

Lesson 3

Chart of Accounts

In Lesson 3, students will learn how to sign on to a Sage 300 session. Use 01/01/2019 as the session date. This lesson assumes that you are beginning a new session at the beginning of Lesson 3. If you are continuing with this lesson directly from Lesson 2, you may want to save exercise 3-1 – Signing on to a Sage 300 Session for a later time. The steps to access Sage 300 listed in the textbook assume that the program was installed using the default installation procedure. Sage 300 may be accessed differently on your computer system. Students have been prompted to ask their instructor how to access Sage 300.

In this lesson, students will learn how to create a chart of accounts. They will learn how to plan the chart of accounts and add, modify, and delete accounts in Sage 300. They will also learn how to create allocation accounts, create accounts automatically and learn how to preview their chart of accounts.

Once the chart of accounts has been entered, students will return to the G/L Options form and enter the default closing account. If a student has any other windows open when they try to save the changes they have made in the G/L Options form, they will receive a message indicating that all other G/L windows must be closed. To correct this, have the students close all other windows they have open, and then save the G/L Options form.

TIPS:

- If students click on the new icon when entering new accounts, the screen will be cleared from the previous account, and the defaults will be reset.
- Instead of clicking on the new icon before entering a new account, show the students that after they have saved an account, they can simply change the account number. The rest of the previous account information will remain in each field, allowing them to modify only what needs to be modified. This method is useful if students are adding accounts with similar options. For example, from time to time while working in the textbook, students will be asked to create an account. If they are asked to add an expense account for example, they could call up a saved expense account, change the account number and description and the rest of the defaults will be correct for the new expense account.
- In order to save time when entering the chart of accounts, students can enter account 1000 through 1540. Once these accounts have been entered, students can import the rest of the chart of accounts by performing exercise 3-3 and using the “Chart of Accounts.csv” import file found on the CD that accompanies the textbook. A copy of this file can also be found in the following folder of the Instructors Manual: x:\Completing the entire textbook\ Lesson 3\Imports. Students should follow the instructions on –how to import the accounts. They must continue with exercise 3-4 to complete the chart of accounts.

NOTE: The option of importing accounts has been given because I have received feedback from some instructors that there are too many accounts for the students to enter given the timeframe they are working in. For those of you who want students to enter all of the accounts, you can ignore Exercise 3-3. Alternatively, you can have students use the import file after they have entered more of the accounts. The import will work at any time after students have entered accounts 1000 - 1540.

- The default closing account is set on the Accounts page of the G/L Options form. If account 4100 Retained Earnings is not available when the students click on the finder in exercise 3-9, step #3, they should go back to account 4100 using the Accounts icon and select Retained Earnings as the account type. An account cannot be set as the Retained Earnings account in the G/L Options form if “Retained Earnings” was not selected as the account type. Once the students make this correction, have them return to set the default closing account.

SESSION DATE:

- Use 01/01/2019 as the session date while working in Lesson 3.

END OF LESSON DATA

If you want to review the data as at the end of lesson 3, you must load the data into Sage 300 2017.

IMPORTANT: If you receive an error message indicating that you can't open the datasets, copy the datasets that you want to use to a different folder. In some lessons, the subfolders may be too long in the Instructor's Manual and therefore the datasets can't be accessed directly from the folders within the Instructor's Manual.

Follow the Database Load instructions found in Appendix A, Exercise A-2. Before you begin, you will need to ensure that you have a database set up for both OMNSYS and OMNDAT in the database you are using and in the Sage 300 Database Utility program.

A: If your students are completing the entire textbook in one complete unit:

1. Please refer to the Completing the Entire Textbook – Important Information document found in the x:\Completing the entire textbook folder for more information on how the backups have been created if your students are working through the entire textbook.

B: If your students are completing only the General Ledger lessons in the textbook:

1. Perform a Database Load to load the OMNSYS database first. It can be found in the following folder: x:\Completing just the GL module\Lesson 3\Backup Files\End of Lesson Data.

2. Next, perform a Database Load to load the OMNDAT database. It can also be found in the following folder: x:\Completing just the GL module\Lesson 3\Backup Files\End of Lesson Data.

ADDITIONAL DATASET

If you want to demonstrate how to import the Chart of Accounts to the students, we have included a dataset at the point just prior to performing the import. This dataset can be found in the Lesson 3\Backup Files\Before importing the Chart of Accounts folder in the Completing just the GL module folders.

REPORTS

The following reports are included for this lesson and they can be found in the following folder: the \Lesson 3\Reports folder in the Completing just the GL module folders.

