

4th Quarter - 2014

SAGE 500 ERP NEWSLETTER



Sage 500 ERP: Year in Review & Road Ahead

With the release of Sage 500 ERP 2014, there were noteworthy enhancements and new features introduced during the year. Perhaps more important than the new release, however, were the clarified statements that Sage offered during Sage Summit 2014 about the future of Sage 500. Let's take a closer look at the 2014 year in review.

End of Life? Not So Fast

You may recall that two years ago, Sage announced plans to continue to "develop and support Sage 500 through at least the end of 2017." While many interpreted this as an "End of Life" announcement with support ending in just a couple of years, those interpretations were wrong.

This year at [Sage Summit](#), Sage clarified their original statements from 2012 and announced a renewed commitment to Sage 500 ERP through **at least** 2020. That commitment includes new releases each year along with new features and continued enhancements. In short, Sage 500 ERP will not be retired in 2017. In fact, there is **no** determined retirement date at this time.

Sage 500 ERP Version 2014

Released early in 2014, this newest version of Sage 500 was designed to improve productivity and simplify your business. Thanks to [suggestions from customers like you](#), popular enhancements like expanded email fields, more visible sales order and shipment numbers, an easier way to reverse payments, and the ability to process payments by EFT were added to your ERP system.

Visit the [Sage 500 ERP 2014 Website](#) for all the details.

The Road Ahead

In addition to new "core" features that will be added to Sage 500 ERP through new releases and product updates, you can also expect to see Sage continue to execute on their **Hybrid Cloud** vision. This is a strategy that allows you to keep your on-premises ERP system in place while at the same time adding new features that are delivered from the cloud. This is made possible through [Sage Data Cloud](#) which is the technology that connects your Sage 500 system to a whole new world of cloud-based add-on applications and services that are available "as needed."

In fact, this technology is already at work delivering some of the new features introduced with during the year including [Sage Inventory Advisor](#), [Sage Mobile Sales](#), and [Sage Mobile Service](#). These innovative applications extend your ERP systems beyond just the back office and into the hands of employees that need access on a mobile device, in the office or on the road. Over time, Sage will continue adding these new cloud-based features and services.



Stay Tuned! We'll keep you posted as things develop with your Sage 500 ERP software in 2015.



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- How to Process Year End Closing in Sage 500 ERP
- Helpful Product Updates and Resources

ABOUT US

Enhance your current system. We'll assist you in selecting, implementing, and supporting your accounting and management information solution with the latest in IT hardware and software.

Extend your IT footprint. We provide a range of IT solutions including ERP and accounting software, systems and network integration, Internet/Intranet applications, custom application development, e-commerce, and Business Intelligence reporting.

Evolve as technology progresses. We research and test new technologies so that you stay current with the latest solutions.



How to Process Year End Closing

Once again, we're approaching that hectic time of year - particularly for accounting departments that are preparing for year end closing procedures. So to do our part, here are a few helpful tips and how-to's that will guide you through a smooth year end closing process in Sage 500 ERP.

1. Set Up General Ledger Options

When closing the fiscal year in Sage 500 ERP, you must configure the General Ledger options correctly to achieve the desired results during year-end processing. To do so, follow these steps:

General Ledger Maintenance > GL Setup/Set Up Options

Then, verify the settings on the following tabs:

Main Tab

Clear the Non-Financial Accounts at Year End – Select this option to clear non-financial account balances for the next fiscal year (this only applies to accounts with a Non-Financial account group, this option has no effect on statistical data). If you do not select this option, all non-financial account balances will be carried over to the next fiscal year.

Default Budget – Select a Default Budget to use for reporting purposes. If you select Copy Budget as the Year-End Copy option, your budget will be updated during year end processing.

Year End Copy – Select to copy budget figures, or the current year's actual figure, to the budget specified in the Default Budget option. Select None if you do not require a budget copy at year-end.

Copy Budget – Select the budget used to update the figures for the budget specified in the Default Budget option during year-end processing. This field is disabled if **None** or **Copy Actual** is specified for the Year End Copy option.

CAUTION: *Depending on your settings, your current budget might be overwritten using the Year End Budget Copy feature. Use caution or contact us for help with your specific version & settings.*

Additional Tab

Retained Earnings Account - Verify that the correct Retained Earnings Account is specified.

Number of Years to Track Periodic GL History – Select the number of years you wish to keep transaction summary and account history in the General Ledger. If the purge option is selected when you close the fiscal year in **Process Period End**, Sage 500 ERP data older than the specified period will be purged at year-end and summarized by account and date.

