (debit and credit amounts must equal) before it can be posted. If the values do not balance, the ledger does not allow the completion of the postings and a warning will be displayed. Journal entries are always entered in a batch. A journal can be held for authorisation, if required.

The ledger automatically applies a URN (unique reference number) to each journal. You can use the URN to find out information about the journal such as, who created it, and the entries involved. For more information, see your *Sage 200 Accounting System Manager* documentation.

In addition to the manual journal, the Nominal Ledger also provides journal templates. You can use journal templates to create a library of journals to be used again and again. This is particularly useful when you have regular postings that can be incorporated into a journal and called on when needed.

You can also enter a taxable journal that will update your VAT Return as well as the nominal accounts.

When you post a journal, if you have set the ledger to update journals on posting ('Update the nominal ledger immediately journal entries are posted') then the entries immediately affect the account balances, provided they are for an open period. If you have decided not to activate this setting, then the entries are held in the waiting postings file to be updated later using the 'Update Waiting Postings' routine. For more information, see *Apply postings from integrated Sage 200 modules on page 129*.

Note: You cannot post journal entries to a nominal account that is set to reject manual journal entries (the 'Allow manual journal entries' setting is not activated on the account). The ledger displays a warning if you attempt to post to accounts with this status.

When entering journals you can do the following.

- Reverse a journal.

Once journal entry postings are set up, if you want to have them reversed at some date in the future choose the 'Reversing entry' posting option. For example, use this option make an adjustment to the value of stock that needs to be reversed after the period end.

Note: You cannot reverse transactions on an individual basis within a journal as the routine reverses all transactions within a journal.

- Set the journal to recur.

If you need to make exactly the same journal entry several times on different dates, you can set the postings up once and choose the 'Recurring entry' posting option. When you enter the first journal date the routine automatically calculates the recurring dates on a regular basis for you, although these dates can be amended. Postings can be repeated over a period of time up to a maximum of 36 months.

Once you commit this type of journal to the ledger the routine posts all the recurring entries to the deferred waiting postings file, where they are held until their posting date falls into an open period.

Note: A journal can be set either to reverse or recur, but you cannot set a journal to do both.

- Put the journal on hold.

While the journal is on hold you can return to it and make any required amendments. If you do decide to put the journal on hold, it does not need to balance at that point; however, you must return to the journal to refine the entries so that the values do balance before it can be posted. You can also view the details of a held journal in the 'Held Journal' report. This is particularly useful if you intend to amend the journal before it is finally posted to the ledger.

When making journal transfers that require analysis by cost centres and/or departments, you can assign a nominal code with a cost centre and/or department code for each transaction line of the journal.

It may be worth considering setting up a journal template when using journal entries to distribute an expense across cost centre or department codes. For more information, see *Manage Journal Templates on page 107*.

Note: If you include a memorandum account within the journal, the value of the posting to the memorandum account is not included in the batch totals.

Entering taxable journals

Taxable journals are usually required for special VAT schemes or to process fuel scale charges. A nominal taxable journal should not be used to replace the usual invoice, credit note and taxable payment or receipt routines found in other modules.

A taxable journal will normally comprise three elements: the net element, the tax element and the gross element. In a single journal, there may be several lines presenting each of these elements.

- The net element lines will have the tax type input goods or output goods, and represent the value of the entry excluding VAT.
- The tax element lines will have the tax type input tax or output tax, and represent the value of the VAT on the entry. The tax element will almost always be posted to the nominal account used as the VAT control account.
- The gross element lines will use the tax type 'N/A'.

Record journal entries

Use the 'Journal Entry' routine to transfer values between nominal accounts. You have the option to put the journal on hold, set the journal to recur, or reverse the journal.

Each time you create a journal you must assign a unique title to it. This means you cannot leave the title blank or use a journal title that is in use for a currently held journal.

Access the window

Choose Enter Transactions > Journal Entry.

A/C No.	CC	Dept	Name	Type	Narrative	Tax Type	Tax Code	Debit	Credit
71100	ADM	ADM	Rent & Ra...	Posting	Overheads	N/A	0 - Exempt	0.00	2800.00
71200	ADM	ADM	Rent & Ra...	Posting	Overheads	N/A	0 - Exempt	0.00	85.00
71300	ADM	ADM	Rent & Ra...	Posting	Overheads	N/A	0 - Exempt	0.00	265.00
71400	ADM	ADM	Rent & Ra...	Posting	Overheads	N/A	0 - Exempt	0.00	186.00
72100	ADM	ADM	Heat Light...	Posting	Overheads	N/A	0 - Exempt	0.00	144.00
72200	ADM	ADM	Heat Light...	Posting	Overheads	N/A	0 - Exempt	0.00	266.00
Totals								3746.00	3746.00

Enter the details

- Select 'New journal entry' to create a new journal for your entries, or select 'Use template' to create a new journal based on a saved template.
- If you select 'Use template', select the template to use from the 'Journal template' drop-down list. The above example illustrates the window displayed when 'Use template' is selected.
- Specify the 'Journal title', which must not already be in use.
- Enter the 'Journal date', that is the date the journal will be posted.

Single entry journal

- Select the 'Single entry' posting option.
- Click in the 'Journal transactions' area and the first journal line appears.
- Enter each transaction to the journal: nominal account to be used ('A/C No'), cost centre ('CC') and department ('Dept'), account 'Type', 'Narrative', 'Transaction analysis' code (if applicable), 'Tax Type' and 'Tax code' (if appropriate), and the value of the line either as a 'Debit' or 'Credit'.
- To commit the journal to the ledger, click 'Post'; or to suspend the journal until required, click 'Hold'.

Recurring entry journal

If you need to make exactly the same journal entry several times on different dates, you can set the postings up once and choose the 'Recurring entry' posting option.

- Select the 'Recurring entry' posting option.
- Click 'Details' and the Recurring Dates window appears.

The screenshot shows a dialog box titled "NL - Recurring Dates". At the top, there is a "Number of recurrences:" label followed by a text input field containing the number "8". Below this is a section labeled "Recurrence Date" which contains a list of dates: 09/06/2006, 09/07/2006, 09/08/2006, 09/09/2006, 09/10/2006, 09/11/2006, 09/12/2006, and 09/01/2007. The first date, 09/06/2006, is highlighted. At the bottom right of the dialog box is a "Close" button.

- Enter the number of dates you want the journal to recur in 'Number of recurrences'. The routine automatically calculates and displays recurring dates for you. Postings for dates that

fall into future periods will be held in the deferred postings until those periods are subsequently opened.

- To edit any of the dates, click on the date and amend it as required.
- To accept the displayed recurring dates, click 'Close'.
- Click in the 'Journal transactions' area and the first journal line appears.
- Enter each transaction to the journal: nominal account to be used ('A/C No'), cost centre ('CC') and department ('Dept'), account 'Type', 'Narrative', 'Transaction analysis' code (if applicable), 'Tax Type' and 'Tax code' (if appropriate), and the value of the line either as a 'Debit' or 'Credit'.
- To commit the journal to the ledger, click 'Post'; or to suspend the journal until required, click 'Hold'.

Reversing entry journal

Once journal entry postings are set up, if you want to have them reversed at some date in the future choose the 'Reversing entry' posting option.

- Select the 'Reversing entry' posting option.

The 'Reversing date' box is displayed.

- Enter the reversing date.
- Enter each transaction to the journal: nominal account to be used ('A/C No'), cost centre ('CC') and department ('Dept'), account 'Type', 'Narrative', 'Transaction analysis' code (if applicable), 'Tax Type' and 'Tax code' (if appropriate), and the value of the line either as a 'Debit' or 'Credit'.
- To commit the journal to the ledger, click 'Post'; or to suspend the journal until required, click 'Hold'.

Outcomes

- Postings are applied immediately to the nominal accounts if you have activated the setting 'Update the nominal ledger immediately journal entries are posted' for the Nominal Ledger.

- If you have not activated the setting 'Update the nominal ledger immediately journal entries are posted', then the postings are added to the waiting posting file (current or deferred).
- If postings are taxable, the VAT file is updated.

Amend, complete or delete a journal

Provided you have not posted the journal to the ledger (it is held), you can amend or delete it.

Use the 'Held Journals' routine to display all your journals that are on hold. From the displayed list you can select the journal you want to amend or delete. You can view the details of a held journal either on screen or you can generate a 'Held Journal' report.

Access the window

Choose Enter Transactions > Held Journals.



Enter the details

- To generate the 'Held Journal' report, select the journal you want to view and click 'Print'.
- To complete a journal or make an amendment, click 'Process'.

The Journal entry is displayed. Make any amendments to the Journal entry as required.

NL - Create Journal Entry

Header details

New journal entry Use template

Journal template: Overheads

Journal title: Overheads

Journal date: 18/10/2006

Posting options

Single entry
 Reversing entry
 Recurring entry

Journal transactions

A/C No.	CC	Dept	Name	Type	Narrative	Tax Type	Tax Code	Debit	Credit
71100	ADM	ADM	Rent & Ra...	Posting	Overheads	N/A	0 - Exempt	0.00	2800.00
71200	ADM	ADM	Rent & Ra...	Posting	Overheads	N/A	0 - Exempt	0.00	85.00
71300	ADM	ADM	Rent & Ra...	Posting	Overheads	N/A	0 - Exempt	0.00	265.00
71400	ADM	ADM	Rent & Ra...	Posting	Overheads	N/A	0 - Exempt	0.00	186.00
72100	ADM	ADM	Heat Light...	Posting	Overheads	N/A	0 - Exempt	0.00	144.00
72200	ADM	ADM	Heat Light...	Posting	Overheads	N/A	0 - Exempt	0.00	266.00
Totals								3746.00	3746.00

Delete Clear Balance: 0.00

Post Hold Print Close

- To complete the journal and commit it to the ledger, click 'Post'.
- To continue to hold the journal, click 'Hold'.
- To delete a journal from the 'Held Journals' list, select the journal that you want to remove and click 'Delete'.

Manage Journal Templates

Use journal templates to transfer values between nominal accounts that occur on a regular basis.

A journal template is simply a receptacle to capture the transactions you want to post to the ledger. By itself it cannot process transactions, it must be used in conjunction with the 'Journal Entry' routine to complete the process. For more information, see *Record journal entries on page 102*.

Templates provide a means to build a library of reusable journals. Each journal template can be amended or deleted when required. Once you have created the template, you can use it as a basis for creating a new journal using the 'Journal Entry' routine.

You can create the journal with or without values in the debit and credit boxes. You can even specify percentages instead of values. This is particularly useful should you need to create journals that automatically apportion an amount across several transaction lines, such as distributing an expense across cost centres or departments. If you create a journal without values you are prompted to enter values at the time you use the journal to post transactions.

If you create a journal template that uses percentage terms, you need only enter one figure when processing the journal and the remaining values are calculated automatically. For example, the following journal template is set up to distribute heating costs across cost centres.

Account	Cost centre/department	Dr/Cr	Value
Heating costs - general		Cr	100%
Heating costs	DP1	Dr	30%
Heating costs	DP2	Dr	40%
Heating costs	DP3	Dr	30%

This journal template is used to distribute costs of a heating bill for the general heating account. If the bill amount is 400, the posting values would be broken down as follows when the amount is entered.

Account	Cost centre/department	Debit	Credit
Heating costs - general			400.00
Heating costs	DP1	120.00	
Heating costs	DP2	160.00	
Heating costs	DP3	120.00	

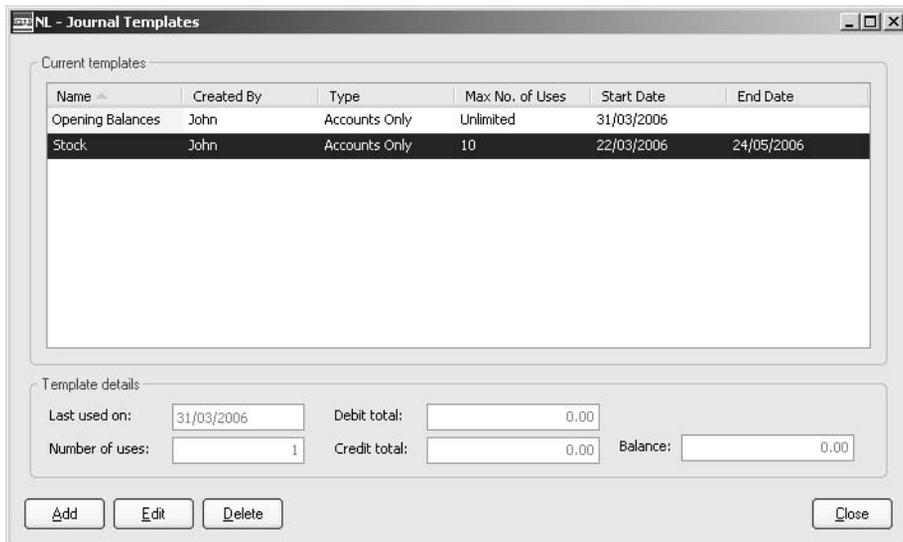
Where the percentage for the first account is less than 100%, any rounding errors encountered are added to or subtracted from the last account in the list.

You can apply rules to the journal template that govern how often it can be used, the date from which it may be used and the date after which it can no longer be used. Once the journal exceeds the specified limitations, then it cannot be used again and should be deleted from the ledger.

Note: Whilst it is not possible to mark a journal template as recurring or reversing, you can enter a recurring or reversing journal that is based on the template when you use the 'Journal Entry' routine.

Access the window

Choose Enter Transactions > Journal Templates.



Enter the details

- Prepare the journal template.
- If you intend to create a new journal template, click 'Add' to display the 'Add Journal Template' window.
- If you intend to amend an existing journal template, select the required journal template from the displayed list and click 'Edit'.
- The 'Edit Journal Template' window appears.

Template details

Name:

Template type: Unlimited uses: Max no. of uses:

Start date: End date:

Template totals

Debit:

Credit:

Balance:

Template contents

A/c No.	CC	Dept	Name	Type	Narrative	Debit	Credit
25600			PAYE	Posting	payroll	0.00	0.00
25700			NI	Posting	payroll	0.00	0.00
25800			Net Wages/Salaries	Posting	payroll	0.00	0.00
41200	INS	BES	Cost of Sales - Lab...	Posting	payroll	0.00	0.00
41200	SAL	BES	Cost of Sales - Lab...	Posting	payroll	0.00	0.00
81100	ADM	ADM	Salaries - Directors	Posting	payroll	0.00	0.00
81101	ADM	ADM	Salaries - Administr...	Posting	payroll	0.00	0.00
81300	SAL	COM	Salaries - Sales Com	Posting	payroll	0.00	0.00

Buttons: Delete, Clear, OK, Cancel

- Specify the journal 'Name'. You must enter a unique name for each journal template.
- Specify 'Template type' as 'Accounts Only', 'Percentages' or 'Value'.
- 'Accounts only': You do not specify any amounts in the debit or credit column for the postings. These will be entered when the journal is posted.
- 'Percentages': You need to specify percentages in the debit or credit column for each posting. The total of the debits and credits must both be 100%.

- 'Value': You need to enter a value in the debit or credit column for each posting. The total of the debits and credits must match.
- Specify the journal restrictions.
 - 'Max no. of uses': To restrict the number of times the journal can be used, click 'Max no. of uses' and specify a value of up to 99.
 - 'Start date': The earliest date the template can be used. If there is no restriction, leave this date blank.
 - 'End date': Enter the latest date the template can be used. If there is no restriction, leave this date blank.
- To add a line to the journal, click in the 'Template contents' and journal line is added. For each transaction enter the nominal account ('A/c No.') to be used, cost centre ('CC'), department, account type, narrative, transaction analysis code (if used), and the value or percentage details. You can leave the debit and credit values blank.
- To amend any details, click on the item to amend and make the required changes.
- To delete a line, select an item for deletion from the list displayed and click 'Delete'.
- To clear all the lines in the journal, click 'Clear'.
- To confirm the journal template is completed, click 'OK'.

Note: You may complete a template journal that does not balance; although if you wanted to post it later, you will have to make it balance then. If you have a long list of postings, the totals at the top of the window make it easy to see if you have a matching set.

Outcomes

- The journal template is stored in the Nominal Ledger.

Record Prepayments and Accruals

You can record an expense on the ledger and apportion it across several financial periods, rather than distort figures for the period in which it is paid. This will give a true and fair account of your profits.

Expenses can be accounted for in advance to cover costs such as rent or insurance and are referred to as prepayments. You can anticipate expenses such as gas or heating expenses that are usually paid in arrears, and are referred to as accrued expenses.

These expenses are dealt with using the 'Prepayments' or 'Accruals' routines that are essentially journal entry routines. However, unlike the 'Journal Entry' routines explained earlier in this section, it is not possible to hold, amend or delete these journals.

Prepayments - deal with an advanced payment

Use the 'Prepayments' routine to create journal entries that account for an expense you have already paid and spread it across several financial periods, not just in the period it is paid.

The routine creates an initial journal entry to clear the original payment for the expense from the Profit and Loss nominal account and add it to the 'Prepayment' nominal account on the Balance Sheet. While the expense is in the 'Prepayment' nominal account on the Balance Sheet, it is classed as an asset. This asset is gradually reduced as the periodic journal entries decrease the value on the Balance Sheet and increase the value on the Profit and Loss account over the period.

When you create a prepayments journal, any elements that are dated in future periods are held in the deferred waiting postings file. These posting will be transferred later, when those future periods are subsequently opened.

When creating the prepayments journal the routine:

- Accumulates a total for each periodic posting. This value must match the total value for the prepayment.
- Applies only one URN to all postings made.

Access the window

Choose Enter Transactions > Prepayments.

NL - Create Prepayment Journal Entry

Prepayment details:

Prepayment date: 17/08/2006 Reference: Service U235 GWK

Total value: 1200.00 Narrative: Service agreement for U235 GWK

Posting Accounts:

Balance sheet: 19100 Prepayments

Profit and Loss: 08101 Vehicle Cost - U235 GWK

Periodic transactions:

Date	Value
17/07/2007	100.00
17/08/2007	100.00
17/09/2007	100.00
17/10/2007	100.00
17/11/2007	100.00
17/12/2007	100.00
Totals	1200.00

Buttons: Delete, Post, Close

Enter the details

- Enter the 'Prepayment details': the 'Prepayment date', the 'Total value' of the prepayment, the 'Reference' and 'Narrative'.
- Specify the posting type nominal accounts to be used for both Balance Sheet postings and Profit and Loss postings. Specify the 'Transaction Analysis' code, if required.
- Specify the date and value for each required periodic transaction. The routine suggests tomorrow's date as the first periodic date, plus dates for each subsequent periodic posting. Subsequent dates will be in regular intervals, depending on the accounting periods you are using.
- To commit the prepayments journal, click 'Post'. The total of transactions must equal the 'Total value' entered.

Outcomes

- The nominated prepayment account is debited with the total amount of the prepayment and corresponding double-entry is made by crediting the expense account concerned. This is performed by the first journal entry.
- A credit posting is made for each of the periodic amounts to the prepayments account for each period involved and a corresponding debit posting is made to the expense account again for each period amount.

Accruals - deal with an anticipated expense

Use the 'Accruals' routine to budget for an expense that is normally paid for in arrears, for example gas and electricity. Based on an estimate of the expense, you can use the routine to account for the expense over the required periods.

The routine creates the journal entries to account for the expense on the Profit and Loss and Balance Sheet over the given period. While the expense is shown in the 'Accruals' account on the Balance Sheet it is classed as a liability that is increased as the periodic journal entries are added to it.

The routine also creates a final journal entry to clear the expense from the Profit and Loss and Balance Sheet accounts. When you eventually receive the actual expense it can be recorded on the ledger without the worry of it being accounted for twice.

When you create an accruals journal, any elements that are dated in future periods are held in the deferred waiting postings file. These posting will be transferred later, when those future periods are subsequently opened.

When creating the accruals journal the routine:

- Accumulates a total for each periodic posting. This value must match the total value for the expense.
- Applies only one URN to all postings made.

Access the window

Choose Enter Transactions > Accruals.

NL - Create Accrual Journal Entry

Accrual details

Reversal date: 07/12/2006 Reference: Gas

Total value: 325.00 Narrative: Gas payment

Posting Accounts

Balance sheet: 29100 Accruals

Profit and Loss: 72200 ADM ADM Heat Light & Power - Gas

Periodic transactions

Date	Value
06/10/2006	105.00
06/11/2006	105.00
06/12/2006	115.00
Totals	325.00

Delete Post Close

Enter the details

- Enter the accrual details: 'Reversal date', 'Total value', 'Reference' and 'Narrative'.
 - 'Reversal date': The date the accrued expense is cleared from the Balance Sheet and Profit and Loss nominal accounts. This is done automatically by a journal that reverses the expense, normally on the same date as the last periodic posting.
- Specify the posting type nominal accounts to be used for both Balance Sheet postings and Profit and Loss postings. Specify the 'Transaction Analysis' code, if required.
- Specify each required periodic transactions (date and value). The routine suggests tomorrow as the first periodic date, plus dates for each subsequent periodic posting. Subsequent dates will be at a regular interval.

- To commit the accruals journal, click 'Post'. The total of transactions must equal the 'Total value' entered.

Outcomes

- A credit posting is made for each of the periodic amounts to the accrual account for each period involved and a corresponding debit posting is made to the expense account again for each period amount with the appropriate dates.
- The nominated accrual account is debited with the total amount of the accrual and corresponding double-entry is made by crediting the expense account concerned. This is performed by the last journal entry.

Record Nominal Payment or Receipt

Use these routines to record money you receive or have paid that does not relate directly to a customer or supplier transaction.

Note: All receipts and payments made in respect of customers and suppliers should be processed through the Sales Ledger, Purchase Ledger or Cash Book, where appropriate.

These routines direct the postings to either the Cash Book bank account or the Nominal Ledger bank account depending on which module you are using to control cash transactions. If you are using the Nominal Ledger to control cash transactions, you can only enter base currency transactions using this routine. If you are using the Cash Book to control cash transactions, you can enter foreign currency transactions using this routine.

Any transaction entered using this routine can be analysed over several nominal accounts with one posting made to the bank account.

If you have Project Accounting activated in Sage 200, you can also add project analysis details to the transaction.

Entering base currency transactions is straightforward using this routine. If you are dealing with a base currency payment, you can generate a printed cheque.

Provided you are using the Cash Book to control cash transactions you can record foreign currency transactions using these routines. Recording foreign currency transactions differs in the following ways:

- You must select a foreign currency bank account to record the entry.
- The transaction currency and bank currency do not need to match. This means you can record a foreign currency transaction, even if you do not operate a foreign bank account in that currency.
- You need to enter an exchange rate and bank charges, where applicable.
- You cannot print a foreign currency cheque using this routine.

What are the consequences of entering a Nominal Payment or Receipt?

If you are using the Cash Book account:

- For receipts, the nominal code associated with the Cash Book account is debited with the value of the receipt and corresponding credit entries are made in the appropriate nominal income accounts. The VAT control account is credited with the amount of any VAT, and the information stored for the VAT Return.
- For payments, the nominal code associated with the Cash Book account is credited with the value of the payment and corresponding debit entries are made in the appropriate nominal expense accounts. The VAT control account is debited with the amount of any VAT and the information stored for the VAT Return.
- A payment or receipt transaction is posted to the Cash Book account.

If you are using the Cash Book module (a foreign currency bank account):

- The value of the payment or receipt is posted to the cash book account in the operating currency of that account. The nominal postings will be in base currency. The system will use the default exchange rate set up in your exchange rate table to convert the value from the bank's operating currency to base.

If you are not using the Cash Book module:

- For receipts, the bank account nominal code chosen is debited with the value of the receipt and corresponding credit entries are made in the appropriate nominal income accounts. The VAT control account is credited with the amount of any VAT, and the information stored for the VAT Return.
- For payments, the bank account nominal code chosen is credited with the value of the payment and corresponding debit entries are made in the appropriate nominal expense accounts. The VAT control account is debited with the amount of any VAT and the information stored for the VAT Return.

Access the window

- Choose Enter Transactions > Nominal Taxable Receipt
- Choose Enter Transactions > Nominal Taxable Payment
- Choose Enter Transactions > Nominal Non-Taxable Receipt
- Choose Enter Transactions > Nominal Non-Taxable Payment

Bank

Bank account: Default Bank Account

Account type: Currency: Exchange rate to base:

Transaction details

Cheque number: 2nd ref:

Transaction date: Narrative:

Project Analysis **Nominal & Tax Analysis**

Project Code	Cost Item	A/C No	CC	Dept	Name	Narrative	Transactio...	Goods Va...	Tax C...	Tax Value
No items to display										
Totals										

Save Clear Delete Show Details >> Close

Example of entering a taxable payment, not using the Cash Book.

NL - Enter a Taxable Payment

Bank account: 02 Euro Account 02-03-04 23456781
 Account type: Current Currency: Euro Exchange rate to base: 1.479290

Transaction details
 Cheque number: 0123 2nd ref:
 Transaction date: 29/10/2006 Narrative: Charges

Transaction values
 Cheque value: 169.20 Goods value: 144.00 Cheque currency: Euro
 Tax code: 1 Tax value: 25.20 Exchange rate: 1.000000
 Tax rate: 17.50 Bank value: € 177.40

Bank charges

A/C ...	CC	D...	Na...	Narrative	Transaction Analysis	Amount
63200	ADM	ADM	Ban...	Bank Charges		8.20
Totals						€ 8.20

Project Analysis Nominal & Tax Analysis

Nominal transactions

A/C ...	CC	D...	Na...	Refere...	Narrative	Transaction Analysis	Trans. D...	Goods value
16800			Ban...	0123	Charges		29/10/2006	8.20
Totals								€ 8.20

Save Clear Delete Nominal Transaction Delete Bank Charge Close

Example of entering a taxable payment, using the Cash Book.

Base currency transaction

1. Select the 'Bank account' or 'Nominal account' to be used. This depends on which module you are using to control your cash transactions.
 - If you are using the Cash Book, select the 'Bank account' from the drop down list. The account details displayed are for that selected account and cannot be changed.
 - If you are not using the Cash Book, select the 'Nominal account' code for the bank account that you want to receive the payment or receipt.
2. Enter the transaction details: 'Cheque number', 'Transaction date', 'Narrative' and second reference ('2nd ref') if appropriate.

- 'Cheque number': This is the default reference that will be applied to all the postings, unless overridden for individual postings. It does not have to be a cheque number (unless you are going to print a cheque straightaway for a payment).
3. Click in the 'Nominal transactions' window to create a new entry with these details. Click on the entry to enter the nominal transactions details.
 - Enter the nominal account ('A/C No.') to be used for each item, including the cost centre ('CC') and department ('Dept').
 - Enter a 'Reference'. This will automatically display the cheque number for the entry.
 - Enter a 'Narrative'. This will automatically display the reference entered for the whole entry, but you may type over it on the actual posting.
 - Enter the 'Transaction Analysis' code, if applicable.
 - Enter the 'Transaction date' for each item. This will default to the entry date, but you can enter your own date. This is the transaction date that will be put on the transaction when posted to the Nominal Ledger.
 - Enter the 'Goods value' for each item. This is the gross value, and it must be a positive figure. The sign of the transaction is determined by its type (payment or receipt). In case of taxable transactions, this may be calculated by the system from the 'Goods value' and 'Tax value'.
 - Enter the 'Tax code' and 'Tax rate', if dealing with a taxable entry.

The routine calculates the 'Goods value' and 'Tax value' for you. These values can be amended. To do this, double-click the boxes and re-enter the values.
 4. Refine the entries if required by adding or deleting items from the list.
 5. To enter the payment or receipt, click 'Save'.
 - If you have entered a payment, you will be prompted to print a cheque.

Foreign currency transaction

1. Select the transaction type from the entry type box ('Non-Taxable Receipt', 'Taxable Receipt', 'Non-Taxable Payment', 'Taxable Payment').
2. Select the 'Bank account' to be used.

Note: To enter a foreign currency transaction you must be using the Cash Book module to control your cash transactions.

3. Enter the transaction details: 'Cheque number', 'Transaction date', 'Narrative' and '2nd ref' (second reference).
4. Enter the transaction values by:
 - Entering the 'Cheque value'.
 - Accepting or amending the 'Cheque currency' for the entry.
 - Accepting or amending the 'Exchange rate'.
5. Enter the 'Bank charges' details, this includes other applicable charges (bank charges are in the same currency as the bank account).
6. Enter the loss or gain on exchange, if applicable.

Note: If a loss has been made then enter the amount as a positive value, for example 125.00.
If a gain has been made then enter the amount as a negative, for example -125.00.

7. Click in the 'Nominal transactions' area to add the nominal transactions details.
 - Enter the nominal account ('A/C No.') to be used for each item.
 - Enter a reference and a 'Narrative' description for each item.
 - Enter the 'Transaction Analysis' code, if applicable.
 - Enter the 'Transaction date' for each item.
 - Enter the 'Gross value' or 'Goods value' for each item.

8. If required, refine the entry by adding or deleting the nominal analysis.

Outcomes (VAT transactions)

- For a receipt, the bank or petty cash account is debited with the value of the receipt and a corresponding credit entry is made in the appropriate income account. The VAT control account is credited with the amount of VAT. The VAT table is updated with the goods and VAT involved for each line in the journal.
- For a payment, the bank or petty cash account is credited with the value of the payment and a corresponding debit entry is made in the appropriate expense account. The VAT control account is debited with the amount of VAT. The VAT table is updated with the goods and VAT involved for each line in the journal.
- Where the Cash Book module is involved, a payment or receipt transaction is posted to that module.
- Any currency adjustments are posted, if applicable.
- The bank account (for Profit and Loss) is updated with the value of any charges, if applicable.

