

# Sage Business Cloud Accounting: **Importing Opening Balances**

# Importing Opening Balances

## Learning Objectives

- Understand the importance of opening balances
- Create opening customer opening balances
- Create vendor opening balances
- Create bank opening balances
- Create general ledger opening balances

Opening balances represent the financial position of your company the day before you start entering transactions. Without accurate opening balances, you aren't able to gain a true picture of the financial position of your company from your reports.

If you recall, Christina began planning her business venture for Divine Chocolates months ago. She was tracking all her expenses, potential customers and bank balances in an excel spreadsheet. That can get pretty cumbersome. Now that she's utilizing **Accounting** she can add that information to be tracked and managed automatically.







She can enter opening balances for outstanding customer transactions, outstanding vendor transactions, bank account balances and general ledger trial balance values by importing them into Accounting.

To enter opening balances, Christina will need a list of her outstanding customer and vendor invoices and credit notes, closing trial balance from her previous accounting period and her bank statements. She'll also need a list of uncleared bank items from that haven't appeared on bank statements, for example, uncleared cheques.

With the grand opening a few days away, her timing is perfect since we recommend you start recording transactions from the start of a new accounting period, whether it's a new tax month or quarter or the start of your fiscal year.



**NOTE:** Throughout the duration of the course, you will encounter important icons and visual conventions as part of your learning experience to guide learners through the chapters. The cues are indicated here:

	<b>Important Information / Important Note / Additional Information</b>	Item where caution and attention is required or additional insight and information is provided.
	<b>Exercise</b>	Your opportunity to practice a concept.
	<b>End of Exercise</b>	Indicates the end of an exercise.
	<b>Check Your Knowledge</b>	Review questions at the end of a lesson to check your understanding and ability to implement concepts.
	<b>Summary</b>	Overview of the most important items covered in a section or lesson.
	<b>End of Lesson</b>	The end of the lesson.

# Customer Opening Balances

When Christina began planning her business, she was busy marketing and networking to potential clients and customers. In doing so, she gained several customers which she kept track of in Microsoft Excel. Divine Chocolates offered these customers reduced pricing, so Christina could try a few of her new ideas. Instead of entering all her new customers individually, **Accounting** enables you to import opening balances easily.



**NOTE:** Before entering opening balances, you need to create your customer, vendor, and bank account records, including loan accounts and credit cards. You can also enter opening balances for your bank accounts when you create the records.



**NOTE:** Your customer opening balance total automatically provides the balance for your **Accounts Receivable** account in the **General Ledger Opening Balances** for your bank accounts when you create the records.

**General Ledger Opening Balances** ⓘ

Record the balances of your ledger accounts from your previous accounting system. Opening balances already entered through the customer, vendor or bank opening balance options appear automatically. You can enter or amend these by clicking each line. Each debit or credit balance is offset against the opening balance control account, and when the full trial balance is entered, this account should be zero.

