

Running Your Year-End in Sage 200

Another year has passed and you are now ready to run your year end in Sage!

We at Dayta have put together this document to help our customers and anyone using either package get through year end seamlessly.

There is lots you need to think about at your financial year end and closing off your accounts system is just one of those things in a list of many. We're going to discuss the keys topics in making sure your financial year is closed off successfully.

Let's take a look at the key steps we need to go through:

- 1 When do you need to run the year end?
- 2 Important information regarding year end
- 3 What preparation do I need to do?
- 4 How do you run the actual year end?
- 5 What does the Year End in Sage do?
- 6 What do I need to do once the year end is complete?
- 7 About Consolidated Reporting?
- 8 How to Year End Consolidation

When to run your Year End

The good news is that you do not have to actually process year end on the 31st August. You have time to prepare whilst still having the ability to process transactions in the new school year. So no need to panic on returning from the summer holidays about the year end and how soon it must be done.

The actual date you will run the year end is something you should agree as an Academy or Trust and with the input or advice from your accountant. The date will ideally be when you have posted all of the transactions for your current year and completed all of your year-end tasks, checks and reports.

Important information regarding year end

- The year-end can only be run once! So make sure that you're ready. All reports, tasks and checks must be completed before running the year end.
- Your data should be backed up prior to running the year end. See section on Backing up your data
- Take the time to prepare and be confident you have all you need. The year-end process can be run at a time of your choice when you are ready.



- Users can start to process transactions with a September date in your new financial year before you run the year-end. We've had several users worrying that their work will be piling up on their desk waiting for the year end to be done before they can enter new transactions.

This is not the case.

- The outcome of doing this is just the same as if you were posting transactions into any future period within your financial year. The transactions will update your customer and supplier accounts but you will not see them on your nominal accounts until the period is opened.
- Periods in a future year cannot be opened until you have actually run the year end.
- You can post your day to day transactions into a previous financial year but it will not have the same outcome as if you were posting it in the current year.
 - This is because all the accounting periods in your current year must be closed before you can move to a new financial year. Then any transactions that are dated in your previous financial year will be posted to the first open period in the new year and therefore accounted for in your new year.

For example: You have closed off the school year for August 2018 and run the year end. You receive a late supplier invoice in September but it is dated August. Sage will allow you to post the transaction with a date of August. However, as August is now closed and in a previous financial year, the transaction will post in to the nominal ledger to the first available open period, September.

- Based on the previous point we recommend that you make sure all your current year transactions are posted before you run the year end.
- If you do need to make adjustments to a previous year, you can post a 'Previous Year Journal Entry'. You can post these journals to both Balance Sheet and Profit and Loss nominal accounts and it will treat the transactions as if it had been included in your year end. i.e posting to an expense nominal would automatically transfer that to your accumulated profit account on the balance sheet.
- Prior year adjustments are likely to be provided by your accountant. This may be several weeks or even months before you get these. That's fine, a prior year journal can be posted at any time during your new financial year.
- All prior year journals are posted with the last date of your previous year – 31st August.



- The year-end process may take some time to complete. This can vary depending on the amount of data you have and also how many school databases you need to run it on. On that basis we recommend that you run the year end process at a quiet time of the day or after hours.
- If you consolidate more than one subsidiary schools into a single parent reporting company there are extra steps that you need to complete as part of the year end process. See Consolidation – Year end.

What preparation do I need to do?

The actual process of running your Year End in Sage is very straight forward so long as you have prepared sufficiently and completed all of the recommended tasks and checks.

Based on our experience we have highlighted several tasks below that will support you in closing your financial year successfully. However, please note that these tasks are a suggestion. You may need to seek advice from your accountant or auditor before running the year end as they may have other tasks, functions or reports that they require.

Check List – to make sure your accounts are up to date

1. Make sure all of your day to day transactions have been posted.
 - a. Not all of your transactions need to be allocated before you run the year end as you can do this post year end if needs be.
2. Check your bank account to make sure all banking transactions have been posted to Sage.
3. Don't forget to post your period end transactions such as prepayments and accruals
4. Process any standing orders and direct debits up to the end of the year.
5. Make sure all nominal journals have been processed up to year end.
6. Enter your salary journals and supporting cashbook transactions
7. Check any outstanding purchase orders. Are these going to carry over to your new year?
 - a. If not then you will need to clear the outstanding items. If you do not clear them down they will show as commitments in your new financial year.
8. Reconcile your bank account – this isn't essential but it is good practice.
9. Check that your cash book bank balance balances to the nominal ledger balance.
10. Check that your Creditors Control account agrees with your Aged Creditors
11. Check that your Debtors Control account agrees with your Aged Debtors



Reports to print and check prior to Year end

Each school will have their own set of reports that they like to run but we do recommend as a minimum you run the ones below. Your accountant and/or auditor will usually advise on what they require for year-end so there may be additional reports to run too.