Outcomes (non VAT transactions)

- For a receipt, the bank or petty cash account is debited with the value of the receipts and a corresponding credit entry is made in the appropriate income account.
- For a payment, the bank or petty cash account is credited with the value of the payment and a corresponding debit entry is made in the appropriate expense account.
- Where the Cash Book module is involved, a payment or receipt transaction is posted to that module.
- Any currency adjustments are posted, if applicable.
- The bank account (for Profit and Loss) is updated with the value of any charges, if applicable.

Adjust Accounts Based on the Previous Year

The 'Previous Year Journal Entry' allows you to post a batch of nominal postings for accounts with respect to the previous year, including reference and narrative details. After the 'Year End' routine has been completed, you can use this routine to adjust the previous year's figures as well as the opening and closing balances on nominal accounts. It allows you to close the Nominal Ledger at the 'Year End', but make postings that affect the previous year's balances.

This routine is only available if you have activated 'Post Entries for Previous Year' in the Ledger Settings and specified the previous year end's date during the ledger set up process.

You are unable to post previous year journals dated earlier than the start date of the earliest period that already exists in your previous year data.

For both Profit and Loss and Balance Sheet accounts, if the nominal code is not retained profit. (i.e. not the default 'Accumulated Profit' in the Nominal Ledger), the journal entry:

- Creates a nominal entry for the previous year period. This is linked to the relevant previous year period according to the date of the transaction.
- Makes an posting to the adjustments amount posted after the previous year end balance.
- Adjusts the closing balance amount that was posted for the previous year.
- Makes a change to the previous adjustment posting that was made to the Year End closing balance amount.

If the nominal code is a Balance Sheet account:

- An adjustment is made to the credit year-to-date or debit year-to-date value for the nominal code's account.
- If consolidation is enabled within your Sage 200 system, an adjustment is made to the consolidated amount balance for the nominal code's account.
- If the nominal code is the retained profit item, a further adjustment is made to the summary forward balance value for the nominal account.

If the nominal code is a Profit and Loss account:

- An adjustment is made to the balance summary for the nominal code's account.

Note: This routine operates in a similar way to the 'Journal Entry' routine described in this section. However, you cannot put a previous year's journal entry on hold, set it to recur or reverse, or add any taxable entries to the journal.

Before you begin...

You must have:

- ✓ Activated the post entries for the previous year's setting during the Nominal Ledger setup process. For more information, see *Set account defaults and controls on page 14*.
- ✓ Created the accumulated profit nominal account.

Access the window

Choose Enter Transactions > Previous Year Journal Entry.

Header details

Journal title: Journal reference:

Journal posting date:

Journal transactions

A/C No.	CC	Dept	Name	Type	Narrative	Transaction Ar	Debit	Credit	
13100			Stock	Posting	Test		100.00	0.00	
14100			Sales Led...	Posting	Test		0.00	100.00	
Totals							100.00	100.00	

Balance:

Enter the details

1. Specify the 'Journal title'.
2. Specify the 'Journal reference'. This reference will be put on all the nominal transactions in the journal batch.
3. Specify the 'Journal posting date', beginning with the previous year end date.

4. To add a transaction to the journal, click inside the 'Journal transactions' area.
 - Specify the nominal account code ('A/C No.') to be used, or select it from the drop-down list, plus the cost centre ('CC') and department ('Dept').
 - Enter the 'Narrative' for the transaction and 'Transaction Analysis' code, if required.
 - Specify the 'Debit' or 'Credit' values for the transaction.
5. To complete a journal entry, ensure that the total debits and credits are from the transactions are equal in value, then click 'Post'. The postings in the batch will then be used to update the nominal accounts.

Outcomes

- For Balance Sheet items, the closing balance at the end of last year and the opening balance in the new year are adjusted.
- For Profit and Loss accounts, the closing balance and the last period's actuals are adjusted. The balance to date for the accumulated profit account is updated rather than the individual Profit and Loss account itself.

Note: To report on adjusted figures, use the Profit and Loss and Balance Sheet and add the last year's closing balance column to the financial statement layout.

Manage Nominal Accounts

This section deals with the nominal account as a whole, covering both the account record and its associated transactions.

Primarily the section deals with the activities you need to perform to keep your nominal account balances up to date, thereby providing you with accurate and complete financial records.

It also describes how to select sales and purchase ledger accounts for the debtors and creditors nominal reconciliation enquiries within sales and purchase ledgers.

This section also explains the various reports used to manage your nominal accounts.

Activities:

Apply waiting postings

Import transactions from an external source

Move deferred postings

Query nominal accounts

Enter reconciliation enquiry settings

Prepare nominal account reports

Reset account balance to zero

Verify account balance

Before you begin...

You must have:

- ✓ Applied transactions to your nominal accounts. For more information, see *Manage Transactions on page 97*.

Note: You must have suitable security privileges to perform these activities. See your system administrator for more information.

Remember...

For more information on using the help system, see the *Sage 200 Operations* documentation.

Apply Waiting Transactions

There are two methods you can use to apply transactions to your nominal accounts:

- Apply postings from integrated Sage 200 modules and nominal journal entries.
- Import and apply transactions from an external data source.

Usually this would be done daily, when transactions from other modules have been generated during that day that need to be updated to the Nominal Ledger.

Apply postings from integrated Sage 200 modules

Use the 'Update Waiting Postings' routine to add transactions to nominal accounts that have been created in the Nominal Ledger as well as created in other Sage 200 modules.

Note: If the Nominal Ledger is awaiting 'Year End' processing, the 'Update Waiting Postings' routine will not work. For more information, see *Perform year end on page 158*.

The routine displays the details of all accounting periods that are currently open. Running the routine validates the transactions in the waiting postings file before committing them to the nominal accounts. It checks that the nominal code specified for each transaction exists in the Nominal Ledger. Any transactions with an invalid nominal code are directed to the nominal 'Suspense Account'. The routine also ensures that transactions are destined for posting or memorandum type accounts. If it finds transactions for a group type nominal account, then it directs those transactions to the 'Suspense Account'.

The update to valid nominal accounts varies depending on the account settings.

- Accounts storing an account history: the routine not only adjusts the balance on the account but also adds entries into the account history.
- Accounts not storing an account history: the routine adjusts the account balance.
- Accounts set to use batch totals: the routine totals all entries for the account and applies the total to the account, marking the value summarised (batch total). As the entries have been summarised the routine only allocates one URN to the summarised total.

Transactions which have a date that lies within a future accounting period are placed in the deferred postings file.

On completion the routine prints a report of both successful and failed transactions.

You should run this routine regularly to ensure your nominal accounts are up to date.

Note: You cannot run the 'Update Waiting Postings' routine at the same time as running either the 'Year End' or 'Consolidation' routines.

You can check to see if you have transactions waiting to be processed to the Nominal Ledger. To do this, choose Period End Routines > View Waiting Postings. For more information, see *View waiting postings on page 132*.

You can then view current period transactions or deferred transactions, which are displayed on screen and are listed by URN. Once displayed you can refine the list and select a range of URNs you are interested in. Alternatively you can refine the list to display entries for each nominal account, for a given date range, or for a certain tax period. You can also choose to send the displayed information to the printer.

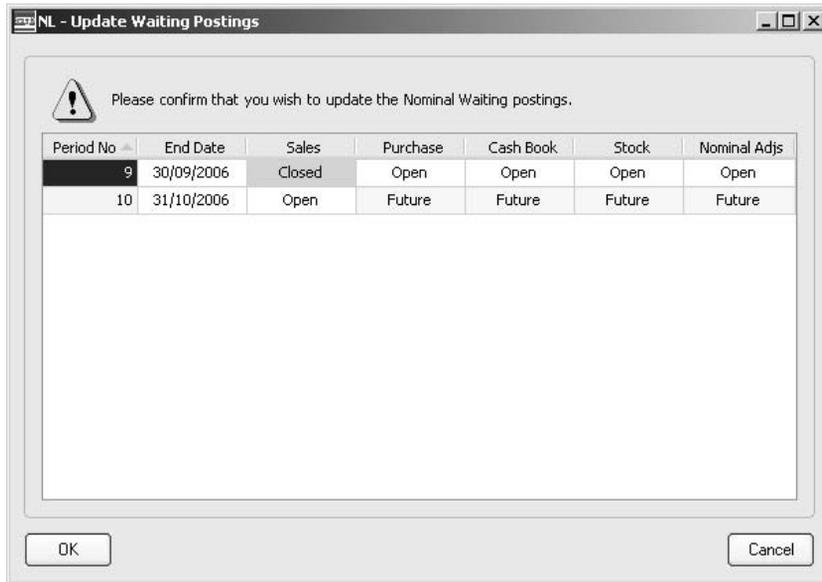
Before you begin...

You must have:

- ✓ Specified the nominal 'Suspense Account'.

Access the window

Choose Period End Routines > Update Waiting Postings.



Enter the details

- Check that you want to update postings for the current 'Open' periods.
- Click 'OK' to continue with the process.
- Check the results. When the update runs it produces reports showing all the valid transactions that have been added to the accounts and any invalid transactions that will not have been added to the accounts. Depending on your default output mode, the reports will be printed, spooled or previewed.

Outcomes

- Transactions are posted to the ledger.
- Accounts that are set to accept batch totals are updated with a single transaction. Otherwise the postings are added to the accounts on an individual basis.

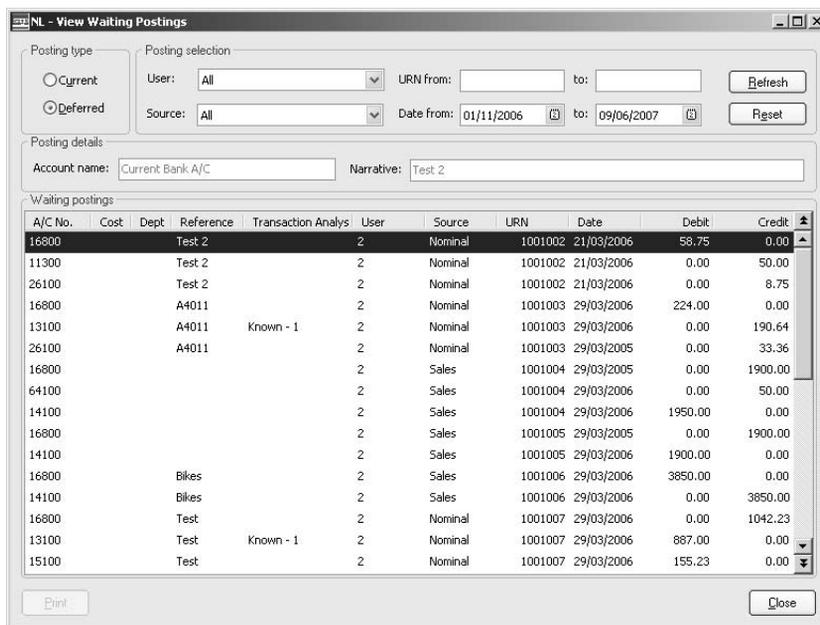
- Transactions which have a date that lies within a future accounting period are placed in the deferred waiting postings file.
- A report is generated.

View waiting postings

To find out about any postings waiting in the Nominal Ledger postings files that are yet to be updated to the nominal accounts, use the 'View Waiting Postings' routine. This routine allows you to see postings that are waiting to be updated to the Nominal Ledger, and deferred waiting postings held in the deferred waiting postings file.

Access the window

1. Choose Nominal Ledger > Period End Routines > View Waiting Postings.



2. Select the type of posting, either 'Current' or 'Deferred'.
3. Select the postings to be displayed. You can restrict the transactions shown by entering selection criteria:

- 'User': Select All to display postings by all users, or select the user whose posts you want to display.
 - 'Source': Select All, or select the specific ledger that generated the postings you want to display.
 - 'URN from': Enter a starting and ending URN for the postings you want to display.
 - 'Date from': Enter a starting and ending date for the postings you want to display.
4. To display a list of transactions that meet your criteria, click the 'Refresh' button. To reset the selection criteria and display all transactions click 'Reset'.
 5. To display the posting details of a transaction, select the transaction in the list and its 'Account name' and 'Narrative' are displayed in the 'Posting details' above the list.
 6. To produce a report of all transactions in the current or deferred waiting postings files, click 'Print'. You can select a variety of criteria to include in the report. When you have chosen the criteria or accepted the defaults, click 'OK'. Depending on your default output mode, the output will be printed, spooled or previewed.

Import transactions from an external source

Use the import routine to bring nominal transactions generated from another software package into Sage 200 or from one Sage 200 data set to another in your system.

Note: You cannot use the import routine to add information to existing transactions. For example, you cannot add transaction dates to an existing transaction. The import routine only writes new records for Sage 200.

To use the routine, you need to prepare an import file using a suitable ASCII format. The correct data format is CSV or XML. For more information, see *CSV and XML Import on page 283*.

The import routine has the following options that you can choose.

- 'Validate record only', to check the import file.

This option only checks the import file is correctly prepared. It checks the database identifiers are specified correctly and the data is compatible with existing data in your system's database, for example valid cost centres and departments.

- 'Validate and import records', to both check the import file and apply valid data to the nominal accounts.

This option checks the import file is correctly prepared as described above and then creates the new account records from valid data. The routine removes invalid records from the validation process.

Note: The system VAT file is not updated by imported transactions.

- The 'Transaction must balance' setting specifies that the system will check to see if the transactions balance. If the transactions do not balance, none of the entries are imported. It is recommended that the import routine is run with this setting enabled, unless you deliberately want to import transactions that do not balance.

The routine automatically applies a posting date of zero (0) to each transaction as they are posted to the Nominal Ledger. It also allocates a URN to any transaction if it finds the UniqueReferenceNumber identifier for that transaction is blank.

Note: The routine does not check if transactions already exist in the Nominal Ledger.

The routine automatically generates a report which details failed and successful records. Use this report to identify problems.

Successful transactions are immediately applied to the Nominal Ledger if you have selected the option 'Validate and import records'.

Before you begin...

You must have:

- ✓ Prepared the data in the correct format and saved it on your system. For more information, see *CSV and XML Import on page 283*.
- ✓ Run the 'Update Waiting Postings' routine to clear the waiting postings file.

Access the window

Choose Utilities > Import > Import Ledger File.

The screenshot shows a dialog box titled "NL - Import Ledger Data". It is divided into several sections:

- Import data:** A dropdown menu labeled "Data to import:" is set to "Nominal transactions".
- Record validation:** Two radio buttons are present. The first, "Validate records only", is selected. The second is "Validate and import records".
- Default values:** Four fields are shown:
 - "Cost centre:" with an empty dropdown menu.
 - "Department:" with an empty dropdown menu.
 - "Account type:" with a dropdown menu set to "Posting".
 - "Keep transactions for:" with a text input set to "0" followed by "months".
- Import transactions:** A checkbox labeled "Transaction must balance" is checked.

At the bottom of the dialog are two buttons: "OK" and "Cancel".

Enter the details

- Select 'Nominal transactions' from the 'Data to import' drop-down list.
- Select the required record validation option - 'Validate records only' or 'Validate and import records'.
- Enable the 'Transaction must balance' to check that the imported transactions balance. If they do not balance, none of the transactions will be imported. Do not disable this setting unless you deliberately want to import transactions that do not balance.
- Click 'OK', and specify the path of the file that contains the transaction entries.

Outcomes

- Accounts are updated.
- A report is produced detailing the transactions that have been applied successfully and those that have failed.

Move deferred postings

When you enter a transaction into Sage 200, the system checks the transaction date and matches it to the period date set on the Nominal Ledger to determine whether the transactions belongs to the current period or a future period.

If the transaction belongs to the an open period, it is placed in the current postings file and updated to a nominal account when you run 'Update Waiting Postings'. However, if the 'Update the nominal ledger immediately journal entries are posted' setting is enabled, the transaction is posted immediately to the appropriate nominal account.

Transactions that have a date that lies within a future period are placed in the deferred waiting postings file, until you subsequently open the future period (in Accounting System Manager).

You may need to move deferred postings if you have altered your financial year, or if you have set up your ledger periods with the wrong date and have subsequently posted transactions. After correcting the date and period numbers, you need to use the 'Move Deferred Postings' routine.

If you know that transactions belonging to a current open period have been deferred, then you can move them from the deferred waiting postings file to the current waiting postings file; provided the transactions are dated on or before the current Nominal Ledger period end date. The activity only moves transactions from deferred to current if it finds the transaction date conforms to the current period date set on the Nominal Ledger. It is not possible to select and move individual transactions.

You can check to see if you have any transactions waiting to be processed to the Nominal Ledger current or deferred. To do this, choose Period End Routines > View Waiting Postings. You can choose to view current period transactions or deferred transactions. Whichever view you choose the appropriate transactions are displayed on screen, listed by URN. You can then refine the list to display entries for each nominal account or for a given date range.

The activity produces a report which details the transactions that have been successfully moved to the current waiting postings file.

Access the window

Choose Utilities > File Maintenance > Move Deferred Postings.

Enter the details

1. Enter the date up to when all the deferred transactions will be included. Any postings for the selected date and those afterward the date are not included. You cannot enter a date greater than the last open period end date.
2. Specify the type of postings to move.
 - Select 'All postings' to include all types of postings.
 - To specify different posting types, clear 'All postings' and then select individual posting types from 'Cashbook postings', 'Nominal postings', 'Purchase postings', 'Sales postings' and 'Stock postings'.
3. Click 'OK' to move the deferred postings.

Outcomes

- All deferred transactions up to the specified date in the current period are added to the current waiting postings file.

Note: To apply transactions to the nominal accounts you should now run the 'Update Waiting Postings' routine. For more information, see *Apply Waiting Transactions on page 129*.

- The Nominal Ledger 'Move Deferred Postings' report is generated.

Query Your Nominal Accounts

You can search your nominal account information daily to trace transactions and determine where your money comes from and where it goes. You can compare this information against how you did last year and what you have budgeted for. The Nominal Ledger displays nominal information at account and transaction level.

To help you ensure your financial statements are correct, reconcile your accounts on a regular basis. You can do this using reports (see *Account analysis report on page 149* and *Reconciling VAT transactions on page 203*). To help you reconcile your sales and purchase ledgers, you can enter reconciliation enquiry settings for these ledgers here in the Nominal Ledger. You can then run the reconciliation enquiries within the sales and purchase ledgers.

Note: Reconciliation enquiries are designed for use with open item sales and purchase ledger accounts. They will not return correct values if you use balance forward accounts.

To see the overall status of the Nominal Ledger, use the 'Ledger Summaries' routine within the Accounting System Manager module. The routine displays the number of accounts stored on the Nominal Ledger, the balance on the ledger and the current period you are working in. For more information, see your *Sage 200 Accounting System Manager* documentation.

Account summary and breakdown

Once you have selected an account, the routine displays the accounts budget details and status for each period. It also displays the account's cost centres with their balances.

It is possible to create many Nominal Ledger accounts with the same account number, but with a different cost centre and department. The system will hold an account for each combination of account number, cost centre and department. If you wish, you can start your enquiry by looking at the total values and transaction for all accounts that share the same account number. Once you have selected an account number, the routine displays the balance and budget information for accounting periods for all accounts that share that account number. It also shows a summary for the cost centres that have been applied to the selected account number.

Access the window

Choose Nominal Enquiries > Account Summary and Breakdown.

The screenshot shows a software window titled "NL - Account Summary and Breakdown for 31100". It contains the following sections:

- Accounts selection:** A dropdown menu for "A/C ref:" is set to "31100".
- Balances and budgets:** A table with 7 columns: PN, Status This Year, Balance This Year, Budget This Year, Balance Last Year, Budget Last Year, and Budget Next Year. It lists 12 rows of account data and a Totals row.
- Cost centres:** A table with 3 columns: Code, Description, and Current Balance. It lists two cost centres: "Blank" and "SAL Factory/Warehouse", plus a Totals row.

PN	Status This Year	Balance This Year	Budget This Year	Balance Last Year	Budget Last Year	Budget Next Year
1	Closed	-117869.50	-234166.67	0.00	0.00	0.00
2	Closed	-137387.80	-234166.67	0.00	0.00	0.00
3	Closed	-155076.41	-234166.67	0.00	0.00	0.00
4	Closed	-165148.46	-234166.67	0.00	0.00	0.00
5	Closed	-176043.76	-234166.67	0.00	0.00	0.00
6	Closed	-37082.53	-234166.67	0.00	0.00	0.00
7	Closed	0.00	-234166.67	0.00	0.00	0.00
8	Closed	-100043.46	-234166.67	0.00	0.00	0.00
9	Open	0.00	-234166.67	0.00	0.00	0.00
10	Future	0.00	-234166.67	0.00	0.00	0.00
11	Future	0.00	-234166.67	0.00	0.00	0.00
12	Future	0.00	-234166.63	0.00	0.00	0.00
Totals		-888651.92	-2810000.00	0.00	0.00	0.00

Code	Description	Current Balance
	Blank	0.00
SAL	Factory/Warehouse	-888651.92
Totals		-888651.92

- Select the nominal account number from the 'A/C ref.' list.
- The account's budget details and status for each period is displayed, plus a list of cost centres and their balances.
- To display details about the account by cost centre, select 'Details'. See *Account level on page 140*.
- To display details about the account's transactions, select 'Transactions'. See *Transaction level on page 143*.

View nominal ledger enquiries by cost centre

NL - Account Summary and Breakdown for 31100 SAL

Accounts selection
 A/C ref: 31100 Cost centre: SAL Factory/Warehouse

Balances and budgets

PN	Status This Year	Balance This Year	Budget This Year	Balance Last Year	Budget Last Year	Budget Next Year
1	Closed	-117869.50	-234166.67	0.00	0.00	0.00
2	Closed	-137387.80	-234166.67	0.00	0.00	0.00
3	Closed	-155076.41	-234166.67	0.00	0.00	0.00
4	Closed	-165148.46	-234166.67	0.00	0.00	0.00
5	Closed	-176043.76	-234166.67	0.00	0.00	0.00
6	Closed	-37082.53	-234166.67	0.00	0.00	0.00
7	Closed	0.00	-234166.67	0.00	0.00	0.00
8	Closed	-100043.46	-234166.67	0.00	0.00	0.00
9	Open	0.00	-234166.67	0.00	0.00	0.00
10	Future	0.00	-234166.67	0.00	0.00	0.00
11	Future	0.00	-234166.67	0.00	0.00	0.00
12	Future	0.00	-234166.63	0.00	0.00	0.00
Totals		-888651.92	-2810000.00	0.00	0.00	0.00

Departments

Code	Description	Current Balance
ADM	Administration	-4266.21
BES	Bespoke Kitchens	-472456.34
COM	Kitchen Components	-104062.63
Totals		-888651.92

Transactions

Close

- To display the Nominal Ledger enquiry for a cost centre, choose the centre from the 'Cost centre' drop-down list.
- To display details about the account, select 'Details'. See *Account level on page 140*.
- To display details about the account's transactions, select 'Transactions'. See *Transaction level on page 143*.

Account level

Use the Account Enquiry window to view the details of a specific nominal ledger code.

Once you have selected an account and selected to display its details, the routine displays the account information under five tabs. The 'General' tab displays the defaults set on the account such as the 'Account type'. It also displays the account balance, covering the values for the current period through to a balance relating to the year to date.

The 'Budgets' tab provides details of the budget applied to the account. If you are viewing a posting or memorandum type account you can also view the performance of the account against its budget as a graph from the 'Graphs' tab. Graphs are not available for group type nominal accounts.

It is also possible to: view, add or delete files; attachments linked to the nominal account, using the 'Attachments' tab; and view memos, using the 'Memo' tab.

Access the window

- Choose Nominal Enquiries > Account Enquiry; or from an 'Account Summary and Breakdown' enquiry, select an account and click 'Details'.

Account selection

Nominal Account: 02100 Freehold Property

General Budgets Graphs Attachments Memo

Budget Details

Budget type: Annual budget

Annual budget: £ 10000.0

Total budget to date: £ 7499.97

Total balance to date: £ 352100.00

PN	Budget Next Year	Budget This Year	Balance This Year	Budget Last Year	Balance
1	1166.67	833.33	0.00	0.00	0.00
2	1166.67	833.33	0.00	0.00	0.00
3	1166.67	833.33	0.00	0.00	0.00
4	1166.67	833.33	0.00	0.00	0.00
5	1166.67	833.33	0.00	0.00	0.00
6	1166.67	833.33	0.00	0.00	0.00
7	1166.67	833.33	0.00	0.00	0.00
8	1166.67	833.33	0.00	0.00	0.00
9	1166.67	833.33	2100.00	0.00	0.00
10	1166.67	833.33	0.00	0.00	0.00

Display previous year adjustments

Transactions Close

Enter the details

- To display the account's transactions, click 'Transactions'.

- To display details for a different account, select the account from the 'Nominal Account' list.

View account details

When you have selected the account, its details are displayed on the following tabs:

- 'General' shows the account type, details of the options that are in force for the account and the balance information.
- 'Budgets' shows details of budget figures entered for the account.
- 'Graphs' displays graphs of budget and balance figures for the selected account. See *Graphs on page 142*.
- 'Attachments' displays a list of any external files that are associated with the account; for example, images, spreadsheets, or documents.
- 'Memo' displays notes that are associated with the account.

Budgets

Use the Budgets tab within the Account Enquiry option to display the budget figures for up to five previous years (as long as the data is still held on the system and you have set the View Budget History setting in your nominal ledger settings).

Select the 'Display previous year adjustments' to show any adjustments that have been made against the selected nominal account.

Graphs

Use the Graphs tab within the Account Enquiry option to display graphs of the budget and balance figures. These are the figures for the next year, this year and the previous years figures (up to five years ago if the data is still held on the system and you have set the View Budget History setting in your nominal ledger settings).

- To select the data that is displayed on the graph, click the 'Options' button. A window is displayed, showing the different years of data. Select the data to display on the graph.

To close the options and display the graph, click the 'Graph' button.

- To use the graph in other applications, click the 'Copy' button to copy the graph to the Windows clipboard. You can then paste it into other applications, for example a Word document.
- To print the graph, click the 'Print' button. The graph is printed on your default Windows printer.

Transaction level

Use the transaction level enquiry to display all transactions on the account and find out details, such as the 'Reference' or 'URN'. You can also print out details of specific transactions.

You can view current transactions and if you are using an archive file you can view historical transactions. The listed transactions can be sorted to display those you are interested in for a given date range. You can use the 'Find' button to search for a particular transaction by type, date, reference, value and allocation in terms of the amount allocated and its status.

You can view the URN, which can be used to trace the source of the transaction. For more information, see your *Sage 200 Accounting System Manager* documentation. You can also view a detailed breakdown for each transaction, this includes information relating to postings associated with other nominal account, bank, tax and trader transactions.

Access the window

- Choose Nominal Enquiries > Transaction Enquiry; or from an 'Account Summary and Breakdown' enquiry, click 'Transactions'.

NL - Transaction Enquiry for 02100

Account selection
Nominal account : 02100

Transaction filter
No filter

Current Transactions				Historical Transactions				Brought forward balance :	
Trans. Da	PN	Reference	Narrative	Debit	Credit	CC	Dept		
12/05/2006	9	300000013	Setup costs	1500.00	0.00			350000.00	
12/05/2006	9	300000014	Setup costs	150.00	0.00				
12/06/2006	9	300000014	Setup costs	150.00	0.00				
12/07/2006	9	300000014	Setup costs	150.00	0.00				
12/08/2006	9	300000014	Setup costs	150.00	0.00				

Current Balance : 352100.00

Find Clear Detail Close

Enter the details

- Select the 'Nominal account'. Transactions for the account are displayed.
- To sort on any of the columns by clicking the column title.
- To display only certain types of transaction, select a filter from the 'Transaction filter' drop down box; the choices are: 'No filter', 'Filter by date', 'Filter by period'.
- The tabs display current and historical transactions:
 - 'Current': Displays the current transactions held on the account. The transactions included will depend on your setting for 'Keep transactions for' on this account.
 - 'Historical': Displays any historical transactions held for the account.
- To view further information relating to the transaction (and print the details if required), select the transaction you are interested in and click 'Detail'.

View the transaction details

To view transaction details from a 'Transaction Enquiry', select the transaction and click 'Detail'.

NL - Transaction Detail Enquiry for 02100

Nominal transaction

Date: 12/05/2006 Narrative: Setup costs

Reference: 300000014 URN: 1710 Period number: 9

Value: 150.00 User: 2 Source: Nominal

Associated Nominal Bank Tax Trader Transactions

Status	A/C No.	CC	Dept.	Name	Reference	Narrative	Source	Value
Posted	02100			Freehold Prope...	300000014	Setup costs	Nominal	150.00
Posted	02100			Freehold Prope...	300000014	Setup costs	Nominal	150.00
Posted	02100			Freehold Prope...	300000014	Setup costs	Nominal	150.00
Posted	02100			Freehold Prope...	300000014	Setup costs	Nominal	150.00
Posted	04200			Plant/Machiner...	300000014	Setup costs	Nominal	-150.00
Posted	04200			Plant/Machiner...	300000014	Setup costs	Nominal	-150.00
Posted	04200			Plant/Machiner...	300000014	Setup costs	Nominal	-150.00
Posted	04200			Plant/Machiner...	300000014	Setup costs	Nominal	-150.00
Deferred	02100			Freehold Prope...	300000014	Setup costs	Nominal	150.00

Print Close

The top of the window displays the main details of the nominal transaction such as 'Narrative', 'Reference', 'Value', 'Date', 'User', 'URN'.

