XERO Handbook A guide for Treasurers



Contents

Introduction	3
Set-up	4
Getting a Xero account	4
Logging into your Xero account	4
Setting up two-step authentication	4
Understanding the dashboard	5
Setting up your bank account	6
Bringing in bank data from previous months	8
Day-to-day	
Reconciling Transactions	11
Attach a receipt to your transaction	
End of year	
Advanced information	14
Goods and Services Tax	14
Tracking Categories	
Creating Invoices	17



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 <u>clubs@uqu.com</u> 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.

	-		100		
	1	Accept In	vite		
	-		-		

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).

← Go back to UQBA: UQ Business Association				
i≣ My Xero				Hannah Olsson 🔹
Home Subscriptions & Billing S	Settings			⊠ ?
My Xero				
Hi Hannah, you last logged into U	QBA: UQ Business	Association toda	ay at 7:18 PM	
Organisations				
Name +	Last viewed	Access	Subscription	Run another business?
UQBA: UQ Business Association		Adviser Manage users	Cloud Services Standard	Add an organisation
Try the Demo Company (AU) Have a play, try out n	ew features and get familiar v	with Xero. Reset or Chan	ge Country	
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.

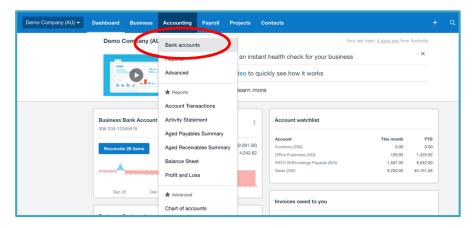


Demo Company (AU) - Dashboard Business	Accounting Payroll Project	s Contacts		
	Demo Company (AU)		Your last login: about 1 month ago from	n Australia
	The	Xero Dashboard is an instant	t health check for your business	×
	Che	ck out our short video to quid	ckly see how it works	
	See	our help article to learn more)	
	Business Bank Account 306-234-12345678	:	Account watchlist	
	Reconcile 28 items	Balance in Xero (9,081.58)	Account This month Inventory (630) 0.00	YTD 0.00
	State	ment balance (Mar 3) 4,242.62	Office Expenses (453) 0.00 PAYG Withholdings Payable (825) 0.00	1,425.92
		······	Sales (200) 795.05	45,151.05
	Feb 9 Feb 16	Feb 23 Mar 1		
			Invoices owed to you	
	Business Savings Account 306-234-12345679	:	4 Draft Invoices 4 Draft Invoices 11 Awaiting payment	2,200.00 16,506.55
			3 Overdue	7,097.50

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

Watch how to add and connect bank and credit card accounts See our step-by-step guide to adding a bank account in Xero	_	Hide Help Connect your bank account to Xero so transactions flow in automatically
See our step-by-step guide to adding a bank account in Xero Add Bank Account Transfer Money Bank Rules Uncoded Statement Lines What's that 155 Business Bank Account Doc-224+12345677 Manage Account Manage Account		
Add Bank Account Transfer Money Bank Rules Uncoded Statement Lines What's that Business Bank Account Manage Account Manage Account Manage Account		Watch how to add and connect bank and credit card accounts
What's this? 197 Business Bank Account bunkwest Comparison Manage Account Manage Account		See our step-by-step guide to adding a bank account in Xero
What's this? 199 Business Bank Account bankwest Account Manage Account		
What's this? 197 Business Bank Account bunkwest # Manage Account Manage Account		
Business Bank Account 306-234-12345678 Manage Account *	Add Bank Account	Transfor Monay
306-234-12345678 DIDANEST W		Transfer Money Bank Rules Uncoded Statement Lines
		Transfer Money Bank Rules Uncoded Statement Lines
	What's this?	
	What's this?	