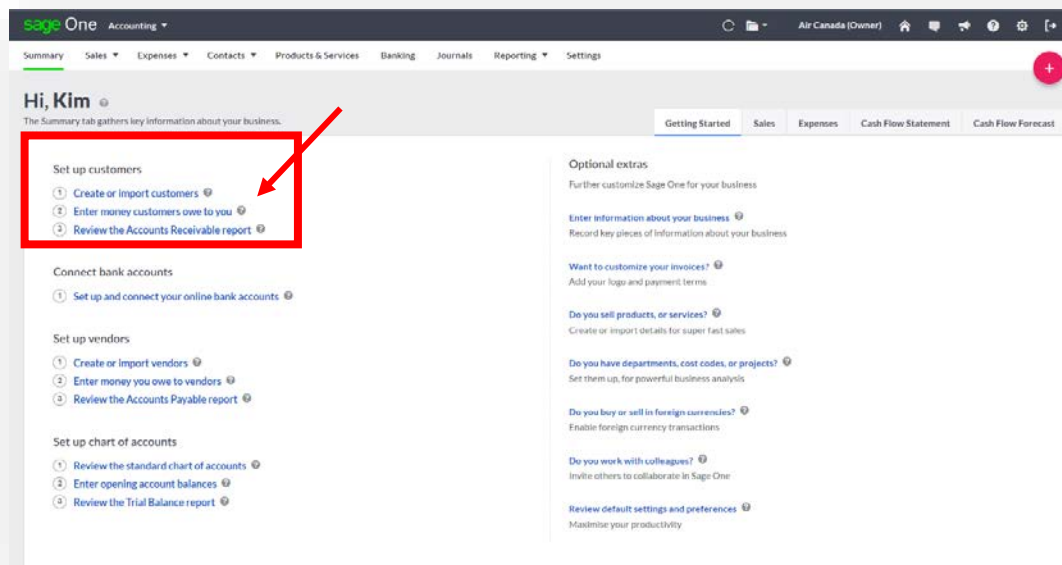
Accounts Start Date: 02/01/2018

Date\*\* 01/31/2018 Reference\*\*

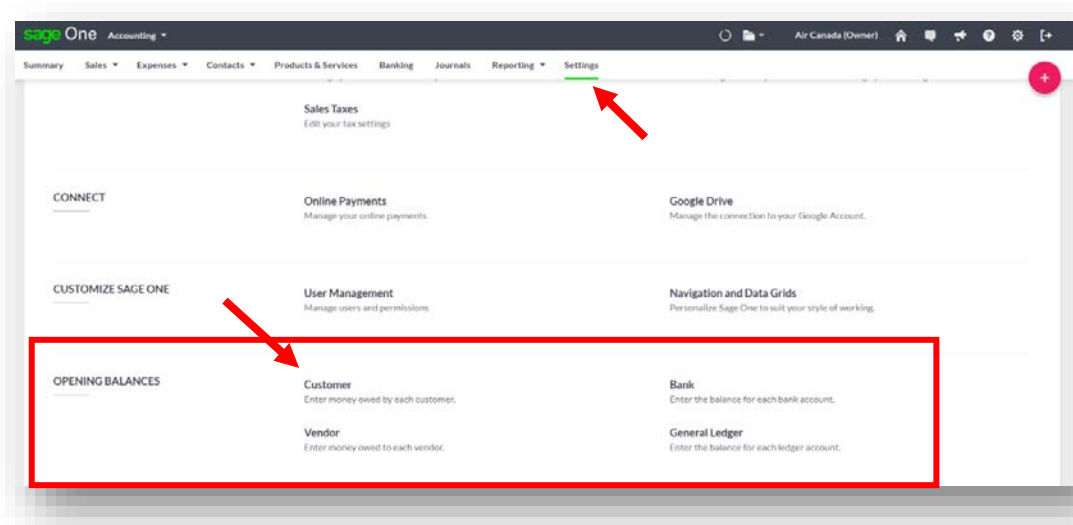
Ledger Account*	Details	Debit	Credit
Accounts Receivable (1100)	Opening Balance	0.00	0.00
Accounts Payable (2000)	Opening Balance	0.00	450.00
Cash on Hand (1000)	Opening Balance	0.00	0.00
Chequing (1050)	Opening Balance	0.00	0.00
RBC (Royal Bank of Canada) (1060)	Opening Balance	0.00	0.00
Bank of Canada - Loan (1070)	Opening Balance	0.00	2,500.00
Student /Instructor Account - Chequing (1080)	Opening Balance	0.00	0.00
Test Bank Rajeev (1090)	Opening Balance	0.00	0.00
Please select	(Opening Balance)	0.00	0.00
Opening Balances Control Account (9998)	Opening Balance	2,950.00	0.00
		2,950.00	2,950.00

Let's begin by importing opening balances, for Christina's new customers from her previous tracking system, Microsoft Excel. This is the money customers owe Divine Chocolates:

1. From the **home screen** navigate to **Set Up Customers** and select ② **Enter Money Customer's Owe to You**:



2. **OR** from the **Accounting Settings** navigate to **Settings**, scroll down to **Opening Balances** and select **Customer**:



- Navigate to the blue drop down menu and select **Import Opening Balances**. When the **Import Vendor Opening Balances** box launches, click **Choose File** and select the CSV file within your document list that you want to import.

**Customer Opening Balances** ⓘ

Record outstanding customer transactions from your previous accounting system. Opening balances must be dated prior to your start date. Note: Your opening balance batch total automatically provides the balance for your trade debtors account in the Nominal Opening Balances option.

Accounts Start Date: 06/04/2016

New Opening Balance ▾  
Import Opening Balances

Type	Date	Customer	Reference	Details	
Bill	06/01/2016	Crist, Altenwerth and Jacobs	OB-01-94499	Kelly Job	1,250.00
Bill	06/03/2016	Dole	OB-19-39987	Botanical Gardens Wedding	1,650.00
Bill	06/03/2016	Hudson and Sons	OB-49-293939	Smith Painting	6,200.95
Bill	06/03/2016	Jerde and Sons	OB-49-284998	Wine Delivery	350.00
Cr Note	06/03/2016	Low, Lockman and Jerde	OB-38-39999	Ontario Building Project	-1,300.00
Cr Note	06/03/2016	Hudson and Sons	OB-03-99399	Refund	-250.00
Cr Note	06/03/2016	Handy Haircuts	OB-Haircut		-50.00
Bill	06/03/2016	Crist, Altenwerth and Jacobs	OB-Invoice #9288	Professional Services	1,900.00
Cr Note	03/03/2016	Jerde and Sons	OB-Payment on acct.	Allocate later to account	-150.00
Bill	06/03/2016	Robln's Deliveries	OB-Payment on Acct	From previous acctg. system	350.00

Show 10 records Page 1 of 2 12 records

There is a correctly formatted CSV template for use when importing files. To access it, click on **template CSV here** link.