- To print the report details, click the 'Print' button. Depending on your default output mode, the output will be printed, spooled or previewed.

To view associated transactions, choose one of the tabs:

- 'Associated nominal': Shows the details of any other nominal transactions that are associated (by URN) with the selected transaction. (For example, a 'Debtors Control' transaction will usually have an associated 'Sales Account' transaction). These will be in base currency.
- 'Bank': Shows any Cash Book transactions associated with the selected nominal one. These will be in the operating currency of the bank.
- 'Tax': Shows any VAT transactions associated with the nominal transaction. These will be in base currency.
- 'Trader transactions': Shows any Sales Ledger or Purchase Ledger transaction associated with the Nominal transaction that generated the postings. These will be in the operating currency of the trader.

Enter Reconciliation enquiry settings

To help you ensure your financial statements are correct reconcile your accounts on a regular basis. To help you reconcile your sales and purchase ledgers, select the required sales and purchase accounts for debtors and creditors reconciliation enquiries here. You can also view the reconciliation enquiry settings if required. For more information, see *View reconciliation settings on page 147*.

Access the window

- Choose Utilities > Ledger Set Up > Reconciliation Enquiry Settings.

Account Number	CC	Dept	Name
03100			Lease Property
04100			Plant/Machinery - Cost
06200			Office Equipment - Depr.
08102			Vehicle Cost - U236 GWK

- To select sales ledger accounts, select 'Debtors' in the left hand column.

Note: You must select open item accounts. The enquiry is not designed to work with balance forward accounts.

- To select purchase ledger accounts, select 'Creditors' in the left hand column.

Note: You must select open item accounts. The enquiry is not designed to work with balance forward accounts.

- To manage selected accounts in the 'Nominal Accounts' list:
 - To add accounts, click 'Add' and add the required account'.
Note: You cannot add the same account more than once.
 - To remove accounts, select the required account and click 'Delete'.
- To save changes, click 'Save'.

You can now run the Debtors Reconciliation Enquiry in the Sales Ledger and the Creditors Reconciliation Enquiry in the Purchase Ledger. For more information, see your *Sage 200 Sales Ledger* documentation and your *Sage 200 Purchase Ledger* documentation.

View reconciliation settings

If you have forms open in Sage 200, you may need to close these before you can open and make changes to the Reconciliation Enquiry Settings.

If you only need to view (and not amend) the settings, select Utilities > Ledger Set Up > View Reconciliation Enquiry Settings.

For more information on entering the enquiry settings, see *Enter Reconciliation enquiry settings* on page 146.

Prepare Nominal Account Reports

This section describes the reports you can use to keep track of your nominal accounts and their associated transactions. There are other mechanisms you can use to track nominal transactions, as described in *Query Your Nominal Accounts on page 138*.

The reports described in this section are the 'Day Book Report', 'List of Accounts', 'Account Analysis', 'Transaction Listings', 'Non-trading Vatable Transactions' and the 'Unique Reference Report'.

Access the window

To prepare your report, choose Reports > Account Analysis, then select the report that you want to produce.

Day book report

The 'Day Book Report' provides details of transactions posted to the Nominal Ledger for either a single posting date or a range of posting dates. The posting date is the physical posting date of the transaction (the system date on which the transaction was entered).

If you enter transactions using other modules and they are held in the waiting postings file for update to the ledger, the posting date is the date they were entered into the waiting postings file, not the date they were updated to the Nominal Ledger.

To display the 'Day Book Report', choose Nominal Ledger > Reports > Account Analysis > Day Book Report.

List of accounts report

Use the 'List of Accounts' report to identify all your nominal accounts currently stored on the Nominal Ledger. You can choose to list all or some of your nominal accounts stored on your Nominal Ledger depending on the criteria you select when preparing the report.

To display the 'List of Accounts' report, choose Nominal Ledger > Reports > Account Analysis > List of Accounts.

Account analysis report

There are three 'Account Analysis' reports that provide details of your nominal account balances.

- The 'Account Analysis (Detailed)' report is the most extensive report of the three. It analyses and displays the balances of posting and group accounts, grouping balances, where appropriate. This report shows details of all posting accounts, grouped according to the group accounts you have set up, and showing the group totals. Any posting accounts that do not belong to a group will also be shown but not included in any group total.
- The 'Account Analysis (Summary)' report only details group totals. This report will show the group accounts with the group totals, but not the posting accounts that make up the groups (use the Detailed report for that). Posting accounts that do not belong to any group will however be shown but not included in any totals, but they are shown in italics.
- The 'Account Analysis (Posting Accounts)' report simply displays the balances for each posting account. This report will not show any group information but will show all the posting accounts (use the Detailed or Summary reports for groups). This report also includes a separate section where memorandum accounts are listed.

Use an 'Account Analysis' report to analyse a range of accounts to obtain a balance. For example, when reconciling the Purchase Ledger to the Nominal Ledger use this report to select your creditor control accounts in a given range to obtain a reconciliation amount.

To display an 'Account Analysis' report, choose the appropriate report from Nominal Ledger > Reports > Account Analysis > Account Analysis (Detailed / Summary / Posting Accounts).

Transaction listing report

The two 'Transaction Listing' reports provide a list of current or historical transactions on the ledger. The listed transactions are grouped with the relevant nominal account and displayed in the order in which they were added to the ledger.

You can sort the reports by date, source (Sales, Purchase, Cash Book or Nominal), URN, VAT month and user name. You can even enter a minimum balance to identify accounts by the status of their balance.

You can choose to display 'Transaction History (Current)' or 'Transaction History (Historical)' reports. Current transactions have not yet been removed from the accounts by closing the period. Historical transactions have been deleted from the current files by closing the period but are then stored in a transaction history file (if you have enabled 'Archive transactions after this

period' in the Ledger Settings). How long transactions remain current depends on your setting for 'Keep transactions for' on each account.

If you have set the ledger to use the archive history file, it is possible to prepare this report using historical transactions. For more information, see *Perform account and transaction housekeeping on page 25*.

To display a 'Transaction Listing' report, choose the appropriate report from Nominal Ledger > Reports > Account Analysis > Transaction Listing (Current / Historical).

Non-trading VATable transactions report

This report details a list of nominal and cash book transactions added to the ledger during the current month, that involve VAT.

Specify the number of VAT months over which transactions are included. Only transactions up to 300 days old, calculated from the current system date, are included in the report. This means old transactions (transactions for the previous year) are not included in the report. Use the information printed in this report to reconcile with your VAT Return transactions for the same VAT period. For more information, see *Reconciling VAT transactions on page 203*.

To display the 'Non-trading Vatable Transactions' report, choose Nominal Ledger > Reports > Account Analysis > Non-trading Vatable Transactions.

Unique reference report

This report provides a list of unique reference numbers (URNs) allocated to transactions associated with both posting and memorandum type accounts. The report is sorted by URN and it is possible to restrict the report to a range of URNs.

For each URN listed, the report details the source of the transaction, the name of the user who entered the transaction, the transaction date, type and the account it was posted to. Additional details include the transaction reference assigned to it when entered into Sage 200 and its associated value, credit or debit.

Provided you have set the ledger to use the archive history file, it is possible to prepare this report using historical transactions.

For more information about URNs see your *Sage 200 Accounting System Manager* documentation.

To display a 'Unique Reference' report, choose the appropriate report from Nominal Ledger > Reports > Account Analysis > Unique Reference (Current / Historical).

Redress an Account Balance

The following section describes the routines you can use to rectify anomalies on the Nominal Ledger.

Reset account balances to zero

If you have been entering test data in the Nominal Ledger, you can use this routine to reset the balances to zero on all your nominal accounts or if you prefer, nominal accounts associated with a specific cost centre.

The ability to clear balances for a single cost centre is particularly useful when dealing with consolidation. This provides a means of clearing the balance for a subsidiary company from the group ledger when preparing for a new financial year. For more information, see *Perform year end on page 217*.

If you are maintaining historical transactions, as specified during the Nominal Ledger setup process, the entries are removed from the current transaction file on the nominal account and added to the archive file. If you have decided not to use the archive file, then the transactions are deleted from the ledger permanently. For more information, see *Perform account and transaction housekeeping on page 25*.

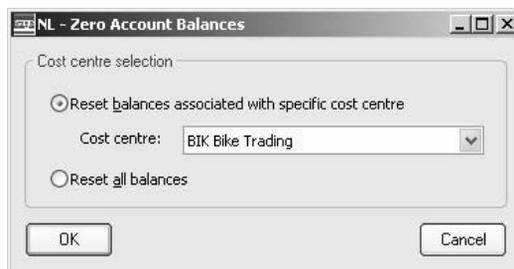
Before you begin...

You must have:

- ✓ Taken a backup of your Nominal Ledger data files. This is a precaution in case a mistake is made during the deletion process.

Access the window

Choose Utilities > File Maintenance > Zero Balances.



Enter the details

- Choose if you want to 'Reset balances associated with specific cost centre' or 'Reset all balances' (of all cost centres).
- If you choose to reset the balance of a single cost centre, select the required cost centre from the drop-down list.
- Click 'OK'.

Outcomes

- The credit and debit balances on the specified nominal accounts are set to zero.
- Deleted transactions are added to the archive file, if the ledger is set to archive transactions.

Verify account balance

- For more information, see *Verify ledger on page 157*. To access the routine use the Accounting System Manager. For more information, see your *Sage 200 Accounting System Manager* documentation.

6

Maintain the Nominal Ledger

This section covers the regular housekeeping routines needed to maintain an efficient and effective Nominal Ledger.

It includes the routines used to identify the status of the Nominal Ledger and covers the mechanisms employed to maintain the integrity of the data stored on the ledger.

Activities:

Verify ledger balance

Close a period

Run year end

Open new financial year

Delete archived transactions

Delete account postings and transactions

Reset active process flag

Before you begin...

You must have:

- ✓ Applied transactions to your nominal accounts. For more information, see *Manage Transactions on page 97*.

Note: You must have suitable security privileges to perform these activities. See your system administrator for more information.

Remember...

For more information on using the help system, see the *Sage 200 Operations* documentation.

Perform Housekeeping Activities

To ensure your records are up to date and to optimise the processing speed on the ledger, you need to perform regular housekeeping activities. This includes closing periods and if you have elected to maintain historical transactions you need to maintain the archive file used to store the historical transactions.

Verify ledger

The 'Balance Ledgers' routine is a preventative measure to identify actual problems on the ledger. Use it to check all account balances on the ledger.

The routine checks several account elements such as postings and account balances to ensure they are valid. The routine produces a report summarising the findings, which you can use to identify discrepancies. You can also use the routine to adjust imbalances and reset the ledger balances as part of the process.

It is good practise to run this routine on a regular basis to detect any problems. If problems are left undetected, your backups and daily processing will be affected.

You can only run this routine in single user mode. There must be no other users on the system.

You can access the Balance Ledger routine through the Accounting System Manager. For more information, see your *Sage 200 Accounting System Manager* documentation.

Close a period

Periods are closed using the 'Maintain Accounting Periods' routine in the Accounting System Manager. For more information, see the *Sage 200 Accounting System Manager* documentation.

Once you have successfully closed the last period for the financial year, you need to run the Nominal Ledger 'Year End' routine.

Perform year end

The 'Year End' routine prepares the Nominal Ledger for the new financial year, as well as the Sales Ledger, Purchase Ledger and Cash Book by setting the period number in all modules to '1' (one).

The routine produces a balancing journal (the difference between the debit and credit balances on each Profit and Loss account) that represents the retained Profit and Loss for the year and posts the value to the accumulated profit nominal account.

Note: A report is produced showing the credit and debit year to date values for each account and the value of the entry made to the account for Profit and Loss. This report should be retained for auditing purposes.

You run 'Year End' at the end of the current working year, in order to tidy up your system and move forward into the new year.

The routine has the following effects on nominal accounts:

- | Balance Sheet | Profit and Loss |
|---|--|
| <ul style="list-style-type: none">● This period's figures are set to zero.● The year to date balance is carried forward.● The balance this year figures are moved into the balance last years figures. Then the balance this years figures are set to zero. | <ul style="list-style-type: none">● This period's figures are set to zero.● The year to date balance is set to zero.● The balance this year figures are moved into the balance last years figures. Then the balance this years figures are set to zero.● A balancing journal representing the retained Profit and Loss is posted to the 'Accumulated Profit' nominal account. |

Note: Consolidated ledgers require additional tasks to those described in this section. For more information, see *Perform year end on page 217*.

Before you begin...

You must have:

- ✓ Ensured that at least one backup of your data has been made.

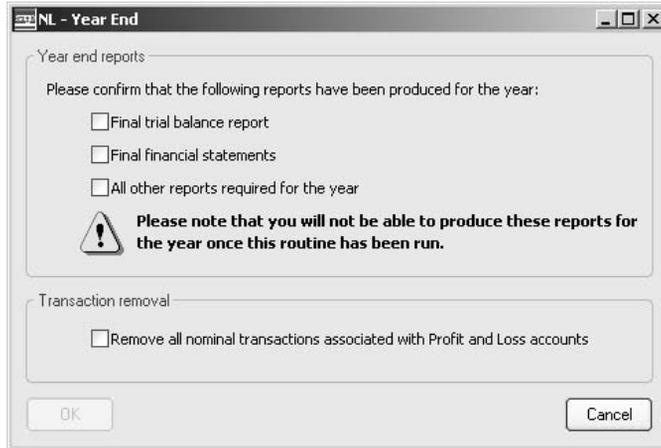
Note: Transactions for the new year can continue to be posted in all ledgers, as Sage 200 is date sensitive; it retains transactions in the Nominal Ledger until the appropriate ledger period is reached.

- ✓ Closed periods correctly for all Sage 200 modules. This includes reconciling your debtor and creditor control accounts as well as producing reports.
- ✓ Ensured all normal period end tasks have been carried out, up to the final period.
- ✓ Checked the integrity of account balances by running the 'Balance Ledger' routine.
- ✓ Made any corrective postings on the advice of your accountant. This needs to be done before the periods are closed.
- ✓ Printed the final 'Trial Balance'.
- ✓ Printed the 'Profit and Loss' and 'Balance Sheet' financial statements.
- ✓ Printed all other reports required in the Nominal Ledger, such as budget reports, transaction listing, and the deferred postings list.

Note: You may want to check with your accountant or auditor which reports are required.

Access the window

Choose Period End Routines > Year End.



Enter the details

1. Confirm your final reports have been printed by selecting the 'Year end reports' confirmation boxes.
2. Confirm intent to 'Remove all nominal transactions associated with Profit and Loss accounts'.

If you have elected to maintain historical transactions the entries are transferred to the archive file.

3. Specify your intent to retain or remove budget values for your Profit and Loss and Balance Sheet accounts. This is only applicable if your ledger is set to view the previous year's budget, and is not set to view budgets for the last five years.

If your system is set to view the budget history for the last five years, the window does not display the budgets options, and the next year's budgets are moved to this year by the year end routine.

4. Click 'OK' to proceed.

Outcomes

- An entry is made to the 'Accumulated Profit' nominal account.
- A report is produced showing the Profit and Loss values transferred to the 'Accumulated Profit' nominal account.
- The 'this period' and 'year to date' figures are set to '0' (zero) for Profit and Loss accounts.
- The Nominal Ledger accounts are ready for processing transactions for the new financial year.
- The period number in all financials modules is set to '1' (one).

Note: Take a backup of your Nominal Ledger data immediately after running the 'Year End' routine and before you begin making postings in the new financial year. Also print a Trial Balance and check the account balances in the report before you starting entering transactions for the new financial year.

Once you have run the 'Year End' routine you can only make postings that affect the 'last year balances' using the 'Previous Year Journal Entry' routine. For more information, see *Adjust Accounts Based on the Previous Year on page 123*.

Open a new financial year

The 'Year End' routine prompts you to open the required periods in the new year. If you do not elect to do this, you will need to use the 'Maintain Accounting Periods' routine (in Accounting System Manager). You must open the required periods before transactions for the new year will appear in your Nominal Ledger. For more information, see your *Sage 200 Accounting System Manager* documentation.

Delete archived transactions

This routine is only applicable if you have set the ledger to maintain historical transactions. If this is the case, the ledger stores historical nominal transactions in a separate archive file once those transactions have exceeded their history length on the nominal account. For more information, see *Perform account and transaction housekeeping on page 25*. From time to time you need to delete transactions from the archive file to improve the processing speed on the ledger. Depending on your file space you may need to perform this activity annually, quarterly or even on a monthly basis.

There are a number of options available with this routine. You can choose to:

- Remove historical transactions relating to specific nominal accounts.
- Remove historical transactions within a given date range.

When the routine has finished, it displays the number of historical transactions that have been deleted from the archive file and the number of historical transactions remaining in the archive file.

Before you begin...

You must have:

- ✓ Ensured no one is updating the Nominal Ledger accounts from any integrated Sage 200 module.

Access the window

Choose Utilities > File Maintenance > Purge Transactions.

The screenshot shows a dialog box titled "NL - Delete Archived Nominal Account Entries". It contains the following elements:

- Selection:** Two radio buttons. The first, "Delete transactions from a single account", is selected. The second is "Delete transactions from all accounts".
- Account details:** A section with a dropdown menu labeled "Account to delete:" showing "13102" and a text box containing "Stocks - Raw Materials".
- Date range:** Two radio buttons. The first, "Date from:", is selected. The second is "All transactions". The "Date from:" field contains "03/10/2006" and the "To:" field contains "04/04/2007".
- Buttons:** "Delete" and "Close" buttons are located at the bottom of the dialog.

Enter the details

- Choose to remove transactions from a single account or all nominal accounts.
- If you intend to remove transactions for a single account, select the account from the 'Account to delete' list.

- To delete transactions in a date range, select 'Date from' and specify the 'Date from' and 'To' dates. To delete all transactions irrespective of date, select 'All transactions'.
- To delete the transactions, click 'Delete'.

Outcomes

- The transactions within the specified date range and accounts are removed permanently from the ledger.

Maintain Ledger Integrity

The following routines are used to keep your data organised in the most efficient way.

Delete account postings and transactions

Use this routine if you have been using test data on the ledger and need to clear the transaction file before entering your live transactions. You may also want to delete waiting postings if you have been testing the other ledgers and want to clear out all the posting files. For more information on setting up a separate company as a test company, see your *Sage 200 Accounting System Manager* documentation.

Note: The routine does not reset the URN

You can also use the routine to delete transactions from live accounts, but this should only be used as a last resort.

Note: If you delete transactions or waiting postings in error you cannot reinstate them.

This routine provides a number of options when deleting transactions on nominal accounts. You can:

- Delete all posted transactions from a single nominal account or from all accounts.
- Delete posted transactions within a specified date range from an account (or all accounts).

Transactions which are deleted in this way are removed from the nominal account and the brought forward value on the account is adjusted accordingly. If you are keeping nominal transactions, as specified during the Nominal Ledger setup process, the entries are removed from the current transaction file on the nominal account and added to the archive file. If you have decided not to use the archive file, then the transaction is deleted from the ledger permanently. For more information, see *Perform account and transaction housekeeping* on page 25.

- Delete transactions within the waiting postings file for current waiting postings, deferred waiting postings, or both.

Transactions are removed from the ledger; accounts are not updated.

Once you have deleted the required transactions, check the ledger balances by running the 'Balance Ledgers' routine. For more information, see *Verify ledger* on page 157.

Before you begin...

You must have:

- ✓ Taken a backup of your Nominal Ledger data files. This is a precaution in case a mistake is made during the deletion process.

Access the window

Choose Enter Transactions > Delete Transactions and Waiting Postings.

Enter the details

1. Select the 'Transaction type' to be deleted from either 'Posted' or 'Waiting'.

Depending on your choice, the window displays different boxes. The diagram above shows the boxes displayed when selecting the 'Posted' option.

2. If you have selected 'Posted' transactions, specify intent to delete transactions by 'Single account' or 'All accounts'.
 - If you intend to delete transactions for a 'Single account', select the account from the drop-down list.
 - To specify a date range, select 'Date from' and specify the start and end dates. To delete all transactions irrespective of their date, select 'All transactions'.

3. If you have selected 'Waiting' transactions, select the waiting type to be deleted from either 'Current waiting', 'Deferred waiting' or 'Both current and deferred waiting'.
4. Click 'Delete' to remove the transactions.

Note: You cannot retrieve transactions or waiting postings that you delete.

Outcomes

- The number of transactions stored in the specified area (account or waiting postings file) is reduced.
- Deleted transactions are added to the archive file if the ledger is set to 'Keep nominal transactions'.
- If the transactions are removed from a nominal account then the credit and debit balances are adjusted accordingly.

7

Prepare Financial Statements and Reports

This section describes the various financial statements and reports produced when preparing your final accounts.

It covers the process of designing your Profit and Loss and Balance Sheet financial statements. It also covers the process of preparing your Trial Balance, VAT Return and various budget reports.

Note: The Sage 200 'VAT Analysis' routine does not support cash accounting.

Activities:

Design financial statements

Work with layouts:

Create
Amend
Delete
Copy
Import/Export

View the nominal structure

Prepare the Trial Balance

Prepare the Profit and Loss financial statement

Prepare the Balance Sheet financial statement

Prepare budget comparisons

Prepare a VAT Return

Before you begin...

You must have:

- ✓ Managed your nominal accounts. For more information, see *Manage Nominal Accounts on page 127*.

Note: You must have suitable security privileges to perform these activities. See your system administrator for more information.

Remember...

For more information on using the help system, see the *Sage 200 Operations* documentation.

Design Financial Statements

Profits earned by a business in a given period are displayed in the Profit and Loss and Balance Sheet. Sage 200 provides a flexible reporting option which allows you to design your own financial statements for your final accounts.

The Balance Sheet compares the net worth of the business at the end of the period with that at the beginning. The net worth is calculated by subtracting the liabilities of the business from the assets. Assuming that no funds have been injected into or withdrawn from the business by the proprietors during the period, the increase in net worth represents the total profit earned. How the profit has been earned is analysed using the Profit and Loss report.

The Profit and Loss summarises all sales made to customers during the period (regardless of whether they have paid their invoices). All expenditure of the organisation is listed under the various headings (again, regardless of whether invoices have been paid). Finally, the profit or loss is found by deducting one total from the other.

As there are many considerations regarding the content of the Profit and Loss statement, you can design your own layout for the final accounts, including headings and subtotals, by means of the category code associated with each Nominal Ledger account.

Sage 200 provides several layouts for Profit and Loss and Balance Sheet financial statements. These layouts are defined with the column headings you would expect for these types of reports. The column heading elements of the layouts are maintained using the Report Designer. For more information, see *Columns used in Report Designer on page 184*. You may also need to use Report Designer to add new reports to the list of Profit and Loss and Balance Sheet reports already available in Sage 200, or to refine a report by adding attributes such as bold and underlining.

The body of the layouts (rows), consists of the nominal accounts needed to make up the report and defines their position within the report. The body of the layouts is maintained using the 'Financial Statement Layouts' routine within the Nominal Ledger.

Depending on the installation of Sage 200 the body of the layouts may already exist.

- If you upgrade Sage 200, the system suggests the body of the layouts based on the existing category codes it finds. The suggested layouts should be checked and refined using the 'Financial Statement Layouts' routine.
- If your Sage 200 is a new installation, the body of the layouts are blank and you must design the body of the layouts using the 'Financial Statement Layouts' routine.

Note: The reports provided with Sage 200 should be kept as master copies. If you want to amend a standard report, you must copy it and amend the copied version. To add a new layout to the system's menu structure, refer to your *Sage 200 Accounting System Manager* documentation.

When you print your statements, the layout draws on the values stored in your nominal accounts (memorandum and posting accounts only). The Balance Sheet uses values stored in those nominal accounts specifically assigned for Balance Sheet reporting. It must also include an accumulated balance from all Profit and Loss accounts, which represents the value of net profit/loss for the period. The Profit and Loss uses values stored in those nominal accounts assigned for Profit and Loss reporting.

Memorandum accounts can be included in the layouts but should be kept separate to the main body of the report. If required, they should be positioned at the end of the report after the totals.

How financial statements are constructed

As previously stated Sage 200 provides several financial statement layouts. These layouts have columns defined for you, for example, the report titled 'Profit and Loss MTD-YTD' uses the column headings 'total this month' and 'total this year to date'.

Your Profit and Loss and Balance Sheet financial statements rely on a well designed layout body. This is achieved by manipulating the rows that make up the body of the layout. You can:

- Place headings and descriptions for account lines in the body of the report.
- Group together the various accounts contributing to your financial position.
- Specify category codes to accumulate the balances of the Profit and Loss and/or Balance Sheet accounts.
- Specify totals and subtotals.
- Use single columns that display both the debits and credits together.
- Use split columns to display the debits and credits separately.
- Express values as percentages.

The final printed report combines the detail and design outlined in the body of the layout, together with the column headings and the nominal account balances to provide you with the final statement.

Using rows and lines in layouts

There are several types of layout lines you can use to design your statement layout:

- 'Text'.

Use text lines to specify a title heading to summarise a section of the layout. This is illustrated in *Example: using subtotals in your Balance Sheet layout on page 174*, which uses text lines for headings Fixed and Long Term Assets, Current Assets and Long Term Liabilities and Current Liabilities headings. Text lines can also be used to improve the layout of your report as they can be left blank. They can also be used to apply an underscore to your report. Use text lines in conjunction with heading styles. For more information, see *Using heading styles in layouts on page 173*.

- 'Subtotal'.

Subtotals are used to group the balance of nominal accounts together and can also be used to calculate various totals within a report such as gross profit or net assets/liabilities. A title caption to identify the subtotal can also be added if required.

- 'Account group'.

This type of line is used to apply values from your nominal accounts to your financial statements. The value can represent a single nominal account or several nominal accounts; this depends on how you assign category codes in the layouts. Nominal accounts with the same category code are accumulated into one total and included in your report. A title caption to identify the account grouping is normally applied. For more information, see *Using Category Codes on page 46*.

- 'Current period profit'.

This type of line is applicable only to the Balance Sheet layout and is used to specify the net profit/loss for the period. The category code automatically defaults to an asterisk (*) which accumulates a balance from all the Profit and Loss accounts and when printed represents the profit/loss for the period.

Using category codes in layouts

The following examples provide information about how category codes can be used within your financial layouts to group nominal accounts.

Example 1: using a single category code

This example uses three separate nominal account codes, all assigned the same category code.

Account reference	Nominal account code description	Category code
25100	Purchase Ledger control	25
25200	Sundry creditors	25
25300	Purchase Ledger retentions	25

If you specify category 25 on one line of your Balance Sheet layout, it will group together all balances belonging to that category and print them as one balance.

For example, specifying '2*' in the category column would collate any of the following category codes:

- 21
- 22
- 23
- 210
- 220

The '?' wildcard represents any individual character. For example, '???' in the category column would collate 210 and 220; but it would not collate 21, 22, or 23.

Example 2: using a range of category codes

To show balances for nominal accounts as one total, use the asterisk (*) wildcard. This groups together all balances belonging to any nominal accounts assigned a category code beginning with the same character(s).

This example uses two separate nominal codes with different category codes beginning with the same characters.

Account Reference	Nominal Account Code Description	Category Code
21100	Ordinary Shares	211
21200	Preference Shares	212

Specify category 21* on one line of your Balance Sheet layout to group the separate accounts together.

Using heading styles in layouts

Heading styles are assigned to text lines and you can have up to nine (1-9).

Use heading styles to introduce different styles of print to each of your text line titles, for example, different font size, bold text, or underlining text. This is illustrated in *Example: using subtotals in your Balance Sheet layout on page 174* with a heading style applied to 'Fixed and Long Term Assets' so that the text is displayed in bold.

The heading style is derived from the layout file in Report Designer. If you need to establish the format for each heading, use the Report Designer. For more information, see your *Sage Report Designer* documentation.

Using subtotals in layouts

Subtotals are used to group the balance of nominal accounts together. They allow the calculation of report totals such as total fixed assets, total liabilities and the cost of sales and net profit. This is achieved using a subtotal level that can be any number ranging between 1-9. As subtotals are calculations, they do not use category codes and are not associated with a nominal account. You apply subtotals to your layouts using account group layout lines described earlier.

Example: using subtotals in your Balance Sheet layout

The following example illustrates how subtotals can be used in Balance Sheet layouts.

Fixed and Long Term Assets

Freehold Property	105,000	
Long Lease Property	142,000	
Plant and Machinery	88,000	
Fixtures and Fittings	238,000	
Total Fixed Assets	<u>573,000</u>	(subtotal level 1)

Subtotal level 1 adds all preceding asset figures.

To accumulate the current assets, use the same subtotal level.

Current Assets

Stock and Work in Progress	46,000	
Bank Account	62,500	
Debtors	32,000	
Prepayments	115,500	
Total Current Assets	<u>256,000</u>	(subtotal level 1)

If a higher number is used, it would include the value for 'Total of Fixed Assets'.

To add the two subtotal lines, use the next highest subtotal number.