Number of Years to Keep Trans History Detail - Select the number of years you wish to keep transaction detail in the General Ledger. Sage 500 data older than this is summarized by date at year-end and is unavailable for reports.

Financial Terms Tab

Review the terms used and change as needed for financial reporting purposes.

WARNING: Periodic GL history enables you to print financial statements and budgets from historical data. Transaction history allows you to print detailed transaction reports from history. Both account history and transaction history may be purged and therefore render the data unavailable based on the setup of these options. See the **'Default Auto Purge'** section for additional information on setting purge options.

2. Closing the Year in Sage 500 ERP

To close the fiscal year in Sage 500, use the **Process Period End** task. Process Period End verifies that there are no un-posted batches for the period, and once selected, performs the following tasks:

- Print Period End Reports
- Purge General Ledger Data
- Close the Fiscal Year

Year End Processing is automatically performed when the Current Period specified in Sage 500 **Set Up GL Options** is set to the last period of the current fiscal year.

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Authorized
Partner

How to Process Year End Closing (Cont.)

Here is a guideline for closing the fiscal year.

1. Complete Posting, Adjusting, and Closing Procedures for all subsidiary modules.
2. Backup the Sage 500 application and system databases.
3. Complete posting of all GL pending batches, recurring transactions, and adjusting entries in Process Journal Transactions using an appropriate posting date.
4. Print the Year End reports required by your accountant or bookkeeper.
5. Verify that the applicable GL account balances match the month-end report balances in modules such as AR, AP, and MC.
6. Make any necessary adjustments to the General Ledger.
7. If needed, re-print any Year End reports.
8. Print the final Financial Statements and verify that they balance.
9. Backup the Sage 500 application and system database.
10. Complete Year End processing by selecting the **Process Period End** task from the **GL Activities** menu. The following options are available:

Print Period End Reports (*optional*) - Use the Select Reports option and select the desired reports for printing. To further customize the reports, select the individual report from the GL Reports menu and create a Saved Setting, as follows:

- From the **GL Reports** menu, select the desired GL report.
- Make the required changes to the sort and selection criteria, and print options.
- Save the report setting and name it **Period End**. These report settings are used when printing reports during Period End or Year End processing.

Purge GL Data (*optional*) - If the purge data flag is set, the purge occurs before the period is incremented. The purge process uses the parameters configured in the Set Up GL Options task and removes data accordingly.

***Note:** Sage does not recommend selecting this option during year-end, as it may cause the year end close to take a great deal longer to process.

Close Period X-YYYY ending on MM/DD/YY – This option is activated only if the period selected in the header is the oldest open period; otherwise, this option is disabled. This option should be selected *after* all the steps stated above have been completed and account balances are finalized for the year. ***Note:** A period cannot be closed in the General Ledger if that period is still open in any subsidiary module. A warning will display that the suspense account has a balance or if any un-posted GL batches have a posting date prior to the period being closed.

1. If the period closed is the same as the Current Fiscal Year and Current Period defined in GL Options, the Current Year and Current Period will be incremented in GL Options. The Status in GL Setup Fiscal Calendar for the period being closed will be set to "Closed."
2. Backup the Sage 500 application and system database.
3. Adjust budget figures for the New Year as necessary.
4. Print the new period's financial statements and verify:
 - Balance Sheet accounts have the appropriate beginning balances.
 - Retained Earnings is correct.
 - Beginning balances for the Income Statement accounts are 0.00.
1. Make a backup of all company data and place it in safe permanent storage. This will serve as the permanent record of your company's financial position at the end of the year, which can be later restored if necessary.

3. Closing the Year in Sage 500 ERP

Journal Entry adjustments are made in the Sage 500 General Ledger through the **Process Journal Transactions** task.

The following are common adjustments made before closing a GL period:

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How to Process Year End Closing (Cont.)

1. Depreciation/Amortization expense is calculated and booked.
2. Loss Provisions are made to applicable accounts.
3. Recurring journal entries are noted.
4. Allowance is made for Doubtful Accounts.
5. Inventory is adjusted to physical counts and analyzed for obsolescence.
6. Income and expenses are accrued, as necessary.
7. Deferred Income is recorded.
8. Correction of any errors in prior postings.
9. See your accountant or bookkeeper for further information regarding adjustments.
10. Year End processing and Period End processing are essentially identical. The most significant difference is that Year End processing generates the new Budget for the following year.
11. Transactions can be posted only to "open" periods. Any closed periods can be reopened through **Set Up Fiscal Calendar**. However, after a period is "reopened", that period and all future periods must be reclosed. Any transactions posted to a prior period change the related reports and financial statements, so the ability to "open" a closed period should be subject to management approval.

