XERO Handbook

A guide for Treasurers

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INTRODUCTION

This guide has been written to assist UQ Union C&S Treasurers with managing their finances on Xero. Xero is an online cloud-based accounting software. Do not let the word 'accounting software' scare you off, this program is easy to use even if you have never used an accounting software before! The benefits of Xero include the following:

- User friendly;
- Cloud based *(so no having to keep old receipts once you have loaded them onto Xero);*
- Secure;
- Makes audit quicker;
- Plus many more perks.

This guide is set up into the following four sections:

1. **Set up:** These are tasks that will only ever need to be completed once. These steps can be tedious, but once you are set up you are good to go and you and future treasurers will save plenty of time.
2. **Day-to-day:** These are tasks that you will complete throughout the year, as you incur expenses and issue invoices.
3. **End of year:** Lastly, these are tasks that will be completed towards the end of the financial year.
4. **Extras:** If you consider yourself a bit of a Xero pro, I've added a few more advanced tools. Do not worry about these if you are new to Xero, focus on getting the basics down pat first.

SET-UP

As stated before, these are tasks that will only ever need to be done once. Not once a year, but once.

Getting a Xero account

The UQ Union is very generous in providing Xero accounts for clubs and societies. Simply email clubs@uqu.com requesting an account. You'll need your club name and contact email of the Treasurer. We recommend you set up a generic email account e.g. (club.name)treasurer@uqu.com.au, rather than a personal email account which you'll need to update every year.

Logging into your Xero account

You will receive an invite from Xero to your email. Accept the invite and follow the steps to set up your account.

Setting up two-step authentication

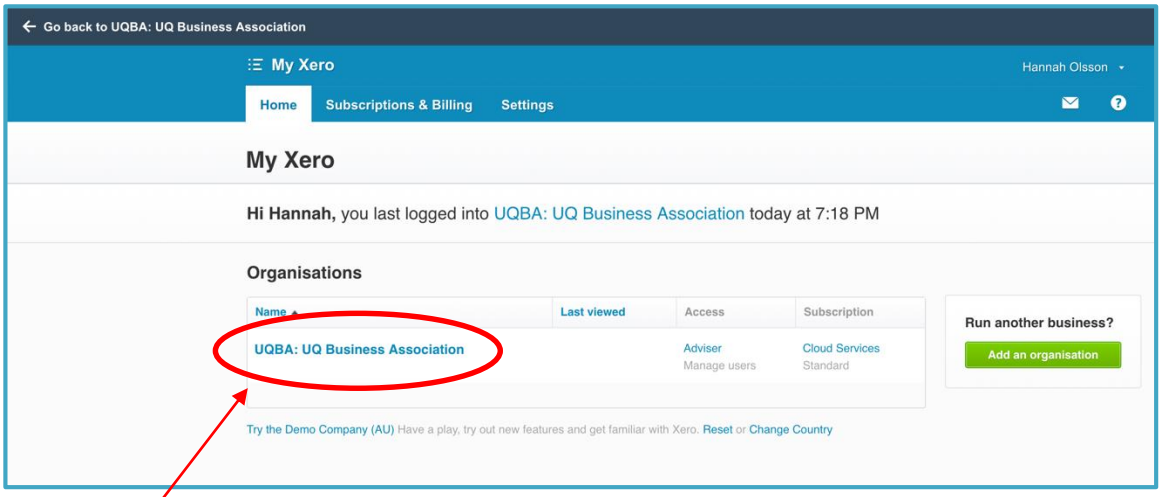
Xero requires two-step authentication; this means you have to provide more than just a password to log into Xero. This protects your club's data and makes it more secure. You will have to set up security questions (that only you know the answer to) and download the Google Authenticator app, that provides a unique code every thirty seconds. Set up 2SA by following the steps Xero provides.

Understanding the dashboard

Once you have logged in, Xero will have taken you to one of two dashboards.

Dashboard 1 – My Xero

If your dashboard looks like this, you are on the My Xero page. This shows a list of all the organisations you have access to (if you are treasurer of two societies, you will see two different club names written here).



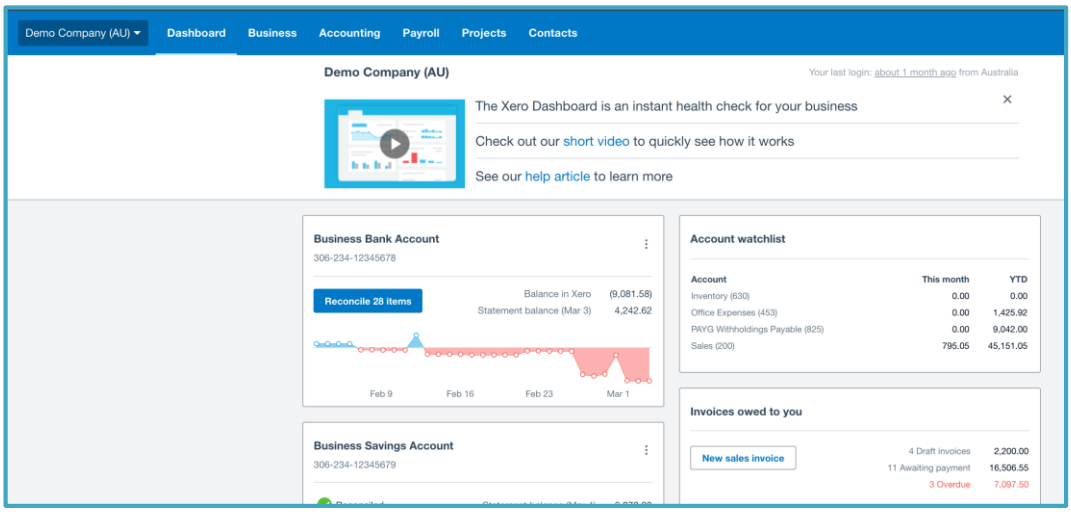
You will be able to select your club from this list; this will take you to dashboard 2.