**NOTE:** Opening balances must be dated prior to your start date.

**Import Customer Opening Balances** ✕

To get started you'll need to format your customer opening balances in the correct way. You can download a [template CSV here](#).

Further guidance is [available in this help file](#).



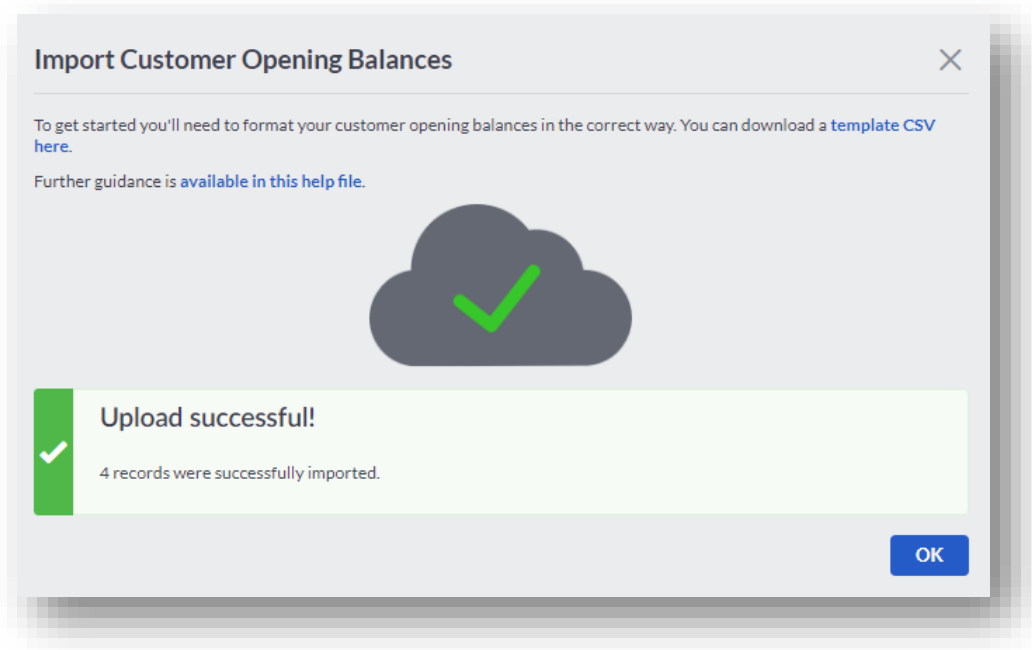
Maximum file size is 0.5MB\*\*

No file chosen



**Lesson:** For purposes of this lesson, use the EAP Curriculum Example Import Customer Opening Balances to upload Divine Chocolates Opening Balances customers previous customers. [EAP curriculum example import customer opening balances.csv](#)

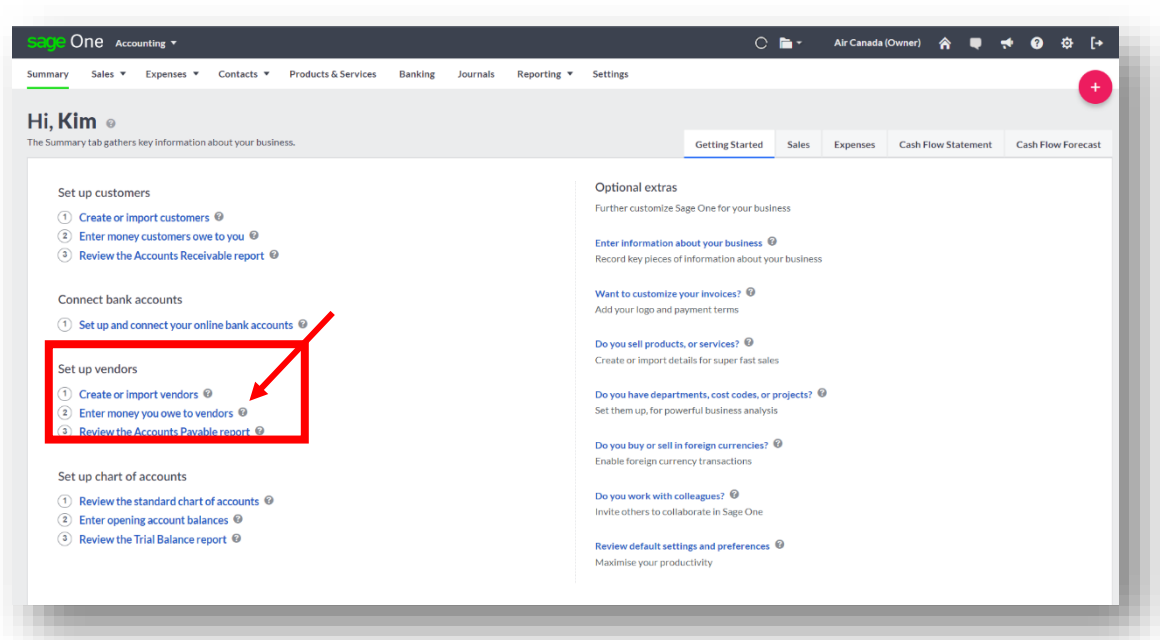
Once the files have been imported, you will receive notification that your upload was successful:



# Vendor Opening Balances

Divine Chocolates will be using a few vendors in the initial phase of the business startup, including Toronto Chocolate Makers to place orders. **Accounting** is able to help keep track of how much Divine Chocolates owes their vendors. Importing Vendor Bills and Transactions can be done from two different places.

1. From the **home screen** navigate to **Set Up Vendors** and select ② **Enter Money You Owe to Vendors**:

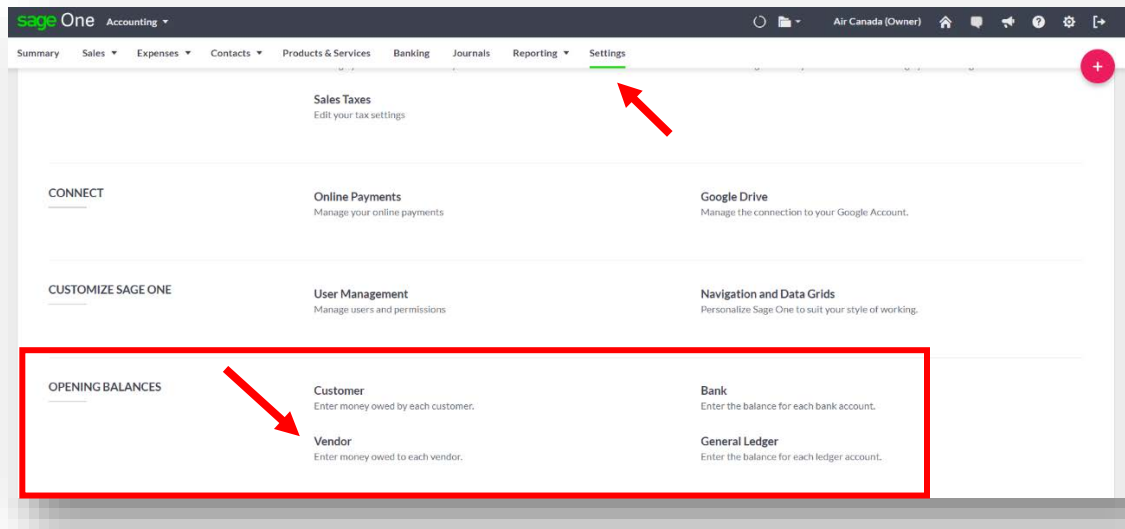


**OR** from the **Accounting Settings**.

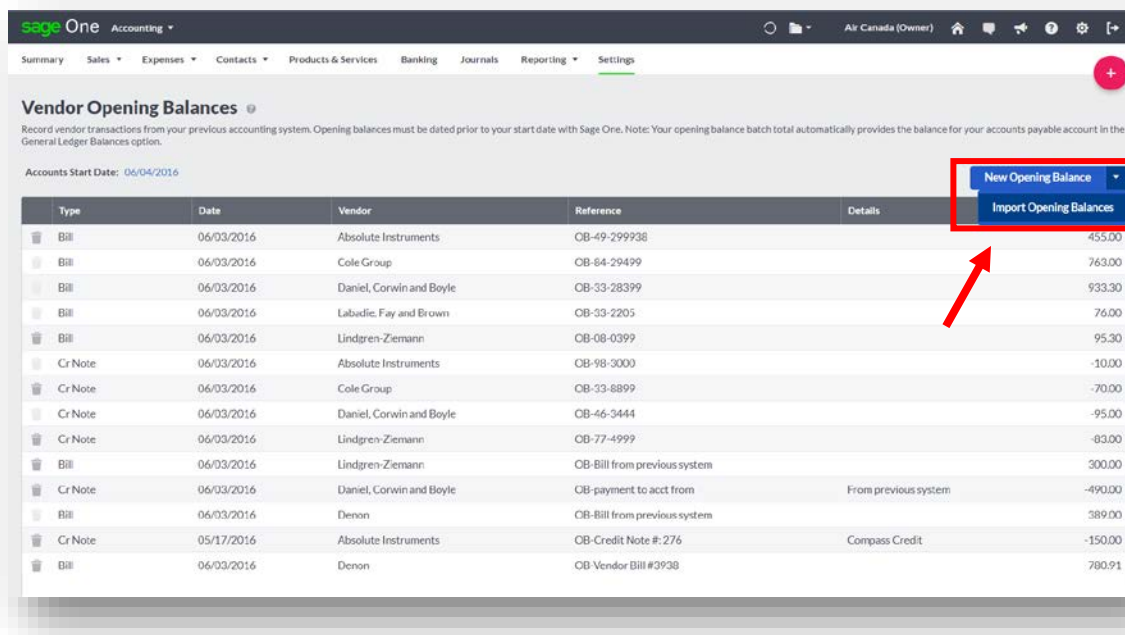
2. Navigate to **Settings**, scroll down to **Opening Balances** and select **Vendor**:

Christina's first bill is for milk, dark, and white chocolate samples she will be served during her grand opening event. She's also ordered some bags. Let's add those vendor opening balances to **Accounting**.





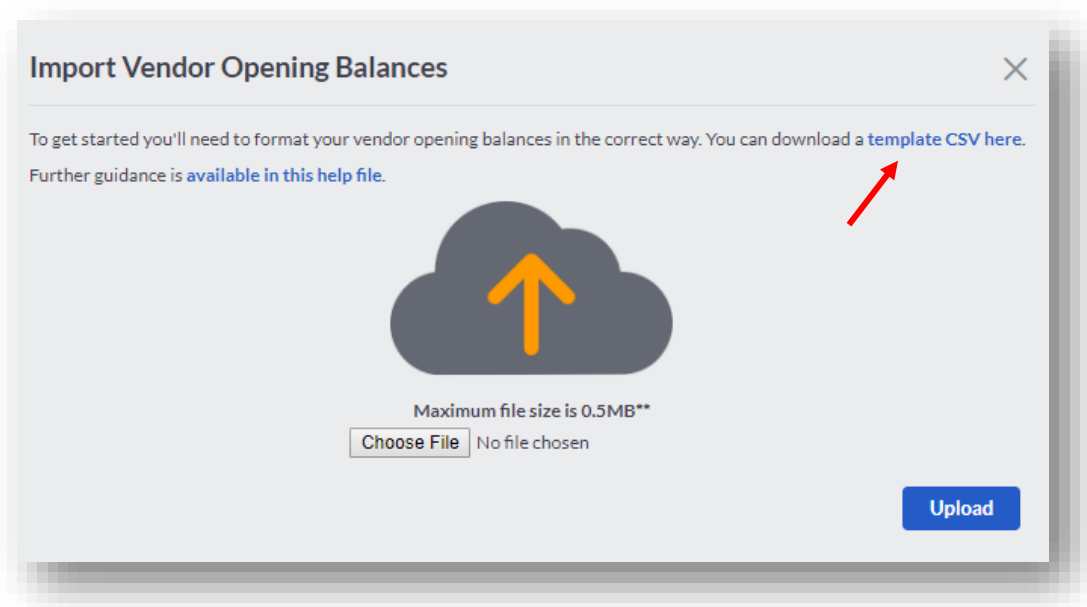
3. Navigate to the blue drop down menu and select **Import Opening Balances**. When the **Import Vendor Opening Balances** box launches, click **Choose File** and select the CSV file within your document list that you want to import.



There is a correctly formatted CSV template for use when importing files. To access it, click on **template CSV here** link.

