

Year-end guide in Sage 50 Accounts

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Introduction

We understand the substantial challenge involved in running a year end and needing to ensure that the whole year's accounts are prepared correctly, and that your financial records are completed for auditing. We are therefore pleased to issue you with the Sage 50 Year End Guide for 2019. The guide highlights important steps in using your Sage software to ensure the successful completion of your financial year end.

We have prepared this step-by-step Sage 50 Year End Guide with easy-to-follow instructions, to assist you in ensuring that your books are accurately balanced for a smooth rollover into the next financial year. This guide is produced exclusively for you, our Sage 50 customers, because we want you to spend less time in support queues and more time managing your business efficiently.

If support is still needed, please contact Usage Business Solutions - Sage 50 Support +61 2 9440 7216 or support@usagebusiness.com

What happens when you run a Year End

You **run the year end** to close the current financial year and move into the new financial year. The following is an outline what happens in the software when you run the year end.

Profit and Loss balances clear

When you **run the Year End** option:

- The whole chart of accounts is checked to establish the profit and loss nominal codes;
- The balances as at the end of the current financial year on the respective profit and loss nominal codes are transferred, as a journal, to the Profit and Loss Account nominal code. (This is 3200 by default, and is in the Capital and Reserves section of the chart of accounts);
- Any balances remaining on the profit and loss nominal codes relate to transactions posted for the new financial year;
- The balance on the Profit and Loss Account nominal code is adjusted by the amount of profit or loss from the financial year you have closed.



The Profit and Loss Account nominal code is a control account. The year-end postings are automatically sent to this account. To check the control accounts, click **Settings** then click **Control Accounts** and the Profit and Loss Control Account is called **Retained Earnings**.

Balance sheet balances

- The balance sheet nominal code balances are carried forward into the new financial year.
- They are transferred to the brought forward boxes in the nominal records and are included in the year to date (YTD) values on the Balance Sheet report when calculated for a date in the new financial year.

Audit trail postings

- The journals posted to clear the balances from the profit and loss nominal codes are added to the audit trail.
- A report that lists these journals is created.



You can print the report or export it to file and print later.

Nominal records update

- In the nominal record Details tab, the values of any future dated transactions are transferred from the Future column, to the relevant month in the Actuals column.
- The actual monthly balances for the financial year that you are closing are transferred to the prior year columns in the nominal record. You can then print comparison reports in the new financial year.

Sage 50 Accounts and above - You can choose to base your nominal or departmental budgets for the new year on your current year actuals or budgets, for your profit and loss nominal codes. These values are transferred, to the Budgets column, and if required, you can apply a percentage increase.

Product records update

Sage Instant Accounts Plus and Sage 50 Accounts only

- The actual sales value and actual quantity sold values in each product record are transferred to the Prior Year columns. Any future dated transactions are transferred to the relevant monthly box in each product record.
- In the Year End option, if you choose to base your stock budgets for the new year on your current year actuals or budgets, these values are transferred to the Budgets column for your stock codes. If required, you can apply a percentage increase.

Customer and supplier records update

- The values in the year to date (YTD) turnover box, in the sales or purchase tab, on all customer and supplier records are transferred to the Prior YTD box.
- Any future dated transactions are transferred to the relevant monthly box.

Financial year start date changes

Your financial year start date moves forward by one year. To check this click **Settings** and click **Financial Year**.

Running a financial year end in Sage 50 Accounts

- You use the Year End option to close your current financial year and move into the New Year.
- Your Profit and Loss balances clear, your financial year start date advances by a year and your records update.



If you use a network of computers, you should run the year end routine at your main site on the computer that holds the data . If you have a large dataset, it may take a little time to run the process. This time will be reduced if you run the routine on the computer that holds your accounts data.

Before you run your year end

- Make sure you have posted all of the outstanding transactions for the year you are closing. Include any adjustments from your accountant. If you normally run a **month end**, you should complete that too.
- If you or your accountant need any reports for the year, for example, balance sheet, profit and loss or trial balance reports, you should print these now.