Total Assets	<u>829,000</u>	(subtotal level 2)
--------------	----------------	--------------------

Long Term Liabilities

Mortgages	(20,000)	
HP Agreement	(4,000)	
Total Long Term Liabilities	<u>(24,000)</u>	(subtotal level 1)

To accumulate the 'Long Term Liability' figures, use subtotal 1.

To accumulate the 'Current Liabilities', use the same subtotal level.

Current Liabilities

Creditors	(18,000)	
Accruals	(5,000)	
Dividends	(2,500)	
Employment Liability	(3,750)	
Total Current Liabilities	<u>(29,250)</u>	(subtotal level 1)

To add the two subtotal lines, use the next highest subtotal number.

Total Liabilities	(53,250)	(subtotal level 2)
-------------------	----------	--------------------

To achieve an overall total, use the next highest subtotal number.

Total Assets Less Liabilities	<u>775,750</u>	(subtotal level 3)
-------------------------------	----------------	--------------------

Example: using subtotals in your Profit and Loss layout

Sales

UK Sales	760,000	
Export Sales	550,000	
Total Sales	<u>1,310,000</u>	(subtotal level 1)

To accumulate the Sales Figures, use subtotal 1. To accumulate the 'Trading Expenses', use the same subtotal level.

Trading Expenses

Cost of Sales	(220,000)	
Direct Labour	(150,000)	
Total Trading Expenses	<u>(370,000)</u>	(subtotal level 1)

If a higher number is used, it would include the value for 'Total Sales'. To add the two subtotal lines, use the next highest subtotal number.

Gross Profit		<u>940,000</u>	(subtotal level 2)
--------------	--	----------------	--------------------

Overheads

Rates, Rent	5,000		
Salaries	75,000		
Manufacturing Overhead	700		
Vehicles	5,000		
Travel	2,000		
Carriage Inwards	550		
Power	3,500		
Office Expenses	6,000		
Total Overheads		<u>97,750</u>	(subtotal level 1)

If a higher number is used, it would include the value for 'Total Trading Expenses'. To arrive at the total Net Profit figure, use the next highest subtotal number.

Net Profit		<u><u>842,250</u></u>	(subtotal level 3)
------------	--	-----------------------	--------------------

Applying percentages in layouts

To apply percentages to your layouts use the 'Base' column. This allows you to express actual values as a percentage based on one subtotal in the layout. For example, in your Balance Sheet; to express all values as a percentage of total assets, set the 'Base' column for total assets to 'Yes' in the layout.

If you intend to use percentage base columns in your layouts, you need to do the following:

- Specify at least one percentage column in Report Designer; for example, 'total this year to date' as a percentage.
- Specify one subtotal in your layout as percentage base; for example, 'total assets'.

Example: using base in a Balance Sheet layout

The 'Total Assets' is set to 'Yes' in the base column. This means all actual values will be expressed as a percentage of the 'Total Assets' value in the final printed report.

Line	Type	Category	Title	Heading Style	SubTotal Level	Debit/Credit	Left/Right	Base
10	Text		Current Assets	1				
11	Text		-----	1				
12	Single Account Group	13	Stock & Work in Progress			Debit	Left	
13	Single Account Group	14	Debtors			Debit	Left	
14	Single Account Group	16	Bank & Cash			Debit	Left	
15	Single Account Group	19	Prepayments			Debit	Left	
16	Sub Total		Total Current Assets		1	Debit	Left	
17	Text			1				
18	Sub Total		Total Assets		2	Debit	Right	Yes
19	Text			1				
20	Text		Current Liabilities	1				

Adding profit/loss to the Balance Sheet layout

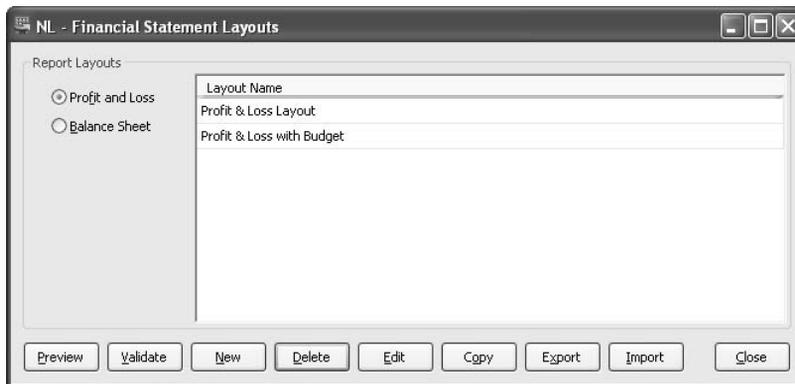
To show the net profit/loss in your Balance Sheet, you must specify the type 'current period profit'. The category code automatically defaults to an '*' (asterisk), which represents the value for profit or loss calculated from your Profit and Loss nominal codes.

Validating the layout

Once you have prepared your statement layout, you should invoke the routine to check the category codes are valid, linked to a nominal account and appear only once in the layout.

Messages are displayed by the routine to warn you if anomalies are found.

- Once you have prepared your layout, you can view the format of the report by selecting 'Preview'.



- You can also produce a printed version of the layout from the 'Report Layout Details' window.

Line	Type	Category	Title	Heading Style	SubTotal Level	Debit\Credit	Left\Right	Base
1	Text		Fixed Assets	1				
2	Text		-----	1				
3	Single Account Group	02	Freehold Property			Debit	Left	
4	Single Account Group	03	Leasehold Property			Debit	Left	
5	Single Account Group	04	Plant & Machinery			Debit	Left	
6	Single Account Group	06	Fixtures & Fittings			Debit	Left	
7	Single Account Group	08	Vehicles			Debit	Left	
8	Sub Total		Total Fixed Assets		1	Debit	Left	
9	Text			1				
10	Text		Current Assets	1				
11	Text		-----	1				

Create a Balance Sheet/Profit and Loss layout

To create a financial statement layout you can:

- Start with a blank layout and design the statement layout from start to finish.
- Use an existing statement layout, copy it by assigning it a unique name and then refine it to suit your needs.
- Import a layout from outside Sage 200, amend it and give it a unique name.

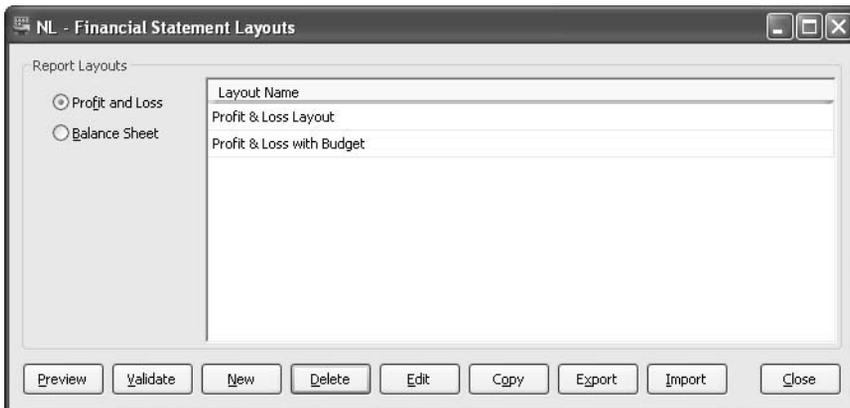
Before you begin...

You must have:

- ✓ Created your category codes. For more information, see *Using Category Codes on page 46*.
- ✓ Created your nominal accounts. For more information, see *Create Nominal Account Records on page 60*.

Access the window

Choose Utilities > Ledger Set Up > Financial Statement Layouts.



Enter the details

1. Select the report type, 'Profit and Loss' or 'Balance Sheet'.

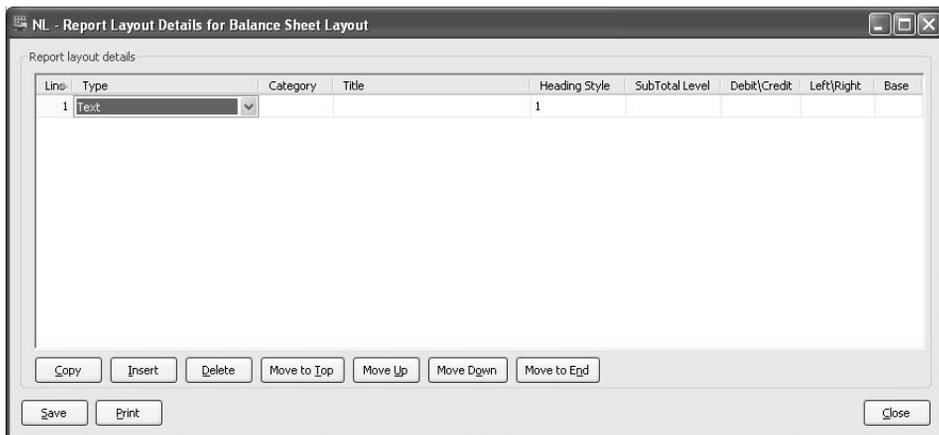
2. Select a way to create a report type.

- To create using a new layout, click 'New' and enter the unique name for the new layout.
- To create from an existing layout, select the layout to copy and click 'Copy'. A copy of the layout is made and the name 'Copy of ...' appears in the 'Layout Name' list.
- To create from an existing layout outside Sage 200, click 'Import'. Select the .CSV or .XML format file which contains the layout information, in the 'Open' window and then click 'Open'. The imported layout is opened for you to edit and the name 'Imported Layout X' appears in the 'Layout Name' list. For more information on importing layouts, see *Import a financial statement layout on page 186*.

Note: You cannot import a layout that has been edited using Microsoft Excel.

3. Ensure the layout has a unique and meaningful name. If you copied the layout you can rename it from 'Copy of ...'. If you imported the layout, you can close the layout and then rename it from 'Imported Layout X'.

4. Click 'Edit' to design your layout. The following window appears.



Note: This is an example of a new layout. If the layout was a copy or an import more detail would be shown. The following description assumes the creation of a new layout but the instructions are the same if you are modifying a copied or imported layout. For more information on amending layouts, see *Amend a financial statement layout on page 184*.

5. A new line is automatically displayed. To add more lines, press the down arrow key or click in the space under the last line.
6. Select the 'Type' of information to display on the line:

'Text' lines

Lines in the report that will contain text only, titles, subtitles or notes that you want to include. It could simply be a blank line used to split the report into sections, or possibly a line of dashes to separate sections. Add 'Text' lines where required by specifying:

- Title.
- Heading style (1-9).

Account Groups

Used to define a group of accounts that you want to print on the report in one section usually with a group title and possibly with a subtotal. Add Account Groups where required by specifying:

- If you want to display a 'Single Account Group' or 'Multiple Account Groups'.
- The 'Category' code from a list.

If you are displaying a 'Single Account Group', click on the box and select the code from the list.

If you want to display 'Multiple Account Groups', click on the box to display a list of available codes, then select the codes that you want to display.

- 'Title'.
- If the account balance is normally a credit or debit.
- The value to be printed in the left or right column.

Sub Totals

'Sub Totals' are normally used with each account grouping to show the sub-total for that group, but can also be used to subtotal many groups together. Add 'Sub Totals' where required by specifying:

- The 'Title'.
- The 'Sub Total Level', 1-9 to group and total values within the report.

This tells the system what account values to add together to print in a subtotal. Level 1 will add up all the accounts already processed that have not yet been included in another subtotal of any level. Level 2 will add up all the accounts already processed not already included in a subtotal level 2 or higher (it will include any that have been rolled up into a subtotal level 1, but not any higher level). Level 3 will add up all accounts not already included in a subtotal level 3 or higher.

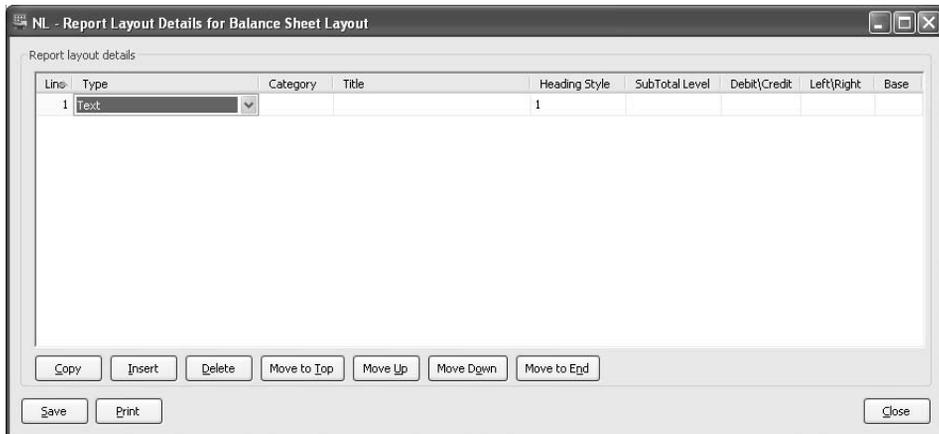
- If the subtotal is normally a credit or debit.
- If the value to be printed in the left or right column.
- If the base total is displayed as a percentage, if required.

Current period profit Display 'Current period profit' for Balance Sheet layouts only.

7. Click 'Close' to return to the 'Maintain Financial Statement Layouts' window.
8. Click 'Validate' to check the category codes and nominal accounts used in the layout. If errors occur, messages will be displayed advising what the problem is. Click 'Close' to return to the Layouts list.
9. Click 'Preview' to view the layout.

This will show you a simple example of how the report might look, although to see it properly you would need to choose the relevant option under Nominal Ledger > Reports > Financial Statements. Click 'Close' to return to the Layouts list.

10. To export your layout, click 'Export' and save the layout as a .CSV or .XML format file. For more information on exporting layouts, see *Export a financial statement layout on page 187*.



Checking the final results

Once you have designed a layout you should check it produces the expected results. To do this, print the relevant financial statement using the Reports routine.

Check the Balance Sheet financial statement balances. If it does not balance but your Trial Balance does, then the problem is caused by the design of the layout. Ensure all appropriate accounts are included in the Balance Sheet layout.

Check the net profit on your Balance Sheet agrees with the net profit on your Profit and Loss financial statement. If these do not agree, then the problem is caused by the design of the Profit and Loss layout. Ensure all appropriate accounts are included in the Profit and Loss layout.

Amend a financial statement layout

You can amend layouts by adding new columns and lines provided they do not exceed the maximum limit set for reports. Columns and lines are easily deleted from your reports. You can also change the column titles and text printed within the body of the text.

Once you have made the amendments you can then validate the changes. You can do all this using the 'Financial Statements Layout' routine.

- To amend a layout, highlight the required layout in the list and click 'Edit'. This will display the 'Reports Layout Details' window with the existing layout details shown.
- To change the name of an existing layout, select it and enter the new name.

Columns used in Report Designer

If you intend to add further columns to the existing reports supplied with Sage 200, use the Report Designer. For more information, see your *Sage Report Designer* documentation.

Note: The reports provided with Sage 200 should be kept as master copies. If you want to amend a standard report you must copy it and amend the copied version. To add a new layout to the system's menu structure, refer to your *Sage 200 Accounting System Manager* documentation. If you are unsure, seek technical assistance.

The following lists define the columns available in the Report Designer which can be used in your financial statements.

Columns	Description
Total this month	Displays the value of accounts in a specified category for the current period.
Total this year to date	Displays the value of accounts in a specified category for the year, up to and including the current period.
Last year's closing balance	If you have run at least one year end in Sage 200, or this is your first year and you have entered last year's balances using the 'Previous Year Journal Entry' routine, you can add this column to show the value of the accounts in a specified category, as at the last year end.

Year before last's closing balance	If you have completed at least two year ends in Sage 200 you can add this column to show the value of the accounts in a specified category at the year end two years prior.
Budget this month	Displays account budget in a specified category for the current period. This is designed to be used with the total this month column.
Budget discrepancy this month	This column displays the difference between this month and budget this month for accounts in a specified category.
Total last year to current month	Displays the value of accounts in a specified category for the equivalent period last year.
Budget year to current month	Displays the account budgets in a specified category for the year, up to and including the current period.
Budget discrepancy this year to current month	Displays the difference between year to date and budget YTD for accounts in a specified category.
Total this year to prior month	Displays the value of accounts in a specified category from period one (1) to a specified period for this year. For example, if you entered period three (3), the values for periods 1 to 3 would be added together. You can only enter a period up to and including the current period.
Total last year to prior month	Displays the value of accounts in a specified category from period one (1) to a specified period for last year. The period required is specified when the report is produced. For example, if you entered period five (5) the values for periods 1 to 5 would be added together.
Total this year in prior month	Displays the value of accounts in a specified category for a specified period for this year. The period required is specified when the report is produced. For example, if you entered period five (5) the value alongside period five (5) would be printed.
Total last year in prior month	Displays the value of accounts in a specified category for a specified period for last year. The period required is specified when the report is produced. For example, if you entered period two (2) the value alongside period two (2) would be printed.

Each column is available with six variations. The first three as values, the remaining three as percentages.

- Value
- Value as left column
- Value as right column
- Percentage
- Percentage as left column
- Percentage as right column

For example, if you take the first column named total this month, this is available for selection six times.

- Total this month
- Total this month (left)
- Total this month (right)
- Total this month %
- Total this month % (left)
- Total this month % (right)

Delete a financial statement layout

If the report layout becomes redundant you can remove it permanently from the ledger using the 'Financial Statement Layouts' routine.

- To delete a layout, highlight the layout in the list and click 'Delete'.

Copy a financial statement layout

To create a new layout based on an existing one:

- Highlight the report to copy in the list and click the 'Copy' button.
- Enter a name for the copy.
- To amend the new report, highlight it in the list and click 'Edit' to display the 'Reports Layout Details' window.

Import a financial statement layout

To import a layout from outside Sage 200:

Note: You cannot import a layout that has been edited using Microsoft Excel.

- Click 'Import' to display the 'Open' window.

- Locate the .CSV or .XML file that you want to open and click 'Open' to import the layout and display the imported layout in the 'Report Layout Details' window.
- When you have finished amending the imported layout, rename the imported layout file in the 'Financial Statement Layouts' window.

Export a financial statement layout

To export a layout from Sage 200:

- Highlight the report to export in the list and click the 'Export' button.
- Locate the directory where you want to save the .CSV or .XML file and enter the 'File name' for the exported layout in the 'Save As' window.
- Click 'Save'.

Note: Do not edit the exported layout using Microsoft Excel. You can edit it using a plain text editor, such as Microsoft Notepad or Microsoft WordPad.

View Nominal Structure

Use this activity to view either the current Profit and Loss position of the company or the current assets and liabilities. The information is displayed according to the financial statement layout selected (Profit and Loss or Balance Sheet).

Note: You should ensure that your nominal layout is completed before running this enquiry, as an incomplete financial layout will lead to an incomplete nominal account view. Due to this, the result of the Profit and Loss or current assets and liabilities will also be incomplete.

Balances for credits and debits are displayed for the nominal accounts. Negative values are displayed in brackets and zero balances are blank. Subtotals and balances for grouped nominal accounts are displayed appropriately. Lines not followed by a subtotal, blank lines, lines with dashes used for formatting purposes are ignored. Excluded from the Balance Sheet are account groups with category code of '*' (asterisk).

Balances can be displayed for the current year or a period within the current year. You can compare the current balances to balances from the previous year to identify variances that may exist.

You can generate a printed copy of the displayed information. You can also select individual nominal accounts and view the transaction activity making up the total on the account.

Before you begin...

You must have:

- ✓ Designed your financial statement layouts. See *Design Financial Statements on page 169*.

Access the window

Choose Nominal Enquiries > View Nominal Structure.

The screenshot shows the 'NL - View Nominal Ledger' window. It has a title bar with standard window controls. Below the title bar, there are two sections for selecting view options:

- Select view options:** 'Profit and Loss layout:' is set to 'Profit & Loss Layout' and 'Balance Sheet layout:' is set to 'Balance Sheet Layout'.
- Nominal Accounts:** 'Period range from' is '1 - 2006' and 'to' is '9 - 2006'. 'Show comparison with:' is 'Current period range values only'. A 'Display' button is to the right.

The main area is a tree view of 'Report Category' with columns for 'Current Debit' and 'Current Credit'. The tree is expanded to show the following structure:

Report Category	Current Debit	Current Credit
Profit & Loss Layout		
Net Profit/Loss		
Profit Before Overheads		282,746.37
Total Overheads		53,828.50
Net Profit/Loss		228,917.87
Balance Sheet Layout		
Total Assets Less Liabilities		621,533.97
Total Assets Less Liabilities		621,533.97
Total Liabilities	370,832.20	
Total Assets		992,366.17
Capital Employed		
Financed By		
Capital Employed		621,533.97

At the bottom of the window, there are buttons for 'View Account Details', 'Print...', 'Clear', 'Expand All', 'Collapse All', 'Colour', and 'Close'.

- Select your 'Profit and Loss layout' and 'Balance Sheet layout'.
- Select the period range you want to view.
- To compare the balances, select to compare the current period range, the same period for the prior year, or the prior period range.
- Click 'Display'.
- Use the '+' and '-' symbols to the left of the report categories to expand and collapse the displayed nominal structure. To open and close all the categories, Click 'Expand All' or 'Collapse All'.
- To view a nominal account in detail, select the nominal account and click 'View Account Details'.

- To print a copy of the information as displayed on screen, click 'Print'.

Hints: during the activity you can also use

Colour To apply a single colour to alternate rows.

Clear To clear the nominal structure from the screen.

Prepare Financial Statements

This section describes how to prepare your Profit and Loss, Balance Sheet and Trial Balance statements. The reports can be produced for any open or closed period in the current, previous or next financial year, or for any period in the current year that is marked as 'future' and therefore cannot accept transactions.

Access the window

To prepare your financial statements choose Reports > Financial Statements, then select the statement you want to produce and follow the on-line instructions.

Trial Balance

Your Trial Balance includes account balance information for the current accounting period. You can produce three versions of this report:

- 'Detailed': Lists all group accounts and all posting accounts. Posting accounts are listed in relation to group account, if relevant. Account balances and subtotals are also displayed. The detailed report displays a Trial Balance with all accounts listed, within their group accounts and including group account subtotals. Individual posting accounts that are not part of a group will also be shown although not included in any group totals.
- 'Summary': Lists all group accounts and the posting accounts that are not associated with the group accounts referred to as orphans. The associated balances are also displayed. The summary report only shows the group accounts not the individual accounts that make up that group. However, posting accounts that do not belong to a group will be shown in italics.
- 'Posting Accounts': Lists all posting accounts and memorandum accounts and their associated balances. This report shows all posting accounts whether part of a group or not, but does not show group accounts or group totals.

The statement totals the value of all your credit entries and your debit entries; and as Sage 200 strictly follows the principle of double-entry bookkeeping, these values will balance.

You can produce this statement either in your base currency or a different currency, provided it is defined in your exchange rate table.

To display a 'Trial Balance' report, choose the appropriate report from Nominal Ledger > Reports > Financial Statements > Trial Balance (Detailed / Summary / Posting Accounts).

Profit and Loss

Your Profit and Loss is the financial statement that details whether or not your organisation is trading profitably. It is produced according to one of the layouts in the 'Financial Statement Layouts' routine.

The balance of each income and expenditure nominal account, chosen by category code in the layout are shown with columns for the period, budget and year on year analysis.

You can produce this statement in either your base currency or select a different currency, provided it is defined in your exchange rate table.

There are four options available to produce a Profit and Loss report: 'Detailed', 'MTD-YTD', 'MTD-YTD-Budgets' and 'MTD-YTD-Percentages'. These control the columns of information produced. The rows of information are controlled by the setting up and choosing of the Financial Statement Layouts, which controls the description, grouping and sub-totalling of accounts on the reports.

You produce the Profit and Loss report usually at the end of each accounting period, and for final accounts at the year end. You can produce one at any time that you want to see the profit or loss situation in your company as a whole or on a specific cost centre.

To display a 'Profit and Loss' report, choose the appropriate report from Nominal Ledger > Reports > Financial Statements > Profit and Loss (Detailed / MTD-YTD / MTD-YTD-Budgets / MTD-YTD-Percentages).

Balance Sheet

The Balance Sheet shows your organisation's assets and what it owes (your liabilities). The difference between the two is the net worth of the company. The Balance Sheet also shows the capital that has been introduced (such as share capital or directors' loans) and what has been retained from each year's surplus or profit after tax, to finance the company's activities.

The Balance Sheet is produced according to one of the layouts maintained in the 'Financial Statement Layouts' routine.

The Balance Sheet always balances (capital equals assets less liabilities), because of the strict enforcement of double-entry bookkeeping for all postings in Sage 200. If it does not balance and your Trial Balance balances, then you should check your design layout in the 'Financial Statement Layouts' routine. For more information, see *Checking the final results on page 183*.

You can produce this report in either your base currency or a different currency, provided it is defined in your exchange rate table.

Note: If you are using cost centre breakdown, you can take full advantage of the reporting ranges by analysing information for your Trial Balance, Profit and Loss and Balance Sheet by cost centres and departments.

There are two options provided to produce a Balance Sheet report. These control the columns of information produced. The rows of information are controlled by the setting up and choosing of the Financial Statement Layouts, which controls the description, grouping and sub-totalling of accounts on the reports.

You produce the Balance Sheet usually at the end of each accounting period and for final accounts at the year end. You can produce one at any time that you want to see a snapshot of the situation in your company as a whole, or a single cost centre.

To display a 'Balance Sheet' report, choose the appropriate report from Nominal Ledger > Reports > Financial Statements > Balance Sheet (MTD-YTD / YTD).

Prepare Budget Comparisons

The Nominal Ledger provides several budget report options to displays the current values in your nominal accounts with comparison budget forecasts and variances.

Budget reports help you analyse how effectively your company is performing against your expectations. You may have budgets set for both income and expenditure. By regular budget reporting you can quickly identify deviations from your forecasted balances.

This section describes the 'Detailed Budgets', 'Summary Budgets', 'Individual Budgets' and 'Nominal Ledger Budget Details (Previous Years)' reports. The report layouts are prepared using Report Designer supplied with Sage 200. You should therefore read this section of the manual in conjunction with your *Sage Report Designer* documentation.

Access the window

To prepare your report choose Reports > Budget Comparisons, then select the report that you want to produce and follow the on-line instructions.

Detailed Budgets report

The 'Detailed Budgets' report shows all group and posting accounts for all budgeted nominal accounts. For each budgeted nominal the report shows the period budget figures, actuals and variances. The report also includes overall totals.

You can produce these any time to monitor the budgets you have set up and how you are doing against budget.

To display the 'Detailed Budgets' report, choose Nominal Ledger > Reports > Budget Comparisons > Detailed Budgets.

Summary Budgets report

The 'Summary Budgets' report displays all group budgeted accounts and budgeted accounts not associated with group accounts. It shows the budget, actual and variance figures for each account for the year to date, this month and last month. The report includes overall totals. Posting accounts that do not belong to a group will also be reported in italics.

You can produce these any time to monitor the budgets you have set up and how you are doing against budget.

To display the 'Summary Budgets' report, choose Nominal Ledger > Reports > Budget Comparisons > Summary Budgets.

Individual Budgets report

The 'Individual Budgets' report displays all budgeted posting accounts. This report analyses the budget, actual and variance figures for the month, last month and year to date on an individual account basis. It does not analyse grouped accounts.

To display the 'Individual Budgets' report, choose Nominal Ledger > Reports > Budget Comparisons > Individual Budgets.

Nominal Ledger Budget Details report

The 'Nominal Ledger Budget Details' report displays the budget figures assigned to an account, the actual expenditure on the account and the difference between both figures. Provided that your ledger is set to view the budget history for the last five years, you can report on these figures for next year and the previous five years. Otherwise the report only provides figures for the current year.

You can produce these any time to monitor the budgets you have set up and how you are doing against budget.

To display the 'Nominal Ledger Budget Details' report, choose Nominal Ledger > Reports > Budget Comparisons > Nominal Ledger Budget Details (Previous Years).

Prepare the VAT Return

Before preparing your VAT Return you must:

- Be aware of all factors relating to your business in respect of VAT liability. If you are unsure, either consult your accountant or look for further information in the official publications on VAT, as detailed in the leaflet *VAT Notes*, available from your local VAT office.
- Consider whether you need to prepare your 'EC Sales List' prior to preparing your VAT Return. For more information, see your *Sage 200 Sales Ledger* documentation.

As transactions are entered into Sage 200 the information relevant to the VAT Return is automatically captured from the original transaction, sorted according to the VAT codes and rates, and then stored in a central VAT file.

During the process of printing and completing your VAT Return, each entry used in the VAT file is marked as reconciled. You can choose to delete the reconciled entries as part of the process. If you decide not to delete the reconciled entries they remain on file and although they are not used again in the VAT Return, they are available for tax (VAT) drilldown in the Sales Ledger, Purchase Ledger, Cash Book and Nominal Ledger.

The VAT Return can only be generated once for a given period, although the system does allow previous periods to be examined and the VAT Return for the period to be reprinted. Before printing the VAT Return, it is good practise to establish your current VAT position on a regular basis to help with your cash flow and also identify any incorrect postings; for example an invoice posted for £10,000 instead of £100.

To establish your current VAT position we recommend you use the following methods which are described in full in this section.

- In the 'VAT Analysis' routine, use the 'Current Period Totals' to display the current VAT position for your company. The window shows you the period totals for individual VAT codes, showing input and output goods, total VAT and the last transaction posting date.
- View the transactions that make up the total in an actual box on the VAT Return.
- Reconcile your VAT transactions to identify transactions posted incorrectly.