Dashboard 2 – My Organisation

If your dashboard looks like this, you are on your club's screen. The dashboard has a header at the top showing the following:

1. Dashboard: the page you are on which will give you a snapshot of your bank account, cash inflows and outflows, invoices owed to you and bills you need to pay;
2. Business: this will show invoices and bills to pay in more detail;
3. Accounting: you can access things such as reports, chart of accounts, manual journals etc.
4. Contacts: lists of contacts of customers and suppliers.

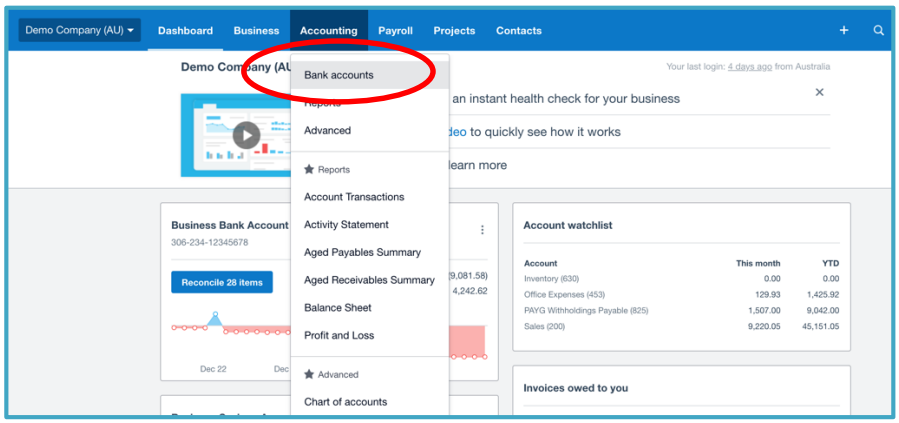
Please note you don't really need to know what any of the above mean at the moment, it's just so you understand how to navigate everything.



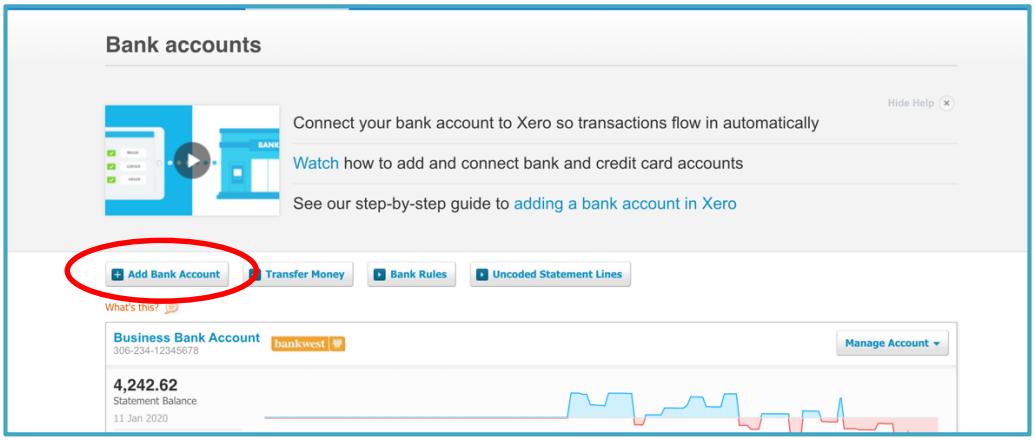
Setting up your bank account

The first step is to set up your bank account in Xero. This imports data (bank statements) from your current bank account with Commonwealth Bank into Xero.

