

# Preface

*Computer Accounting with Sage 50 2017, 20<sup>th</sup> Edition*, teaches you how to use Sage 50 2017 (formerly Peachtree) software. For more than 40 years<sup>1</sup>, Sage Peachtree has produced award-winning accounting software. The Sage family of software products, which includes Sage 50, is the leading global supplier of business management solutions and services.

Sage operates in 24 countries and serves **6 million small and medium-sized businesses**. Businesses that use Sage 50 include retail stores, healthcare, human resources/payroll, construction/real estate, transportation/distribution, payment processing, nonprofit, manufacturing, public utilities, legal, medical, accounting firms, home office, and personal recordkeeping.



## **Read Me: Multi-User Educational Version and Single User Student Version**

For the Educational Version serial number, email [SageEducation@sage.com](mailto:SageEducation@sage.com). The full **Educational Version** is free to schools, does not have a time limit, and can be installed on multiple computers (<http://www.sage.com/us/about-us/education-instructor>). Refer to page xix for Computer Lab Installation.

The **Student Version** software can be installed on one computer and is valid for 14 months. The Student Version serial number is **DAB62-9ØC5-BCØ7-88AC**.

In *Computer Accounting with Sage 50 2017, 20<sup>th</sup> Edition*, you learn about the relationship between Sage 50 software and fundamental accounting principles, procedures, and business processes.

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<sup>1</sup>In 1976, Peachtree Accounting Software was available.

The diagram below illustrates the Sage 50 accounting system. Business processes are completed in this order:

- Software is installed.
- Companies are set up.
- Transactions are journalized in the special journals or general journal, then posted to the general ledger and subsidiary ledgers.
- After entering transactions, reports are printed.



Sage 50 is a **double-entry accounting** system. Double-entry accounting means that the equation  $\text{Assets} = \text{Liabilities} + \text{Equity}$  is always in balance. Since a debit in one account will be offset by a credit in another account, the sum of all debits is equal to the sum of all credits. To assure double-entry accounting procedures, Sage 50 includes monthly accounting periods, the general journal and special journals, general ledger and subsidiary ledgers, account reconciliation, an audit trail, and numerous financial reports. The Sage 50 accounting system also includes closing the fiscal year.

## **SAGE 50 2017**

The System Requirements for Sage 50 2017 are online at [www.mhhe.com/yacht2017](http://www.mhhe.com/yacht2017) > link to System Requirements. Each textbook includes a copy of the software, Sage 50 2017.

**NEW** The software, **Sage 50 2017**, is included with every textbook. For software installation instructions, see pages vii-xvi.

**NEW** Use this serial number **DAB62-90C5-BC07-88AC** for installing the Student Version software. The student version is valid for **14 months** and then it expires. The expiration date can be found in the Company Information section of the System Navigation Center and on the Maintain > Company Information window.

**NEW** After installation, you must activate the software. Refer to Step 11, pages xiii-xiv. The Help menu includes software activation.

Compatible with Windows 10, 8, 7, and Vista. System requirements are on the OLC at [www.mhhe.com/yacht2017](http://www.mhhe.com/yacht2017).

**NEW** For installation on multiple classroom computers, email [SageEducation@sage.com](mailto:SageEducation@sage.com), 800-256-8807; instructor software, [www.sage.com/us/about-us/education-instructor](http://www.sage.com/us/about-us/education-instructor). Information for educators is included at [www.mhhe.com/yacht2017](http://www.mhhe.com/yacht2017) > Install Sage 50. Refer to page xix, Computer Lab Installation.

**GO GREEN & SAVE** is included within the textbook chapters and on the Online Learning Center. There is no need for hard-copy printouts.

**NEW** Watch Sage Advisor video . Videos link to information about features and technical support.

Online Learning Center at [www.mhhe.com/yacht2017](http://www.mhhe.com/yacht2017) includes three appendixes: Appendix A, Troubleshooting, Appendix C, Review of Accounting Principles; Appendix D, Glossary.