Note – we recommend not only printing these reports but also saving a copy of the file. You can save as PDF or Excel.

1. Run off your final trial balance report once all transactions are entered.
2. Run your SOFA report
3. Run your Balance Sheet report
4. Any Income & Expenditure reports you require
5. Take copies of your Aged Creditors and Aged Debtors reports.
 - a. Reconcile both of these reports to your Creditors and Debtors control accounts. (see section below....)
6. Take copies of any other reports that you may require for your own records.

Note - It is advisable to check with your accountant or auditor for any other reports that they require.

Close your accounting periods

Before you run the year end you need to make sure all of your accounting periods in the current year are closed. If they are not closed the year end cannot be run.

If you have not closed any periods during your financial year please see detail on how to do this below:

Note: Before closing periods, it is essential that you back up your database. Do not carry out a close period procedure if any other user is logged on to Sage.

Sage 200 - Open: Accounting System Manager > Accounting Periods > Maintain Accounting Periods.

1. Chose a module.
2. Click **Change period status**.
3. Repeat for each module. You must close the **Nominal adjustments** period last.
4. Repeat the above for each period in your financial year until all periods are closed

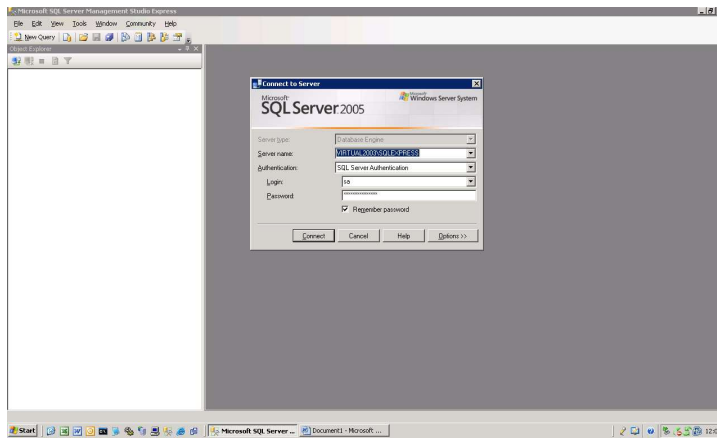


Backup your data

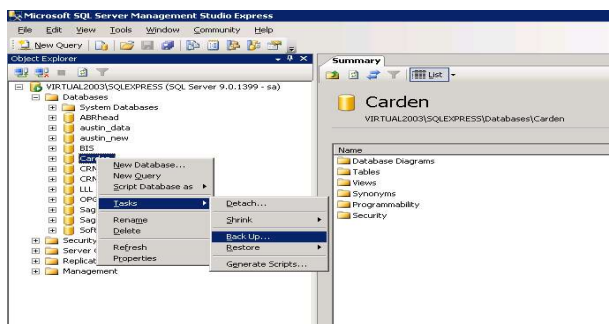
You do need server access and possibly administrative rights in order to do a backup. It will depend upon how your system has been set up by your IT Support.

You might have the SQL Server Management Tools loaded onto your local PC in which case you do not need direct fileserver access.

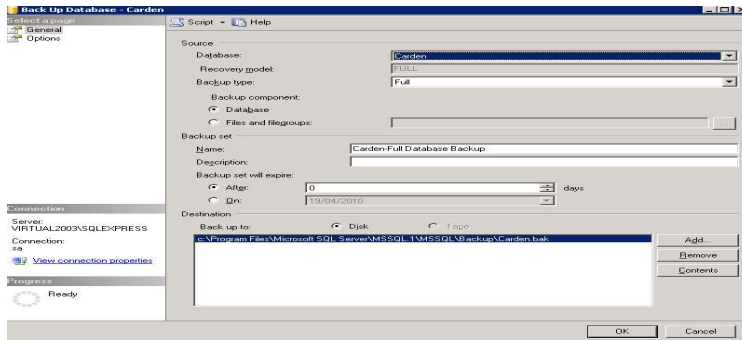
- Make sure no-one is logged into Sage 200
- Login to SQL Server Management. If your instance does not have the password saved you will need to know the SQL Server 'sa' (System Administration) password. This is NOT your Sage System Administration password nor is it the main Fileserver 'Administrator' password.