1. Select Accounting and from the dropdown select Bank Accounts

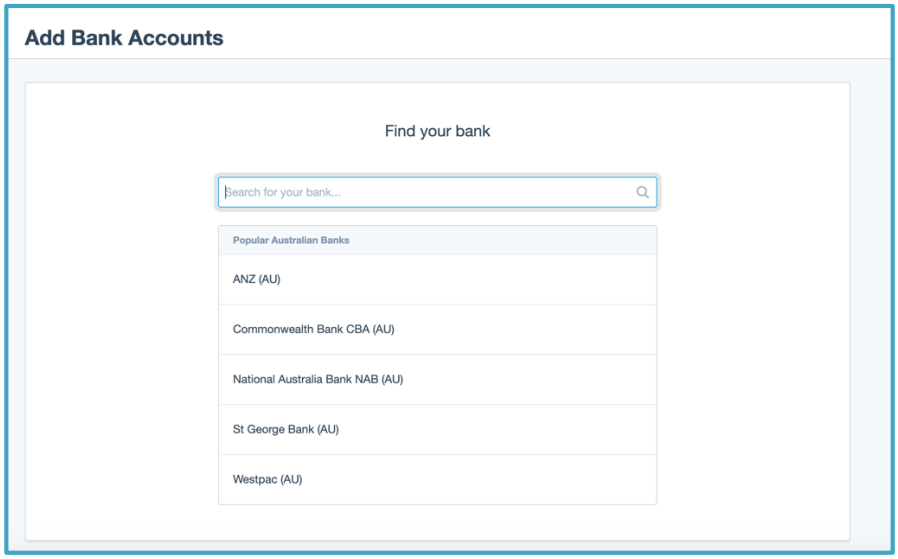


2. Select Add Bank Account

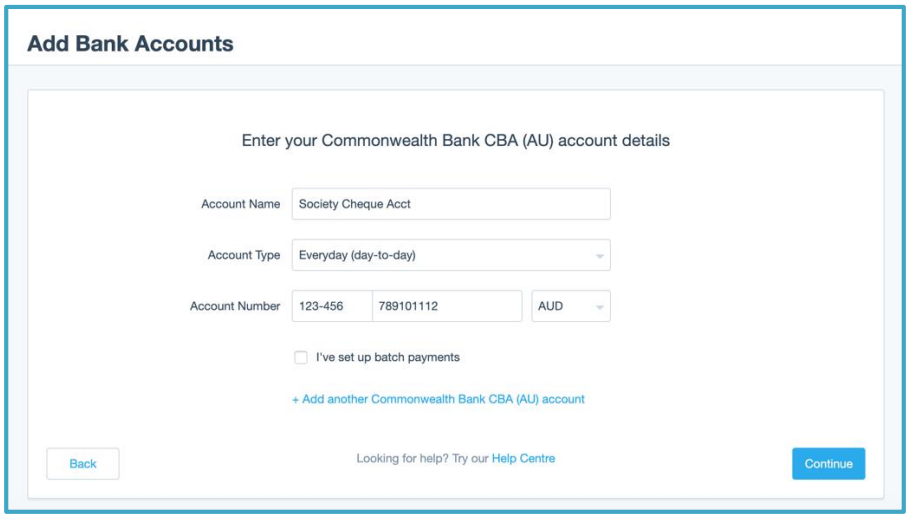


3. Fill in the details

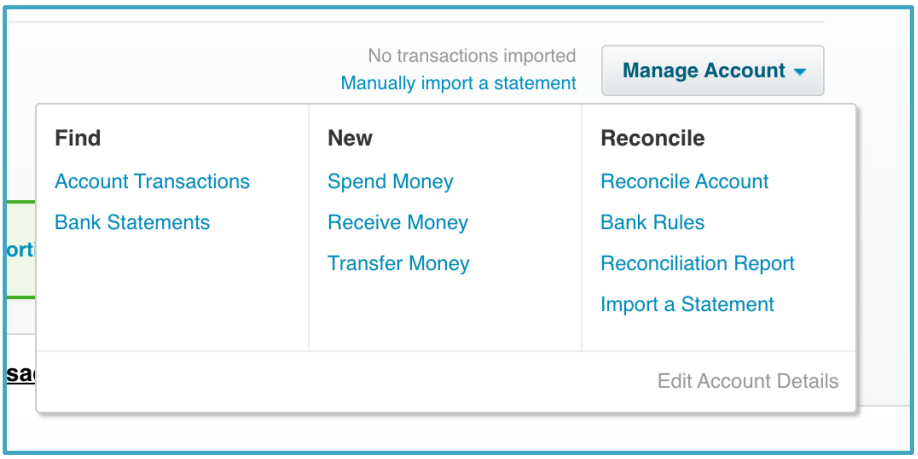
- Select Commonwealth Bank



- Fill in the below with your bank accounts BSB and Account Number



4. Although not in this snippet, select 'Live Bank Feeds'. It should be around this spot.



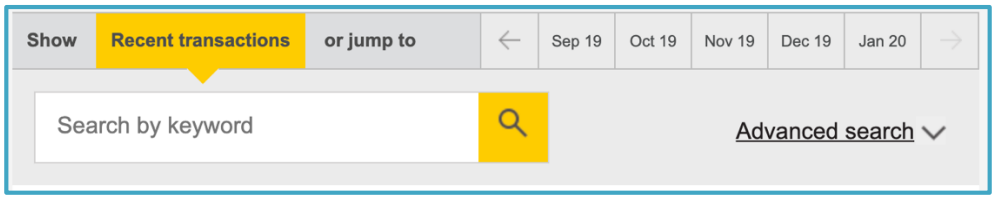
You will need to fill out the Xero authority form as the account requires more than one signature. Head to the following to download the form: https://www.commbank.com.au/business/accounting-software-integration.html. After you have filled out the form, you can hand it into Commonwealth Bank at UQ and they will send it off for you, or you can post it in the mail to the address specified.

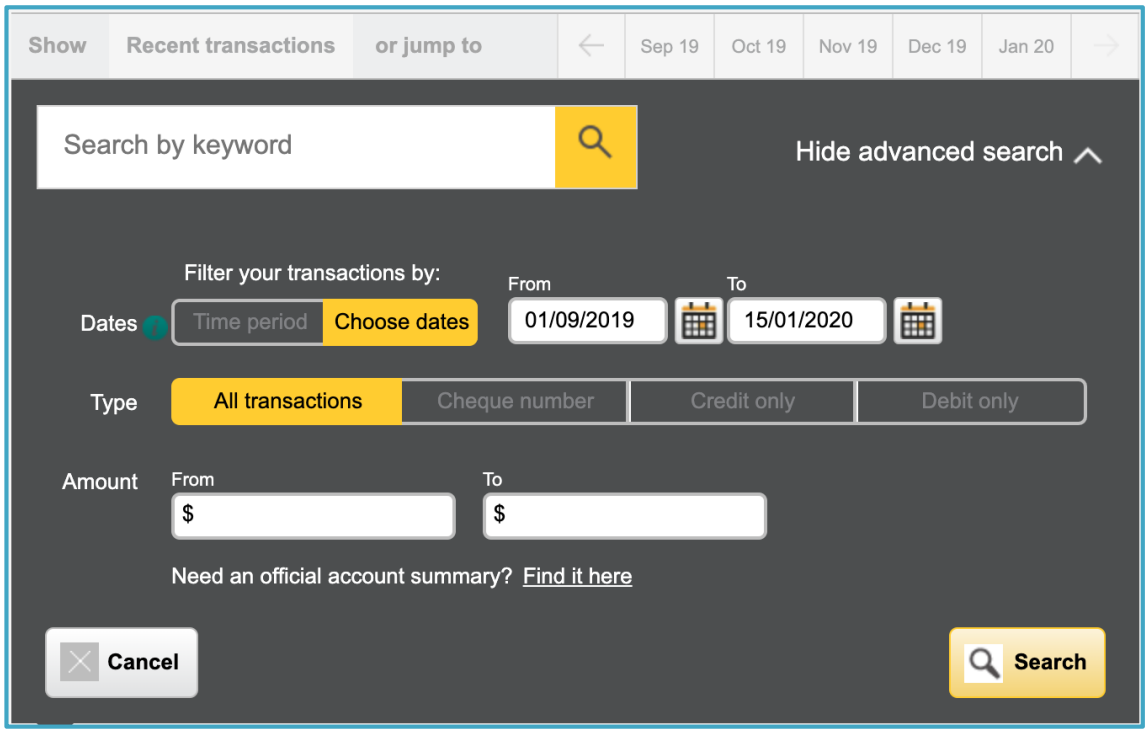
It will take a week or two for the bank feeds to come through. If it takes any longer, get support from Xero and they can fix it.