You can use other methods outside the 'VAT Analysis' routine to view and print individual transactions. A list of some of these methods follows but they are not defined in full in this section.

- The 'Vatable Transactions' report in both the Sales and Purchase modules, described in *Reconciling VAT transactions on page 203*.
- The 'Non-trading Vatable Transactions' report in the Nominal Ledger, described in *Reconciling VAT transactions on page 203*.

To ensure the validity of your VAT Return, identify and deal with any erroneous VAT transactions.

Generate a VAT return

This method uses the date on a VAT transaction to determine if the transaction belongs to the current VAT period or a future period. Future VAT periods cannot be accessed until the VAT Return has been completed for the previous periods. This avoids a transaction being shown on more than one VAT Return.

When previewing or printing your VAT Return, the Nominal Ledger displays key information on screen for each VAT rate, such as its description and total.

To generate a VAT return

Choose Period End Routines > VAT Analysis.

Current Period Totals | Current Period Return | Completed Period Totals

VAT totals for
Period up to: 01/01/2006

Totals per code

VAT code	Sales		Purchases	
	Goods	VAT	Goods	VAT
0 - Exempt 0 %	0.00	0.00	0.00	0.00
1 - Std Rate 17.50...	60276.50	10547.60	91417.59	15997.68
2 - Zero Rated 0 %	14404.50	0.00	2008.77	0.00
4 - EC Zero SL 0 %	17761.47	0.00	0.00	0.00
5 - EC Service 0 %	0.00	0.00	0.00	0.00
6 - EC Service 0 %	0.00	0.00	0.00	0.00
7 - EC Zero PL 0 %	0.00	0.00	1648.72	0.00
8 - EC Std PL 17.5...	0.00	0.00	0.00	0.00

Close

- The 'Current Period Totals' displays a list of sales and purchases for each VAT code.
- To display further details, click on a blue underlined total to show the VAT breakdown.

Establish current VAT position

For further detailed analysis of individual VAT transactions, select the 'Current Period Return' tab.

The screenshot shows the 'NL - Vat Analysis' window with the 'Current Period Return' tab selected. The window title is 'NL - Vat Analysis'. The 'Current Period Return' tab is active, and the 'Completed Period Totals' tab is also visible. The 'VAT Return Preview' section shows the company name 'HomeStyle Kitchens Ltd' and address 'Unit 128, Western Park, Bishopthorpe, York YO23 6BS'. The 'Current VAT Return end date' is '01/10/2006'. Below this is a table of VAT calculations:

VAT due in this period on sales and other outputs	1	11383.91
VAT due in this period on acquisitions from other EC Member States	2	0.00
Total VAT due (the sum of boxes 1 and 2)	3	11383.91
VAT reclaimed in this period on purchases and other inputs (including a...	4	15997.68
Net VAT to be paid to Customs or reclaimed by you. (Difference between...	5	-4613.77
Total value of sales and all other outputs excluding any VAT	6	106909
Total value of purchases and all other inputs excluding any VAT	7	95075
Total sales of goods/related services excluding VAT to EC members	8	22619
Total goods/related services acquisitions excl. VAT from EC members	9	1648

At the bottom of the window, there are buttons for 'Produce Vat Return', 'Print', and 'Close'.

Note: Do **not** click 'Produce Vat Return' until you are ready to print the final VAT Return. See *Print the final VAT Return on page 201*.

- To view the transactions that make up the totals in boxes 1-9, click on the blue underlined total.
 - The 'VAT Return Details' window is displayed. This displays a list of the transactions that make up the VAT Return total, split by their tax code. To display the list of transactions for a particular code, select the tax code from the list in the top of the window.

VAT reclaimed in this period on purchases and other inputs (including acquisitions from the EC)

Code	Description	Rate	Goods	Tax
0	Exempt	0.00	0.00	0.00
1	Std Rate	17.50	91417.59	15997.68
2	Zero Rated	0.00	2008.77	0.00
6	EC Service	0.00	0.00	0.00

Transaction details

Trans. Date	A/C Ref.	Reference	Goods Value	Tax Value	User	Source	URN
30/09/2006	BGT001		161.40	27.82	DAVE	POP	0000001502
24/08/2006	FOR001		39643.52	6937.62	DAVE	POP	0000001569
15/09/2006	ERN001		3810.00	666.75	DAVE	POP	0000001570
07/09/2006	KIT002		5888.36	1030.46	DAVE	POP	0000001571

Close

- View and check the displayed transactions.
- To generate copies of the VAT Return reports, including a dummy VAT Return, click 'Print'. For more information, see *Produce printable preview reports on page 200*.

After establishing your VAT position, you are ready to produce your VAT Return. However, we recommend you now reconcile your VAT transactions. Reconciling involves printing several VAT transactions reports which summarise the transactions identified when establishing your current VAT position. The reports generated during the activity may be required for auditing purposes and you should generate the reports even if you do not intend to reconcile your VAT transactions. The activity although recommended is optional and is defined at the end of this section. For more information, see *Reconciling VAT transactions on page 203*.

Produce printable preview reports

- To produce preview reports, click 'Print'. The system will produce three reports with a sub-title of 'Report Only - records not adjusted' to indicate that the database has not been updated as a result of producing these reports.
 - The first is a copy of the VAT Return report that would be produced if you had chosen to 'Produce VAT Return'.
 - The second is the VAT Transactions included in VAT Return report, showing a list of all the transactions whose values are included in the boxes on the preview VAT Return. These transactions will not be marked as having been included on a VAT Return.

- The third is the VAT Transactions not included in the VAT Return. These are transactions whose values are not included in the VAT Return, even though their dates are within the range you have chosen. These are excluded because the VAT code for these transactions is set up in the Accounting System Manager with 'false' in the 'VAT Return' column, which means these must not be included in the VAT Return.

Print the final VAT Return

Note: The final VAT Return for a period can only be generated once, but it can be reprinted many times later. Once the VAT Return has been generated (using 'Produce Vat Return'), the values on it cannot be changed. Before producing the final VAT Return, ensure you have copies of the VAT Return reports and have generated a dummy VAT Return by clicking 'Print'.

- Select the 'Current Period Return' tab.

The screenshot shows the 'NL - Vat Analysis' window with the 'Current Period Return' tab selected. The window title is 'NL - Vat Analysis'. Below the title bar are three tabs: 'Current Period Totals', 'Current Period Return', and 'Completed Period Totals'. The main area is titled 'VAT Return Preview' and contains the following information:

HomeStyle Kitchens Ltd
Unit 12B
Western Park
Bishophorpe
York YO23 6BS

Current VAT Return end date
VAT Return end date: 01/10/2006

VAT due in this period on sales and other outputs	1	11383.91
VAT due in this period on acquisitions from other EC Member States	2	0.00
Total VAT due (the sum of boxes 1 and 2)	3	11383.91
VAT reclaimed in this period on purchases and other inputs (including a...	4	15997.68
Net VAT to be paid to Customs or reclaimed by you. (Difference between...	5	-4613.77
<hr/>		
Total value of sales and all other outputs excluding any VAT	6	106909
Total value of purchases and all other inputs excluding any VAT	7	95075
<hr/>		
Total sales of goods/related services excluding VAT to EC members	8	22619
Total goods/related services acquisitions excl. VAT from EC members	9	1648

Buttons: Produce Vat Return, Print, Close

- Check the 'VAT Return end date' is correct for the current VAT period.

Note: If you need to change the date of the VAT return end date, select Utilities > Amend VAT Period End Date > Amend VAT Period End Date.

- Click 'Produce VAT Return'. The following window appears.

- Select the confirmation check box.
- Select the 'Delete transactions with a date earlier than' check box, then enter the date up to which you want to delete VAT transactions. It is good practise to delete these regularly, but you can keep them if you want. However, it is unwise to keep them for more than 11 months.

Note: We recommend you do not delete transactions for the VAT period you have just produced. These should be retained on file for auditing purposes, and the tax drilldown facility. Transactions for the previous quarter or six months previous should be deleted, as part of your regular housekeeping process.

- Enter the date of the next VAT return in the 'Confirm next VAT return date' box.
- If you are certain that you want to print the final VAT Return and you understand that this is final, then click 'Produce VAT Return'. This produces the VAT Return and all the reports generated during the reconcile process described earlier. It also marks the transactions as reconciled, and transfers the generated VAT figures onto the official VAT Return form.

Check the results

Three reports will be produced as a result of this process:

- The 'VAT Return' report.
- The 'VAT Transactions included in VAT Return' report, showing a list of all the transactions whose values are included in the boxes on the VAT Return. These are the transactions that will be updated with the date of this VAT Return to ensure they cannot be included on any further VAT Return.
- The 'VAT Transactions not included'. These are transactions whose values are not included in the VAT Return, even though their dates are within the range you have chosen. These are excluded because the VAT code for these transactions is set up in the Accounting System Manager with 'false' in the 'VAT Return' column, which means these must not be included in the VAT Return.

Reconciling VAT transactions

Before you produce your final VAT Return we recommend you reconcile your VAT transactions. This activity identifies transactions that have been posted incorrectly, which must be dealt with before you prepare your VAT Return.

In addition, VAT information needed to produce the VAT Return and related reports is taken from several data sources in Sage 200:

- The information contained in the 'VAT Return Transaction' report is taken from the central VAT file.
- The information contained in the 'Vatable Transactions' reports from the Sales and Purchase Ledgers is taken from the respective module files.
- The information for the 'Non-trading Vatable Transactions' report in the Nominal Ledger is taken from a central file used for storing nominal and cash book vatable transactions.

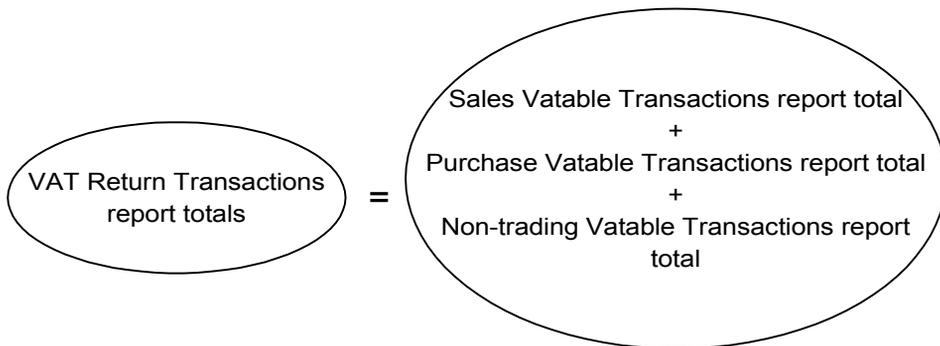
Note: The Non-trading Vatable Transactions report from the Nominal Ledger includes vatable transactions posted in the Cash Book module

It is therefore good practise to complete the reconciliation activity to ensure the information in these reports agrees with the information stored in the central VAT file.

Choosing 'Print' from the 'Current Period Return' tab in the 'VAT Analysis' routine produces the main reports you require for reconciliation. The report you need to reconcile your VAT Return is titled 'VAT Return Transactions report only - records not adjusted' (records not adjusted means the final VAT Return has not been produced).

Additional reports are also produced and are described at the end of the section.

The 'VAT Return Transactions' report combines all your sales, purchase, nominal and cash book vatable transactions to give you the total net outputs and output VAT and total net inputs and input VAT for each individual VAT code. The totals for each VAT code should be combined and then compared to the combined total of the Sales and Purchase 'Vatable Transactions' reports, and the Nominal Ledger 'Non-trading Vatable Transactions' report. The following diagram illustrates this.



The totals for the individual 'Vatable Transactions' reports added together, should agree with input and output totals on your 'VAT Return Transactions' report.

Note: The 'Vatable Transactions' reports produced from each module must be generated using the date range covering the VAT period.

If the totals do not agree it could be due to any of the following reasons:

- The 'Vatable Transactions' reports may have been generated with a limited range of transactions. This occurs if a reporting range was selected when generating the reports.
- The 'Vatable Transactions' reports print details of any transactions entered with a VAT code flagged not to appear on the VAT return. For more information, see tax rates in your *Sage 200 Accounting System Manager* documentation. This information is not printed on the 'VAT Return transaction' report but is printed on the report titled 'VAT Return transactions for VAT codes and transactions excluded from VAT Return'.
- The VAT Return reports include transactions dated before the start of the VAT period covered by the VAT Return, but were entered after the previous VAT Return was generated.

If you are unable to match the difference in totals based on the above, then we advise you to check the individual transactions manually until you locate the difference. Use the account and transaction reference to help you cross reference your transactions on the report.

Completed VAT Returns

It is possible to view previous VAT returns that have been run on your Sage 200 system. The completed Period Totals tab lists the archive of previous VAT Returns that have been run.

To view a completed VAT Return

- From the 'Period End Routines' menu, select the 'Completed Period Totals' tab.
- Select the required VAT Return from the list and click 'View Period Totals'.

VAT Return Preview

HomeStyle Kitchens Ltd (V3)
Unit 12B
Western Park
Bishopthorpe
York YO23 6BS

Completed Period
VAT period to: 31/05/2006

VAT due in this period on sales and other outputs	1	35391.27
VAT due in this period on acquisitions from other EC Member States	2	0.00
Total VAT due (the sum of boxes 1 and 2)	3	35391.27
VAT reclaimed in this period on purchases and other inputs (including a...	4	20698.23
Net VAT to be paid to Customs or reclaimed by you. (Difference betwe...	5	14693.04
Total value of sales and all other outputs excluding any VAT	6	265699
Total value of purchases and all other inputs excluding any VAT	7	120709
Total sales of goods/related services excluding VAT to EC members	8	29801
Total goods/related services acquisitions excl. VAT from EC members	9	728

Print Close

- You can see the breakdown of some entries on the VAT Return, by clicking on any blue and underlined total on the Vat Analysis window.

Consolidate Nominal Ledgers

This section describes the additional considerations and tasks when consolidating the ledger of subsidiary companies into one group ledger.

Activities

Organise Chart of Accounts

Create companies

Set up ledgers

Perform consolidation

Perform year end

Clear consolidation amounts

Overview

Consolidation gives an overall financial picture of an organisation, which trades with several subsidiary companies, in one group ledger. This is achieved by copying and storing the nominal account balances of subsidiary companies into the group ledger.

The 'Consolidation' routine is initiated within each subsidiary company and the consolidated values are then posted to the group ledger. Once information has been consolidated to the group ledger adjustments can be made using journal entries.

There are no limits to how often consolidation can be performed within a ledger period. However, to ensure values are accounted for in the correct ledger period you should consolidate each subsidiary before closing the group ledger period.

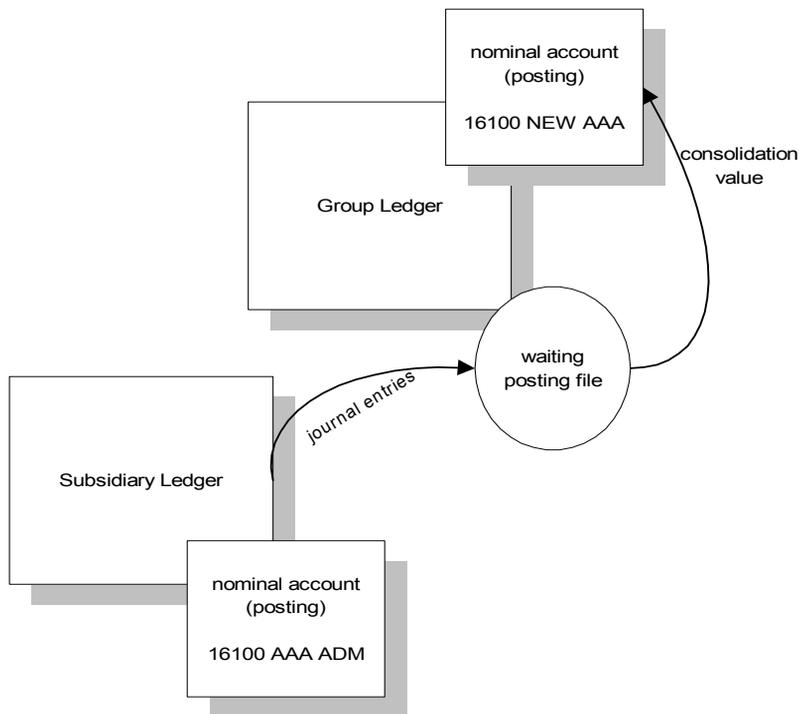
A group ledger can also be used as a trading ledger although we recommend the group ledger is used for reporting purposes only. This is due to the way the group ledger must be prepared for the new financial year by setting the nominal account balances to zero. This is done by cost centre, so if you do require the group ledger to act as a trading company we recommend using cost centres.

Consolidation can be achieved across ledgers that operate different currencies. The currency conversions are dealt with using the system exchange rate table. For more information, see your *Sage 200 Accounting System Manager* documentation.

Organising Chart of Accounts

Building your Chart of Accounts is an important activity which is described in an earlier section. This section describes the further considerations for building the required Chart of Accounts when dealing with consolidation.

The group ledger and each subsidiary ledger require their own Chart of Accounts. To link the subsidiary to the group, the nominal accounts used for consolidation in a subsidiary ledger are assigned a second nominal account code. The second code corresponds to a nominal account in the group ledger. When consolidation takes place, the values from the accounts in a subsidiary ledger are posted to the specified accounts in the group ledger.



To help identify the relationship of accounts between the subsidiary ledgers and the group ledger the structures of the Chart of Accounts should compliment each other. You should consider:

- Using the same account number for the same purpose in each company ledger.
- Using a designated cost centre in the group Nominal Ledger for each subsidiary company posting into it.
- Using cost centre and departments to identify which balances belongs to which subsidiary company.

The following example uses the cost centres 'LON' and 'NEW' to identify the subsidiary companies in the group ledger.

	Subsidiary codes			become	Group codes		
	A/c No	Cost	Dept		A/c No	Cost	Dept
London							
Rent	16100	AAA	ADM		16100	LON	AAA
Electricity	16100	BBB	ADM		16100	LON	BBB
Motor expenses	18100	BBB	SAL		18100	LON	BBB
Newcastle							
Rent	16100	AAA	ADM		16100	NEW	AAA
Electricity	16100	BBB	ADM		16100	NEW	BBB
Motor expenses	18100	BBB	SAL		18100	NEW	BBB

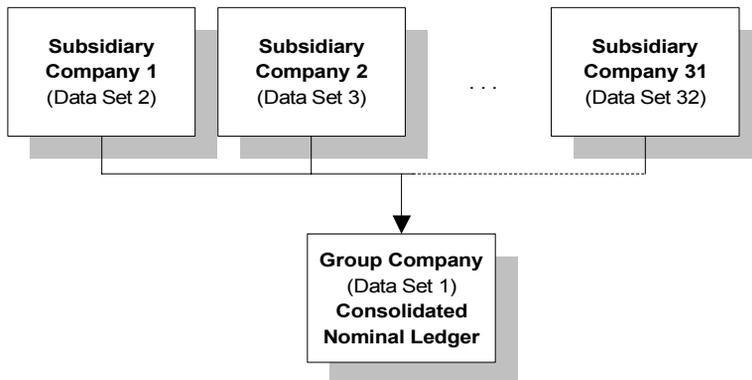
Note: The cost centre in the subsidiary nominal account is used as the department code in the group ledger nominal account.

Prepare the System for Consolidation

There are many ways in which you can prepare your system for consolidation. The following section provides a suggested method for you and includes the additional routines available to assist you during this process.

Create companies

Sage 200 is designed to hold data for a single company, which can be optionally subdivided into cost centres and departments. If you are processing accounts for a group of companies or divisions, Sage 200 provides a method of holding separate sets of data files for each company, but utilising only one program.



One of the first tasks is to create your group company and then each subsidiary company. As the data files for a subsidiary company are separate, you need to link these to the data files for the group company to allow data to flow from the subsidiary to the group company. You can connect the subsidiary company data files to work with the group company's data files by setting the consolidation defaults path in the System Administrator.

To set up companies for consolidation within System Administrator

1. Create the group company and enter the location for the group company's data files in the 'server/database location' path.
2. Create each subsidiary company, and for each company:
 - Enter the location of the subsidiary company's data files in the 'server/database location' path.

- Enter the location of the group company's data files in the 'consolidation details' path.

For more information on both of these steps, see your *Sage 200 System Administrator* documentation.

Set up ledgers

This activity covers setting up the Nominal Ledger and creating the Chart of Accounts for a group company and each subsidiary company.

The group ledger is not set to use consolidation as this is set at the subsidiary level.

We recommend setting both the group and each subsidiary company to use the same number of accounting periods. Although this is not essential it does prevent distorted figures across the accounting periods.

To set up ledgers for consolidation

- Complete the ledger set up process for the group ledger. For more information, see *Set Up the Nominal Ledger on page 11*.

Note: Do not activate the 'Employ Consolidation' setting.

- Create your group Chart of Accounts. For more information, see *Create Nominal Account Records on page 60*.
- Complete the ledger setup process for the each subsidiary company. For more information, see *Set Up the Nominal Ledger on page 11*.
- Create your subsidiary Chart of Accounts. For more information, see *Create Nominal Account Records on page 60*. The nominal accounts require a consolidated account code assigned to them to link the subsidiary account to the group account. There are three ways this can be done:
 - As you create nominal accounts using 'Enter New Account'. The required consolidated account code is selected from the drop-down list provided. For more information, see *Create Nominal Account Records on page 60*.
 - Using the 'Amend Report and Consolidation Settings' routine after you have created the nominal accounts. For more information, see *Reassign report categories and consolidation codes on page 93*.

- Applying the default consolidation accounts after you have created the nominal accounts.

Note: If the subsidiary nominal accounts do not have a consolidated account code assigned to them, the consolidated values will be posted to the 'Suspense Account' in the group ledger.

If your nominal account structure is the same in all subsidiary companies, you can save time by creating a Chart of Accounts in one company and then copying all the data files into the relevant subdirectory for the other companies.

Perform Consolidation

The subsidiary ledger stores the accumulated value of consolidated postings to the group ledger. Each time consolidation is performed, the difference between each account's balance up to the selected period and the amount consolidated so far up to the selected period is posted to the relevant nominal account in the group ledger. The consolidated postings are either:

- Immediately applied to nominal accounts, if the group ledger is set to accept journal entries on posting and the journal entries belong to the current period; or
- Placed in the group ledgers' waiting postings file, if the postings relate to a future period or the group ledger does not allow journal entries on posting. The values are subsequently applied by initiating the 'Update Waiting Postings' routine. For more information, see *Apply Waiting Transactions on page 129*.

If you are using Nominal Ledgers which operate in different currencies the routine uses the group ledger's exchange rate table in the Accounting System Manager to convert the consolidation values in the subsidiary ledger to the group ledger currency. Any exchange rate differences are posted to the 'Profit and Loss on Exchange' account in the group Nominal Ledger.

You can run the 'Consolidation' routine at any time before the period is closed in the group ledger.

A report is produced by the routine that details what has been posted to the group ledger.

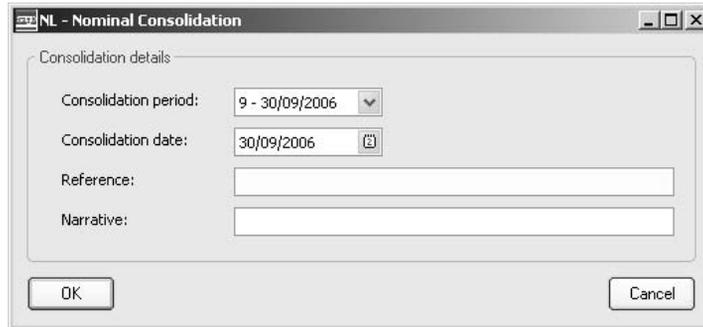
Before you begin...

You must have:

- ✓ Ensured the exchange rate table is accurate, if the ledger uses a different currency to that of the group. For more information, see your *Sage 200 Accounting System Manager* documentation.

Access the window

Choose Period End Routines > Consolidation.



Consolidation details

Consolidation period: 9 - 30/09/2006

Consolidation date: 30/09/2006

Reference:

Narrative:

OK Cancel

Enter the details

- Accept or amend the displayed 'Consolidation period'.
- Enter a 'Reference' and 'Narrative' for the consolidation journal.

Outcome

- The consolidation values are calculated for each account, prepared in a journal and posted to the group ledger.
- A consolidation report is produced.

Consolidating Foreign Currency Nominal Ledgers

Sage 200 consolidates Nominal Ledgers operating in different currencies by using the exchange rate table in the group ledger to convert the currency in subsidiary ledgers to the currency used by the group ledger. It is the results of this conversion that require closer attention. The Statements of Standard Accounting Practice (SSAP) require:

- The Profit and Loss statement to use an average exchange rate.
- The Balance Sheet to use the current exchange rate.

Sage 200 operates an incremental consolidation process, which stores values for each consolidation you run within the accounting year. Each increment is consolidated using the exchange rate from the group ledger at the time of consolidation. The increments accumulate to create the totals in the group ledger. The exchange rate for a group total is therefore effectively the average of the rates used for the increments. This means the Profit and Loss statement produced conforms to the accounting standards. This is not true of the Balance Sheet. To bring the Balance Sheet into alignment, additional tasks are required to produce the statement using the current exchange rate.

To bring the Balance Sheet into alignment

1. Print the Profit and Loss statement for the group ledger.
2. Copy data for the group and each subsidiary ledger.
3. In the group ledger, run the 'Zero Balances' routine for the Profit and Loss.
4. In the subsidiary ledger, clear the consolidation amounts.
5. Initiate the 'Consolidation' routine in each subsidiary to post values using the current exchange rate to the group ledger.
6. Print the Balance Sheet for the group ledger.
7. Restore the copied data.

Maintain Consolidated Ledgers

This section supplements the activities described in an earlier section. For more information, see *Maintain the Nominal Ledger on page 155*.

Perform year end

Performing the 'Year End' for consolidated ledgers requires you to follow a logical sequence of tasks and additional processing, in order to clear values ready for the new financial year. Values that must be cleared are:

- Balance Sheet values for the subsidiary company in the group ledger
- Consolidated values in the subsidiary ledgers.

This is due to the way the consolidation values are calculated. Failure to clear these balances will result in erroneous consolidation postings to the group ledger.

To consolidate at the year end:

1. Complete the 'Year End' routine for each subsidiary ledgers. For more information, see *Perform year end on page 158*.
2. Complete the 'Year End' routine in the group ledger. For more information, see *Perform year end on page 158*.
3. Clear consolidated amounts in each subsidiary ledger, using the 'Clear Consolidated Amounts' routine. See *Clear consolidated amounts on page 218*.
4. Set the subsidiary balances in the group ledger by cost centre to 0 (zero) using the 'Zero Balances' routine. For more information, see *Reset account balances to zero on page 152*.

Note: If you are using your group ledger as a working ledger, you must ensure you do not clear the Nominal Ledger balances for the company. Only set the consolidated accounts to zero.

5. Run the 'Consolidation' routine. This reinstates the Balance Sheet values for the subsidiary company in the group ledger.

Clear consolidated amounts

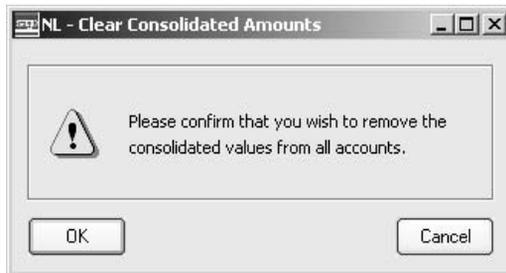
This routine clears the consolidated values held on nominal accounts for the subsidiary company. If you use this routine, the next time consolidation is initiated the entire consolidated balance is posted to the group ledger.

Use this routine:

- When consolidating ledgers that operate in different currencies.
- To perform the 'Year End' routine on the group ledger.
- When an error has occurred during consolidation sufficient to re-establish the consolidation values.

Access the window

Choose Utilities > File Maintenance > Clear Consolidated Amounts.



Enter the details

- Click 'OK' to remove the consolidated values from all accounts.

Outcome

- The values held for the amount consolidated to date are set to 0 (zero) on all nominal accounts.

9

Glossary of Accounting Terms

Defines frequently used accounting terms and terms found in Sage 200.

In this chapter:

Glossary

Remember ...

... the Sage 200 help system also contains glossaries.

A

Account	The generic term for a set of information relating to a supplier, customer, bank or nominal account record.
Account Balance	The total value of money outstanding on an account at any one time.
Account Code	The account code is made from three parts: the account number, the Cost Centre (CC), and the Department (Dep).
Account Name	The account name associated with a nominal account code, as set up when you enter a new account. This will be displayed on certain forms by the system when you select a nominal account.
Account Number	The unique identifier that relates to a specific account. This can constitute numerical or alphabetic characters or a combination.
Account Type	There are three types of account: automatic allocation, balance forward and open item. Selecting an account type determines how the transactions on the account are processed and stored.