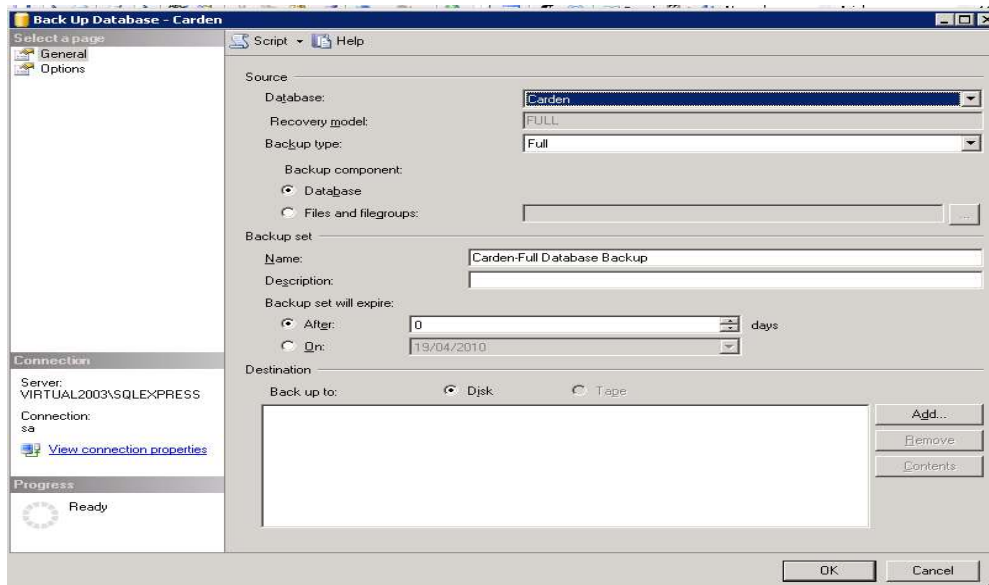
- Click Connect.
- Expand out the database list and right click on the database you wish to back-up. Select 'Tasks' then 'Backup'.



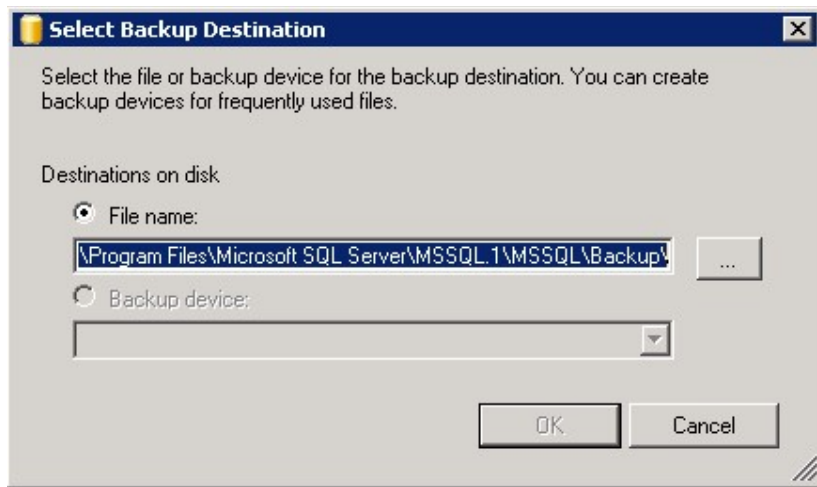
The following screen is displayed:- **DO NOT** click on OK.