Bringing in bank data from previous months

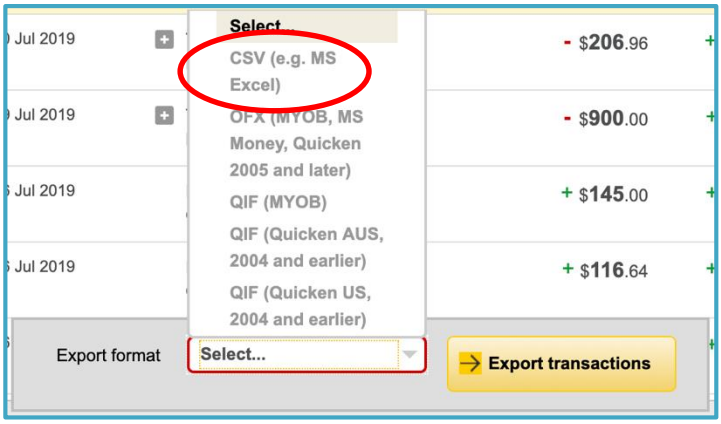
When Xero brings in bank data, it will not bring in previous data. For example, if I hand in the form on 10th January and Commonwealth Bank processes it on 15th January, only the data from 15th January onwards will display on your Xero file. So, what will you do about data from the start of the financial year? You can bring it in manually.

Head to your Commonwealth Bank Account, select your bank account, do an advanced search, select the dates that will be missing from your live bank feeds.

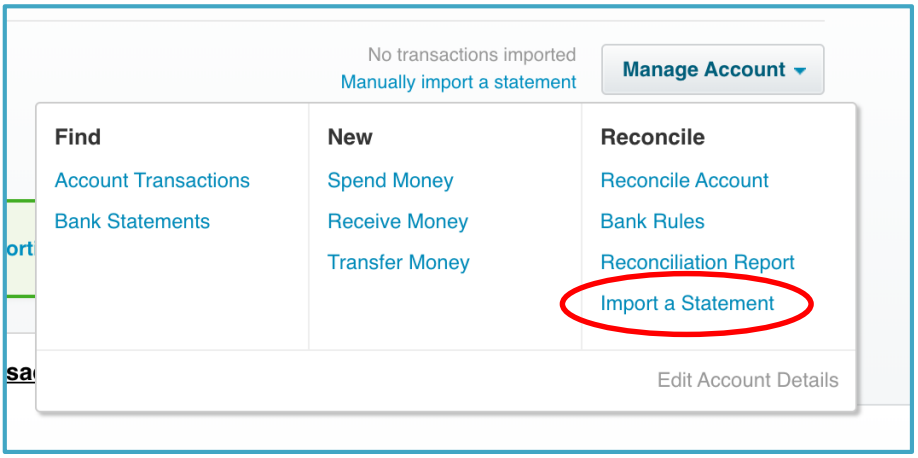




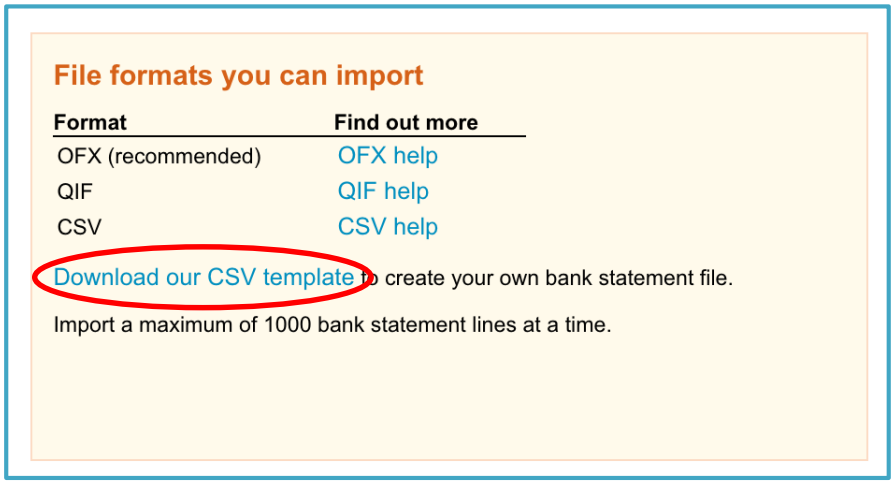
1. Select Search, scroll to the bottom of the page and export the data as a CSV.