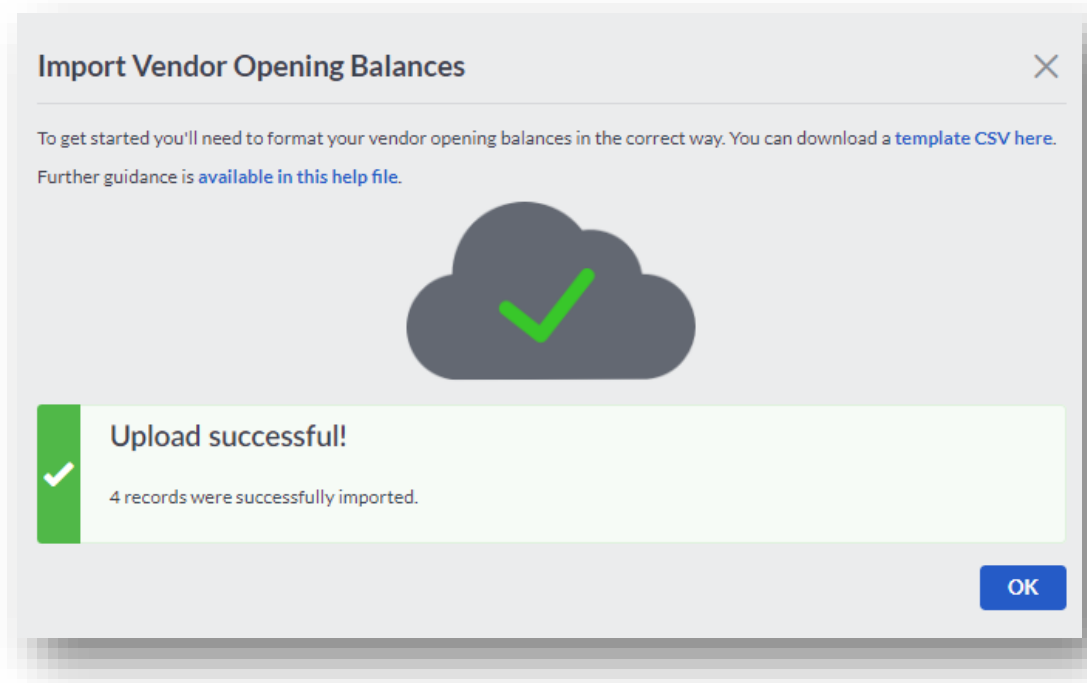


**NOTE:** Opening balances must be dated prior to your start date.



**Lesson:** For purposes of this lesson, use the EAP Curriculum Example Import Vendor Opening Balances to upload Divine Chocolates Opening Balances with Toronto Chocolate Makers. [EAP curriculum example import vendor opening balances .csv](#)

Once the files have been imported, you will receive notification that your upload was successful:





**NOTE:** If you receive an error message uploading your .CSV file, it's important to note, all column headers must match the information contained within the vendor record.

**Example:** The columns in the Sage provided template requires a **Vendor Reference** and **Reference**. This information is pulled directly from the Vendor Record:

Type	Date	Business Name	Vendor Reference	Reference	Details	Total
Bill	1/30/2018	Toronto Chocolate Makers	Chocolate	Chocolate	White Chocolate	125
Bill	1/30/2018	Toronto Chocolate Makers	Chocolate	Chocolate	Dark Chocolate	125
Bill	1/15/2018	Toronto Chocolate Makers	Chocolate	Chocolate	Milk Chocolate	125
Bill	1/18/2018	Toronto Chocolate Makers	Chocolate	Chocolate	Retail Bags	75

Summary Sales Expenses **Contacts** Products & Services Banking

## Toronto Chocolate Makers (Vendor) ?

Ref: Chocolate

OUTSTANDING (4)

**\$450.00**

OVERDUE (4)

**\$450.00**

CREDIT LIMIT

None

CREDIT TERMS

30 Days

Activity Contacts and Addresses Payment Details **Options** Notes

### Account Details ?

Company / Name	Toronto Chocolate Makers
Reference	Chocolate
Language	English (Canadian)
Expense Ledger Account	5000 - Cost of Goods Sold
Business Number	CA 123456789012345

# Bank Opening Balances

It is important to add the balances of existing bank accounts into **Accounting** before entering any transactions. Divine Chocolates opened a commercial bank account with the Bank of Montreal to conduct business. Christina also has a credit card from American Express used for business expenses. Lastly, Christina has taken a loan out from The Royal Bank of Canada in the amount of 25,000\$. There are two ways to enter opening balances, into **Accounting**. 1. From within the bank account record in Banking and 2. within **Accounting** settings.

From **Settings**, navigate to **Opening Balances** and select **Bank**:

The screenshot shows the Sage One Accounting Settings page. The 'OPENING BALANCES' section is highlighted with a red box. A red arrow points to the 'Bank' option within this section.



**NOTE:** Before entering opening balances, you must enter your accounts start date, within Financial Settings, which should be the day that you start using **Accounting**. Entering opening balances is the only activity that can be dated prior to the accounts start date.

**Bank Account Opening Balances** ⓘ

Enter bank account opening balances. If your account balance is made up of a reconciled value and items that have not yet appeared on your bank statement, enter these as separate items. You can then reconcile the entries when they appear on your statement.

Accounts Start Date: 06/04/2016

Bank Account	Account Number	Date*	Type	Opening Balance*
1050 - Bank Of Montreal - Chequing		06/01/2016	Receipt (debit)	1,859.65
1070 - American Express		06/03/2016	Payment (credit)	876.54
1080 - Royal Bank Of Canada - Loan	39870493932	06/03/2016	Payment (credit)	25,000.00
Please select		06/03/2016	Please select	0.00

Save Cancel



**NOTE:** If you've already entered opening balances while creating your accounts within banking, they appear here. Provided the opening balance hasn't been bank reconciled, you can change the amount. If it has been reconciled, and you need to change the amount, you can post the opposite entry for the difference. For example, if you entered a debit value of 5000\$ but the bank opening balance should actually be 4000\$, enter a credit for the same bank on the same date for 1000\$.