**NEW** The Online Learning Center at [www.mhhe.com/yacht2017](http://www.mhhe.com/yacht2017) includes YouTube videos, narrated PowerPoints, Online quizzes that include Multiple-Choice and True/False questions, QA Templates (end-of-chapter questions and analysis questions), Going to the Net exercises, and Assessment Rubrics.

**How to fix?, Troubleshooting, Comment, and Read Me** boxes within chapters identify and help resolve issues. To find How to fix?, Troubleshooting, Comment, and Read Me, use the chapter index.

**NEW** Bellwether Garden Supply project includes questions for analyzing the sample company data, identifying software features and functions, and reviewing sample company transactions and reports. The Bellwether Garden Supply project is online at [www.mhhe.com/yacht2017](http://www.mhhe.com/yacht2017).

Sage 50's emphasis on double-entry accounting and business processes is explained throughout the textbook. Accounting skills are applied to all facets of running a business. Students create 12 companies, complete the accounting cycle, and practice computer accounting skills.

Financial Manager Analysis includes the Business Summary of financial ratios and Key Balances from the income statement and balance sheet.

**NEW** Source document practice set online at [www.mhhe.com/yacht2017](http://www.mhhe.com/yacht2017) > Student Edition. Complete the merchandising business practice.

Chapter 8, Stone Arbor Landscaping: Time and Billing. Use Sage 50's time and billing feature to record a time ticket, enter a sales invoice, and record payroll for jobs completed.

Chapters 1-18 include saving Sage 50 reports as Adobe Acrobat PDF files, and exporting reports to Excel.

Payroll tax tables for 50 states. Example payroll withholdings are included in Chapter 4, Employees; Chapter 15, Employees, Payroll, and Account Reconciliation; Exercise 15-1, Student Name Sales and Service; Project 2, Northern Sports; and Project 4, RB Manufacturing, Inc.

Use Sage 50's import/export feature to copy lists into another company. Sage's modular system design is explained and compared to other accounting information systems. Workflow diagrams illustrate Sage 50's system design.

An accounting software diagram illustrates where Sage 50 fits into the range of accounting software applications.

**NEW** Sage 50 is compared to QuickBooks Online and Desktop versions.

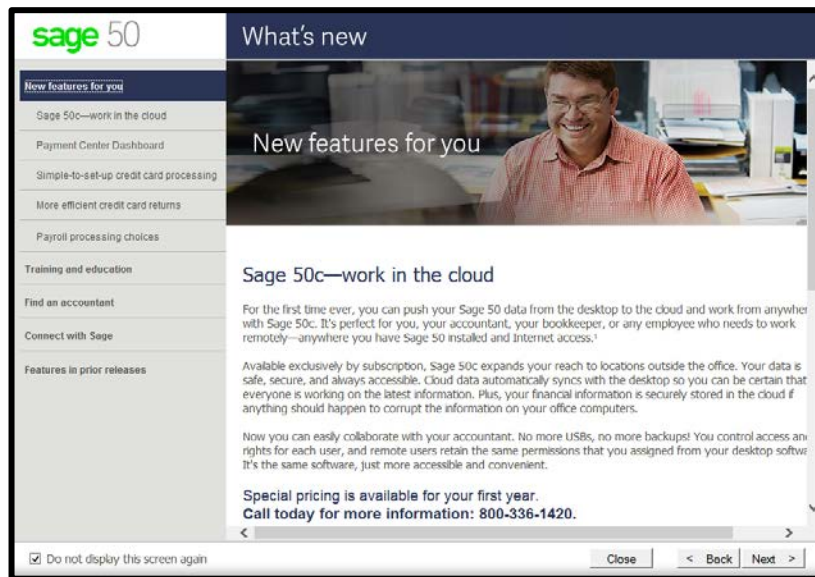
*Computer Accounting with Sage 50 2017, 20<sup>th</sup> Edition*, shows you how to set up service, merchandising, nonprofit, and manufacturing businesses. When the textbook is completed, you have a working familiarity with Sage 50 Complete Accounting 2017 software. You learn how computer accounting and the general ledger accounting cycle work together.