4. Set Up General Ledger Options

Sage 500 ERP is designed to automatically purge data at preset time periods for each individual module. These preset periods can be modified to suit your particular needs. However, purging data is not usually necessary as most businesses want to keep records much longer than the default period so Sage recommends disabling the feature. If you do not wish to purge data at a specific time, follow the instructions below to **DISABLE** automatic purging.

Sage recommends you change/reset the purge value fields in the Set Up Options task for each registered module to **999**. The following list shows the preset or default automatic data purges for individual modules.

Note: If the data **MUST** be purged, work with your SQL database administrator or [contact us](#) for help.

Common Information (CI)

Sales Tax: 24 Periods
Sales Tax History: 5 Years

General Ledger (GL)

Sales Tax History: 1 Year

Accounts Payable (AP)

Voucher and vendor data: 24 Months
Vendor data: 5 Years

Accounts Receivable (AR)

History retained by month: 24 Months
History retained by year: 5 Yrs

Multicurrency (MC)

Exchange Rates: 4 Months

Cash Management (CM)

Bank Account History: 5 Yrs
Bank Transactions: 24 Mos.
Bank Statements: 24 Months

Purchase Orders (PO)

Purchase Orders: 24 Months
Requisitions: 24 Months
Receivers: 24 Months

Inventory Management (IM)

Inventory History: 5 Years
Purchase Product Line: 5 Yrs
Lot/Serial Transactions: 5 Yrs
Outdated Prices: 24 Months
Inactive Item: 4 Months
Inventory Transactions: 24 Mo.

Sales Order (SO)

Sales Orders: 24 Months
Shipments: 24 Months
Quotes: 6 Months
Sales Analysis History: 5 Years

REMEMBER WE'RE HERE TO HELP!

As you begin year end closing in Sage 500 ERP, be sure to contact us if you need assistance during this important time of year. As your software and technology partner, we're always here to help!

I Need Support



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Helpful Product Updates & Resources

Supported Versions Reminder

In accordance with their standard support policy, Sage retires older versions of Sage 500 ERP in order to focus on delivering higher quality support for the most recent product releases. The currently supported versions of Sage 500 ERP include Version 7.4, Version 2013, and Version 2014. Refer to the following table for details:

Sage 500 ERP	2014	2013	7.4
Release Date	Dec 2013	Nov 2012	June 2011
Web based and phone support (End Date)	YES	9/30/2016	9/30/2015
Year End updates (AP and Electronic Reporting)	YES	9/30/2015	9/30/2014
Product Updates (formerly Monthly Updates)	YES	9/30/2015*	9/30/2014*
Hot Fixes (End Date)	YES	9/30/2015**	9/30/2014**
Online support knowledgebase	YES	YES	YES

*Sage reserves the right to determine if and when Product Updates will be issued
 **Sage reserves the right to determine if and when Hot Fixes will be issued.

Microsoft Windows XP Support Reminder

As you probably heard by now, Microsoft officially ended support for Windows XP as of April 8, 2014.

What Does This Mean for Sage 500 ERP?

Sage has stopped supporting any version of Sage 500 on Windows XP including Sage 500 ERP 2014. Any future product updates for other versions like 2013 or 7.4 will not be compatible either.

[Contact us](#) with questions or if you need help upgrading to a supported version of Microsoft Windows.

Overview of Period and Year-End Processes

As you prepare to close the books on 2014 and start fresh in the new year, we thought [this overview video](#) of the Sage 500 ERP closing process would be helpful. It provides guidance about some of the tasks involved like printing reports, purging data, and closing the account period.



Sage Hits the Road - Again

Sage is on the road and coming to a city near you. Marking the second time Sage is touring North America visiting with customers like you, the newest [Sage Inspire Tour](#) kicked off in November 2014 and continues across 14 major cities in the U.S. and Canada through 2015.

With informative learning sessions, engaging speakers, detailed product breakouts, networking opportunities, and a drawing for awesome prizes, Sage Inspire is like a mini Sage Summit right in your own backyard.

Click below for cities, dates, and other details:

<http://go.na.sage.com/InspireTour>