

Making Everything Easier!™

Sage One

FOR

DUMMIES®

Learn to:

- Set up, install and navigate using practice data
- Create invoices for customers and enter purchase orders
- Produce your own reports
- Navigate the Cashbook and Accountant Edition functions



Jane Kelly

Author of Sage 50 Accounts For Dummies

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Sage One For Dummies®

Visit

www.dummies.com/cheatsheet/sageoneuk to view this book's cheat sheet.

Table of Contents

[Introduction](#)

[About This Book](#)

[Conventions Used in This Book](#)

[What You're Not to Read](#)

[Foolish Assumptions](#)

[How This Book Is Organised](#)

[Part I: Setting Up and Registering Sage One](#)

[Part II: Using Sage One Accounts](#)

[Part III: Introducing Sage One Cashbook](#)

[Part IV: Working with an Accountant](#)

[Part V: The Part of Tens](#)

[Icons Used in This Book](#)

[Where to Go from Here](#)

[Part I: Setting Up and Registering Sage One](#)

[Chapter 1: Introducing Sage One](#)

[Meeting the Typical Sage One User](#)

[Enjoying the Benefits of Sage One](#)

[Acquainting Yourself with the Three Variants of Sage One](#)

[Cashing in with Sage One Cashbook](#)
[Keeping track with Sage One Accounts](#)
[Sharing data with Sage One Accountant Edition](#)

[Registering for Sage One](#) [Navigating Sage One](#)

[Checking out the Summary screen](#)

[Introducing Jingles](#)

[Chapter 2: Sorting Out Your Settings](#)

[Making Sage One Your Own: Creating Individual Settings](#)

[Paying up with Billing Settings](#)
[Deciding on your desired Service Settings](#)
[Using User Settings](#)

[Taking Control With Your Business and Financial Settings](#)

[Displaying Business Settings](#)
[Getting the VAT right: Financial Settings](#)
[Getting paid: Invoice Settings](#)

[Using a Checklist](#)

[Chapter 3: Keeping in Contact: Setting Up Your Records](#)

[Creating Customer Records](#)

[Entering customer contacts](#)

[Sorting customer records](#)

[Recording Supplier Details](#)

[Entering supplier records](#)

[Sorting your supplier records](#)

[Tracking Down a Contact](#)

[Editing Your Contact Details](#)

[Deleting Contacts: You're Outta Here](#)

[Producing Product/ Service Records](#)

[Banking That Income: Creating New Bank Records](#)

[Chapter 4: Recording Your Opening Balances](#)

[Entering Your Opening Balances](#)

[Creating Products and Services for Unpaid Sales Invoices](#)

[Recording an Unpaid Purchase Invoice](#)

[Running Through Some Exercises](#)

[Part II: Using Sage One Accounts](#)

[Chapter 5: Entering Invoices for Customers and Suppliers](#)

Getting Paid: Setting Up Sales Invoices
Working With Sales Invoices

Viewing and editing a sales invoice
Voiding a sales invoice
Entering a discount for a sales invoice
Printing your sales invoice
Emailing your sales invoice

Giving Credit Where It's Due: Raising a Credit Note
Recording Purchase Invoices
Recording a Supplier Credit Note
Trying Out Some Invoice Exercises

Chapter 6: Recording Payments from Customers and to Suppliers

Recording a Customer Payment
Handling Other Customer Payment Tasks

Running an Outstanding Sales Invoice report to check who's paid
Refunding an invoice

Paying Up: Recording a Supplier Invoice

Paying part of a supplier invoice
Producing an Outstanding Purchase Invoice report

Getting in Some Practice

Chapter 7: Banking on Your Bank Accounts

Counting On Your Default Bank Accounts

Keeping current with your Current account

Handling your Cash in Hand account

Editing your bank account

Entering Other Bank Payments and Receipts

Recurring income

Stopping the recurring income

Paying cheques into your bank account

Making payments other than supplier payments

Shelling Out with Expenses

Setting up a recurring expense

Stopping a recurring expense

Refunding expenses

Transferring Money between Bank Accounts

Getting Petty: Dealing with Petty Cash

Carrying on with Credit Cards

Processing a payment on your credit card

Making a payment against your credit card

Settling Any Differences: Reconciling Your Bank Account

[Trying Things Yourself](#)
[Answering Trying Things Yourself](#)

[Chapter 8: Running Your VAT Return](#)

[Creating a VAT Return](#)
[Submitting Your VAT Return](#)