Accounting Equation	The equation at the heart of double-entry bookkeeping, which states that the liabilities of a business subtracted from its assets equals its capital. It is the reason a Balance Sheet exists.
Accounting Period Status	The accounting periods set up within the Accounting System Manager can have a 'Closed', 'Open' or 'Future' status. This accounting period status determines whether the Nominal Ledger can receive postings into the period.
Accounting Periods	The divisions of the financial year, usually 12 or 13. The periods of time used by the business to process accounting entries when producing certain reports, such as the Profit and Loss and the Balance Sheet. See Open Accounting Periods.
Accounting System Manager	The Sage 200 Accounting System Manager module allows you to set up common controls for applications across modules.
Accounts Payable	See Purchase Ledger.
Accounts Receivable	See Sales Ledger.
Accruals	The process of matching expenditure or income to the accounting period in which it was incurred rather than paid; for instance, a rent cheque or utility charges.
Accumulated Profit Account	This nominal account is where the Year End process puts the sum of the Debit-YTD and Credit-YTD figures from the Profit and Loss accounts before setting them to zero. On the 'Year End' report, the Account/CC/DP and Name is shown and the final debit or credit amount calculated by the process.
Actual Cost	The price paid for an individual item as it is invoiced in Purchase Order Processing and used to calculate the cost of stock. Only applicable for batch/serial numbered items.
Additional Charges	Extra charges placed on an order, such as carriage and insurance.

Adjustment Period	A period opened after the Nominal Ledger year end has been run, to enter transactions to adjust the previous year's figures. When the adjustment period is closed, the transactions in this period are included in the opening balance for the current year.
Aged Creditors	Aged Creditors are creditors to whom the business has owed money for a defined period of time.
Aged Debtors	Aged Debtors are debtors who have owed money to the business for a defined period of time.
Aged Creditors Report	The Aged Creditors report analyses amounts owed to suppliers according to the length of time those amounts have remained unpaid.
Aged Debtors Report	The Aged Debtors report analyses amounts owed by customers according to the length of time those amounts have remained unpaid.
Ageing Date	This is the date applied within the ageing reports. These reports provide details on the trader's account transactions for a specific ageing date.
Allocation Date	This is the date a transaction is allocated. You enter the allocation date when you enter the transaction.
Allocation	The process by which payments are matched against purchase invoices and receipts against sales invoices raised.
Allocation Status	See Transaction Status.
Analysis Codes	Analysis codes are used to indicate common sales or purchase accounts. Assigning an analysis code to a sales or purchase account allows you to group transactions for payment or for reporting purposes.
Appropriation Accounts	These show how net profit is distributed between partners in a partnership or between share holders and reserve funds in a company.

Assets	The resources of a business; items it owns and uses, or amounts owed to it. Examples of assets are property, stock, cash and money held in the bank.
Attachments	Any type of file (graphic, text, spreadsheet) associated with an account.
Auditor	A person qualified to inspect, correct and verify business accounts.
Authorised Share Capital	The total value of shares that the company could issue, as distinct from the called up and paid up share capital.
Automatic Allocation	Automatic allocation is a type of accounting that combines the features of open item accounting with an automated allocation routine, which is activated at period end. During the period end process, any payments are allocated to invoices on the basis of the oldest outstanding invoices being allocated first. If an invoice is in query, then it is ignored.
B	
Back to Back Order	The generation of purchase orders to satisfy sales orders when using the 'From Supplier via Stock' fulfilment method.
Bad Debt	A debtor who is not expected to discharge his debt. Bad debts must be written off and hence reduce profit.
Balance	The total amount of money outstanding on an account at any one time.

Balance Forward Accounting	<p>Balance forward accounting is a type of accounting where all transaction details remain on the ledger in full until the period end routine is run. During the period end procedure, all transactions (except those in query which are dealt with separately) are cleared from the file and only a brought forward balance is displayed for the new period. Each period's total creditors balance is carried forward as a single balance figure. The number of balances carried forward depends upon the number of months aged debts you specify for the Purchase Ledger.</p> <p>When transactions, such as receipts, are posted for a previous period's transaction, they are allocated by period number, so that the appropriate balance is reduced at the period end. The advantage of this type of accounting is its economical use of disk space, which if short on your computer, may influence your choice of accounting method. Balance forward accounting cannot be used for foreign currency accounts.</p>
Balance Ledgers	<p>A routine that ensures all data stored for a Sage 200 module is intact and has not become corrupted in any way.</p>
Balance Sheet	<p>A report that details the various assets and liabilities of a business at a point in time, usually the end of an accounting period. A Balance Sheet must always balance; debits must always equal the credits.</p>
Bank Account Type	<p>Bank accounts may be deposit or current. Deposit accounts are for holding monies longer term, when transactions are not made as regularly as they are for current accounts. Standing orders and direct debits cannot be set up on deposit accounts.</p>
Bank Charges	<p>Bank charges can be incurred for many different reasons; for example, if trading in foreign currency, you may incur charges as a result of the conversion to the bank account's currency. You may enter these in the Sales/ Purchase Ledger and Cash Book transaction entry routines. These charges are then posted to a bank charges account (Profit and Loss) within the Nominal Ledger.</p>

Bank Payment	A transaction posted that reflects the payment for goods or services.
Bank Receipt	A transaction posted that reflects the receipt of money for goods or services.
Base Currency	The currency normally used by the Sage 200 user's company to carry out business transactions.
Base Unit	Used to determine the ratios that are applied to calculate the quantitative relationships between an item's units of measure.
Batch Numbered Item	A standard stock item assigned batch numbers, enabling a group of stock items to be traced from purchase through to sales.
Batch Processing	A method of accumulating and processing transactions together in a batch.
Bill of Materials (BOM)	A stock assembly and process costing system, which provides facilities to specify the structure of finished items in terms of sub-assemblies and components.
Bin	Secondary location point where a stock item is stored. The bin is the default secondary location provided with Sage 200 when using multiple locations.
BOM	See Bill of Materials.
Budget	An estimate of expected income or expenditure for expected activities over a specified period of time.
Buying Price Unit	The measure in which a purchased item is priced.
Buying Unit	The measure an item is bought in, such as metre, litre, case.

C

Call	When shares are issued only part of their cost is usually paid at the time of application and allotment. A call is a demand by the company for part or all of the outstanding sums to be paid.
Called Up Share Capital	The face value of shares for which payment has been called, although not necessarily made.
Capital	Amounts owed by a business to its owners, being the amounts injected in cash by the owners, together with any movement in the value of the business not made up by further cash injections or withdrawals.
Capital Employed	Capital generally defined as the money invested in the business. Shareholder's capital employed refers to share capital and reserves only, whereas total capital employed includes long term loans.
Capital Expenditure	Money spent on the acquisition of an asset, such as premises, motor vehicles, plant or machinery that are used within the business over a period of years.
Capital Gain	Profit made on selling an asset for more than its original purchase price.
Capital Gains Tax	Tax paid on the capital gain (profit) made on selling an asset for more than its original purchase price.
Capitalisation	The accounting process by which expenditures of the business relating to more than one accounting period are created as assets, so that they can be released to the Profit and Loss report in instalments over the accounting periods to which they relate.
Cash Book	<p>A book used to record details of cash moving in and out of the bank accounts.</p> <p>The Cash Book module lets you post cash transactions to nominal bank accounts and appropriate revenue and expense accounts.</p>

Cash Flow	A measure of the liquidity of a business that concentrates on cash in and out rather than accounting profits and losses. Profitable businesses can fail if customers pay more slowly than the business pays its suppliers, and so cash flow, as well as profitability, should always be measured.
Cash Flow Forecast	A forecast of the liquidity or cash in and out of a business.
Cash Payment	A transaction posted that reflects the payment for goods or a service where there has either been no invoice (for example, buying petrol for a car, where the money is handed over immediately the goods have been received), or the invoice is paid as soon as it is received thereby removing the need to post an invoice through the ledger. Instead of the money being paid directly out of the bank, the money is paid out of either the petty cash account or till account.
Cash Receipt	A transaction posted that reflects the receipt of money for goods or a service where there has been no invoice (for example, selling goods over the counter, the money is handed over immediately the goods have been received), or the invoice is paid when it is received thereby removing the need to post it through the ledger. Instead of the money being paid directly into the bank, the money is paid into either the petty cash or into the till account.
Chart of Accounts	A list of all the categories a business uses to analyse income, expenditure, assets, liabilities and capital, together with the way such categories are assigned to the Balance Sheet or Profit and Loss financial statements.
Closed Accounting Period	The 'Closed' status means that the Nominal Ledger is not able to receive transactions from specific source modules for the accounting period that has been closed.
Closing Balance	The balance of an account at the end, or close, of an accounting period.
Commercials Modules	Commercials modules within Sage 200 comprise the Stock Control and Sales and Purchase Order Processing modules.
Contra Entry	An adjustment made to balance transactions in one ledger with another. For example, outstanding purchase ledger

transactions may be balanced against outstanding sales ledger transactions where you sell to and buy from the same company.

For example, you have sold goods to XYZ of the value of £200. You have bought goods from XYZ to the value of £100. Overall they owe you £100 (i.e. what they owe you less what you owe them). A contra entry matches up the £100 you owe them against £100 they owe you.

Control Accounts

Accounts to which single balances analysed elsewhere in the accounting system are posted. Often the balances are posted from other ledgers. For example, the debtors control account records the amount of sales recorded in Sage 200. It is reduced by receipts from customers as they are posted into the system.

Consolidation

The process of combining the Nominal Ledger information for a set of different companies, where one is the main company and the other(s) subsidiaries.

Cost Analysis

A review and evaluation of costs.

Cost Centre (CC)

A segment of an organisation for which costs are required to be collected and formally reported on separately; for example, a company division such as sales or production.

Cost of Sales

The direct costs incurred as a result of making sales. For a retail company, this may mean the cost of purchasing goods, net of carriage and purchasing discounts, less the movement in the value of the stock. For a manufacturing company, it may mean the cost of producing the goods sold.

Cost Plus

A job charged as the value of materials and labour uplifted by a percentage.

Cost Variance

The difference between the actual cost paid for an item and the declared standard cost specified on the stock item.

Country Codes

EC countries each have a specific code to identify accounts that belong to that country. These have implications for VAT

processing. The VAT implications of trading in EC countries are described in the *Sage 200 Accounting System Manager* documentation.

Credit	<p>(1.) One side of the double-entry process, representing negative figures on the Balance Sheet (reductions in assets; increases in liabilities and capital), and income on the Profit and Loss financial statements.</p> <p>(2.) Assumed money a customer may use to purchase goods from you. This is normally dependent on their history with you. Limits are usually set and credit can be withdrawn at any time if the customer fails to pay or goes beyond the agreed credit limit.</p>
Credit Control	The process of monitoring and reporting on accounts where money is owed to the business.
Credit Limit	The amount an account is allowed to owe at any one time.
Creditors	Third parties to whom money is owed by the business.
Criteria	Allow you to narrow down the amount of data displayed on an Sage 200 report. When you request a report within Sage 200, you will often be presented with the 'Criteria' window (if it is relevant to the report). You can accept the default criteria, which will usually select all possible records, or you can select the output for the report by entering selections. The criteria offered will depend on each report.
CSV	Comma Separated Value file format. Sage 200 can import and export data in the CSV file format.
Current Account Balance	The total value of money outstanding on an account at that time.
Currency Adjustments	A gain or loss which emerges as a result of the difference in exchange rates between the time an invoice was issued on foreign currency accounts and payment was made.
Current Asset	An asset which can be easily realised. It can also be termed a liquid asset; for example, money in the bank or in petty cash, debtors or stock.

Current Liability	A current liability is a debt owed by the company; for example, creditors, accruals or an overdraft that will be cleared in the short term.
Current Postings	These are postings that are waiting in the Nominal Ledger current postings file, ready to be updated to the accounts in the 'Update Waiting Postings' routine. These postings have a transaction date earlier than the current Nominal Ledger period end date.
Current Transactions	These are the transactions that have not yet been removed from the account by closing the period. The length of time these remain on the account depends on the setting 'Keep transactions for' in the module's 'Ledger settings'.
Customer and Supplier Analysis Codes	Codes used to group transactions on sales and purchase accounts according to a defined common attribute which can subsequently be used as report selection criteria.
D	
Data File	Synonymous with company in Sage 200. A Sage 200 data file is a Sage 200 company.
Day Book	A book that lists all the transactions in the order that they arise. There is a day book for different types of transactions, for example, a sales day book and a purchase day book.
Debit	One side of the double-entry process, representing positive figures on the Balance Sheet (increases in assets; reductions in liabilities and capital), and expenditure on the Profit and Loss financial statement.
Debtors	Third parties from whom money is owed to the business.
Debtors Control	This is the Balance Sheet account to which postings are made when transactions are added to the Sales Ledger. For example, when you post an invoice, the total value of the invoices is debited to the debtors control account, while the sales analysis account is credited with the net goods value

and the VAT output account is credited with the VAT amount.

Default Values

Settings that are used for all accounts unless specifically overridden at account level.

Deferred Postings

Postings whose transaction date is after the current Nominal Ledger period end date. These are stored in the deferred postings file and will not be updated into the ledger during the 'Update Waiting Postings' routines, as current postings are. Closing the period moves postings from the deferred file to the current one when their transaction date becomes earlier than the new period end date.

Delivery Note

Sent to the customer with goods to show what should be on the order. The recipient will normally sign to prove the order has been fulfilled. The document is retained in case of any future dispute.

Department (DP)

A subdivision of a cost centre where costs are required to be collected and reported on separately; for example, a sales area or a manufacturing depot.

Direct Debit

A recurring bank transaction. The first and last payment amounts may differ from the regular payment. They may be subject to VAT and the frequency of payment may be weekly, monthly, quarterly or some other specified period. As with standing orders, the necessary payment or receipt transactions are automatically posted using either a daily or monthly routine.

Direct Delivery

The ability to deliver goods directly to the customer based on the sales orders they raised or deliver to a customer, supplier or other location not related to an initial sales order.

Direct Expenses

Those expenses that are incurred in the actual manufacture and sale of the product or the sale and provision of the service (the expenses incurred by the business actually trading).

For example, the wages of machine operators, the power to run the machines, the wages and commission of sales staff, the cost of advertising and any sales promotions.

Discount A reduction in price allowed to a customer for loyalty, early payment or bulk buying.

Dispute Codes Codes used to mark purchase invoices as disputed.

Distributable Profits In company accounts these are the sums that are available for dividends to shareholders. While based on the net profit, they may be increased by undistributed profits from the previous year or reduced by the need to retain some for the reserves.

Dividend The amount paid out per share. Usually described as a percentage of the face value (the original price) of one share. So a 10% dividend on a £1.00 share would be 10p.

Double-Entry A system of bookkeeping in which every transaction of a business is entered as a debit in one account and as a credit in another. As every transaction must have an equal or zero effect on both sides of the accounting equation, every positive amount entered (debit) must be mirrored by a negative amount or amounts (credit).

Drawings Cash or goods taken from the business for the owners personal use. Drawings only apply to sole traders and partnerships. Drawings do not count as an expense in the Profit and Loss financial statement and must be included in the 'Financed by' section of the Balance Sheet.

Due Date The date by which an invoice should be paid. This is used for the Aged Creditors or Aged Debtors reports.

E

EC Country A country that is in the EC trading area, identified by its country code. These countries are required to follow specific trading procedures. The VAT implications of trading in EC countries are described in the *Sage 200 Accounting System Manager* documentation.

Equity	The money invested in a business to get it started, together with any subsequent cash investments net of withdrawals (the interest of ordinary shareholders in a company).
Euro Currency in Transition	This is a currency which has joined the euro but is in a period of transition. During a transitional period both the euro and the country's currency may be used to trade simultaneously.
Exchange Differences	When trading in foreign currencies, changes in exchange rates may affect the Profit and Loss on a transaction. These exchange differences are posted to the Nominal Ledger 'Exchange Differences' account.
Exchange Rate	The calculation a bank will use to convert the price of one currency into another currency. Whilst some exchange rates are fixed by agreement, most change daily.
Expenses	Expenses are those items that the company buys which do not go to actually create that company's product or service. For example, stationery, petrol, promotional goods.
F	
Factor House	A third party company that collects a supplier's debts on their behalf.
Factored Pricing	<p>Allows one stock line to be bought, sold and held in stock varying units.</p> <p>For example, aluminium wire could be bought in 2000m lengths, sold in lengths of 100m, 200m and 300m but may be held in stock in 1000m coils. Factored pricing allows you to convert the buying and selling prices from one unit to another, where required.</p>
FIFO	FIFO, or First In First Out, is an assumption that enables the cost of stock to be calculated. When sales are made the items sold are assumed to be the earliest purchased, so the cost of items in stock always reflect the most recent purchases.

Finance Charges	Charges are applied to customers who fail to pay within the time agreed. The charges may escalate depending on the length of time bills are unpaid.
Financials Modules	Financials modules within Sage 200 comprise Sales, Purchase and Nominal Ledgers and the Cash Book.
Fixed Assets	Assets which the business intends to retain for the coming year rather than convert into cash. Typical fixed assets include property, office equipment and motor vehicles.
Fixed Price	The cost of the job is decided up front and is not based on what it has actually cost to complete the job.
Foreign Currency	Any currency other than base currency, in which an account operates. Currency processing implications are described in the <i>Sage 200 Accounting System Manager</i> documentation.
Free of Charge Issue	Issuing stock to customers where no charge is made for the goods.
Free Stock	The amount of unallocated stock available at a given place, where place can be a location, warehouse or warehouses.
Free Text Item	Items that have not been defined in the Stock or Sales Order Processing module, and which may have lengthy descriptive text to be included in a quotation, pro forma invoice or order.
Full Order Entry	Orders for account customers in Sage 200 Sales Order Processing system. Goods ordered in this way are despatched from the warehouse with a despatch note, and an invoice for payment is generated separately. Such orders may be subject to discount. Some payments may be received and entered at the same time as the order.
Future Accounting Period	Periods marked with a 'Future' status cannot receive any postings. Any transactions posted onto the Nominal Ledger with a date in the future are deferred until the period is opened.

G

General Ledger	See Nominal Ledger.
Goods Received Number (GRN)	The Goods Received Number, also known as GRN, is assigned to a record when goods or services are confirmed as received. It is also applied to a record when goods are returned to a supplier during the Confirmed Goods Returned activity.
Goodwill	An intangible asset of a business reflecting its commercial reputation and customer connections.
Group Accounts	These are used to group Nominal Ledger accounts for reporting purposes only.
Gross	The amount before any deductions are made.
Gross Margin	A measure of the profitability of a business by which the gross profit is divided by the sales. It is usually expressed as a percentage.
Gross Profit	The difference between total revenue from sales and the total cost of purchases or materials, with an adjustment for stock.

H

Held Journal Entry	Journal entries that have not yet been completed are called held. They are stored in a special file until such time as they are completed, when the postings within each journal entry will be moved either to the current or deferred postings files depending on their posting date. Entries may be held for several reasons; for example, the entered postings do not balance and further investigation is required, or authorisation is required from another user.
Historical transactions	These are transactions that have been transferred to the historical transactions file which is controlled by settings within each module.
Honorarium	A voluntary fee paid for a service that is usually free.

I

Intangible Assets

Assets, especially fixed assets, can be considered as tangible and intangible; tangible assets are physical entities, whereas intangible assets are conceptual. Intangible assets include copyrights, patents, goodwill. They are saleable but do not contain any intrinsic productive value.

Internal Issue

Issuing stock items requested by an internal department.

Intrastat

Supplementary Statistical Declarations (SSDs) are necessary for VAT registered businesses with a value of despatches of goods to other EC countries or of arrivals of goods from other countries exceeding a threshold.

Inventory Management

The process of managing your stock control.

Invoicing

The process of billing for payment.

J

Job Costing

A cost accounting system, which allocates costs to specific jobs.

Journal

A record that holds one or more transactions for posting. Synonymous with batch in batch processing.

Journal Entries

Double-entry transactions that can only be entered directly in the Nominal Ledger module. These can be corrections to postings from the other ledgers or additional transactions that do not relate to the other ledgers.

L

Ledger Date

This dictates the end of the current period being processed.

Ledgers

The principal book in which the transactions of a business are recorded. The details of customers and their transactions are recorded in the Sales Ledger; purchasers and their transactions are recorded in the Purchase Ledger. All ledgers are amalgamated in the Nominal Ledger by the posting of balances from the individual ledgers. The Nominal Ledger

also receives postings from the Cash Book and directly from journal entries for all other accounting transactions.

Liabilities

Amounts owed by a business to third parties including suppliers, banks, tax authorities and employees.

Liquid Asset

See Current Asset.

M**Margin**

The purchase and sale of a goods item may be shown as $\text{Cost Price} + \text{Profit} = \text{Selling Price}$. The profit when expressed as a fraction or percentage of the selling price is known as the margin.

Mark-up

The purchase and sale of a goods item may be shown as $\text{Cost Price} + \text{Profit} = \text{Selling Price}$. The percentage added to the cost price to provide a profit is known as the mark-up.

Memo

Free format text entered against a specific account.

Memorandum Accounts

Whenever you are posting transactions to the Nominal Ledger using the journal entry facilities, the total of all postings in the batch needs to balance to ensure accurate double-entry bookkeeping. However, any value associated with a memorandum account does not affect either the debit or credit total of the journal. This enables you to analyse values in more than one way without affecting the balance of accounts or the ledger as a whole.

Module

A term which denotes features based in and around an area of accounting. For example, sales are described and contained within the Sage 200 Sales Ledger module.

Month End

See Period End Routines.

Multiple Locations

Used when stock is stored in several different places; for example, warehouses and bins.

Multiple Units

Used when stock is bought, stored and sold in different measures; for example, cases and bottles.

N

Net	The amount that remains after all deductions have been made.
Net Book Value	The original value of the asset less any depreciation charged to date.
Net Profit	This is calculated as gross profit less expenses.
Net Realisable Value	The amount that would be received for the immediate sale of stock, after accounting for any costs associated directly with the sale.
Net Worth	The value of a business as represented by subtracting its liabilities from its assets.
Nominal Account	An account within the Nominal Ledger used to collect costs or revenue for inclusion on the Profit and Loss and/or Balance Sheet financial statements.
Nominal Ledger	This ledger is updated by most of the transactions posted in all ledgers. It is the core of the accounting process. The balances on all of the nominal accounts are used to create the Trial Balance and therefore the Profit and Loss and the Balance Sheet financial statements.
Non-productive	The job is not invoiced to anyone. The cost is recorded for the company's own reference only.
Non-trading	This refers to nominal accounts and transactions that do not relate to the Sales or Purchase accounts.
Non Traceable Item	Any stock item not set to use batch/serial numbers and therefore cannot be traced from purchase through to sales.

O

On Hold Flag	An indicator that an account is in a query status for some reason. This prevents certain processing against this account until the flag is cleared.
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Open Accounting Periods

Sage 200 now enables the system to have up to 20 accounting periods open at the same time. This status allows the Nominal Ledger to receive transactions from the source modules chosen. If more than one period is open at the same time, Sage 200 uses the date of the transaction to determine which open period will receive the posting.

Opening Balances

The balance of an account when it is initially opened, or the balance carried over from the previous accounting period (the closing balance).

Open Item Accounting

Open item accounting is probably one of the most widely used methods for computerised accounts. It enables all outstanding transactions to remain visible on the account record, until such time as they are allocated and removed when the period is closed. Transactions, such as invoices, paid when payments are posted to the ledger, can be specifically allocated to the individual transaction to which they relate.

Provided the whole outstanding transaction is allocated in this way, the period end routine removes it, freeing disk space for new transactions. The details of the transactions however, remain on file until period end. All outstanding amounts, whether they are part allocated payments, disputed transactions or unpaid or part-paid invoices, remain on the ledger from one period to another, showing full details, until such time as they are fully allocated, and have exceeded the time limit denoted in the ledger setting 'Keep transactions for'. For more information, see your *Sales Ledger* and *Purchase Ledger* documentation.

Operating Profit

This is calculated from gross profit, less the expenses incurred in trade. It will be the same as the net profit unless the business has other income from investments or expenditure on loan interest. These items are not considered in calculating the operating profit.

Operating Currency

Although the Nominal Ledger only operates in your base currency, the trading accounts and bank accounts can operate in other currencies, as long as these are set up in your currency table in the Accounting System Manager. The

currency each account uses is called their operating currency.

Order Acknowledgement

Raised once an order has been received to confirm with the customer that you are able to fulfil the order. An order acknowledgement will show the items along with confirmation of prices.

Order Line

The requested goods or services in an order, covering standard items, free text items, additional charges and comments.

Order Processing

Activities based around administrating orders and seeing them through to shipment or production.

Overdraft

A bank facility that allows customers credit with the bank so that the customer can use money that they do not currently have available.

Overheads

Business expenses, such as rent, that are not attributable directly to any department or product and can therefore be assigned only arbitrarily.

Overtrading

Engaging in more activities than can be properly financed by the company. This can often lead to bankruptcy and liquidation.

P

Paid Up Share Capital

That share capital for which all payments have been called up and made.

Payment Method

Used to define the payment types and capture payment values made at the point of sale within Sales Order Processing.

Payment Terms

These are the number of days agreed with a customer or supplier before an invoice must be paid.

Pending Transactions

Transactions that have not yet been posted to the ledgers. If a transaction is on hold (has an on hold flag entered against it) it remains pending until it is released for payment. See Transaction Status.

Period	The accounting period associated with a transaction. This is usually a calendar month within a year.
Period End Routines	Specific processing routines required when closing a period in each Sage 200 module.
Phantom Item	An item created from a bill of materials (BOM). They are finished items that you would not sell to your customers or keep in stock. They are typically used to segment large BOMs and to assist in planning how to build a finished item.
Picking List	A list that can be printed to support the sales order despatch process. The list details the stock items and where they are stored.
POP	See Purchase Order Processing.
Posting	The processing of an accounting transaction.
Posting Accounts	These are the only types of account to which a posting may be made which is reflected in the trial balance and other financial statements. This includes all the accounts of the Profit and Loss and Balance Sheet.
Posting Date	<p>This is the date you post a transaction to the ledger or to the posting file. For example, if a transaction is posted to the waiting or pending posting file on one date and then updated to the ledger on another date, it is the first date which is classed as the posting date.</p> <p>Generally this is the same as the allocation date but if you give transactions an allocation date that is different from the system or today's date (for example, allocate the transactions retrospectively or put an account on hold), the posting date is the system date when the transaction is physically posted and so will be later than the allocation date.</p>
Prepayments	The process of deferring expenditure and income to the accounting period in which it is incurred. This usually involves setting up an asset on the Balance Sheet for bills

paid in advance, and then releasing that asset by instalments to the accounting periods in which the service is actually provided.

Pre Receipt

Specific to batch/serial numbered items that are set to permit negative stock levels, allowing the item to be allocated when there is insufficient stock available. A pre receipt is, in effect, a shortfall for the item that is satisfied when more stock is recorded into Sage 200.

Price Band

A way of offering different sales prices on items to different groups of customers. You define the price bands and then specify which customers belong to each band.

Price Book

A Sage 200 module which allows flexibility and control over prices and discounts.

Primary Location

Primary location point where a stock item is stored. The warehouse is the default primary location provided with Sage 200 when using multiple locations.

Product Group

A group of stock items of similar type and processing requirement.

Profit

The excess of revenues over outlays and expenses in a business.

Profit and Loss on Exchange

See Currency Adjustments.

Profit and Loss Financial Statement

A report that categorises the income and expenditure of a business over an accounting period. The profit (or loss) of a business is its income less its expenditure; profit is analysed, along with gross profit (sales less the cost of those sales) and net profit (all income less all expenditure, before and after tax has been deducted).

Pro Forma Invoice

A request for payment before a service has been carried out. Most commonly used for new customers or those who are potential bad debtors.

Provision for Bad Debt	An amount put by for those debts which may not be paid. It appears as an expense on the Profit and Loss financial statement and is deducted from the debtors control account.
Purchase Credit Notes	These are issued by suppliers in order to cancel purchase invoices either in full or in part. They are normally issued when goods or services are faulty or when the purchase invoice was incorrect.
Purchase Discounts	Purchase discounts may be given for a variety of reasons: buying in bulk, spending large amounts, being a preferred customer or settlement discount.
Purchase Invoices	These are issued by suppliers as a request for payment in respect of the supply of goods or services.
Purchase Ledger	The Purchase Ledger keeps track of all invoices, credit notes and discounts sent to you by suppliers. It can be quickly referred to if you want to find the current status of any of the supplier accounts. The total balance outstanding should equal the balance of the creditors control account in the Nominal Ledger.
Purchase Order Processing	The administrative functions based around processing purchase orders. Purchase orders are documents that state the quantity, description and price of goods and services ordered, agreed terms of payment, discounts, delivery and all other agreements pertinent to the purchase and its supply. The Sage 200 Purchase Order Processing module is where you can manage and track your purchase orders.
Purchase Payments	Payments made to suppliers in respect of invoices for the goods and/or services supplied.
Q	
Quick Ratio	The liquid or quick ratio is current assets less stock to current liabilities.
Quotation	A statement of the current market price of a security or commodity.

R

Rapid Order Entry

A fast track method of order entry in Sage 200 Sales Order Processing system. Orders are quickly keyed into the system using default prices and discounts for the customer, which you can change if you have the appropriate user permissions to allow you to do this.

Ratio Analysis

Technique for analysis of the business by comparing selected figures from the accounts.

Reconciliation

The process of agreeing accounting entries from one source, with entries from another source. The most usual reconciliation is a bank reconciliation, which matches transactions posted against a bank account with the statement received from the bank.

Recurring Journals

Journals set up once in the Nominal Ledger, which run automatically each financial period thereafter, according to the financial period specifications which have been set for the journal.