Run the year end routine

1. Click **Tools**, point to **Period End**, and then click **Year End**.
2. Click **Check Data**. If you have any data errors you should fix them before you proceed. Click **Close**
3. Click **Check COA**, then click **OK**, click **Backup**, click **OK** then click **OK**.
4. If you want to create an archive of your data, leave the **Archive** check box selected.
5. To set up budgets for your new financial year, select the **Budgets** check box and choose your budget options.
6. Check the date is the year you are closing.
7. If required, enter a **lock date**.
8. Click **Run Year End** then click **Yes** and click **OK**.
9. Select how you want to output the report, click **OK**, then click **OK** again.



The year-end procedure may take some time, if the window **shows as Not Responding** do not close the software as the year end procedure may still be running.

After the year end

Check that your financial year start date is correct

1. On the menu bar, click **Settings** and click **Financial Year**.
2. Check that the date is correct, if it's not correct, you must correct it before continuing.

Check your brought forward trial balance

Running the year end process clears your profit and loss codes (normally numbered 4000 and above) and moves the balance to your retained profit balance sheet code (normally 3200).

1. Click **Nominal codes** then click **Trial Balance**.
2. Click **Preview**, **Run** and on the Period drop-down list click **Brought forward**.
3. Click **OK** and check that there are no balances on your profit and loss nominal codes.

If any of the profit and loss codes have balances, you should restore your pre year end backup, check your chart of accounts (COA) and run the year end again.

Optional post year end tasks

After running your year-end it's a good time to do some tidying up and remove older items you no longer need. These tasks are not essential but may be beneficial.

Clear your audit trail

- The Clear Audit Trail option can be run at any time - it removes transactions from the nominal activities which meet a specific criterion.
- An opening balance journal is posted, this represents the balance of the transactions that have been removed.
- An audit trail history is created which holds the details of the removed transactions.
- Before clearing your audit trail, we recommend you take a backup and create an archive of your data.



Sage 200 is designed for more users to operate concurrently and is capable of retaining and processing more information than Sage 50 Accounts. For more information or to arrange a demonstration, please give us a call or send an email and we'll be in touch.
+61 2 9440 7216 or info@usagebusiness.com

Criteria to meet to clear transactions

The Clear Audit Trail option removes all transactions that meet the following criteria:

- Dated up to or on the date specified in the Clear Audit Trail option.
- Date must be prior to your current financial year.
- Fully paid.
- VAT reconciled, if applicable.
- Bank reconciled, if applicable.
- If you use the CIS module, transactions must be CIS Reconciled.
- If the transaction is allocated, the linked transactions must also meet all of the above criteria.

Any transactions that do not meet all of the above criteria are not cleared from the audit trail. In addition to clearing your audit trail, you may also want to remove any unwanted quotations, Invoices, credits and orders.

Running the Clear Audit Trail option

The Clear Audit Trail routine can take a long time to process, we recommend you run this routine on the computer which holds your accounts data.



If project transactions are removed from the audit trail, the original transaction still appears in the project activity so the figures on the project remain correct.

1. On the menu bar click **Tools** then click **Period End** and click **Clear Audit Trail**.
2. Enter the date you want to clear transactions up to and click **Clear audit trail**.
3. To run a backup click Browse and select the required folder for the backup and click **OK**, then click OK and click OK.
4. To view the removed transactions, click **OK** then click **Close** and click **Close**.

You have now cleared your audit trail up to and including the specified date. To reclaim disk space after removing transactions if required, you can compress your data.

To check the number of transactions remaining on the audit trail, click **Help** then click **About** and under **Data Information** check **Splits**. This is the total number of transactions remaining on your audit trail.

Clear your stock

- You can use the Clear Stock option to remove transactions from your product activities before a specified date. This reduces the size of your data, making it easier to run reports and find transactions.
- You can run it as part of your month end or year end, or whenever you want to remove stock transactions.