2. Now head back to Xero, select Import a Statement.



3. Download the CSV template that Xero provides.

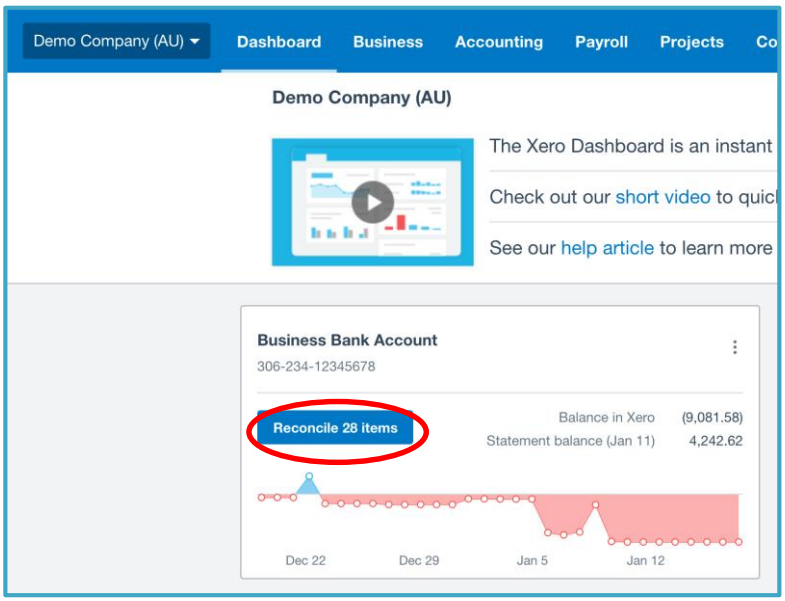


4. Now, copy and paste the bank statements you download from Commonwealth Bank and paste them into the template, and import!

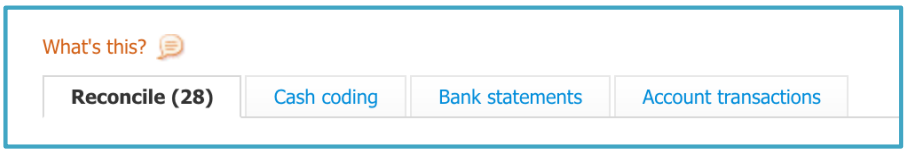
You should now have all the bank statements imported to your account.

Reconciling Transactions

1. Head to your transactions by selecting 'Reconcile xx Items' from the Dashboard as shown below.



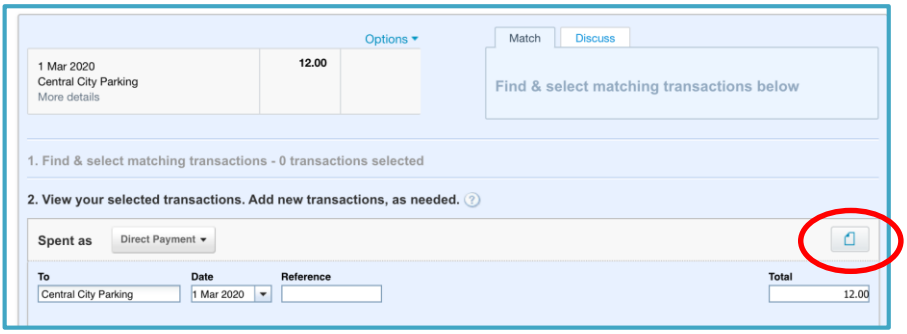
2. Next, make sure you are on the reconcile tab of your bank account.



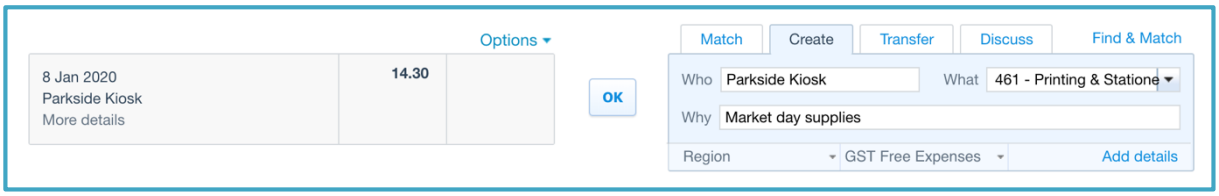
3. Fill out the details for each transaction as per the below instructions.

- **Who:** some possible options for this expense/revenue could be: Red Room, Members, QPAY, UQ Union, The Victory Hotel, Kmart, Officeworks, any person/company that is relevant to the expense.
- **What:** This is kind of like a label for the expense. For example; printing, venue hire, food & catering, stationery, decorations.
- **Why:** You don't have to add anything to this but feel free to add details here if you wish.

- **Tax Rate (IMPORTANT):** If you are **not** registered for GST, the transaction will always either be GST free income or GST free expenses. On the other hand if you are registered for GST the tax rate on your transactions will either be GST on income, GST free expense or GST on expense.
- **Add details:** This is where you can add a photo of a receipt to an invoice. Simply select 'add details' and select the page icon to upload an image.



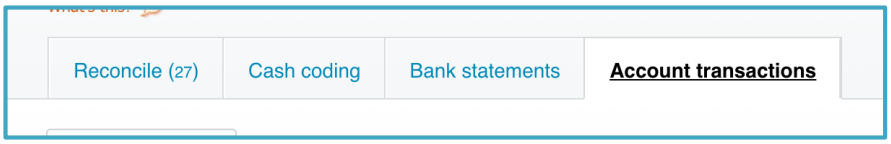
Here is an example of a completed transaction below. Select OK when you are happy with it:



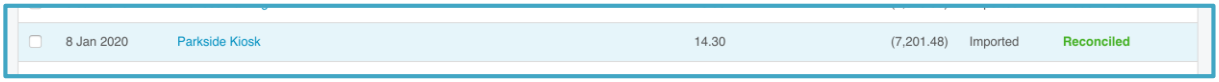
Congratulations! You just reconciled your very first transaction.