- 3. Fill in the details
- Select Commonwealth Bank

Add Bank Accounts	
Find your bank	
Bearch for your bank Q	
Popular Australian Banks	
ANZ (AU)	
Commonwealth Bank CBA (AU)	
National Australia Bank NAB (AU)	
St George Bank (AU)	
Westpac (AU)	



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

Add Bank Accounts				
Enter y	our Com	monwealth Bank	CBA (AU) acc	count details
Account Name	Society Che	eque Acct		
Account Type	Everyday (d	lay-to-day)		~
Account Number	123-456	789101112	AUD	×
	I've set	up batch payments		
	+ Add anoth	er Commonwealth Bank	CBA (AU) accour	nt
Back		.ooking for help? Try ou	r Help Centre	Continue

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

	No transactions impo Manually import a stater	Manage Account 🚽
Find	New	Reconcile
Account Transactions	Spend Money	Reconcile Account
Bank Statements	Receive Money	Bank Rules
	Transfer Money	Reconciliation Report
		Import a Statement
		Edit Account Details

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: <u>https://www.commbank.com.au/business/accounting-software-integration.html</u>. 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

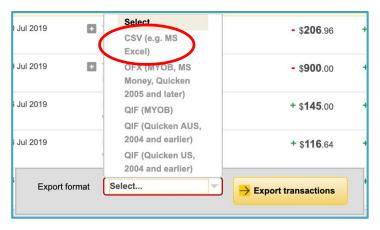
When Xero brings in bank data, it will not bring in previous data. For example, if I hand in the form on 10th January and Commonwealth Bank processes it on 15th January, only the data from 15th January onwards will display on your Xero file. So, what will you do about data from the start of the financial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

	Show	Recent transaction	s or jump to	\leftarrow	Sep 19	Oct 19	Nov 19	Dec 19	Jan 20	\rightarrow	
	Se	arch by keyword		٩			<u>Ad</u>	vanced	search	~	
Show	/ Rec	ent transactions	or jump to	\leftarrow	Sep 19	Oct 1	19 No	v 19 E)ec 19	Jan 20	\rightarrow
S	earch l	by keyword		٩			Hide	e adva	nced	search	^
	Dates 👩	Filter your transac		rom 01/09/201	9	то 15	/01/202	0			
	Туре	All transactions	Cheque r	number	(Credit o	nly		Debit c	only	
Aı	mount	From \$ Need an official acc	To \$ count summary?	Find it her	<u>е</u>						
	< Canc	el							C	Sear	ch

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.

	No transactions imp Manually import a state	Manage Account 👻
Find	New	Reconcile
Account Transactions	Spend Money	Reconcile Account
Bank Statements	Receive Money	Bank Rules
	Transfer Money	Reconciliation Report
		Import a Statement
		Edit Account Details

3. Download the CSV template that Xero provides.

rmat	Find out more
FX (recommended)	OFX help
F	QIF help
SV	CSV help
ownload our CSV ten	nplate b create your own bank statement file.
	00 bank statement lines at a time.

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



DAY-TO-DAY

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.

Demo Company (AU) 🔫	Dashboard	Business	Accounting	Payroll	Projects	Co
	Demo (Company (AL	J)			
	- C		The Xer	o Dashboar	d is an ins	tant
		0.	Check c	out our shor	t video to	quicl
	1.0	h.)	See our	help article	to learn m	nore
	Business I 306-234-123	Bank Account 845678			:	
	Reconcile	e 28 items		Balance in Xerc	(9,081.58)
			Statement I	palance (Jan 11	4,242.62	2
	0-0-0	0000000	00000	~^^		
	Dec 22	Dec 29	Jan 5	Jan	12	2

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.

	Options -	Match Create Transfer Discuss Find & Mat
8 Jan 2020 Parkside Kiosk More details	14.30	Who Name of the contact What Choose the account Why Enter a description
		Region - Tax Rate - Add deta

- 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.

2. View your selected transactions. Add new transactions, as needed. ⑦		Options •	Match Discuss					
2. View your selected transactions. Add new transactions, as needed. ⑦	Central City Parking		Find & select matching transactions below					
	1. Find & select matching transactions - 0 transactions selected							
	-	actions, as needed.						

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

			Matcl	h Create	Transfer	Di	scuss	Find & Match
8 Jan 2020 Parkside Kiosk	14.30	ок	Who P	arkside Kiosk		What	461 - Prii	nting & Statione -
More details			Why M	larket day suppli	es			
			Region	-	GST Free Exp	enses	Ŧ	Add details

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.