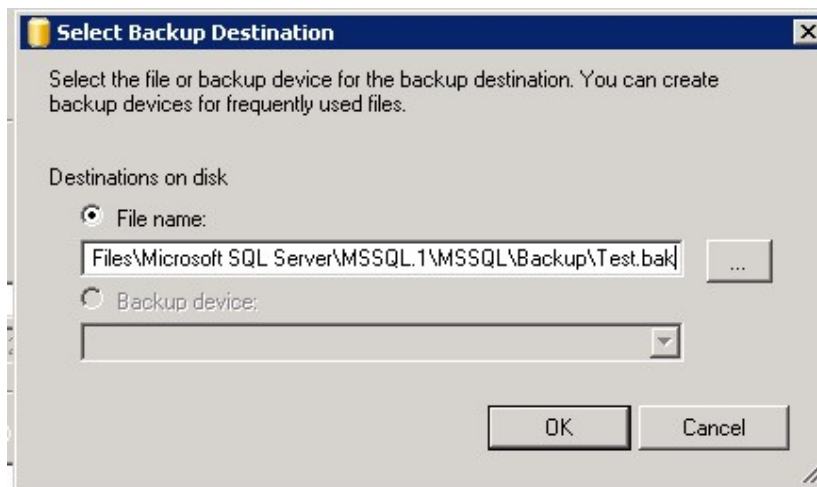
- Unless you want to overwrite the last back-up file that your Sage system produced, click on the Remove button. If you are happy to overwrite the last backup taken, just click OK. If in doubt, click Remove.



- Now click on Add. The following is displayed.

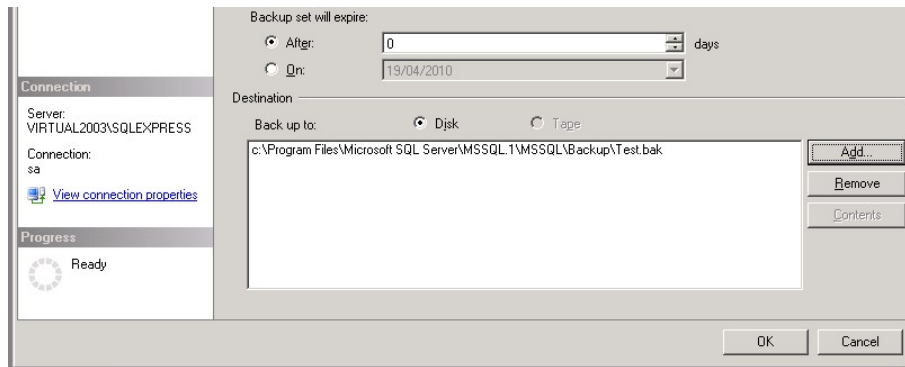


Click at the end of the long path name in the top box – just beyond the \Backup\. The cursor should be implanted beyond the last back slash at the end of the word Backup. Add a name for your backup. In the example below the file is called Test. After the filename, add .bak.



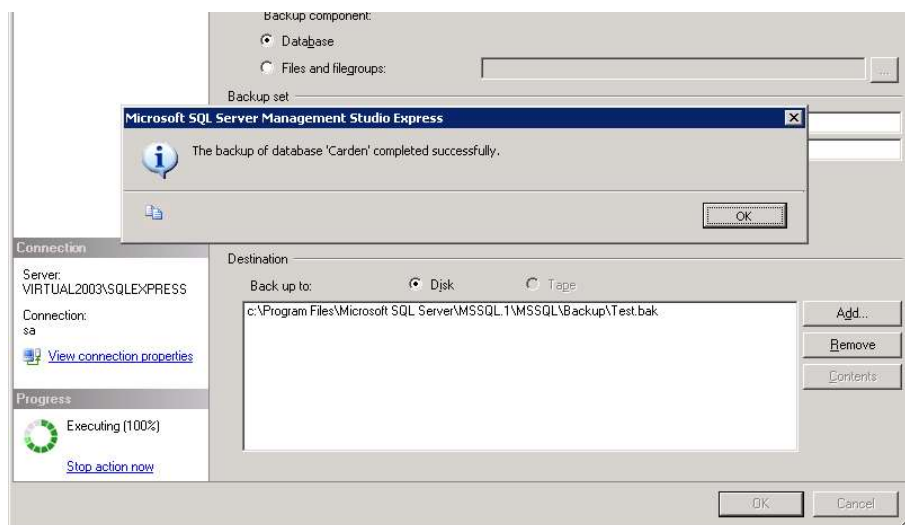
- Click on OK. The path and your filename are written back into the first screen. (If you did not click Remove on the last page, this is what you will see. The difference being the original path and filename will be unchanged. If you continue, you will overwrite the last back up file).





- Click on OK. If you have a large database it could be a while before anything happens. Once it starts, you will notice the progress on the small circle at the bottom of the screen on the left hand side. It will also say 'Executing'. If you get any sort of error message, ask your IT Support people for help, or call Dayta Designs and one of our support people will be able to help you.