1. Chart of Accounts - Allocation
2. Chart of Accounts - Long Format

CHALLENGE EXERCISE

The End of Lesson datasets can be found for Lesson 3 of the Challenge Exercise in the following folder: x:\Challenge Exercise\ Lesson 3\ Backup Files\End of Lesson data. The system dataset has been called YRNSYS (your name system) and the company dataset has been called YRNDAT (your name data). You can load these datasets into any database that you create; you don't have to call them YRNSYS and YRNDAT. You can view how to load the Challenge Exercise datasets into your own dataset by reviewing the information found under Heading 6 on the Setup Instructions document that accompanies the textbook.

IMPORTANT: If you receive an error message indicating that you can't open the datasets, copy the datasets that you want to use to a different folder. The subfolders may be too long in the Instructor's Manual and therefore they can't be accessed directly from the folders within the Instructor's Manual.

CHALLENGE EXERCISE REPORTS

The reports that the students are asked to print in the Challenge Exercise can be found in the following folder: x:\Challenge Exercise\ Lesson 3\ Reports.

REVIEW QUESTIONS – LESSON 3**1. What is the default for the following fields when you enter a new account:**

- a) **Structure Code:** ACC (or the structure code set up as the company default)
- b) **Normal Balance:** Credit
- c) **Account Type:** Income Statement
- d) **Account Group:** Revenue

2. What is the maximum number of characters allowed in an account?

Account numbers can be up to 45 characters in length, including segment delimiters.

3. How many segments can be included in an account number?

A maximum of ten segments can be included in an account number in the Sage 300 2017 Premium edition. Other versions of the Sage 300 program only allow three segments.

4. What is a control account?

Control accounts can only have transactions posted to them by the subledgers that use them as control accounts. When you select the Control Account option, a Subledger tab appears on the Accounts form. On the Subledger tab, enter the subledgers that use the account as a control account.

NOTE: The bank accounts will be set as control accounts in lesson 9 of the textbook.

5. Describe the following fields in an account:

- a) **normal balance**
This is the normal balance of the account, either debit or credit.
- b) **status**
This is the status of the account, either active, which means you can post transactions to it, or inactive, which means you cannot post transactions to it.
- c) **post to account**
Transactions can be posted separately to an account if you select Detail. Posting to an account in detail allows you to view all transactions individually on reports. If you select Consolidated, transactions are consolidated into a single journal entry, which combines the transactions by fiscal period and source code.

d) account type

The account type determines on which financial statement the account will be displayed. Each account must have an account type of income statement, balance sheet, or retained earnings.

e) account group

If you selected the Use Account Groups option on the Account Options tab of the G/L Options form, you must indicate which account group each account belongs to. The default account groups are listed below:

Unclassified Account Group	Provision for Income Taxes	Closing Inventory
Cash and Cash Equivalents	Other Current Liabilities	Cost of Sales
Accounts Receivable	Long Term Liabilities	Other Revenue
Inventory	Dividends	Fixed Charges
Other Current Assets	Share Capital	Other Expenses
Fixed Assets	Shareholders' Equity	Depreciation Expense
Accumulated Depreciation	Revenue	Other
Other Assets	Opening Inventory	Interest Expense
Accounts Payable	Purchases	Income Taxes

6. Name two fields for an account that cannot be modified once the account has been created.

Two fields that cannot be modified once an account has been set up are the account number and the structure code.

7. List three restrictions for deleting accounts.

Three restrictions for deleting accounts are:

- 1) it must be inactive
- 2) it may not be used as a retained earnings account
- 3) it may not be used on the allocation tab by an auto allocation account

8. What is the purpose of an allocation account? What information is entered on the allocation tab of the account form? What percentage of the account must be allocated?

An allocation account is used as a holding account whose balance can be allocated to other accounts when a reallocation batch is processed. On the allocation tab of the account form, you must enter the accounts that will receive the allocations and the percentage to be applied to each of them. You must also specify which source code you want the program to use when the allocation transaction is generated.

You may allocate the balance of the allocation account to as many different accounts as you like; however, the total allocated must equal 100 percent.

9. Where do you set a default closing account?

The default closing account is set on the Account tab of the G/L Options form.

10. Describe three ways of printing your Chart of Accounts.

- a) open the Chart of Accounts icon from the G/L Accounts folder and select File from the menu and then Print
- b) open the Chart of Accounts report available in the G/L Reports folder; or
- c) open the Accounts icon from the G/L Accounts folder and select File from the menu and then Print