Reconcile (27) Cash coding Bank statements Account transactions

1. Select the transaction.

	× ·			
8 Jan 2020	Parkside Kiosk	14.30	(7,201.48) Imported Reconciled	

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.



Го	Date Reference	Total					
Parkside Kiosk	8 Jan 2020	14.30					
						Amou	nts are Tax Exclus
Item Code	Description	Quantity	Unit Price	Account	Tax Rate	Region	Amount AUI
	Market day supplies	1.00	14.30	Printing & Stationery	GST Free Expenses		14.3
						Subtotal	14.3
					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.

A D V A N C E D I N F O R M A T I O N

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 \rightarrow Reports \rightarrow Activity Statements.

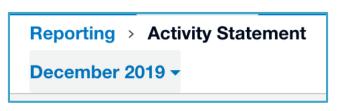
Demo Company (AU) - Dashboard Business	Accounting	Payroll	Projects	Тах
Reports Summary Custom	Bank accounts	5		★ Activity Statement
Financial	Reports		ales	☆ GST Reconciliation
★ Balance Sheet	Advanced	Advanced		Taxable Payments Annual Report
Budget Manager	🚖 Reports		★ Aged	

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



	porting Method	
Simpler BAS		
ST Calculation Perio	d	
Monthly	Quarterly	Annually
ST Accounting Meth	od	
Cash		Accrual
None	Monthly	Quarterly
AYG Income Tax Met	hod	
None	Option 1 Amount	Option 2 Income x Rate
dditional obligations		
Fuel tax credits		
Wine equalisatio	n tax	
Luxury car tax		
	ax	

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.

Su	Immary Transactions by tax rate Transactions by BAS field		Export 🗸
	ember 2019 11111111138 • GST accounting method: Cash	,	1,439 Amount payable
Good	ds and services tax Oct-Dec 2019		
G1	Total sales	GST inclusive	25,474
PAYO	G tax withheld Oct-Dec 2019	_	
W1	Total salary, wages and other payments		
W2	Amounts withheld from payments at W1		
W4	Amounts withheld where no ABN is quoted		
WЗ	Other amounts withheld (excluding shown at W2 or W4)		
W5	Total withheld W2 + W3 + W4		0
Amo	unts you owe the Tax Office		
1A	GST on sales	Adjust	2,315
4	PAYG tax withheld		0

Tracking Categories

Another great tool is tracking categories; these are useful for budgeting. Head to Accounting \rightarrow Advanced \rightarrow 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).

ategory options	
Market Day	
Pub Crawl	
Ball	
First Year Event	

CLUBS & SOCIETIES



Now, when you are reconciling transactions, select the event that the transaction is relevant to. If you head to Accounting \rightarrow Reports \rightarrow 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 \rightarrow invoices.

← Go back to last organisati	ion		
Demo Company (AU) 🗸	Dashboard	Business	Accounting
		Invoices	s
		Quotes	
		Sales overv	view

1. Select new invoice.

	Sales overview , Invoices									
New	nvoice 🖵	New Credit Note	Send Statements Import	Exp	port 🕜 Invoic	e reminders off				
All	Draft (4)	Awaiting Approval (1)	Awaiting Payment (10)	Paid	Repeating					

- 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.



To Sponsor	New × Date 4 Mar 20	20 💌	Due Date 18 Mar 2020		ivoice # NV-001	Reference	Branding Standard	•	• Preview
AUD Australian D	ollar 🔹							Amounts are	No Tax
Item	Description			G	ty Unit Price D	Disc % Account	Tax Rate	Region	Amount AUD
	Gold Sponsorship			1.	500.00	260 - Other Revenue	BAS Excluded		500.00
Add a new	line 🔻							Subtotal	500.0
								TOTAL	500.00

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

Awaiting Payment	t			Proview Email Print PDF Invoice Options •
To Date Sponsor 4 Ma No address Add address	e Due Date ar 2020 18 Mar 2020	Branding theme Standard	Online Payments	Total 500.00