Report Category

For final accounts production, this is used in conjunction with the category. A single character code determines whether the account is a Profit and Loss item (P) or a Balance Sheet item (B).

Reserves

Movements in the value of a business not made up directly from cash injections and withdrawals. Principally, they reflect the net profit or loss of a business, together with any unrealised changes in the value of its assets.

Retention

An amount of money retained by a customer for a specified period of time after a service has been provided, to ensure that if anything should subsequently go wrong then it will be rectified.

Retrospective Aged Creditors/ Debtors Reports

The Retrospective Aged Creditors and Debtors reports show outstanding balances on each account, aged over the periods specified, compared with a specific ageing date.

Returns	Goods returned to the business by a customer, or by the business to a supplier.
Revaluation	A calculation to find the current base currency value of a transaction carried out in a different currency. This calculation produces different results at different times because of fluctuating exchange rates.
Reverse Transaction	A method of removing a transaction to correct an error, for example.
S	
Sale or Return	Goods supplied on the understanding that if not sold on (by the customer/retailer) they may be returned without charge. Such transactions are best not recorded in the accounts, until the actual sales figures are known.
Sales Credit Notes	These are issued to customers in order to cancel sales invoices either in full or in part. They are normally issued when goods or services are faulty or when the sales invoice was incorrect.
Sales Discounts	Sales discounts may be allowed for a variety of reasons; for example, buying in bulk, spending large amounts, being a preferred customer or settlement discount.
Sales Ledger	The Sales Ledger keeps track of all invoices, credit notes and discounts sent to customers and all receipts received from customers. It can be quickly referred to if you want to find the status of any of the customer accounts. The total balance outstanding should equal the balance of the debtors control account in the Nominal Ledger.
Sales Order Invoice	VAT invoice sent to the customer, usually after goods have been dispatched. It lists the items received, including quantity, prices and any discounts.
Sales Order Item	A basic type of stock item, created and maintained in the Sales Order Processing module. There is no concept of stock quantity or stock level control associated with these items, and it is not possible to allocate these items.

Sales Order Processing	<p>The administrative functions based around processing sales orders. Sales orders are documents that state the quantity, description and price of goods and services ordered, agreed terms of payment, discounts, delivery and all other agreements pertinent to the sale and its supply.</p> <p>The Sage 200 Sales Order Processing module is where you can manage and track your sales orders.</p>
Sales Receipts	<p>These are made when invoices are paid off by the recipient of the goods or services.</p>
Secondary Location	<p>Secondary location point where a stock item is stored. The bin is the default secondary location provided with Sage 200 when using multiple locations.</p>
Serial Numbered Item	<p>A standard stock item assigned serial numbers enabling single stock items to be traced from purchase through to sales.</p>
Settlement	<p>Concluding a sales or purchase contractual agreement by payment of debt outstanding.</p>
Settings	<p>Settings that control the way your Sage 200 modules operate.</p>
Shortfall	<p>An item's stock level that falls below zero. This can occur when the item permits negative stock levels, allowing the item to be deployed when there is insufficient stock available.</p>
SOP	<p>See Sales Order Processing.</p>
Source Modules	<p>The Sales Ledger, Purchase Ledger, Cash Book and Stock modules are all referred to as source modules because they are a source for the transactions accepted by the Nominal Ledger.</p>
Standard Item	<p>Stock, miscellaneous, or labour or service item, used to specify goods or services required on an order.</p>
Standing Order	<p>A recurring bank transaction in which a specified amount is paid from the bank account to an expense account for a</p>

definite number of periods. Standing orders may include VAT and may be processed on a daily or ad hoc basis.

Stock

The total goods or raw materials held by a business for the purpose of resale. Stock is valued in the Balance Sheet at the lower of cost or net realisable value.

The Sage 200 Stock Control module is where you record stock details and track stock levels.

Stock Unit

The unit of measure used to count the quantity of an item in stock.

Subcontractor

An individual who works on a job but is not employed directly by the company. There are two types of subcontractor: those who hold a certificate entitling them to handle their own income tax, and those who do not. Those with a certificate would not be set up on the company's payroll but would invoice the company direct and normally appear as a supplier in the Purchase Ledger. Those without a certificate would have their income tax deducted at source via the company's PAYE scheme. In both cases the cost of employing a subcontractor is charged directly to the job.

Supplementary Statistical Declarations

See Intrastat.

Surcharge

The opposite of discount, resulting in an increase in order value.

Suspense Account

The nominal account automatically updated when an invalid account is specified for a transaction. It is also used when you are unsure what to do with a value. The suspense account can be used as a holding account until you decide what to do with the value. The balance on the suspense account should ultimately be zero.

T**Tax**

Tax, normally referred to as Value Added Tax in the UK or Irish VAT in the Republic of Ireland, may be applied to sales and purchase transactions in certain circumstances. These

circumstances are described in the *Sage 200 Accounting System Manager* documentation.

Time and Materials

The cost of the job is the value of materials and labour attributed to the job.

Traceable Item

A batch/serial numbered item enabling stock items to be traced from purchase through to sales.

Trade Counter Entry

Simple order entry in Sage 200 Sales Order Processing system. This is associated with over the counter sales. The customer picks the goods, pays immediately and you then ship the product.

Trade-ins

An asset part-exchanged for another asset. This involves a sale and a purchase. The asset being sold has a net book value at the time of sale. If the selling price is more or less than this value, a profit or loss on sale is accounted for in the Profit and Loss financial statement.

The selling price of the asset being disposed of is offset against the asset being acquired, the difference being paid to the supplier of the new asset.

Trading Account

Compares sales, stock used, and direct expenses to find the profit or loss made by simply buying and selling.

Transaction

A record of an exchange between one party and another, normally between your company and another company, usually a customer or a supplier.

Transaction Analysis Codes

Codes used to group items for reporting analysis.

Transaction e-Mail

A mechanism for sending and receiving order documentation using e-mail to support the order process in Sales Order Processing and Purchase Order Processing.

Transaction Status

Refers to the status of the transaction. Can be one of the following: Blank – nothing is allocated, Part – some of the transaction amount has been posted to the ledger, Full – all of the transaction amount has been posted to the ledger.

Trial Balance A list of all the nominal accounts at a given time, together with their net balances, shown as either a debit or a credit balance. The double-entry bookkeeping system, if completed correctly, requires that the total of all debits equals the total of all credits. The balances should always be equal.

Triangulation If you are using a foreign bank account but the payment or receipt currency is different to both the bank currency and your base currency, triangulation has to take place, via your base currency, to determine the exchange rate to be used for the transaction. The rate from each currency to the base currency is amalgamated to produce an overall conversion rate that is then used to convert the transaction amount.

When a transaction involves a transitional euro currency (a currency that has agreed to move to the euro but has, for example, three years grace to phase out the country's own currency) then the conversion must always be via the euro. The rate from each currency to the euro will be amalgamated to produce an overall conversion rate that is then used to convert the transaction amount.

Turnover (1.) The total sales figures for a company for a set period.

(2.) The rate at which stock is sold and replaced.

U

Unique Reference Number (URN)

The unique reference number assigned to a complete transaction to assist in tracing the progress of the transaction through Sage 200. This number is 12 digits long and comprises of: 3 digits for the user number, 2 digits for the source module in which the transaction was created, and a 7 digit sequential reference number.

Unit of Measure

The quantity in which a stock item is measured for purchase, sale or storage.

Unit Price

The price paid per unit of item purchased, or charged per unit of item sold.

Unpresented Cheques Cheques paid out, which are passing through the bank clearing system, but have not yet been presented to the bank where the account is maintained.

Unquoted Investments Investments not dealt in on a recognised stock exchange.

V

Valuation Formal assessment of worth, for example, valuation of property.

VAT Value Added Tax is applied to sales and purchase transactions in certain circumstances. These circumstances are described in the *Sage 200 Accounting System Manager* documentation.

VAT Invoice An invoice issued by a supplier registered for VAT showing the supplier's VAT registration number, the date of issue and the tax point.

VAT Outputs and Inputs The HM Revenue and Customs department requires all businesses registered for VAT to account to them for all amounts of VAT charged on invoices (outputs) net of amounts incurred on purchase invoices (inputs).

VAT Receipt A receipt showing the amount of VAT as a separate item, together with the issuer's VAT registration number.

VAT Registration Number All businesses registered for VAT are given a registration number. This number must be printed on all invoices.

VAT Return The form on which input and output VAT is declared to HM Revenue and Customs or your local tax authority.

VAT Tax Point The date on which VAT eligible sales are completed.

W

Waiting Postings Transactions that have not yet been posted to the Nominal Ledger. These can be updated by using the Nominal Ledger 'Update Waiting Postings' routine.

Warehouse	Primary location point where a stock item is stored. The warehouse is the default primary location provided with Sage 200 when using multiple locations.
Working Capital	The excess of current assets less current liabilities.
Write Off	<i>(1.) To cancel a bad debt or obsolete asset from accounts. (2.) To consider a transaction as a loss or set off (a loss) against revenues. (3.) To depreciate an asset by periodic charges. (4.) To charge a specified amount against gross profits as depreciation of an asset.</i>
X	
XML	Extensible Markup Language file format. Sage 200 can import and export data in the XML file format.
Y	
Yield	The annual income provided by an investment.
Z	
Zero Rated	Denoting goods on which the buyer pays no VAT (tax) although the seller can claim back any VAT (tax) paid.



Appendix: Nominal Account Examples

This appendix defines a suggested Chart of Accounts. In the absence of defined structure you may want to create your nominal accounts from the suggested Chart of Accounts.

In this appendix:

Suggested Chart of Accounts

Chart of Accounts

Category 0 - Fixed Assets

01	Long Term Assets
	01100 Cost
	01200 Depreciation
02	Long Lease Property
	02100 Cost
	02200 Depreciation
03	Short Lease Property
	03100 Cost
	03200 Depreciation
04	Plant/Machinery
	04100 Cost
	04200 Depreciation
05	Tools
	05100 Cost
	05200 Depreciation
06	Office Equipment
	06100 Cost
	06200 Depreciation

- 07 Furniture/Fixt/Fittings
 - 07100 Cost
 - 07200 Depreciation

- 08 Vehicles
 - 08100 Cost
 - 08200 Depreciation

- 09 Other Fixed Assets
 - 09100 Goodwill
 - 09200 Patents Cost
 - 09300 Patents Depreciation
 - 09400 Trademarks Cost
 - 09500 Trademarks Depreciation
 - 09900 Preliminary Expenses

Category 1 - Long term and current assets

- 1 Long Term Assets
 - 11100 Investments Quoted
 - 11200 Investments Unquoted
 - 11300 Loans Given
 - 11400 Associated Companies

- 12 Subsidiary Companies
 - 12100 Sub. Company Shares Cost
 - 12400 Sub. Company Current A/C
 - 12700 Sub. Company Loan A/C

- 13 Stocks
 - 13100 Stock
 - 13600 Work in Progress

- 14 Current Assets
 - 14100 Sales Ledger Control
 - 14200 Sundry Debtors
 - 14300 Sales Ledger Retentions
 - 14400 Prov. Doubtful Debts
 - 14500 Advances and Deposits
 - 14600 Dividends Receivable
 - 14700 Outstanding Share Capital

- 15 Taxation
 - 15100 Input VAT
 - 15200 Input VAT Part Exempt
 - 15300 Overdecl. Notified
 - 15400 Overdecl. Other
 - 15500 Recoverable Income Tax

- 16 Deposits and Cash
 - 16100 Bills Receivable
 - 16200 Money on Call
 - 16300 Council Loans
 - 16400 Building Society Deposits
 - 16500 Giro
 - 16600 Postdated Cheques
 - 16700 Bank Deposit A/C
 - 16800 Current Bank A/C
 - 16900 Petty Cash

- 19 Prepayments and Adjustments
 - 19100 Prepaid Expenses
 - 19200 Clearing A/C
 - 19300 Adjustments - Assets
 - 19400 Asset Suspense A/C

Category 2 - Liabilities

- 21 Share Capital
 - 21100 Ordinary Shares
 - 21200 Preference Shares

- 22 Capital Reserves
 - 22100 Share Premium A/C
 - 22400 Cap. Redemption Reserve
 - 22700 Asset Revaluation Reserve

- 23 Revenue Reserves
 - 23100 General Reserve
 - 23200 Undistributed Profit
 - 23300 Tax Equalisation

- 24 Long Term Liabilities
 - 24100 Debentures
 - 24200 Mortgages
 - 24300 Loans Received
 - 24400 Hire Purchase

- 25 Short Term Liabilities
 - 25100 Purchase Ledger Control
 - 25200 Sundry Creditors
 - 25300 Purchase Ledger Retentions
 - 25400 Bills Payable
 - 25500 Received Prepayments
 - 25600 PAYE
 - 25700 NI
 - 25800 Net Wages/Salaries
 - 25900 Pension Fund

- 26 Taxation
 - 26100 Output VAT - Std. Rate
 - 26200 Output VAT - Rate A
 - 26300 Output VAT - Rate B
 - 26400 Output VAT - Imports
 - 26500 Undecl. Notified
 - 26600 Undecl. Other
 - 26700 VAT Liability
 - 26800 Prov. Corporation Tax
 - 26900 Prov. Inc. Tax Sched. F

- 27 Directors Accounts
 - 27100 Directors Loan A/C
 - 27200 Directors Current A/C
 - 27300 Drawings

- 28 Dividends
 - 28100 Proposed Dividend

- 29 Accrued Expenses and Adjustments
 - 29100 Accrued Expenses
 - 29200 Accrued HP Interest
 - 29300 Adjustments - Liabilities
 - 29400 Liability Suspense A/C

Category 3 - Income accounts

- 31 Trading Income
 - 31100 Sales
 - 31200 Export Sales
 - 31300 Exempt Sales
 - 31400 Sales Zero %
 - 31500 Sales Rate A
 - 31600 Sales Rate B

- 37 Non Trading Income - Investment Income
 - 37100 Divs. Quoted Investment
 - 37200 Divs. Unquoted Investment
 - 37300 Interest
 - 37400 Investment Grants

- 38 Sales of Assets
 - 38100 Sales of Assets
 - 38200 Profit or Loss on Disposal

- 39 Other
 - 39100 Currency Exchange Income
 - 39200 Discount Received
 - 39300 Royalties Received
 - 39400 Commissions Received
 - 39500 Doubtful Debts Recovery

- 39600 Insurance Claims
- 39700 Rent Income
- 39800 Other Non Trading Income

Category 4 - Trading expenses

- 41 Cost of Sales
 - 41100 Cost of Sales Materials
 - 41200 Cost of Sales Labour
 - 41300 Cost of Sales Sundries

- 42 Purchase Charges
 - 42100 Carriage Inward
 - 42200 Duty
 - 42300 Transport Insurance

- 43 Labour
 - 43100 Productive Labour - Payroll
 - 43200 Direct Labour - Bill of Materials
 - 43600 Sub Contractors

- 44 Materials Purchased
 - 44100 Purchases
 - 44300 Purchases Zero %
 - 44400 Purchases Rate A
 - 44500 Purchases Rate B
 - 44600 Purchases Part Exempt Rate A

44700 Purchases Part Exempt Rate B
44800 Purchases Imported
44900 Purchases Imported Part Exempt

45 Assembly Overheads
45100 Bill of Materials Overheads

Category 5 - Selling & distribution expenses

51 Vehicles
51100 Fuel and Oil
51200 Servicing
51300 Repairs/Spares
51400 Licences
51500 Insurance
51600 Other Costs

52 Travelling and Entertainment
52100 Travelling
52200 Car Hire
52300 Hotels
52400 Entertainment UK
52500 Entertainment Foreign

53 Promotion
53100 Sales Promotion
53200 Advertising

53300 Gifts

53400 Samples

54 Distribution

54100 Carriage Outward

54200 Packing

59 Commissions

59100 Commissions Paid

Category 6 - Financial expenses

61 Depreciation

61100 Deprc. Freehold Property

61200 Deprc. Longlease Property

61300 Deprc. Shortlease Property

61400 Deprc. Plant/Machinery

61500 Deprc. Tools

61600 Deprc. Office Equipment

61700 Deprc. Furniture/Fixt/Fittings

61800 Deprc. Vehicles

62 Depreciation

62100 Deprc. Patents

62200 Deprc. Trademarks

- 63 Bank Charges and Interest
 - 63100 Bank Interest Paid
 - 63200 Bank Charges
 - 63300 Currency Losses
 - 63400 Loan Interest Repaid
 - 63500 HP Interest

- 64 Discount Allowed
 - 64100 Discount Allowed

- 68 Bad Debts
 - 68100 Bad Debts

- 69 Provision for Doubtful Debts
 - 69100 Provision for Doubtful Debts

Category 7 - Premises expenses

- 71 Rent and Rates
 - 71100 Rent
 - 71200 Water Rates
 - 71300 General Rates
 - 71400 Premises Insurance

- 72 Heat, Light and Power
 - 72100 Electricity
 - 72200 Gas

72300 Oil

72400 Other

73 Maintenance

73100 Repairs and Renewals

73200 Cleaning Premises

73300 Laundry Premises

73400 Other Premises Expenses

Category 8 - Administration expenses

81 Employment

81100 Salaries

81200 Wages - Regular

81300 Wages - Casual

81400 Employers GPC/NI

81500 Staff Welfare

81600 Recruitment Expenses

81700 Employers Pension Contribution

82 Professional Fees

82100 Legal Fees

82200 Audit and Accountancy Fees

82300 Consultancy Fees

- 83 Printing and Stationery
 - 83100 Printing
 - 83200 Postage
 - 83300 Telephone
 - 83400 Telex/Telegram
 - 83500 Stationery - Office Supply
 - 83600 Journals/Books

- 89 Equipment Hire and Rental
 - 89100 Equipment Hire
 - 89200 Office Machine Maintenance

Category 9 - General expenses

- 91 General Expenses
 - 91100 Industrial Training Levy
 - 91200 Royalties
 - 91300 Donations
 - 91400 Subscriptions
 - 91500 Protective Clothing
 - 91600 Stock Adjustments
 - 91700 Machinery Reps. Maintenance

- 92 Directors Remunerations
 - 92100 Directors Remunerations

- 94 Nominal Ledger Suspense Account
 - 94999 N/L Suspense Account

- 98 Opening Balances
 - 98100 B/F Balance
 - 98200 B/F Balance
 - 98300 B/F Balance
 - 98400 B/F Balance
 - 98500 B/F Balance
 - 98600 B/F Balance
 - 98700 B/F Balance
 - 98800 B/F Balance
 - 98900 B/F Balance

- 99 Opening Balance - used as required
 - 99100 B/F Balance
 - 99200 B/F Balance
 - 99300 B/F Balance
 - 99600 Open Item Sales
 - 99700 Open Item Purchases
 - 99800 Opening Balances
 - 99900 Control Account
 - 99999 Accumulated Profit

B

Appendix: Cost Centre Breakdown

In this appendix

Posting diagrams

Posting examples

This appendix builds on *Establish and Maintain Nominal Accounts on page 31*.

The appendix is split into two sections.

- Section one illustrates the effect of cost centre breakdown on postings generated for trader transactions.
- Section two uses values to explain the effect of cost centre breakdown in more detail.

Note: Make sure that all your nominal accounts exist in the Nominal Ledger to prevent any postings going to the 'Suspense Account'. This will ensure that you obtain balancing Nominal Ledger reports for cost centre reporting when using cost centre breakdown.

Posting Diagrams

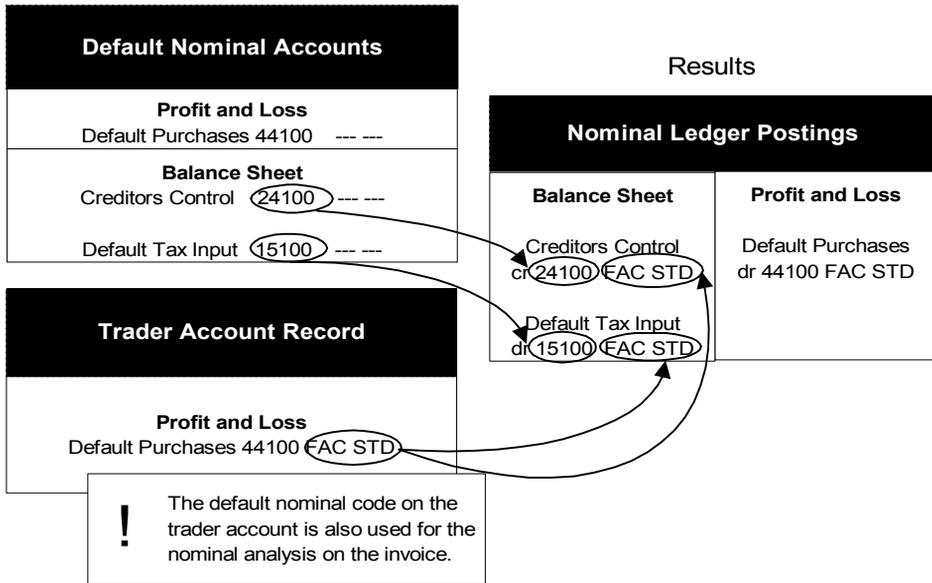
The following diagrams illustrate the effect of cost centre breakdown. Examples 1 and 2 use an invoice to illustrate the expected postings and examples 3 and 4 use a purchase payment that includes discount.

The examples are based on transactions entered for a supplier account within the Purchase Ledger. The same processing applies in the Sales Ledger with different accounting results to the Nominal Ledger.

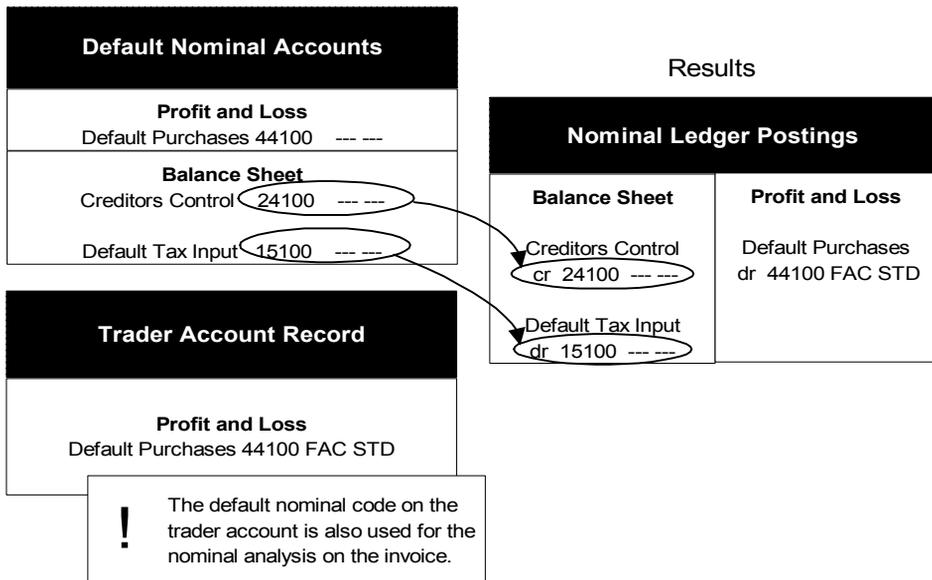
- Example 1 (invoice) illustrates posting to the Nominal Ledger when the cost centre and department elements of the default nominal codes are left blank.
- Example 2 (invoice) illustrates posting to the Nominal Ledger when the full nominal account codes are specified (account code, cost centre and department) in the defaults.
- Example 3 (purchase payment with discount) illustrates posting to the Nominal Ledger using codes with the full nominal code specified and some without.
- Example 4 (purchase payment with discount) illustrates posting to the Nominal Ledger when the full nominal account codes are specified (account code, cost centre and department) in the defaults.

Note: Examples 3 and 4 assume that you are using the Cash Book to control your bank transactions.

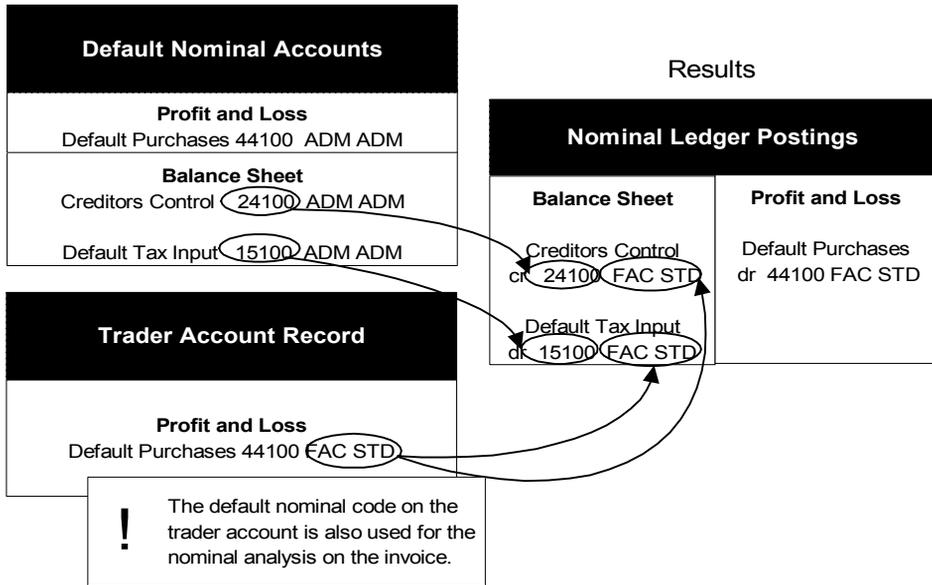
Example 1a: invoice, cost centre breakdown on



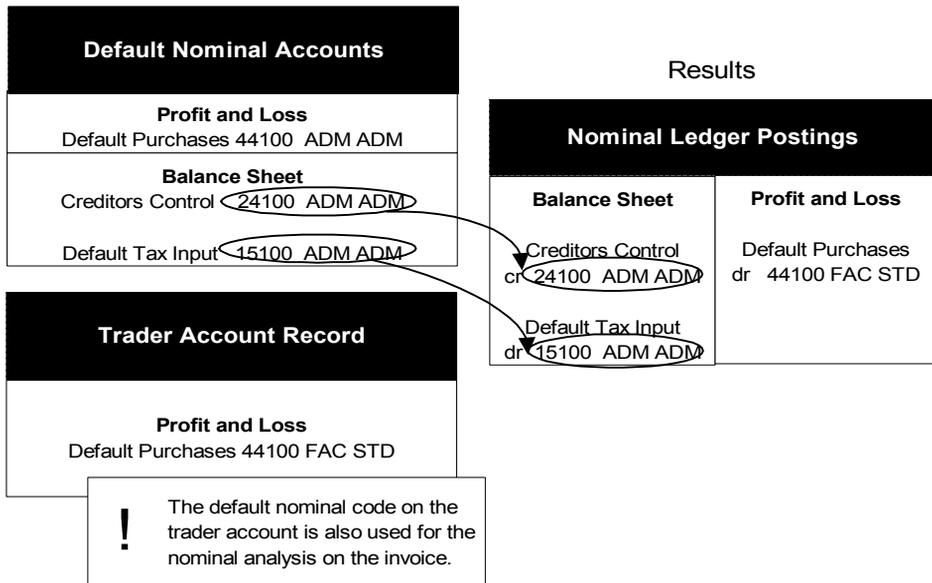
Example 1b: invoice, cost centre breakdown off



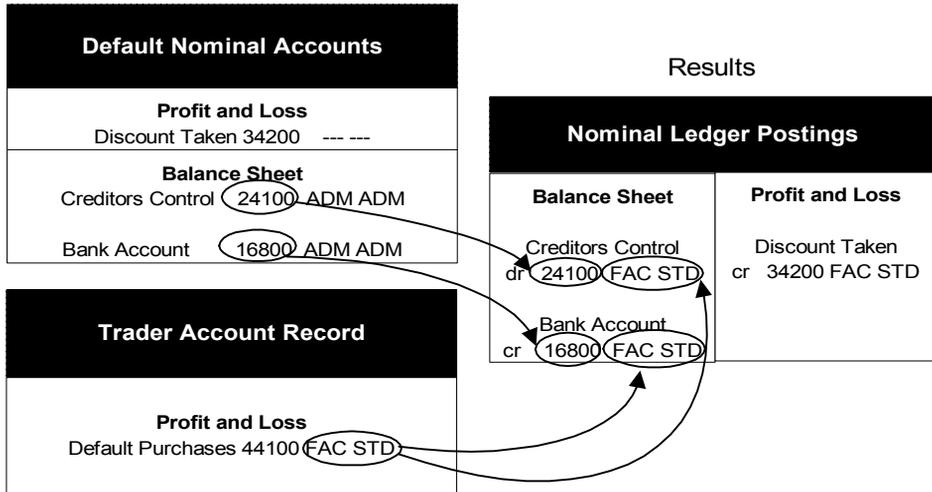
Example 2a: invoice, cost centre breakdown on



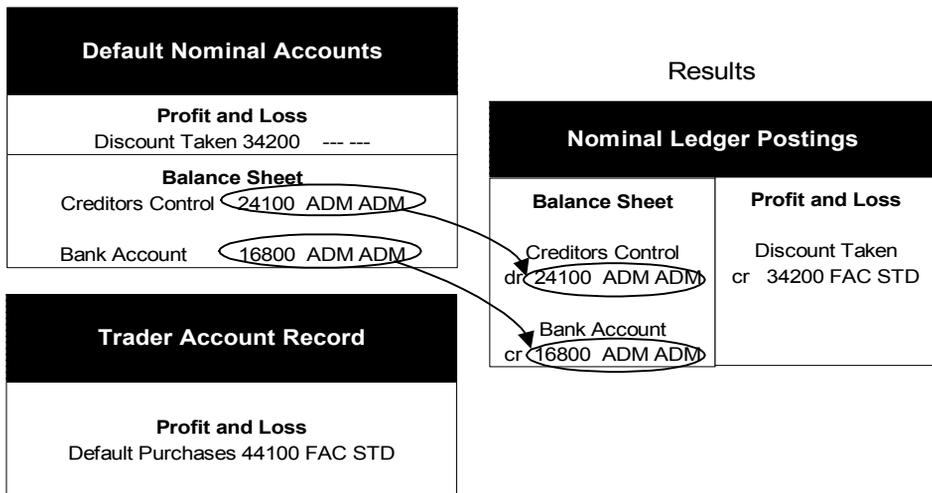
Example 2b: invoice, cost centre breakdown off



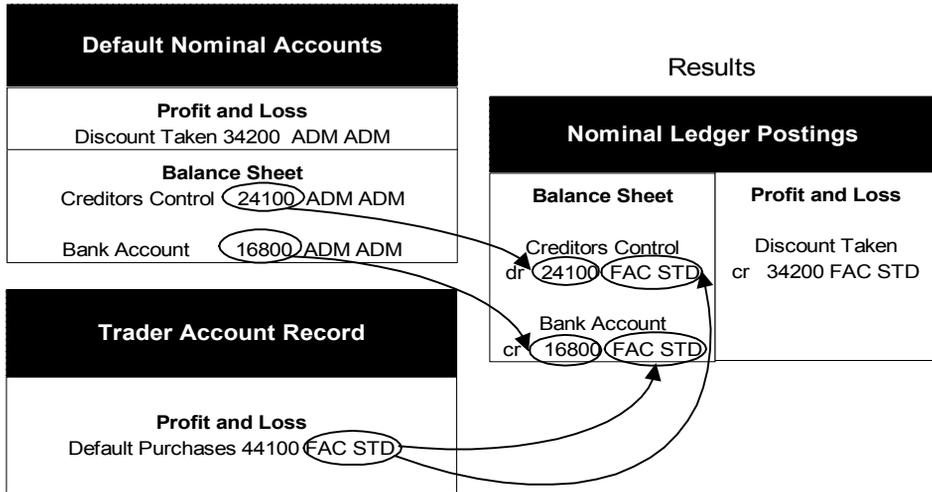
Example 3a: payment including discount, cost centre breakdown on



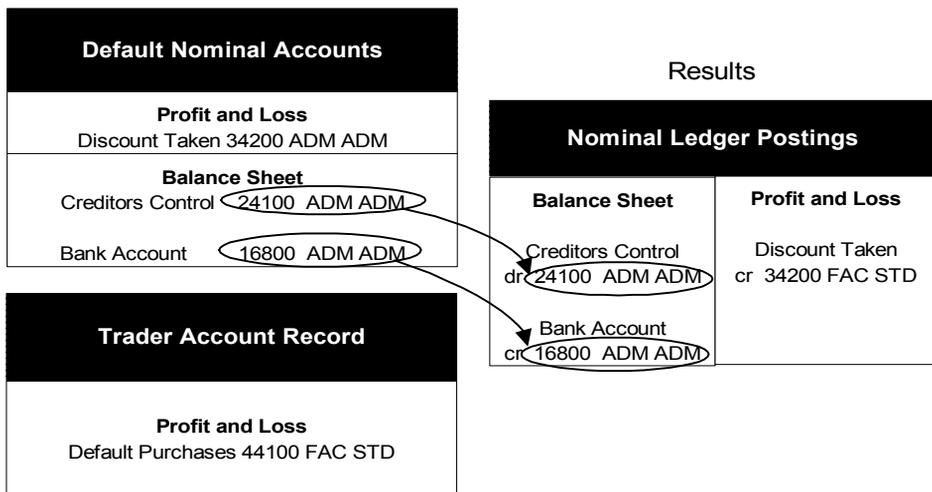
Example 3b: payment including discount, cost centre breakdown off



Example 4a: payment including discount, cost centre breakdown on



Example 4b: payment including discount, cost centre breakdown off



Posting Examples

The following examples use values to explain the effect of cost centre breakdown in more detail.