1. Navigate to the first line item and select the bank account to add the opening balance.

**Bank Account Opening Balances**

Enter bank account opening balances to reflect account balances prior to starting to use Sage One. If your account balance is made up of a reconciled value and items that have not yet appeared on your bank statement, enter these as separate items. You can then reconcile the entries when they appear on your statement.

Accounts Start Date: 06/04/2016

Bank Account	Account Number	Date*	Type	Opening Balance*
1050 - Bank Of Montreal - Chequing		06/01/2016	Receipt (debit)	1,859.65
1060 - Bank Of Toronto	3950383882	05/04/2016	Payment (credit)	5,749.65
1070 - American Express		06/03/2016	Payment (credit)	876.54
1080 - Royal Bank Of Canada - Loan	39870493932	06/03/2016	Payment (credit)	25,000.00
1090 - Capital One Visa		06/03/2016	Payment (credit)	452.15
Please select		06/03/2016	Please select.	0.00

Save Cancel

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2. Add the account number and the date (must be before the **Accounts Start Date**)  
For example, since Divine Chocolates started using **Accounting** for the first time on June 1st, we should use May 31 for the opening balance date.



Begin by entering the commercial bank Account Christina opened at the Bank of Montreal with an opening balance of 5000\$.

- Choose whether the balance is a debit or credit value in the **Type** field.



Next, enter the opening balance for the American Express Divine Chocolates utilizes for business expenses in the amount of 876.54\$.



Lastly, enter the opening balance for the The Royal Bank of Canada in the amount of 25,000\$.

- Repeat these steps until you have entered all bank account trial balances from your bank/credit card/loan statements in the **Opening Balance** field. After all opening balances are entered, click **Save**.



**NOTE:** As you enter your trial balances, to ensure the total debits and credits balance, the opposite entry posts to the **Opening Balances Control Account**. Once you've entered all the values from your trial balance, this account should have a zero balance. If not, make sure you have entered the correct values for each entry.

**General Ledger Opening Balances**

Record the balances of your ledger accounts from your previous accounting system. Opening balances already entered through the customer, vendor or bank opening balance options appear automatically. You can enter or amend these by clicking each line. Each debit or credit balance is offset against the opening balance control account, and when the full trial balance is entered, this account should be zero.

Accounts Start Date: 06/04/2016

Date\*\* 06/03/2016 Reference\*\* Beginning Balance

Ledger Account*	Details	Debit	Credit
Accounts Receivable (1100)	Opening Balance	12,667.10	0.00
Accounts Payable (2000)	Opening Balance	0.00	2,894.51
Cash on Hand (1000)	Opening Balance	0.00	0.00
Bank Of Montreal - Chequing (1050)	Opening Balance	1,859.63	0.00
Bank Of Toronto (1060)	Opening Balance	0.00	5,749.65
American Express (1070)	Opening Balance	0.00	876.54
Royal Bank Of Canada - Loan (1080)	Opening Balance	0.00	25,000.00
Capital One Visa (1090)	Opening Balance	0.00	452.15
Kim Test (1110)	Opening Balance	0.00	0.00
3400 - Retained Earnings	(Opening Balance)	20,500.60	0.00
Opening Balances Control Account (9990)	Opening Balance	0.00	274.50
		35,247.33	35,247.33

# General Ledger Opening Balances

The last part of opening balances are the General Ledger opening balances. Here we'll record ledger accounts from a previous accounting system. As you can see, the opening balances we entered for Divine Chocolates customers, vendors and bank opening balance options appear automatically. Each debit or credit balance is offset against the opening balance control account, and when the full trial balance is entered, this account should be zero.

**General Ledger Opening Balances** ⓘ

Record the balances of your ledger accounts from your previous accounting system. Opening balances already entered through the customer, vendor or bank opening balance options appear automatically. You can enter or amend these by clicking each line. Each debit or credit balance is offset against the opening balance control account, and when the full trial balance is entered, this account should be zero.