Note: Before you run Clear Stock, you should print your product valuation and product history reports and take at least one backup of your data. If you use the Retrospective Product Valuation report, you shouldn't run Clear Stock as the stock activity is used to calculate the report values.

What happens when you run Clear Stock

- When you run Clear Stock, all stock transactions that are complete and dated on or before the specified date are removed.
- In Sage Accounts 2014 (v20) and above, you can specify which stock records you want to clear the stock for.
- In Sage Accounts 2013 (v19) and below, when you clear the stock it applies to all stock records.

The following transactions are removed:

Stock movement	Type	Description
Out	AO	Adjustment out
	GO	Goods out
	MO	Movement out - Sage 50 Accounts Plus and Accounts Professional
	DO	Damages out - Sage 50 Accounts Plus and Accounts Professional
In	AI	Adjustment in
	GI	Goods in
	GR	Goods returned
	MI	Movement in - Sage 50 Accounts Plus and Accounts Professional
	DI	Damages in - Sage 50 Accounts Plus and Accounts Professional

If a transaction moves a quantity into stock, and that stock has not been fully used yet, that transaction is not removed from the product activity.

To run the Clear Stock option



Note: This process isn't reversible, you should take at least one backup of your data before proceeding. For more information about how to back up your data, Sage 50 Support +61 2 9440 7216 or support@usagebusiness.com

Reasons why transactions may not clear

After running clear stock, if transactions remain this is because:

They're dated after the date specified	Only stock transactions dated on or before the date specified are removed.
They're linked to a project record	If a transaction is linked to a project and you want to remove it, you must delete the project record before you run Clear Stock.

There's a quantity left in stock When you clear your stock, all complete transactions are removed from each product record. Any transactions that moved stock in which has not been fully used yet, remain on the activity. They show the original quantity in and the quantity used so far.

The quantity in stock is negative If a product has a negative quantity in stock, no transactions are removed. You must adjust the stock back in before you run Clear Stock.

Remove old customer / supplier records

When working with Sage Accounts and running reports, for clarity, you may want to remove or hide old records. You can remove customer and supplier records if they have **no balance** or **transaction history** and so long as they **are not associated with a project**.

To delete a customer or supplier record:

1. Open the relevant module.
2. Select the records to be deleted.
3. Click **Delete** then click **Yes**.

After deleting records we recommend that you **back up** your data and **compress** the relevant module.

Reasons you can't delete a record	What to check	Solution
Has a balance	<ul style="list-style-type: none"> • In Customers, check the Balance column. • In Suppliers, check the Balance column. 	Clear the balance either by allocating transactions together in the bank or by posting a payment, receipt or credit. Once there is no outstanding balance, to remove the transactions you need to run Clear Audit Trail*.
Has transaction history	<ul style="list-style-type: none"> • In Customers, open the required record and click Activity. • In Suppliers, open the required record and click Activity. 	Associated transactions can be cleared by running the Clear Audit Trail . This permanently removes all fully paid, allocated and reconciled transactions up to a specific date.
Associated with a project - Customer records only	<ul style="list-style-type: none"> • In Customers, open the required record and click Projects. • In Suppliers, open the required record and click Projects. 	Edit the project record and change the associated customer or if completed and appropriate, delete the project.



Hide records that can't be deleted. If you can't delete your records, or would prefer to keep them for reference, you can hide records instead by flagging them as inactive.

Compress your data

After deleting records, to reduce the size of your data files you must compress the relevant area. For example, if you delete a record from your customer list, the size of the data file which stores the customer records doesn't reduce until you compress the sales ledger.

Compress your data



If you use Sage Accounts 2011 (v17) or below, you must amend your sage configuration file

1. Before you compress your data, **take a backup of your data.**
2. On the menu bar click **File** then click **Maintenance** then click **Compress Data.**
3. Clear the **Compress All Data Files** check box.
4. Clear the check boxes against the data files you do not want to compress. For example, to compress the customer records only, clear all the check boxes except **Sales Ledger.**
5. Click **Compress** then click **OK**, then click **Close** then click **Close.**