When it has finished, you should get the following screen



- When the backup has finished, click on OK.
- Finally close SQL Server Management.



How do you run the actual year end?

Log back in to Sage 200

Open: Nominal Ledger > Period End Routines > Year End.

- 1) Confirm your final reports have been printed by selecting the Year end reports confirmation boxes.
- 2) Click **OK** to proceed.
- 3) You are prompted to open the required periods in the new year.

If you don't do this now, you can do this later, using the **Maintain Accounting Periods** screen.

Note: You must open the required periods before transactions for the new year will appear in your nominal accounts.

- 4) You are prompted to run the **Verify data** option.
 - i) Once you've run the year process, you'll prompted to run the **Verify data** option. We recommend that you do this to check for discrepancies in your data.

What does the Year End in Sage do?

If you have had your Sage system setup as per the recommendation from Sage then you will be using Cost Centres to monitor your funds. That being the case then there are some points to note below on what Sage will do when running the year end:

1. Checks to make sure you've created an account for **Accumulated Fund Profit** for each of your funds (cost centres) in the nominal ledger.

If these accounts don't exist Sage for Education will create them for you. You must also add the SOFA category for **Funds brought forward** to each account. This is to make sure your brought forward funds are included on the SOFA report.

2. Transfers your profit (or loss) for the year to the **Accumulated Profit** nominal account.

A report is produced that shows how this has been calculated.



3. For profit and loss nominal accounts:
 - a. The **Year to date** balance is set to zero.
 - b. The **Balance this year** is set to zero.
4. For balance sheet accounts:
 - a. The **Year to date** balance is carried forward to the new year.
 - b. The **Balance this year** figure is moved to the **Balance last year**.
5. Produces a transaction that transfers the remaining balance in each of your funds to the **Accumulated Fund Profit** account with corresponding cost centre.
6. Moves your financial year forward.
7. Resets your current periods to **1**.

About consolidated reporting

If you're a Multi Academy Trust, you can use consolidation in Sage to create reports at trust level, such as the SOFA report that include the required financial information for all the schools within the Trust.

How it works

- The consolidation is run from each subsidiary school.
- Each nominal account (**Code, CC and Dept**) in the subsidiary school is linked to a nominal account in the parent reporting company.
- The balance of all nominal accounts, at the end of a selected period, is transferred from each subsidiary to the parent reporting database. This is posted as a single consolidation transaction in the parent reporting database.
- The balance of each nominal account in the subsidiary is posted to the linked nominal account in the parent reporting database.
- The value of the consolidation transaction is the difference between the actual trial balance in the subsidiary, at the end of the selected period, and the trial balance the last time the consolidation was run.



Best practice

- The parent reporting company should only be used for reporting on consolidated balances, grouped together from a number of subsidiaries. The parent reporting company should not be used for trading, i.e. transactions should not be entered into the parent reporting company directly. We recommend using the parent reporting company for consolidation only as it makes the reporting, reconciliation and any enquiring of the data much cleaner. This is also important as you must set all the nominal ledger balances back to zero for a new financial year.

- The parent and subsidiaries should all have the same chart of accounts.

This includes the same cost centre, department, report category and SOFA category.

Again, this makes reporting and reconciliation from the parent database to the individual school easier.

- The parent and subsidiaries should have the same accounting periods.

Nominal account balances are passed to the parent by accounting period. If the accounting periods are different in the parent and subsidiary companies, this could lead to discrepancies in your financial reports.

- If the only consolidated report that you need to run from your parent reporting company is an annual management/statutory report, such as the SOFA , then we recommend you only run the consolidation once a year, at the year end.