- Example 1 (purchase invoice) demonstrates posting to the Nominal Ledger when the full nominal account codes are specified (account code, cost centre and department) in the defaults.
- Example 2 (purchase invoice) demonstrates posting to the Nominal Ledger when the cost centre and department elements of the default nominal codes are left blank.
- Example 3 (sales invoice) demonstrates posting to the Nominal Ledger when the full nominal account codes are specified (account code, cost centre and department) in the defaults.
- Example 4 (sales invoice) demonstrates posting to the Nominal Ledger when the cost centre and department elements of the default nominal codes are left blank.
- Example 5 (purchase payment) demonstrates a cash transaction using the Cash Book. Postings to the Nominal Ledger are shown when the full nominal account codes are specified (account code, cost centre and department) in the defaults.
- Example 6 (purchase payment) demonstrates a cash transaction using the Cash Book. Postings to the Nominal Ledger are shown when the cost centre and department elements of the default nominal codes are left blank.

Example 1 - purchase invoice with cost centres

If your nominal accounts are set up as follows (the first three listed are set up in default nominal accounts and the fourth is set up on the supplier account record), and the invoice analysis uses 44100 FAC STD (Profit and Loss):

Default creditors control	24100	ADM	ADM	(Balance Sheet)
Default tax input	15100	ADM	ADM	(Balance Sheet)
Default purchases	44100			(Profit and Loss)
Default nominal account	44100	FAC	STD	(Profit and Loss)

and enter a purchase invoice with the following values:

Net	1000.00
Tax	175.00
Gross	1175.00

the nominal postings will be:

1.1 Cost centre breakdown IS NOT selected

Creditors control	cr 1175.00	24100	ADM	ADM
Default tax input	dr 175.00	15100	ADM	ADM
Default purchases	dr 1000.00	44100	FAC	STD

With this example, if you choose to report by cost centre, the results will appear not to balance in your nominal reports.

1.2 Cost centre breakdown IS selected

Creditors control	cr 1175.00	24100	FAC	STD
Default tax input	dr 175.00	15100	FAC	STD
Default purchases	dr 1000.00	44100	FAC	STD

With this example if you choose to report by cost centre FAC, your nominal reports will balance.

Example 2 - purchase invoice without cost centres

If your nominal accounts are set up as follows (the first three listed are set up in default nominal accounts and the fourth is set up on the supplier account record), and the invoice analysis uses 44100 FAC STD (Profit and Loss):

Default Creditors Control	24100			(Balance Sheet)
Default Tax Input	15100			(Balance Sheet)
Default Purchases	44100			(Profit and Loss)
Default Nominal Account	44100	FAC	STD	(Profit and Loss)

and enter a purchase invoice with the following values:

Net	1000.00
Tax	175.00
Gross	1175.00

the nominal postings will be:

2.1 Cost centre breakdown IS NOT selected

Creditors Control	cr 1175.00	24100		
Default Tax Input	dr 175.00	15100		
Default Purchases	dr 1000.00	44100	FAC	STD

With this example, if you choose to report by cost centre FAC, the results will appear not to balance in your nominal reports.

2.2 Cost centre breakdown IS selected

Creditors Control	cr 1175.00	24100	FAC	STD
Default Input Tax	dr 175.00	15100	FAC	STD
Default Purchases	dr 1000.00	44100	FAC	STD

With this example, if you choose to report by cost centre FAC, your nominal reports will balance.

Example 3 - sales invoice with cost centres

If your nominal accounts are set up as follows (the first three accounts listed below are set up in default nominal accounts, and the fourth is set up on the customer account record), and the invoice analysis uses 31100 SAL DLR (Profit and Loss):

Debtors control	14100	ADM	ADM	(Balance Sheet)
Default tax output	26100	ADM	ADM	(Balance Sheet)
Default sales	31100			(Profit and Loss)
Default nominal account	31100	SAL	DLR	(Profit and Loss)

and you enter a sales invoice with the following values:

Net	1000.00
Tax	175.00
Gross	1175.00

the nominal postings will be:

3.1 Cost centre breakdown IS NOT selected

Debtors control	dr	1175.00	14100	ADM	ADM
Default tax output	cr	175.00	26100	ADM	ADM
Default sales	cr	1000.00	31100	SAL	DLR

With this example, if you choose to report by cost centre SAL or ADM, the results will appear not to balance in your nominal reports.

3.2 Cost centre breakdown IS selected

Debtors control	dr	1175.00	14100	SAL	DLR
Default tax output	cr	175.00	26100	SAL	DLR
Default sales	cr	1000.00	31100	SAL	DLR

With this example, if you choose to report by cost centre SAL, your nominal reports will balance.

Example 4 - sales invoice without cost centres

If your nominal accounts are set up as follows (the first three accounts listed below are set up in default nominal accounts, and the fourth is set up on the customer account record), and the invoice analysis uses 31100 SAL DLR (Profit and Loss):

Debtors control	14100			(Balance Sheet)
Default tax output	26100			(Balance Sheet)
Default sales	31100			(Profit and Loss)
Default nominal account	31100	SAL	DLR	(Profit and Loss)

and you enter a sales invoice with the following values:

Net	1000.00
Tax	175.00
Gross	1175.00

the nominal postings will be:

4.1 Cost centre breakdown IS NOT selected

Debtors control	dr	1175.00	14100		
Default tax output	cr	175.00	26100		
Default sales	cr	1000.00	31100	SAL	DLR

With this example, if you choose to report by cost centre SAL, the results will appear not to balance in your nominal reports.

4.2 Cost centre breakdown IS selected

Debtors control	dr	1175.00	14100	SAL	DLR
Default tax output	cr	175.00	26100	SAL	DLR
Default sales	cr	1000.00	31100	SAL	DLR

With this example, if you choose to report by cost centre SAL, your nominal reports will balance.

Example 5 - purchase payment with cost centre

If your nominal accounts are set up as follows, the first two are taken from default nominal accounts.

	A/C ref	C/c	Dept	
Default bank account	16800	ADM	ADM	(Balance Sheet)
Default creditors control	24100	ADM	ADM	(Balance Sheet)
Discount taken account	34200			(Balance Sheet)
Bank account (from bank record in Cash Book)	16801	ADM	ADM	(Balance Sheet)
Default account (from supplier record in Purchase Ledger)	44100	FAC	STD	(Profit and Loss)

Enter a purchase payment for £1175.00 with a discount of £60.00. The nominal postings will be:

5.1 Cost centre breakdown IS NOT selected

Default bank account	cr 1175.00	16801	ADM	ADM
Default creditors control	dr 1235.00	24100	ADM	ADM
Discount taken account	cr 60.00	34200	FAC	STD

5.2 Cost centre breakdown IS selected

Bank account	cr 1175.00	16801	FAC	STD
Default creditors control	dr 1235.00	24100	FAC	STD
Discount taken account	cr 60.00	34200	FAC	STD

Example 6 - purchase payment without cost centres

If your nominal accounts are set up as follows, the first two are taken from default nominal accounts.

	A/C ref	C/c	Dept	
Default bank account	16800			(Balance Sheet)
Default creditors control	24100			(Balance Sheet)
Bank account (from bank record in Cash Book)	16801			(Balance Sheet)
Default account (from supplier record in Purchase Ledger)	44100	FAC	STD	(Profit and Loss)

Enter a purchase payment for £1175.00. The nominal postings will be:

6.1 Cost centre breakdown IS NOT selected

Bank account	cr 1175.00	16801
Default creditors control	dr 1175.00	24100

6.2 Cost centre breakdown IS selected

Bank account	cr 1175.00	16801	FAC	STD
Default creditors control	dr 1175.00	24100	FAC	STD

C

Appendix: CSV and XML Import

This appendix builds on *Establish and Maintain Nominal Accounts on page 31*, *Manage Nominal Accounts on page 127* and *Prepare Financial Statements and Reports on page 167*.

It details the specific database identifiers required to import both account (header), transactions and budget values into the Nominal Ledger, as well as the file formats compatible with the import process.

Important Note: You can find the most up-to-date information about all the Sage 200 import templates in the Import Information User Guide, available on your installation CD.

In this appendix:

Import accounts

Import transactions

Import budget values

Import report
categories

Import financial
statement layouts

Import Nominal Accounts

Use the import routine to create new nominal accounts from another software package into Sage 200 or from one Sage 200 data set to another.

Note: You cannot use the import routine to add information to an existing account. You cannot add cost centre or department codes to an existing account for example. The import routine only writes new records for Sage 200.

To use the routine you need to:

- Prepare an import file.
- Run the import routine.

For information on running the import routine, see *Create account records from imported data on page 71*.

Prepare import file

You must prepare the import file in ASCII format. You can use:

- Comma Separated Value (CSV), using a text editor.

If you use CSV format to import information, you must include a file header specifying the fields (identifiers) you intend to import. Then each new record must start on a new line and each value must be separated from the next by a comma.

You can use the 'NominalAccounts.csv' file template supplied with Sage 200, or build your own file using the identifiers defined below to prepare the import file.

- Extensible Markup Language (XML), using an XML editor.

If you use XML format to import information, each value must be separated from the next using tags <field name> to define and start the identifier and </field> to define and close the identifier, with the import entry defined between. For example: <field name="AccountNumber">1838</field>

Each record must be allocated its own line using <row> to start the record and </row> to close the record.

You must build your own file using the identifiers defined below to prepare the import file.

Note: You can amend the import layout. For more information, see the Sage Report Designer tool. You can also amend the layout using any text-based editor.

Run the import routine

When you invoke the import routine you have the option to specify certain defaults for nominal accounts. They are:

- Cost Centre
- Department
- Account type
- Account history length ('Keep transactions for')

By leaving the relevant database identifiers blank in the import file the routine automatically applies the specified defaults to the nominal account for you.

The import routine has two options that you can choose:

- 'Validate records only', to check the import file.
- 'Validate and import records', to check both the import file and apply valid data to the Nominal Ledger.

During the validation process the routine checks the import file to make sure that it is correctly prepared. It checks that the database identifiers are specified correctly and the data is compatible with existing data in your system's database, for example valid cost centres and departments.

The routine automatically prepares a report, which lists all accounts in the import file indicating successful and failed accounts. Failed accounts are annotated with a reason for their failure in the report. Use the report to identify failures.

Successful accounts are immediately applied to the Nominal Ledger if you have selected option 'Validate and import records'.

Import file identifiers

Notes:

1. The AccountNumber identifier is compulsory. The AccountReportCategory identifier is also compulsory when the account type is group.
2. The remaining identifiers can be included in the import file (one identifier to one column).
3. You can leave the AccountCostCentre, AccountDepartment, NominalAccountType and PeriodsToKeepTransactions identifiers blank and specify the values for them when you invoke the import routine. The routine applies the specified default values for you automatically.

Identifier	Format	Description and Comments	Required?
AccountCostCentre	Text 3 chars	Nominal account cost centre code.	Optional
Note: If you are importing cost centre codes you must ensure the cost centre code exists in the Nominal Ledger before you run the import routine.			
AccountDepartment	Text 3 chars	Nominal account department code.	Optional
Note: If you are importing department codes you must ensure the department code exists in the Nominal Ledger before you run the import routine.			
AccountNumber	Text 8 chars	Nominal Ledger account number.	Compulsory
AccountName	Text 60 chars	Nominal Ledger account name.	Optional
AccountReportCategory	Text 4 chars	The nominal account category code used to indicate the position of the account information in either the Profit and Loss or Balance Sheet financial statements.	Compulsory (when account type is not group)

Identifier	Format	Description and Comments	Required?
AllowJournalsToBePosted	Binary value BIVAL	Indicates if journals can be posted to the nominal account. 1 - Yes 2 - No	Optional
DisplayBalancesInSelection	Binary value BIVAL	Indicates if balances are displayed in the nominal selection list. 1 - Yes 2 - No	Optional
NominalAccountType	Text 1 char	Nominal account posting type. G - group account M - memorandum account P - posting account	Optional
PeriodsToKeepTransactions	Number 2 chars	Number of periods a transaction is retained on the nominal account.	Optional
PostBatchTotalsOnly	Binary value BIVAL	Indicates if batch totals or individuals transaction details are posted to the nominal account. 1 - Yes 2 - No	Optional

Once you have prepared the import file, invoke the import routine and following the process defined in *Establish and Maintain Nominal Accounts on page 31*.

Import Nominal Transactions

Use the import routine to bring nominal transactions generated from another software package into Sage 200 or from one Sage 200 data set to another into your system.

Note: You cannot use the import routine to add information to an existing transaction. You cannot add transaction dates to an existing transaction for example. The import routine only writes new records for Sage 200.

To use the routine you need to:

- Prepare an import file.
- Run the import routine.

Prepare import file

You must prepare the import file in ASCII format. You can use:

- Comma Separated Value (CSV), using a text editor.

If you use CSV format to import information, you must include a file header specifying the fields (identifiers) you intend to import. Then each new record must start on a new line and each value must be separated from the next by a comma.

You can use the 'NominalTransactions.csv' file template supplied with Sage 200, or build your own file using the identifiers defined below to prepare the import file.

- Extensible Markup Language (XML) using an XML editor.

If you use XML format to import information, each value must be separated from the next using tags <field name> to define and start the identifier and </field> to define and close the identifier, with the import entry defined between. For example:

```
<field name="AccountNumber">1838</field>
```

Each record must be allocated its own line using <row> to start the record and </row> to close the record.

You must build your own file using the identifiers defined below to prepare the import file.

Note: You can amend the import layout. For more information, see the Sage Report Designer tool. You can also amend the layout using any text-based editor.

Run the import routine

Successful transactions are applied to the nominal accounts if you choose to 'Validate and import records'.

Note: The import routine applies the valid transactions from the import file as well any transactions held in the waiting postings file.

The routine automatically applies a posting date of '0' (zero) for each transaction as they are posted to the Nominal Ledger.

Note: The system VAT file is not updated by imported transactions.

The routine allocates a URN to any transaction if it finds the UniqueReferenceNumber identifier for that transaction is blank.

The import routine has two options; you can choose:

- 'Validate records only', to check the import file.
- 'Validate and import records', to both check the import file and apply valid data to the Nominal Ledger.

During the validation process the routine checks the import file is correctly prepared. It checks the database identifiers are specified correctly and the data is compatible with existing data in your system's database, for example valid cost centres and departments.

Note: The routine does not check if transactions already exist in the Nominal Ledger.

The routine automatically prepares a report, which lists all transactions in the import file indicating successful and failed transactions. Failed transactions are annotated with a reason for their failure in the report. Use the report to identify failures.

Import file identifiers

Notes:

1. The AccountNumber and GoodsAmount identifiers are compulsory.
2. The three elements that make up the URN make up part of the standard transaction import layout. The transaction import routine automatically allocates a URN to a transaction if it finds the URN identifier is blank. This prevents transactions being added to the nominal accounts with a '0' (zero) URN or a duplicate URN.
3. If you leave UserNumber and Source identifiers blank the routine populates the identifiers with the number '9' (nine).
4. If the header for the TransactionType field is not specified in the import file, transactions will be imported as type JournalEntryTypeEnumAuto. However, if the header is defined in the import file, you must specify a valid transaction type (0-8).
5. If the header for the TransactionDate field is specified in the import file, the transaction date cannot be left blank.

Identifier	Format	Description and Comments	Required?
AccountCostCentre	Text 3 chars	Nominal Ledger account cost centre code.	Optional
AccountDepartment	Text 3 chars	Nominal Ledger account department code.	Optional
AccountNumber	Text 8 chars	Nominal Ledger account number.	Compulsory
TransactionType	Number 2 chars	The nominal transaction type. Use the value 1 to indicate new transactions.	Optional
TransactionDate	Date dd/mm/yyyy	Transaction date. (Can not be left blank.)	Optional

Identifier	Format	Description and Comments	Required?
GoodsAmount	Number 15.2 chars	The transaction amount. The number of characters indicates a total of 12 digits before the decimal point and 2 digits after the decimal point.	Compulsory
Reference	Text 20 chars	This is the transaction order number, invoice number or text reference.	Optional
Narrative	Text 60 chars	A brief explanation of the transaction.	Optional
The next three identifiers are those that make up the unique reference number (URN)			
UniqueReferenceNumber	Number 8 chars	The next incremental number. The first number would have been specified in the Accounting System Manager.	Optional
UserNumber	Number 4 chars	Details of the person who entered the transaction. This is the user log on number held in the user name table.	Optional

Identifier	Format	Description and Comments	Required?
Source	Number 2 chars	This indicates the module the transaction originated from. The various modules are: 1 - Sales 2 - Purchase 3 - Nominal 4 - Payroll (n/a) 5 - Job Costing (n/a) 6 - Stock Control 7 - SOP 8 - POP 9 - Invoicing 10 - Cash Book 11 - BOM (n/a) 12 - Fixed Assets (n/a) 98 - Ledger tax 99 - Ledger unknown source	Optional

Note: You can use any value between 16 and 90 to indicate transactions originating from an external program other than Sage 200.

PostedDate	Date dd/mm/yyyy	The date the transaction was posted.	Optional
TransactionAnalysisCode	Text 20 chars	The transaction analysis code.	Optional.

Once you have prepared the import file, invoke the import routine and following the process defined in *Manage Nominal Accounts on page 127*.

Import Budget Values

You can use the Nominal Ledger import routine to bring budget values generated from another software package into Sage 200 or from one Sage 200 data set to another into your system.

You can only import the current year's monthly budgets for existing nominal accounts. Annual, group and expanded budgets cannot be imported.

To use the routine you need to:

- Prepare an import file.
- Run the import routine.

Prepare import file

You must prepare the import file in ASCII format. You can use:

- Comma Separated Value (CSV), using a text editor.

If you use CSV format to import information, you must include a file header defining the fields (identifiers) you intend to import. Then each new record must start on a new line and each value must be separated from the next by a comma.

You can use the 'NominalBudgets.csv' file template supplied with Sage 200, or build your own file using the identifiers defined below to prepare the import file.

- Extensible Markup Language (XML) using an XML editor.

If you use XML format to import information, each value must be separated from the next using tags <field name> to define and start the identifier and </field> to define and close the identifier, with the import entry defined between. For example:

```
<field name="AccountNumber">1838</field>
```

Each record must be allocated its own line using <row> to start the record and </row> to close the record.

You must build your own file using the identifiers defined below to prepare the import file.

Note: You can amend the import layout. For more information, see the Sage Report Designer tool. You can also amend the layout using any text-based editor.

Run the import routine

The import routine has two options; you can choose:

- 'Validate records only', to check the import file.
- 'Validate and import records', to both check the import file and apply valid data to the Nominal Ledger.

During the validation process the routine checks the import file is correctly prepared. It checks the database identifiers are specified correctly and the data is compatible with existing data in your system's database, for example valid cost centres and departments.

The routine automatically prepares a report which lists all account budgets in the import file indicating successful and failed account budgets. Failed account budgets are annotated with a reason for their failure in the report. Use the report to identify failures.

Successful budgets are immediately applied to the Nominal Ledger if you have selected the 'Validate and import records' option.

Import file identifiers

Note: The AccountNumber, AccountCostCentre and AccountDepartment identifiers are compulsory.

Identifier	Format	Description and Comments	Required?
AccountCostCentre	Text 3 chars	Nominal account cost centre.	Compulsory
AccountDepartment	Text 3 chars	Nominal account department.	Compulsory
AccountNumber	Text 8 chars	Nominal account number.	Compulsory
Budget/1 ... Budget/20	Number 15.2 chars	Nominal account budget figures for each period. An array of up to 20 figures may be used, one for each accounting period.	Optional

Note: The number of budgets must match the number of accounting periods configured in the system.

Once you have prepared the import file, invoke the import routine and following the process defined in *Establish and Maintain Nominal Accounts on page 31*.

Import Report Categories

Use the import routine to create new report categories from another software package into Sage 200, or from one Sage 200 dataset to another.

To use the routine you need to:

- Prepare an import file.
- Run the import routine.

For information on running the import routine, see *Create account records from imported data on page 71*.

Prepare import file

You must prepare the import file in ASCII format. You can use:

- Comma Separated Value (CSV), using a text editor.

If you use CSV format to import information, you must include a file header specifying the fields (identifiers) you intend to import. Then each new record must start on a new line and each value must be separated from the next by a comma.

- Extensible Markup Language (XML), using an XML editor.

If you use XML format to import information, each value must be separated from the next using tags `<field name>` to define and start the identifier and `</field>` to define and close the identifier, with the import entry defined between. For example:

```
<field name="Code">76</field>
```

Each record must be allocated its own line using `<row>` to start the record and `</row>` to close the record.

You must build your own file using the identifiers defined below to prepare the import file.

Note: You can amend the import layout. For more information, see the Sage Report Designer tool. You can also amend the layout using any text-based editor.

Run the import routine

The import routine has two options that you can choose:

- 'Validate records only', to check the import file.
- 'Validate and import records', to check both the import file and apply valid data to the Nominal Ledger.

During the validation process the routine checks the import file to make sure that it is correctly prepared. It checks that the database identifiers are specified correctly and the data is compatible with existing data in your system's database, for example valid cost centres and departments.

The routine automatically prepares a report, which lists all accounts in the import file indicating successful and failed accounts. Failed accounts are annotated with a reason for their failure in the report. Use the report to identify failures.

Successful accounts are immediately applied to the Nominal Ledger if you have selected option 'Validate and import records'.

Import file identifiers

Note: All file identifiers are compulsory.

Identifier	Format	Description and Comments	Required?
Code	Text 4 chars	Report category code. The code must already exist in Sage 200.	Compulsory
Description	Text 60 chars	Report category description. This cannot be blank.	Compulsory
Type	Text 20 chars	Report category type. Must be either BS or PL (for balance sheet or profit and loss)	Compulsory

Import Financial Statement Layouts

Use the import routine to create new financial statement layouts from another software package into Sage 200, or from one Sage 200 dataset to another.

Note: You cannot import a layout that has been edited using Microsoft Excel.

To use the routine you need to:

- Prepare an import file.
- Run the import routine.

For information on running the import routine, see *Import a financial statement layout on page 186*.

Prepare import file

You must prepare the import file in ASCII format. You can use:

- Comma Separated Value (CSV), using a text editor.

If you use CSV format to import information, you must include a file header specifying the fields (identifiers) you intend to import. Then each new record must start on a new line and each value must be separated from the next by a comma.

- Extensible Markup Language (XML), using an XML editor.

If you use XML format to import information, each value must be separated from the next using tags `<field name>` to define and start the identifier and `</field>` to define and close the identifier, with the import entry defined between. For example:

```
<field name="Line">1</field>
```

Each record must be allocated its own line using `<row>` to start the record and `</row>` to close the record.

You must build your own file using the identifiers defined below to prepare the import file.

Note: You can amend the import layout. For more information, see the Sage Report Designer tool. You can also amend the layout using any text-based editor.

Run the import routine

The import routine checks that the file is valid for import and that the data contained in the file is valid.

All columns must exist in the file for the import to work. Column heading names are case sensitive and must have an upper case character of each word with the remainder in lower case.

The routine automatically prepares a report, which lists all validation errors in the import. You can view the report and print it from the report view, when prompted. Use the report to identify failures.

Successful imported layout files are immediately opened in the Financial Statements Layout editor.

Import file identifiers

Note: Compulsory identifiers are shown in bold.

Identifier	Format	Description and Comments	Required?
Line	Number 2 chars	The report line number. Note: The stated line number of imported files is ignored during import. The lines are assigned numbers in the sequence in which the rows are read. You can use 'Move Up' and 'Move Down' buttons when you amend the financial statement layout to change the sequence of the lines following import.	Optional
Type	Text 30 chars	This indicates the row type. There are five row types: Text Sub Total Single Account Group Multiple Account Group Current Period Profit Note: Current Period Profit can only be used on Balance Sheet reports and there can be only one Current Period Profit row per Balance Sheet report.	Compulsory

Identifier	Format	Description and Comments	Required?
Category	Text 4 chars	Report category code. This can only be one of the category codes defined in the Nominal Ledger and must be the relevant code type for either Balance Sheet or Profit and Loss report. Notes: Applies to Single or Multiple Account Group and Current Period Profit row types. For Current Period Profit, you can enter * for all Profit and Loss categories or leave blank.	Optional
Title	Text 30 chars	Report title.	Optional
Heading Style	Number 1 char	Heading style for the line. Can only be in the range 1 to 9. Note: Applies to Text row types only.	Compulsory
Subtotal Level	Number 1 char	Sub total level for the line. Can only be in the range 1 to 9. Note: Applies to Sub Total row types only.	Compulsory
Debit/Credit	Text 8 chars	Can only be Debit or Credit. Note: Applies to Sub Total, Single and Multiple Account Group and Current Period Profit row types.	Compulsory
Left/Right	Text 8 chars	Can only be Left or Right. Note: Applies to Sub Total, Single and Multiple Account Group and Current Period Profit row types.	Compulsory
Base	Text 4 chars	Determines if the base total is displayed as a percentage. For more information, see <i>Applying percentages in layouts on page 177</i> . Can only be Yes, No or blank. Notes: Applies to Sub Total row types only. Only one row in each report can have 'Yes' assigned.	Optional

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