

# What's covered in today's webinar?

**Introduction to the nominal ledger**

**Nominal code types**

**Nominal Structure**

**Set up a new nominal code**

**Nominal Record**

**Summary**

**Extra Support**



# Introduction

- A nominal code is assigned to every transaction
- They are used to categorise transactions for reporting purposes
- The nominal codes are organised by the Chart of Accounts (CoA) to produce the management reports
  - Balance Sheet
  - Profit and Loss
- View your codes as a list or in 'nominal areas' using Analyser view

**What is a nominal code?**

The screenshot displays the Sage software interface. On the left is a navigation menu with options like Home, Business dashboard, Customers, Suppliers, and Nominal codes. The main area shows a 'Nominal Area' table with a list of accounts and their balances. The table has columns for 'Nominal Area' and 'Debit'. The 'Total Sales' row is highlighted in green.

Nominal Area	Debit
Total Sales	
Total Purchases	
Total Direct Expenses	
Total Overheads	
Total Taxation	
Total Fixed Assets	
Total Current Assets	231135.35
Total Current Liabilities	
Total Long Term Liabilities	232.00
Total Capital & Reserves	

# Introduction

Nominal codes can also belong to one of 3 types

- **A Bank Account**

a nominal code which is created as a bank nominal code and also sits in the bank module.

- **A Control Account**

The nominal codes used when automatic postings are made such as the debtors/creditors control accounts.

- **A Nominal Account**

All other standard nominal codes within the software which are not bank or control accounts.



# Control accounts

- Control accounts are the nominal codes used when automatic postings are made such as the debtors / creditors control accounts
- You cannot delete a control account
- You can amend a control account if there are no associated transactions, otherwise they are locked in
- Control accounts can be viewed / amended in **settings> control accounts**



Control Account	N/C
Debtors Control	1100
Creditors Control	2100
Default Bank	1200
VAT on Sales	2200
VAT on Purchases	2201
Sales Discount	4009
Purchase Discount	5009
Retained Earnings	3200
Default Sales	4000
Accruals	2109
Prepayments	1103
Bad Debts	8100
Mispostings	9999
Suspense	9998
Credit Charges	4400
Exchange Rate Variance	
VAT Liability	2202
Manual Adjustments	2204

# Control accounts - example

- Posting a Customer invoice

Batch Customer Invoice

Clear form   Insert row (F7)   Remove row (F8)   Copy cell above (F6)   Copy cell above +1 (Shift + F6)   Calculate net (F9)   Pay in full (F3)   Memorise   Recall   Print list   Send to Excel

Improve your cash flow with Direct Debits. [Find out more](#)

A/C: ABS Wine Supplies  
N/C: White Wine Sales

A/C*	Date*	Due On*	Ref	Ex.Ref	N/C*	Department*	Details	Net	T/C*	VAT	Gross
ABS001	22/03/2023	21/04/2023			4100			100.00	T1	20.00	120.00

**Debit** – Debtors control account £120

**Credit** – Sales code 4100 (£100)

**Credit** – Sales tax control account (£20)

# Nominal structure

- Nominal codes are 4-digits by default
- Nominal codes are grouped together for reporting purposes. By default, the codes are arranged as demonstrated.
- These ranges can be further sub categorised or amended using the Chart of accounts.
- It is important to consider your structure when adding a new nominal code to ensure transactions are picked up on the correct codes.

<b>Group</b>	<b>Range From</b>	<b>Range To</b>
<b>Fixed Assets</b>	<b>0001</b>	<b>0999</b>
<b>Current Assets</b>	<b>1000</b>	<b>1999</b>
<b>Current Liabilities</b>	<b>2000</b>	<b>2299</b>
<b>Long Term Liabilities</b>	<b>2300</b>	<b>2999</b>
<b>Capital &amp; Reserves</b>	<b>3000</b>	<b>3999</b>
<b>Sales</b>	<b>4000</b>	<b>4999</b>
<b>Purchases</b>	<b>5000</b>	<b>5999</b>
<b>Direct Expenses</b>	<b>6000</b>	<b>6999</b>
<b>Overheads</b>	<b>7000</b>	<b>8999</b>
<b>Taxation</b>	<b>9001</b>	<b>9001</b>

In addition, 9998 Suspense account and 9999 Mispostings

# Profit and loss

- The profit and loss report is used to show how much profit your business is making or whether it is making a loss.
- This report includes
  - Sales
  - Purchases
  - Direct Expenses
  - Overheads
  - Taxation
- Subcategories of these main groups can be created within the chart of accounts for reporting purposes.

Edit Chart of Accounts

Check Print Send to Excel

Title\* Default Layout of Accounts

Profit & Loss Balance Sheet

Profit & Loss	Description
Sales	Sales
Purchases	Purchases
Direct Expenses	Direct Expenses
Overheads	Overheads
Taxation	Taxation

Sales	Low	High
Product Sales	4000	4099
Export Sales	4100	4199
Sales of Assets	4200	4299
Credit Charges (Late Payments)	4400	4499
Other Sales	4900	4999

Preview Profit and Loss

Chart of Accounts: Default Layout of Accounts

	Period	Year to Date
<b>Sales</b>		
Product Sales	x	x
Export Sales	x	x
Sales of Assets	x	x
Credit Charges (Late Payments)	x	x
Other Sales	x	x
	x	x
<b>Purchases</b>		
Purchases	x	x
Purchase Charges	x	x
Stock	x	x
	x	x
<b>Direct Expenses</b>		
Labour	x	x
Commissions	x	x
Sales Promotion	x	x

# Balance sheet

- The balance sheet report is used to show how much your business is worth at a given point in time.
- This report includes
  - Fixed Assets
  - Current Assets
  - Current Liabilities
  - Long term Liabilities
  - Capital and Reserves
- Subcategories of these main groups can be created within the chart of accounts for reporting purposes.