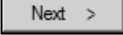
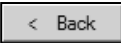

The Part 1, 2, 3, and 4 introductions include a chart showing the chapter number, Sage 50 backups, Excel and Adobe file names, size in kilobytes of each file backed up or saved, and page numbers where each backup, Excel, and Adobe PDF file is completed.

### What's New in Sage 50 2017?

The Help menu includes the new Sage 50 2017 software features. To see that window, follow these steps:

1. Start Sage 50.
2. Open the sample company, Bellwether Garden Supply. (Detailed steps for installing the software and starting Bellwether are on pages vii-xvi.)
3. From Bellwether Garden Supply's menu bar, select Help > What's New. Information about Sage 50 is shown.



4. On the What's new window, click  to see more. Read the information on these windows to review the new software features. Click  to review information. When through, click .

## **PART 1: EXPLORING SAGE 50 2017**

There are two sample companies included with the software: Bellwether Garden Supply and Stone Arbor Landscaping. Bellwether Garden Supply is a retail and service company that demonstrates Sage 50's inventory and job tracking capabilities. Stone Arbor Landscaping is a service company that demonstrates time and billing features.

**Each part of the textbook includes a summary. Refer to pages 1 and 2 for a summary of Part 1.** Pages 2-4 include a chart showing chapter numbers, files backed up and saved (.ptb, .pdf, .xlsx), file sizes, and page numbers where work was completed.

Part 1, Chapters 1-8, shows how to backup (save) files, export Sage 50 reports to Excel and save reports as Adobe PDF files. Sage 50's system design is explained. This includes how Sage 50's user interface is organized into general ledger, accounts receivable, accounts payable, inventory, payroll, and job costing modules.

In Part 1 of the textbook, you complete eight chapters that demonstrate how Sage 50 is used. This introduces you to the procedures that will be used with all the chapters of the textbook. Beginning in Part 2, you set up companies from scratch.

**NEW** Chapter 1, Introduction to Bellwether Garden Supply, includes Sage 50's Navigation Centers and Restore Wizard for opening new or existing companies. The new Navigation Bar and menu bar selections are explained. Bellwether Garden Supply is updated to March 2017.

Chapter 2, Vendors, shows you how to view accounts payable lists and reports

from the Vendors & Purchases Navigation Center as well as custom date filtering and how to add columns to reports. New sections include Receive Inventory from a Purchase Order and Apply to Purchase Order. Sage 50's accounts payable system is explained.

Chapter 3, Customers, shows you how to view customer lists and reports from the Customers & Sales Navigation Center as well as custom date filtering and how to add columns to reports. Chapter 3 includes Sales Orders and Ship Items from a Sales Order. Sage 50's accounts receivable system is explained.

Sage 50's Financial Manager includes financial ratios and key balances.

Chapter 4, Employees, shows you how to navigate Sage 50's Employees & Payroll system.

Chapter 5, General Ledger, Inventory, and Internal Control, shows you Sage 50's budget feature, how selected access for security is used, internal controls, and audit trail. Sage 50's inventory system is also included.

Chapter 6, Job Cost, shows you how to use Sage 50's job cost system.

Chapter 7, Financial Statements, shows the result of work completed in Chapters 1-6.

**NEW** After Chapter 7, the Bellwether Garden Supply Project can be completed. It is included online at [www.mhhe.com/yacht2017](http://www.mhhe.com/yacht2017).

In Chapter 8, Stone Arbor Landscaping: Time & Billing, you work with a service company that demonstrates Sage 50's time and billing features. In Exercises 8-1 and 8-2, you record time and billing transactions, including a time ticket that is applied to a sales invoice and payroll entry.



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**PART 2: SAGE 50 2017 FOR SERVICE BUSINESSES**

Chapters 9, 10, 11, Project 1, and Project 1A are included in this section of the textbook. The work completed in Chapter 9 is continued in Chapters 10 and 11. The accounting cycle is completed for the fourth quarter of the year and includes adjusting entries and closing the year.