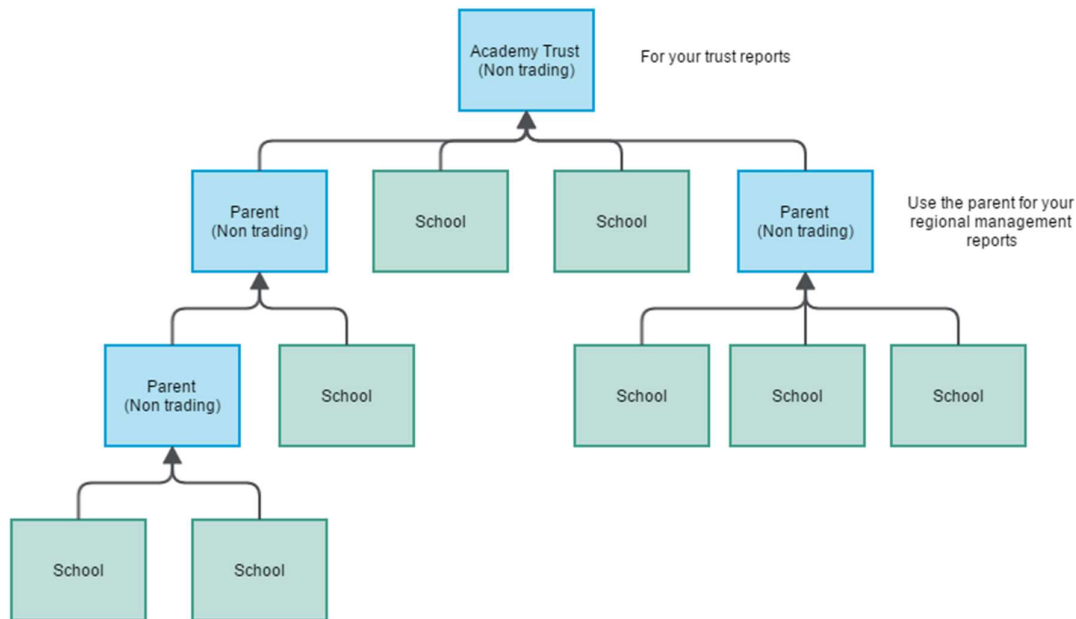
This is because:

- All transactions should be posted to the correct accounts in your subsidiaries by the end of the year.
- It'll be easier to check that any new nominal accounts that have been added to a subsidiary school are linked correctly.
- If mistakes are made, you only need to correct them for one period rather than 12.

Consolidating to more than one parent

When consolidating, the parent should only be used for reporting purposes. If you want to consolidate to more than one parent, then you'll need a Sage database for each parent.





Consolidation - Year end

When you run the year end process, the year to date balance of all Profit and Loss accounts are cleared down and your profit is transferred to your Accumulated Fund Profit account. The year to date balance on your Balance Sheet nominal accounts is kept.

This has implications when you're consolidating in to a parent reporting company. This is because the balance of each account the last time you consolidated is kept, to make sure balances are not transferred more than once.

At the beginning of the new financial year, you need to reset this consolidated balance from your profit and loss accounts, but keep it for your balance sheet nominal accounts. To achieve this, you must reset the balance of all nominal accounts in the parent, reset the consolidated balances in the each subsidiary and re-consolidate.

To run the year end and reset balances

1. **Subsidiary:** Make sure you've finalised the year in each subsidiary school and run the consolidation.
2. **Subsidiary:** Complete the **Year End** as normal for each subsidiary school.
3. **Parent:** Complete the **Year End** as normal for each parent reporting company.



As part of the year end process, Sage automatically creates an account for **Accumulated Fund Profit** for each cost centre, if they don't exist already. If any new accounts are created, you'll need to make sure you link them to your parent reporting company.

4. **Subsidiary** - Make sure any new nominal accounts for **Accumulated Fund Profit** are linked to the parent.

5. **Subsidiary: Clear consolidated amounts** for each subsidiary school.

This resets the consolidated balance back to zero for nominal accounts, P & L and Balance Sheet.

Open: Settings > Cash Book / Nominal Ledger > Clear Consolidated Amounts.

- Click **OK**.

6. **Parent:** Use **Zero Balances** to clear all transactions for the parent reporting company.

This clears all transactions from the parent company. You need to do this to remove the year to date value from your balance sheet nominal accounts.

This clears all transactions from this company database. **Do not** use this in a subsidiary school.

Open: Settings > Cash Book / Nominal Ledger > Zero balances.

- Click **OK**.

7. **Subsidiary:** Run the consolidation.

This posts the year to date balance for all balance sheet nominal accounts back into the parent.



Reconcile your Creditors Control account

The Creditors Control nominal account represents all the money that you owe your suppliers. Reconciling the balance of this account is something most businesses do regularly.

This nominal account is updated automatically every time you post the following transactions to your supplier's account: Invoice, Credit Note, Payment or Refund.

To reconcile your Creditors Control account, you check that the balance of the account matches the total outstanding value on your supplier accounts, as shown on the **Aged Creditors Report**.

You can do this for all your transactions or up to a date in the past, such as the end of your previous month.