[Registering to submit your VAT returns online](#)
[Using HMRC's website](#)
[Sending your return directly from Sage One](#)

[Coughing Up: Paying VAT](#)
[Having a Go Yourself](#)

[Chapter 9: Preparing Reports](#)

[Looking at the Reports Sage One Can Run](#)
[Using the Different Reports](#)

[Checking your Profit and Loss report](#)
[Running a Balance Sheet report](#)
[Balancing things up with a Trial Balance](#)
[Drilling down to the detail](#)

[Reporting Yourself!](#)

[Part III: Introducing Sage One Cashbook](#)

[Chapter 10: Setting Up Your Sage One Cashbook](#)

[Understanding What Sage One Cashbook Can Do for You](#)

[Working with your accountant](#)

[Inviting your accountant to join in the fun](#)

[Downloading Your Free Trial](#)

[Tracking Your Cash with Sage One Cashbook](#)

[Keeping up-to-date with Cashbook](#)

[Taking a peek at the Banking screen](#)

[Checking out your Summary](#)

[Cultivating your Contacts](#)

[Checking Your Settings](#)

[Chapter 11: Entering Data into Your Cashbook](#)

[Getting Started with Opening Balances](#)

[Setting Up and Using Cashbook Bank](#)

[Accounts](#)

[Editing your bank account details](#)

[Transferring money between accounts](#)

[Giving Credit to Cashbook](#)

[Cashing in with hard cash and paper cheques](#)

[Bagging bank transfers](#)

[Logging Expenses in Cashbook](#)

[Again, and again, and again: Dealing with a recurring expense](#)

[Stop! In the name of Sage: Halting a recurring transaction](#)

[Give it up: Refunding expenses](#)

[Recording Payments from Petty Cash](#)

[Wiping Away Mistakes: Editing Bank Entries](#)

[Paying into Your Bank Account](#)

[Checking Your Bank Statements](#)

[Reconciling your bank account entries](#)

[Viewing a snapshot of your business](#)

[Running a Profit and Loss report](#)

[Rehearsing with Sage One Cashbook](#)

[Answering the Have a Go Questions](#)

[Part IV: Working with an Accountant](#)

[Chapter 12: When the Going Gets Tough: Calling an Accountant](#)

[Deciding Whether You Need an Accountant](#)

[Starting from scratch: Advice on setting up a business](#)

[Helping assess yourself: Tax returns](#)

[Dealing with company tax returns](#)

[Advising on tax](#)

[Submitting VAT returns](#)

[Operating the payroll](#)

[Preparing your year-end accounts](#)

[Filing information to HMRC and Companies House](#)

[Finding an Accountant](#)

[Listening to word of mouth](#)

[Using local network groups](#)

[Linking up with other businesses](#)

[Local sites for local people: Finding your chamber of commerce](#)

[Checking out business directories - with caution](#)

[Networking online](#)

[Accessing the Sage Accountants' Club](#)

[Chapter 13: Collaborating with Sage One Accountant Edition](#)

[Introducing Sage One Accountant Edition](#)

[Inviting Your Accountant to Join the Sage One Party](#)

[Logging In to Your Financial Data](#)

[I Name that Account in One: Nominal Account Activity](#)

[Part V: The Part of Tens](#)

[Chapter 14: Ten Top Troubleshooting Tips](#)

[Chapter 15: Ten Ways to Run Your Accounts System Effectively](#)

[Bank Your Cash Regularly](#)

[Monitor Customers that Haven't Paid](#)

[Check Your Cash Flow](#)

[Keep on Top of Supplier Payments](#)

[Maintain an Accurate Petty Cash System](#)

[Store All Your Receipts](#)

[Reconcile Your Bank Accounts Regularly](#)

[Discover the Benefits of Easy-to-Use Filing Systems](#)

[Make Full Use of Checklists](#)

[Report in a Timely Fashion](#)

[Appendix: Glossary](#)

[Cheat Sheet](#)

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by Jane Kelly, ACMA



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About the Author

Jane Kelly trained as a Chartered Management Accountant while working in industry. Her roles ranged from Company Accountant in a small advertising business to Financial Controller for a national house builder. For the last few years Jane has specialised in using Sage accounting software and has taught a wide variety of small businesses and employees the benefits of using Sage. More recently Jane has been involved in writing *For Dummies* books, the first one being *Sage 50 For Dummies*, which continues to be a popular choice for Sage users. This latest book has been produced to explain the benefits of the Sage One service that has recently launched. Jane saw a gap in the market for providing a book that offers a Have a Go section where readers can use dummy data to try out the online accounting service.