Ranges can be amended/ added in the chart of Accounts  
For a nominal code to be picked up on the management reports they must be included in the chart of accounts.

The screenshot shows the 'Edit Chart of Accounts' window in Sage software. The window title is 'Edit Chart of Accounts'. Below the title bar, there are icons for 'Check', 'Print', and 'Send to Excel'. The main area is divided into two panes. The left pane is titled 'Balance Sheet' and contains a table with the following data:

Balance Sheet	Description
Fixed Assets	Fixed Assets
Current Assets	Current Assets
Current Liabilities	Current Liabilities
Long Term Liabilities	Long Term Liabilities
Capital & Reserves	Capital & Reserves

Below this table is another table for 'Fixed Assets' with columns for 'Low' and 'High' values:

Fixed Assets	Low	High
Property	0010	0019
Plant and Machinery	0020	0029
Office Equipment	0030	0039
Furniture and Fixtures	0040	0049
Motor Vehicles	0050	0059

The right pane is titled 'Preview Balance Sheet' and shows a 'Chart of Accounts: Default Layout of Accounts'. It contains a table with columns for 'Period' and 'Year to Date' and rows for various account categories:

	Period	Year to Date
<b>Fixed Assets</b>		
Property	x	x
Plant and Machinery	x	x
Office Equipment	x	x
Furniture and Fixtures	x	x
Motor Vehicles	x	x
	x	x
<b>Current Assets</b>		
Stock	x	x
Debtors	x	x
Deposits and Cash	x	x
Credit Card (Debtors)	x	x
Bank Account	x	x
VAT Liability	x	x
	x	x
<b>Current Liabilities</b>		

# Nominal code setup

**New** - Gives a blank record to complete

**Wizard** - A step-by-step guide to creating a record

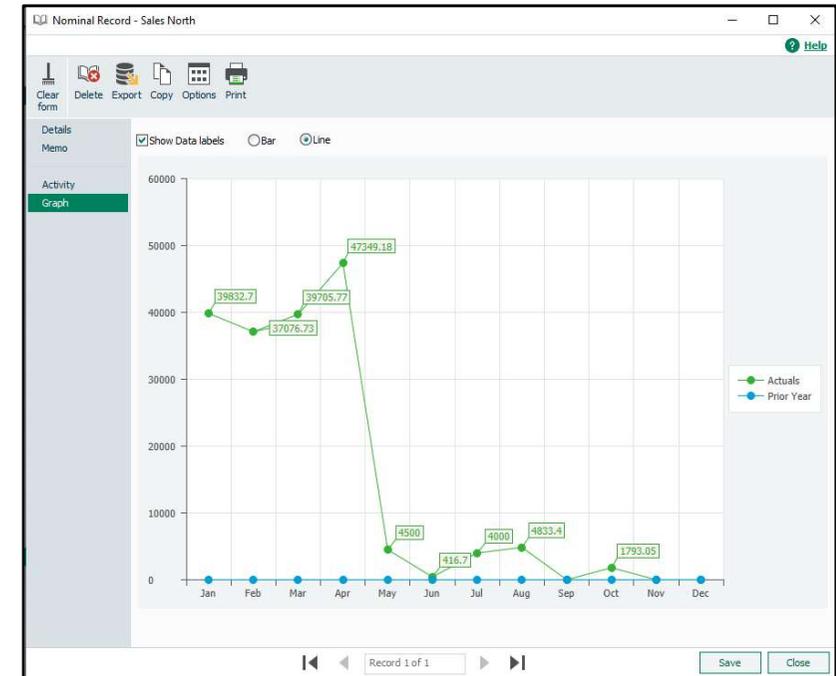
**Duplicate** - To copy a nominal code with the same settings

**TIP** - When creating a bank account it is best to do this from within the bank module. If added within nominal codes you will then need to convert it to a bank account prior to posting any transactions.



# Nominal record

- **Details** – Holds the nominal record details along with the monthly figures for actuals, budgets and prior year.
- **Memo** – Attachments can be added and notes made on the nominal account.
- **Activity**
  - All activity is recorded in this window, transactions can be amended or deleted or in some instances drilled into for more detail.
  - Filters can be applied and the list then exported to excel or printed
- **Graph** – On the toolbar, click Options to choose which information to display.



# Summary.

- Nominal codes are used for every transaction to categorise transactions for reporting.
- It is important to carefully consider what code you wish to use so it is reported on correctly.
- Sage provides a full list of standard default codes which can be added to or amended.
- Control accounts cannot be deleted and are used for automatic transactions in the software.
- If creating a bank nominal code, it is recommended to do this within the bank module.

## Useful links

[The Nominal codes module](#)

[Create or rename a nominal code](#)

[Which nominal code should I post my transaction to?](#)

[How do I use the Nominal codes Wizard option?](#)

[Chart of accounts - amend a chart of accounts range](#)

[Management reports](#)