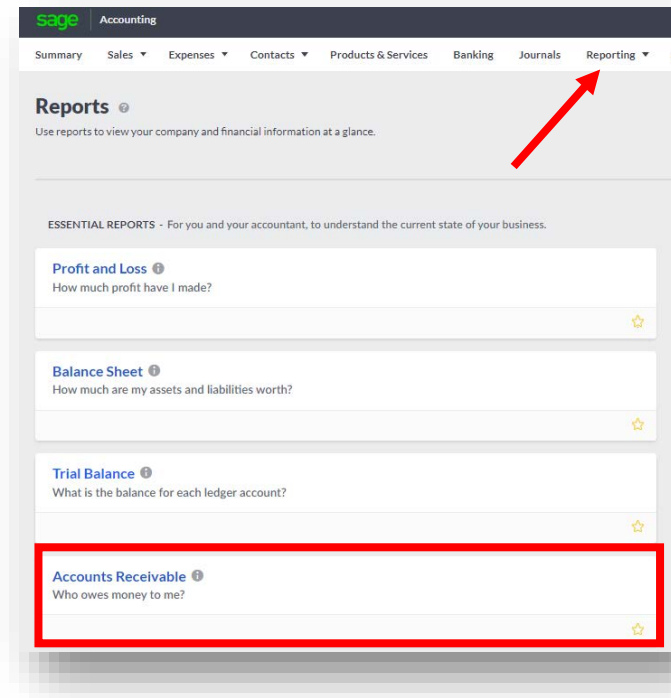
Accounts Start Date: 06/04/2016

Date\*\* 06/03/2016  Reference\*\* Beginning Balance

Ledger Account*	Details	Debit	Credit
Accounts Receivable (1100)	Opening Balance	12,887.10	0.00
Accounts Payable (2000)	Opening Balance	0.00	2,894.51
Cash on Hand (1000)	Opening Balance	0.00	0.00
Bank Of Montreal - Chequing (1050)	Opening Balance	1,859.65	0.00
Bank Of Toronto (1060)	Opening Balance	0.00	5,749.65
American Express (1070)	Opening Balance	0.00	876.54
Royal Bank Of Canada - Loan (1080)	Opening Balance	0.00	25,000.00
Capital One Visa (1090)	Opening Balance	0.00	452.15
Kim Test (1110)	Opening Balance	0.00	0.00
<input type="text" value="3400 - Retained Earnings"/>	(Opening Balance)	20,500.60	0.00
<input type="text" value="Please select"/>	(Opening Balance)	0.00	0.00
Opening Balances Control Account (9998)	Opening Balance	0.00	274.50
		35,247.35	35,247.35

Once all balances and transactions have been entered, print out a **Trial Balance** report. This can be used to review the balance of each ledger account and compare it with the balance/ledgers in a previous system (or excel).

Navigate to **Reports** from within the menu bar and select **Trial Balance Report**:



**Trial Balance Report**

This report displays the balance on your nominal accounts for a specified date range. You can include brought forward values and include current year's profit and loss values only.

Your Financial Year is set to 31st of December. [Change this](#)

Period: This Year | From: 01/01/2018 | To: 12/31/2018 | This period only |  Summarise retained earning values | [Calculate](#) | [Export](#)

Account Number	Name	This Year	
		Debit	Credit
1050	Bank Of Montrial - Chequing	1,280.00	
1100	Accounts Receivable		1,016.39
2000	Accounts Payable		70.08
2300	GST/HST Collected and Collectible		130.63
2301	GST/HST Input Tax Credits	3.70	
2400	BC PST Collectible on Sales	105.00	
2450	SK PST Collectible on Sales		3.00
2600	QST Collected and Collectible		7.48
2601	QST Input Tax Refund	7.38	
4000	Sales		187.50
5000	Cost of Goods Sold		25.00
5100	Purchase Discounts		5.00
5200	Shipping Expenses	49.00	
<b>TOTAL</b>		<b>1,445.08 \$</b>	<b>1,445.08 \$</b>



End of Lesson





## Check Your Knowledge

Answer the following questions about the material covered in this lesson.

### Short Answer

Write a short answer to the question below.

1. Before entering opening balances, what records need to be created first within Accounting?
- 
- 

### Fill In The Blank

2. Your *customer* opening balance total automatically provides the balance for your \_\_\_\_\_ account in the \_\_\_\_\_ for your bank accounts when you create the records.
  - A. \_\_\_\_\_ Accounts Payable/Vendor Opening Balances
  - B. \_\_\_\_\_ Discount/Checking Account Balances
  - C. \_\_\_\_\_ Income Statement/Profit & Loss Balances
  - D. \_\_\_\_\_ Accounts Receivable/ General Ledger Opening Balances
3. What file type is used to import opening balances into Accounting:
  - A. \_\_\_\_\_ .PDF
  - B. \_\_\_\_\_ .OFC
  - C. \_\_\_\_\_ .CSV
  - D. \_\_\_\_\_ You can't import opening balances. You can only enter them individually.

### True or False

Enter 'T' for True or 'F' for False for each of the affirmations below.

4. \_\_\_\_\_ Opening balances must be dated prior to your start date.
5. \_\_\_\_\_ As trial balances are entered into Accounting the opposite entry posts to the Opening Balances Control Account to ensure the total debits and credits balance.
6. \_\_\_\_\_ There are two ways to enter opening balances into Accounting:
  1. From within the bank account record in Banking and
  2. within Accounting settings

**Please note:**

Every effort has been made to ensure that the information provided in this educational series is accurate, up-to-date, and complete, but no guarantee is made to that effect. URLs and additional resources 'Beyond the Classroom' are continuously changing. Because the software is customizable in a number of ways, the language used in this guide may be different from what you 'see' when you work with your company's data file(s).

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