Author's Acknowledgments

I hope that this book will help many of the small business owners that currently struggle keeping up-to-date with their finances. I want people to understand that if a system is set up properly, it will be very easy to use and the business will gain maximum benefit from it.

I want to thank everyone at Wiley who have been very kind and supportive, particularly Rachael Chilvers and the rest of the development team who have turned my words and pictures into the *For Dummies* book that you see before you.

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Finally, I would like to thank my husband Malcolm and my daughter Megan who have put up with me disappearing into the office to work on the book for what must have seemed like a never-ending time.

Dedication

I would like to dedicate this book to my daughter Megan and my husband Malcolm. Without their support none of my books would ever have been created.

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Foreword

Accounting has been around for thousands of years and still forms part of everyday business life. It's core to all businesses and is as important as any other process such as paying your staff or buying stock.

But you don't start a business because you want to produce accounts. You start a business because you have a passion for what you do and you want to achieve success. The accounting side is just a necessary part of the process.

When Sage was established in 1981, the emerging technology consisted of floppy disks and an Amstrad office computer. Out of that spirit of innovation came the first Sage software package designed to help businesses with basic accounting. These days, businesses have an ever-increasing choice when it comes to deciding on how to run their business and how to record their accounts. Some use spreadsheets; some prefer to do it manually using receipts and notebooks; while others use accounting software. And with computers and the Internet increasingly present, more and more people are using laptops, iPads and mobile phones to help run their business and are looking for the solutions to fit their needs.

We too have come a long way from those first floppy disks. Sage is now a global company. A leading supplier of business software to 6.3 million businesses worldwide. With over 30 years' experience of working with businesses of all sizes, we've continued to develop our accounting and business software. And in January 2011 we launched Sage UK's first online accounting solution – Sage One.

We talked to hundreds of small businesses and accountants all across the UK to find out what they needed from an accounting

service. And our goal became delivering safe, simple online accounting, supported by the experts.

Sage One benefits from the advances in technology that have led to the introduction of Software as a Service – essentially, software that is run over the Internet or ‘cloud’, via an Internet browser. These cloud services offer many advantages to businesses. They’re typically cheaper than their traditional desktop counterparts because there are no production or packaging costs. And because you can access them from Internet-enabled devices, such as PCs or Macs, iPads and even mobile phones, you’re less restricted and can operate your business on the move.

We want to make it really easy for business owners to run their business using online services. We believe that necessary business processes, like accounting, shouldn’t get in the way of you actually running your business. But because we recognise that the relationship between a small business owner and an accountant is important, we designed Sage One to allow them to work together easily, efficiently, online and in real time.

The aim of Sage One For Dummies is to help you maximise the value of using Sage One to manage your business finances. As Sage One requires no previous accounting knowledge there’s a real synergy between Sage One and the For Dummies brand. For Dummies books take away the jargon and strip back complicated processes, making them easy for the inexperienced, which is exactly what Sage One is all about.

We understand that you didn’t get into business to produce accounts. So, by making the necessary parts of the process as simple and straightforward as possible, you can get on and enjoy running your business.

Chris Stonehouse

Head of Sage Online, Sage UK Limited

Introduction

Most people love running their own small business, but hate the idea of doing the paperwork. For example, although you know that you need to keep receipts, most of them are probably stuffed in envelopes or plastic bags waiting until your accountant asks for them.

A few business people may keep a spreadsheet detailing income and expenditure, but this format can all too easily become unwieldy to deal with.

Fortunately, here comes Sage One now, riding over the horizon to the rescue, enabling you to keep your records filed neatly online. The program can be accessed at any time of the day or night, and so you can see your financial data online and update it even in the middle of the night!

Accurate and complete financial records are crucial to any business owner, particularly when dealing with bank managers, asking for a loan or providing information to Her Majesty's Revenue and Customs (HMRC).

About This Book

In this book I show you how to setup, use and make the most of Sage One Accounts and Sage One Cashbook. I also discuss Sage One Accountants Edition, so that you know the benefits of this extra service for you and your accountant.

I provide step-by-step guides showing you how to:

- ✓ Prepare professional sales invoices very quickly and easily.
- ✓ Manage your cash flow.
- ✓ Record your purchase invoices.
- ✓ Prepare a simple Profit and Loss account and Balance Sheet.
- ✓ Prepare your VAT return.