Attach a receipt to your transaction

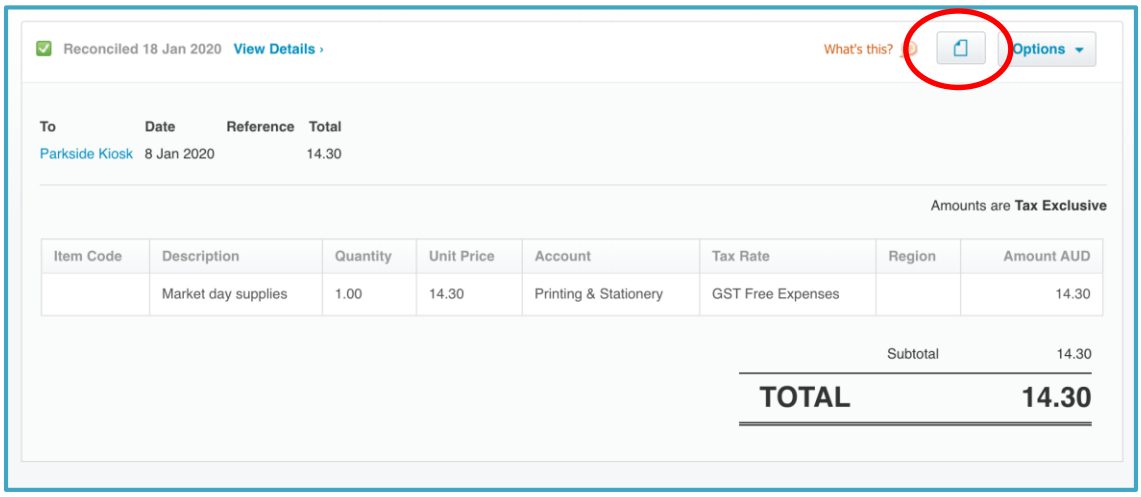
Once you have reconciled your transaction, find it from the account transactions tab under your bank account.



1. Select the transaction.



2. Once you have selected the transaction, select this icon of a page. From here you will be able to 'Upload Files'. Select from your documents a scanned copy or photo of the receipt that relates to this expense.


Reconciled 18 Jan 2020
View Details ›
What's this?
Options
To
Date
Reference
Total
Parkside Kiosk
8 Jan 2020
14.30
Amounts are Tax Exclusive
Item Code
Description
Quantity
Unit Price
Account
Tax Rate
Region
Amount AUD
Market day supplies
1.00
14.30
Printing & Stationery
GST Free Expenses
14.30
Subtotal
14.30
TOTAL
14.30

Ta-da!

END OF YEAR

Once you get to the end of the financial year, all you will have to do is make sure all of your transactions are reconciled with a copy of the receipt attached. From there, the treasurer/clubs and societies manager will be able to audit your club by just having a look at your Xero file.

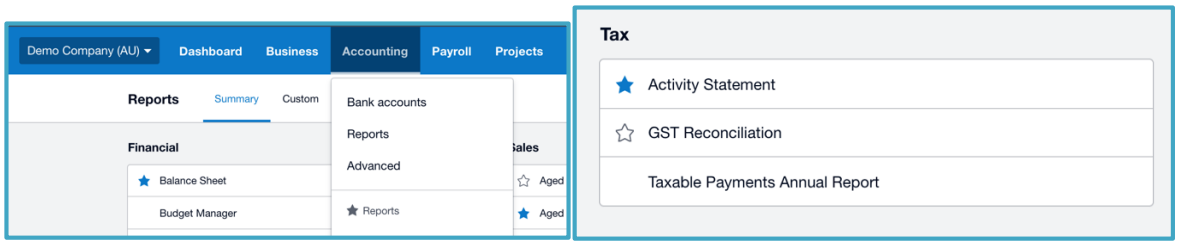
This will save your clubs hours and hours. The traditional method of audit takes a long time to print documents and bank statements. Xero saves a huge amount of time.

ADVANCED INFORMATION

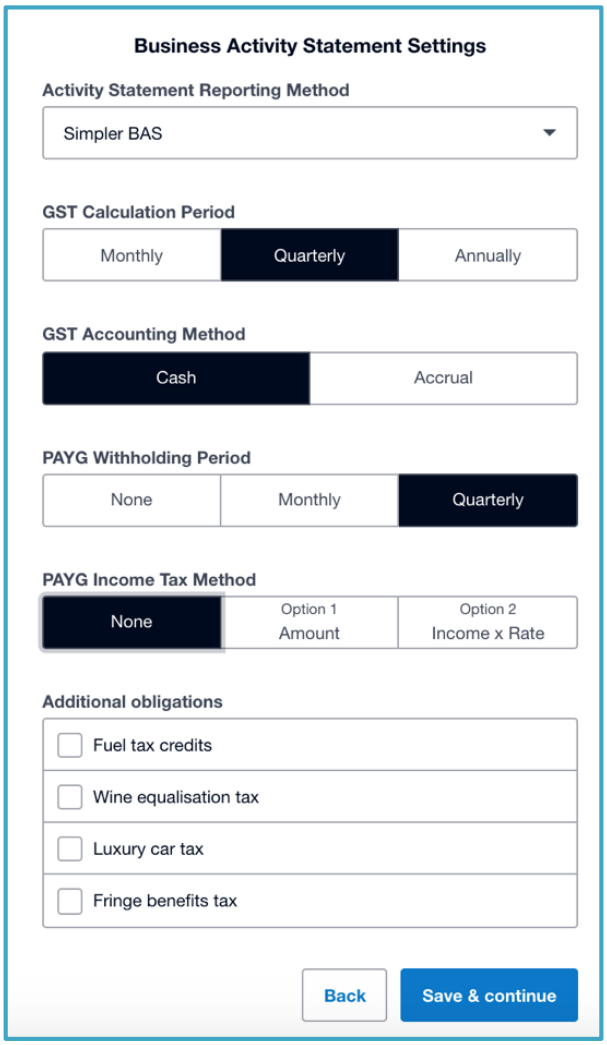
Goods and Services Tax

If you are a larger club that is registered for GST (as you are more than the $150,000 threshold) you will be able to get your activity statement figures from Xero. When you are reconciling transactions make sure to appropriately label the expense as GST on Income, GST Free Income, GST on Expenses, GST Free Expenses or BAS Excluded. Make sure these are done correctly.