**For the Part 2 summary, refer to pages 251-256.** Pages 254-256 include a chart showing chapter numbers, files backed up and saved (.ptb, .pdf, .xlsx), file sizes, and page numbers where work was completed.

**NEW** In Chapter 9, New Company Setup and Beginning Balances, you set up two service companies—Jay Currier Designer and Art by Student Name with Sage 50's simplified chart of accounts. You use Sage 50's new Company Setup Wizard and enter beginning balances. The companies set up in Chapter 9 continue in Chapters 10 and 11.

In Chapter 10, Maintaining Accounting Records for Service Businesses, you record entries for October in the Write Checks and Receipts windows, use Sage 50's account reconciliation feature and print reports. You also backup, and save reports in Excel and Adobe PDF format.

Chapter 11, Completing Quarterly Activities and Closing the Fiscal Year, you complete transactions for November and December, record adjusting entries, print financial statements, and close the fiscal year.

**NEW** Exercises 9-1 through 11-2 include three months of transactions, account reconciliation, adjusting entries, financial statements, Sage 50's closing procedure, and Check Your Figures. Sage 50 reports are backed up, and saved in Adobe PDF format and exported to Excel.

**NEW** Project 1, Mary Williams, Accounting, is a comprehensive project that reviews what you learned in Chapters 9, 10, and 11.

Project 1A, Student-Designed Service Business, shows you how to design a service business from scratch. You set up the business, choose a chart of accounts, create a balance sheet, write business transactions, complete the computer accounting cycle, and close the fiscal year.

### **PART 3: SAGE 50 2017 FOR MERCHANDISING BUSINESSES**

Chapters 12, 13, 14, 15, Project 2, and Project 2A are included in this section of the textbook. Students set up two merchandising businesses in Chapter 12—Sharon’s Service Merchandise *and* Student Name Sales and Service. The work started in Chapter 12 is continued in Chapters 13, 14 and 15.

**For the Part 3 summary, refer to pages 399-402.** Pages 400-402 include a chart showing chapter numbers, files backed up and saved (.ptb, .pdf, .xlsx), file sizes, and page numbers where work was completed.

In Chapter 12, Vendors & Purchases, use Sage 50’s accounts payable system, set up vendor defaults, record inventory purchases and payments from vendors, automatically track vendor discounts, and use vendor credit memos for purchase returns.

In Chapter 13, Customers & Sales, use Sage 50’s accounts receivable system, set up customer defaults, record cash and credit sales and receive payments from customers, use credit memos for sales returns.

Chapter 13 includes Financial Manager Analysis. Business summary financial ratios are shown and key balances for income statement and balance sheet accounts.

Chapter 14, Inventory & Services, shows you how to use Sage 50's inventory system.

Chapter 15, Employees, Payroll and Account Reconciliation, shows Sage 50's payroll system using two states, Arizona and Georgia, as an example for payroll withholdings. You set up payroll defaults, add employee information, learn about automatic payroll tax calculations, and complete payroll entry.

Account reconciliation shows you how Sage 50's Accounts Payable, Accounts Receivable, Inventory, and General Ledger systems work together. Chapter 15 includes account reconciliation for both the checking and payroll accounts. Check Your Figure amounts are included for Exercises 12-1 through 15-2.

**NEW** Project 2, Northern Sports, is a comprehensive project that incorporates what you have learned in Chapters 12 through 15. Project 2 includes payroll withholdings for Oregon.  
Project 2A, Student-Designed Merchandising Business, asks you to create a merchandising business from scratch.

#### **PART 4: ADVANCED SAGE 50 2017 APPLICATIONS**

Chapters 16, 17, 18, Project 3, Project 4, and Project 4A are included in this part of the textbook. Chapter 16, Customizing Forms, shows you how to use Sage 50's design tools. Chapter 17, Import/Export, shows you how to export data from Sage 50 to a word processing program and how to import lists into a company. In Chapter 18, Microsoft Word and Templates, you copy a Sage 50 report to Word and look at vendor, customer, and employee templates included with the software.