In addition, I discuss the role of accountants within your business. You may already have one, but if not I help you determine whether employing the services of an accountant is appropriate for you and how to go about finding one.

Conventions Used in This Book

I use the Sage One service throughout this book, concentrating mainly on the Accounts service, but also discussing the Cashbook and the Accountants Edition. To help you find your way around the book, I use the following conventions common to all *For Dummies* titles:

- ✓ *Italics* indicate a defined term or a point of emphasis.
- ✓ **Boldfaced** text highlights the key phrase in a bulleted or numbered list.
- ✓ Monofont is used for web addresses.

In addition, where I need to use a gender-specific term in the text, for example when referring to accountants, I use female in

even-numbered chapters and male in odd-numbered chapters, to avoid constantly using the clumsy ‘he/she’ or ‘him or her’.

What You’re Not to Read

The aim of this book is to get you confidently using Sage One as quickly as possible. I include lots of examples and exercises and also some practical bookkeeping tips on how to keep your financial records. Focus on those you find most useful. If you intend to use the full Sage One Accounts service and need to do VAT returns and send out invoices to people, you don’t need to read Part III on the Cashbook.

In addition, if you want the basic info quickly, you can safely skip the text in grey boxes and anything marked with the Technical Stuff icon.

Foolish Assumptions

While writing this book, I made some key assumptions about you and why you picked up this book to get a better understanding of Sage One. I assume that you’re one of the following:

- ✓ A business owner who wants to keep orderly accounting records. You have a good understanding of business and its terminology, but you don’t have the time or inclination to tackle the full implications of bookkeeping and accounts.

- ✓ The spouse/partner of a sole trader who's been tasked with 'sorting out the accounts'. You need a simple and easy to understand system, so that you can accurately record the cash and cheques that flow in and out of the business. You also want to be able to hand over the records to your accountant in the most timely and cost-efficient way possible.

How This Book Is Organised

I organise *Sage One For Dummies* into five parts, which I outline below. I also include a Glossary at the back of the book, which highlights some of the bookkeeping terms that you may come across while running your business. You can dip in and out of it as and when the occasion arises.

I provide loads of opportunity for you to complete various exercises throughout the book, so that you can practise what I discuss in the chapter. By using the dummy data provided, you can set up customers, suppliers and bank accounts, enter sales and purchase transactions, and reconcile your bank account. You also produce a dummy VAT return. Just check your screens and reports against the ones I supply so that you can see whether you've got the hang of things and entered the data correctly. Alternatively, you can simply start entering your own data as soon as you've read the chapter.

Part I: Setting Up and Registering Sage One

In Part I, I show you how easy setting up and registering with Sage One really is. I explain the three variants of Sage One, which helps you determine the best one (excuse the pun) for your needs. In this part, you successfully set up your system and enter customer and supplier records, all ready to start receiving data.

Part II: Using Sage One Accounts

In Part II, I introduce Sage One Accounts and show you its features and benefits. You find out how to prepare professional looking sales invoices in minutes. You also discover how to enter your purchase invoices and bank transactions. I explain the importance of, and how to do, bank reconciliations, and from the data you enter, how to run your VAT Return, Profit and Loss account and Balance Sheet.

Part III: Introducing Sage One Cashbook

In Part III, I explain what the Sage One Cashbook can do for your small, probably cash-based, business. I talk about registering and setting up your Cashbook and I go into detail about how you enter your data. I show you how to handle income and expenses and which useful reports you can use for your business.

Part IV: Working with an Accountant

In Part IV, I discuss how an accountant can help you with your business. I explain the role that an accountant undertakes for your business and how one can help by offering advice on the best way to structure your business. I also look at the various different ways in which you can find an accountant.

I also talk about the Sage One Accountant Edition and explain how it works. I show how this service enables an accountant to help you with your accounts in several ways.

Part V: The Part of Tens

This part is central to all *For Dummies* books. I include a chapter on troubleshooting, which shows you how to resolve problems that you may experience as you use Sage One. I also share ten top tips for running your accounts system.

Icons Used in This Book

For Dummies books use little pictures, called icons, to flag certain chunks of text. The icons in *Sage One For Dummies* are:



Look to this icon for ideas on how to improve your bookkeeping processes and manage your business accounts.



This icon marks anything I really, really want you to recall about using Sage One, or even just good bookkeeping