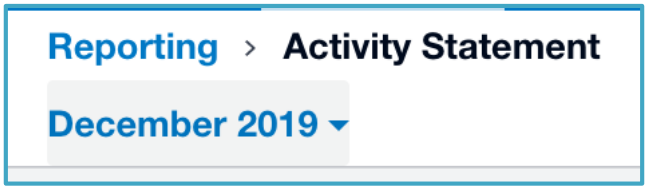
1. Head to Accounting → Reports → Activity Statements.



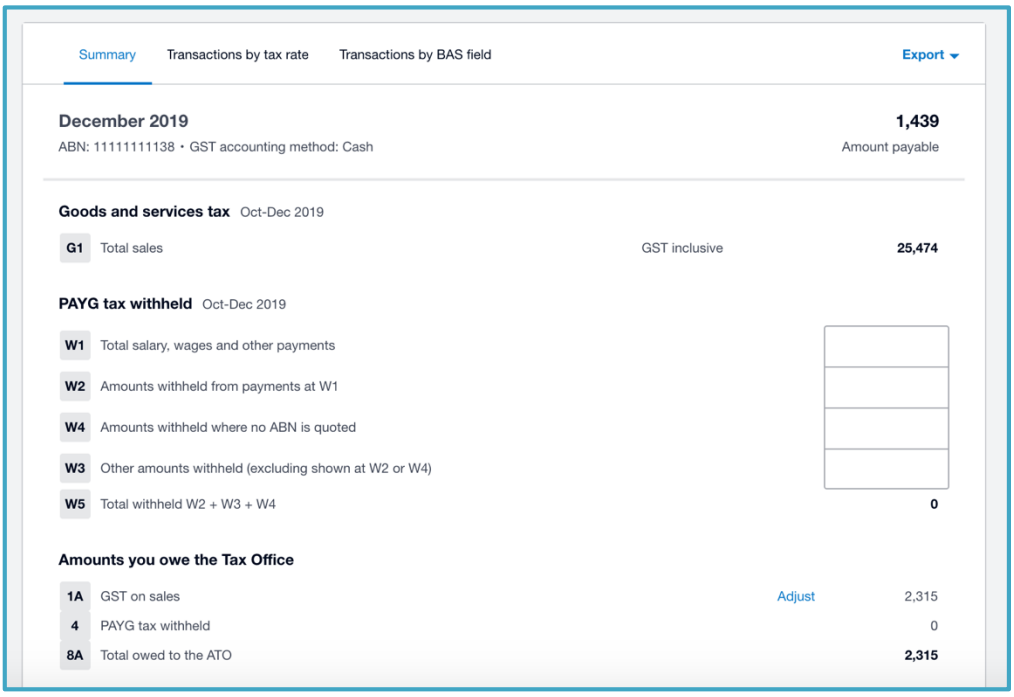
- These are the settings that most societies will have if they are registered for GST.



2. Once you reconcile all transactions for the quarter, select the relevant quarter you need to lodge a BAS for from the drop down menu.

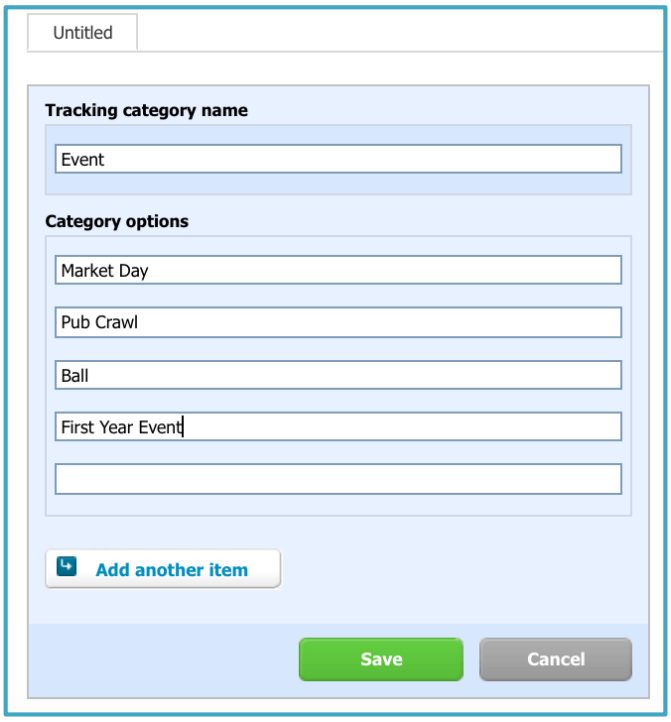


3. Xero will then show you exactly what you need to include in your activity statement when you lodged it on the Business Portal. No calculations or anything, Xero will sort it all out for you.



Tracking Categories

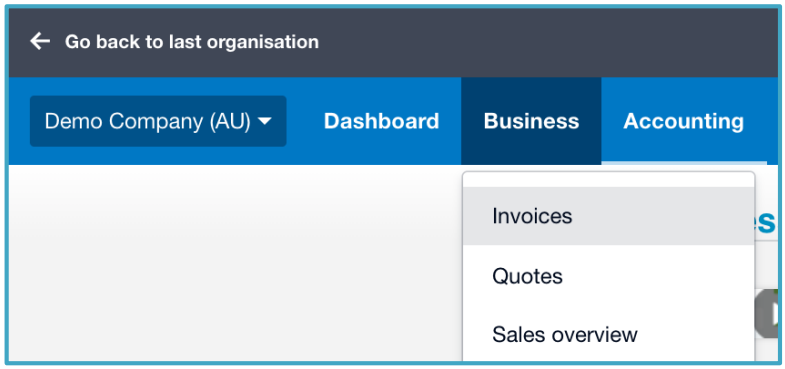
Another great tool is tracking categories; these are useful for budgeting. Head to Accounting → Advanced → Tracking Categories. Add a tracking category called 'Events' and add in a list of all your events (you can always add or delete them later).