**For the Part 4 summary, refer to pages 617-618.** Page 618 includes a chart showing chapter numbers, files backed up and saved (.ptb, .pdf, .xlsx, .docx, .doc, .txt, .csv), file sizes, and page numbers where work was completed.

Chapter 16, Customizing Forms, includes design tools for report customization.

In Exercises 16-1 and 16-2, forms and financial statements are customized.

Chapter 17, Import/Export, includes how to import a chart of accounts into another company and export to a word processing program.

In Exercises 17-1 and 17-2 import lists from Bellwether Garden Supply into the new company set up in Chapter 17.

Chapter 18, Microsoft Word and Templates, includes copying reports to Word, using templates and the write letters feature.

**NEW** Project 3, Chicago Computer Club, is a nonprofit business.

**NEW** Project 4, RB Manufacturing, Inc., is the culminating project in your study of Sage 50 2017. Project 4 includes payroll withholdings for Pennsylvania.

Project 4A, Student-Designed Project, instructs you to write another month's transactions for one of the four projects completed.

Each chapter ends with an Index for that chapter. There is also an Index at the end of the book.

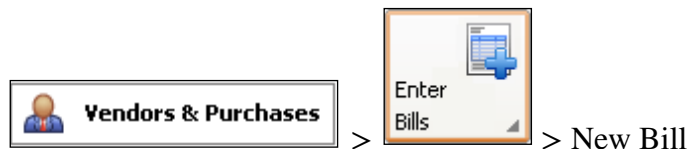
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## CONVENTIONS USED IN TEXTBOOK



As you work through *Computer Accounting with Sage 50 2017, 20e*, you should read and follow the step-by-step instructions. Numerous screen illustrations help you to check your work. The following conventions are used in this textbook:

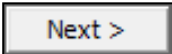

1. Information that you type appears in boldface; for example, Type **Supplies** in the Account ID field.
2. Keys on the keyboard that should be pressed appear in angle brackets; for example, <Enter>.
3. Sequences of software selections are indicated by a greater than symbol (>).

Examples:



From the menu bar, select File > Close Company

4. When you see this icon , there is a video, on the textbook website at [www.mhhe.com/yacht2017](http://www.mhhe.com/yacht2017) > Student Edition link > select the appropriate chapter > link to Videos or YouTube > then select the video.
5. This icon——reminds you to check the Sage 50 work completed.
6. Buttons and picture icons are shown as they appear on the screen.

Examples:  (Next button);  (Display icon)

*About the Author, [carol@carolyacht.com](mailto:carol@carolyacht.com)*

Carol Yacht is an accounting educator and textbook author. Carol authors Sage Peachtree, and Intuit's QuickBooks Online and QuickBooks Desktop textbooks ([www.mhhe.com/yacht2017](http://www.mhhe.com/yacht2017)).

Carol taught on the faculties of California State University-Los Angeles, West Los Angeles College, Yavapai College, and Beverly Hills High School. She started using accounting software in her classes in 1980. Carol's teaching career includes first and second year accounting courses, accounting information systems, and computer accounting.

Since 1989, Carol's textbooks have been published by McGraw-Hill. She contributes regularly to professional journals and is the Editor of the American Accounting Association's Teaching, Learning, and Curriculum section's *The Accounting Educator*.

Carol Yacht was an officer of AAA's Two-Year College section and recipient of its Lifetime Achievement Award. She is a board member of the Microsoft Dynamics Academic Alliance, worked for IBM Corporation as an education specialist, served on the AAA Commons Editorial Board, and works for Sage and Intuit as a consultant. She is a frequent speaker at state, regional, and national conventions.

Carol earned her MA degree from California State University-Los Angeles, BS degree from the University of New Mexico, and AS degree from Temple University.