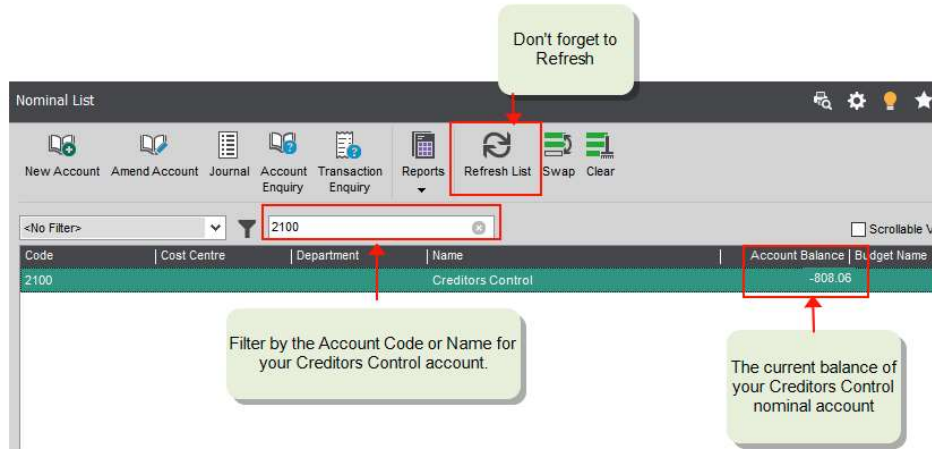
Tip: Remember the dates you use when running the various reports are the key to reconciling successfully. All reports must be run using the same date range to make sure the same transactions are included.



Reconcile the total balances

Find the balance of the Creditors Control account

1. From the **Nominal List**, filter the list to only show the balance of your Creditors Control Account.



Don't forget to Refresh

Filter by the Account Code or Name for your Creditors Control account.

The current balance of your Creditors Control nominal account

Code	Cost Centre	Department	Name	Account Balance	Budget Name
2100			Creditors Control	-808.06	

2. Click Refresh to make sure the account balances are up to date.
3. Make a note of the balance. In the example shown, the balance is **(-)808.06**.

Note: Don't forget the balance of the nominal account will show as a - (minus) because it has a credit balance.

Close

Add the balance of any deferred transactions

Deferred transactions are those that have been posted to a **Future** accounting period. These are included on the balance of your supplier accounts but not the nominal accounts.

Tip: If you have a large number of deferred transactions- check you've opened your accounting periods.

To do this:

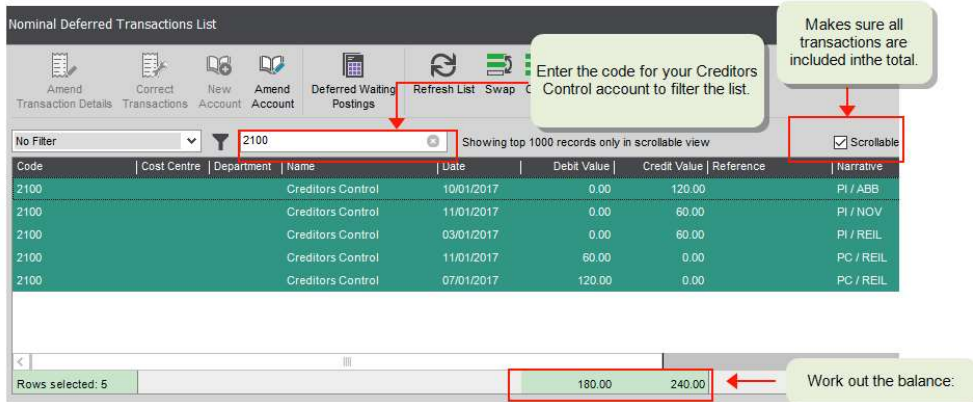
Open: Nominal > Nominal Deferred Transaction List.

1. **Refresh** the list to make sure all transactions are included.
2. Filter the list to only show transactions posted to your **Creditors Control Account**.



3. To find the total of these transactions:

- Click **Clear** and then **Swap**.
- Select **Scrollable View**. This just makes sure that all transactions are included, in case they run over more one page.