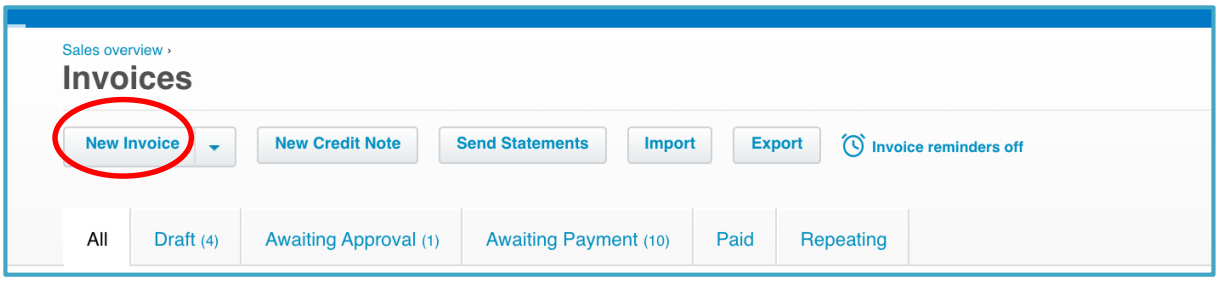
Now, when you are reconciling transactions, select the event that the transaction is relevant to. If you head to Accounting → Reports → Profit and Loss. After selecting 'Report Settings' you can create a profit and loss and make it only for that specific event. This is a quick and easy way to see whether you made a profit or loss for a particular event.

Creating Invoices

You can send invoices to sponsors/members through Xero. To do this head to Business → invoices.

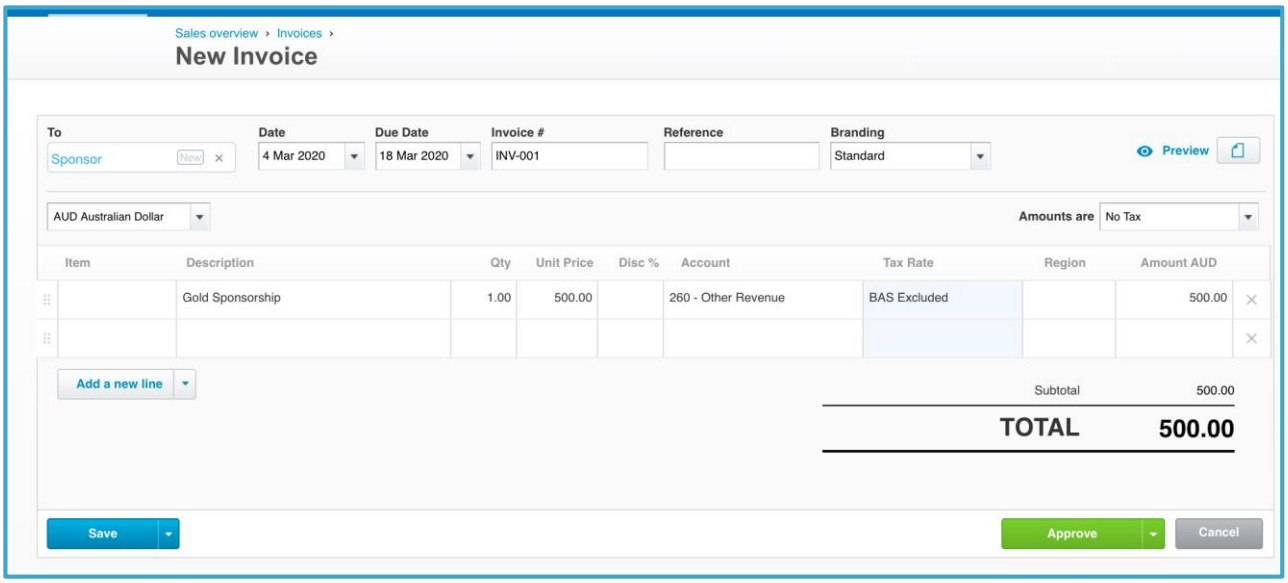
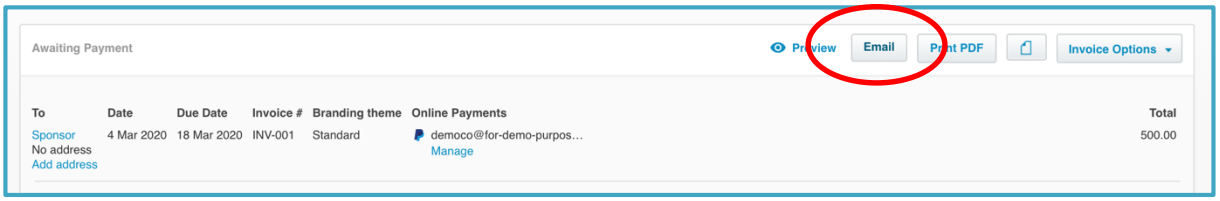


1. Select new invoice.



2. Fill in all the details as per below:

- **To:** This is the person or entity you are issuing the invoice to;
- **Date:** Todays date;
- **Due Date:** When the invoice is due, usually you would make this two week from today;
- **Invoice number:** Starts with INV-001 and work your way up;
- **Amounts:** If you are not registered for GST, select no tax. If you are then select tax exclusive or tax inclusive;
- **Item:** Leave this empty;
- **Description:** Describe what you are providing e.g. Gold Sponsorship or Ball Tickets;
- **Qty:** Number of whatever you are providing;
- **Unit Price:** The cost per item;
- **Disc %:** If you are giving a discount add this in;
- **Account:** Select what the 'label' is such as membership revenue, event income, sponsorship income.



- Once you have approved the invoice, you can then email it to the sponsor/person.