The screenshot shows the 'Nominal Deferred Transactions List' interface. A search filter '2100' is entered in the search box. A 'Refresh List' button is highlighted with a red box and an annotation: 'Enter the code for your Creditors Control account to filter the list.' A 'Scrollable' checkbox is checked, with an annotation: 'Makes sure all transactions are included in the total.' At the bottom of the table, the 'Debit Value' column shows 180.00 and the 'Credit Value' column shows 240.00, with an annotation: 'Work out the balance:'. The table contains the following data:

Code	Cost Centre	Department	Name	Date	Debit Value	Credit Value	Reference	Narrative
2100			Creditors Control	10/01/2017	0.00	120.00		PI / ABB
2100			Creditors Control	11/01/2017	0.00	60.00		PI / NOV
2100			Creditors Control	03/01/2017	0.00	60.00		PI / REIL
2100			Creditors Control	11/01/2017	60.00	0.00		PC / REIL
2100			Creditors Control	07/01/2017	120.00	0.00		PC / REIL

4. The total debits and credits are shown at the bottom of the list. Work out the total balance.

5. Add the total balance of the deferred transactions to the balance of your nominal account.

In the example shown:

- The Creditors Control Account has a balance of **808.06**.
- The value of deferred transactions posted to the account is **240 - 180 = 60** (Credit minus Debit)
- Add the deferred transactions to the posted account balance and the balance of Creditors Control Account is **868.06**.



Close

Find the total outstanding balance of your supplier accounts

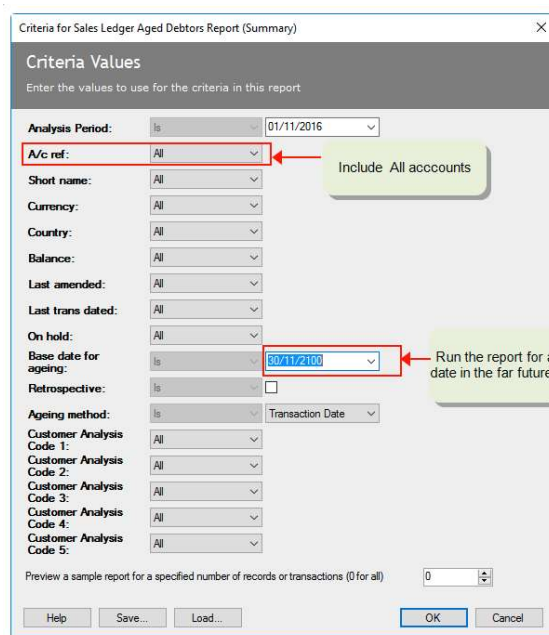
To do this you run the **Aged Creditors** report. Make sure you run the report for a date into the future. This is to make sure all transactions are included in the report, in case some have been entered with the wrong date.

To do this:

Open: Supplier > Suppliers Reports > Credit Control > Aged Creditors (Summary).

1. Select the following criteria

A/C Ref	All
Retrospective	Not ticked
Base Date for Ageing	A date in the far future such as 01/01/2100



Criteria for Sales Ledger Aged Debtors Report (Summary)

Criteria Values

Enter the values to use for the criteria in this report

Analysis Period: [Is] 01/11/2016

A/c ref: [All] Include All accounts

Short name: [All]

Currency: [All]

Country: [All]

Balance: [All]

Last amended: [All]

Last trans dated: [All]

On hold: [All]

Base date for ageing: [01/01/2100] Run the report for a date in the far future.

Retrospective: [Is]

Ageing method: [Is] Transaction Date

Customer Analysis Code 1: [All]

Customer Analysis Code 2: [All]

Customer Analysis Code 3: [All]

Customer Analysis Code 4: [All]

Customer Analysis Code 5: [All]

Preview a sample report for a specified number of records or transactions (0 for all) [0]

Help Save... Load... OK Cancel



2. Make a note of the total on the report.

		102.00				102.00
TNS	14/11/2016					
TNS Investments						
		124.00				124.00
WHITE	29/11/2016					
Whiteware Stores						
		100.00				100.00
Invoicing Demo						Sage 200
Purchase Ledger Aged Creditors Report (Summary)						Page 1

Account	Date Last Tran	90 days +	60 days	30 days	Current	Total
		90 days +	60 days	30 days	Current	Total
	Grand Totals:	738.06				738.06

There are no values in these periods because the 'Base date for Ageing' has been set to a future date.

Make a note of the total.

3. Compare the total to the balance of the **Creditors Control** account.

How to reconcile the Debtors Control account

You can follow the same process to reconcile your Debtors as you have above for your Creditors.

To speak to any of our consultants regarding Sage, Year End or Training, please contact the office and we'll be delighted to help.

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