



XERO Guide

A Guide for Club Treasurers

C+S

Introduction

This guide has been written to assist UQ Union Club Treasurers with managing their finances on Xero.

Xero is an online cloud-based accounting software. Don't let the words '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 you don't have to keep old receipts once you have loaded them onto Xero*)
- Secure
- Make audits quicker and more streamlined
- and many more perks.

Contents

This guide has four sections:

1. **Set up:** These are tasks that will only ever need to be completed once. These steps can feel tedious, but once set up they will save time for you and for future treasurers.
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:** These are tasks that you'll only need to complete towards the end of each financial year.
4. **Extras:** We've added a few advanced tools for anyone who considers themselves to be a Xero pro. Don't worry about these tools if you are new to Xero.

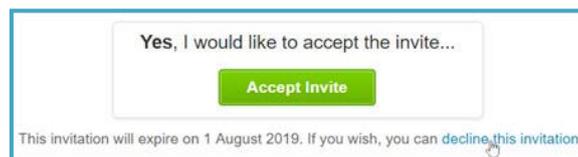
Set Up

These tasks start your XERO journey and only need to be done once

Getting a Xero account

The UQ Union is generous in providing Xero accounts for clubs and societies. Simply email clubs@uqu.com.au with club name and email address for the treasurer. We recommend that you use a generic email account rather than a personal email, so you won't need to change it every year e.g. treasurer.clubname@gmail.com

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



Setting up two-step authentication

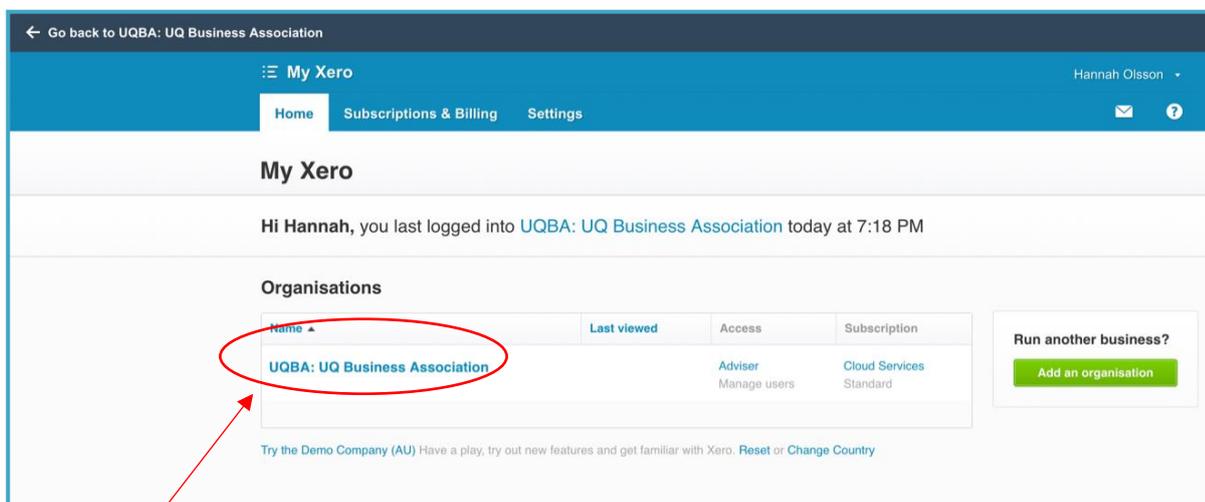
Xero requires two-step authentication, which means you must provide a password and some security questions, and also download the Google Authenticator app. This protects your club's data and makes it more secure. that provides a unique code every thirty seconds. Set up 2SA by following the steps Xero provides.

Understanding the dashboard

When you log in, Xero will take you to one of two dashboards.

1. Dashboard 1 – My Xero

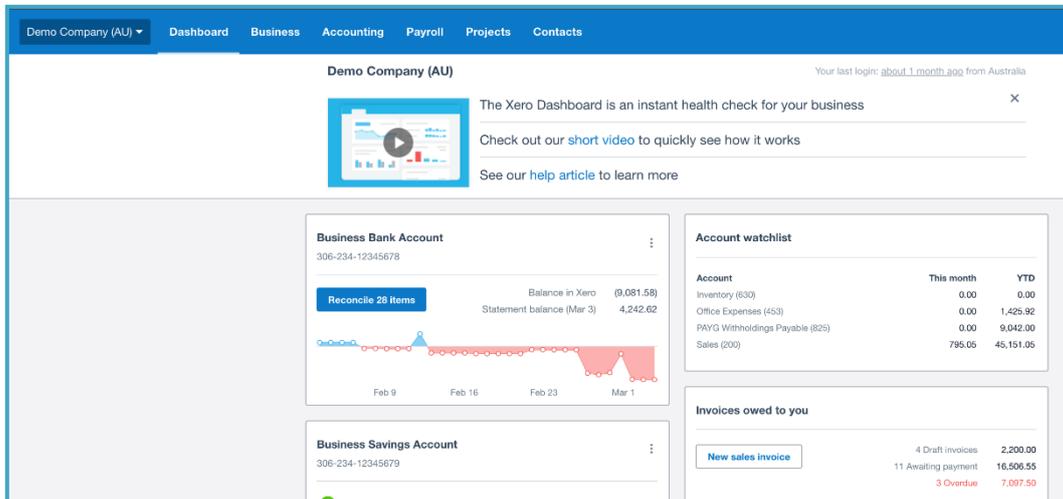
If your dashboard looks like this, you are on the My Xero page. This shows a list of all the organisations you have access to. If you are the treasurer of two clubs/societies, you will see two different names written here.



Select your club from this list; this will take you to Dashboard 2.

2. Dashboard 2 – My Organisation

If your dashboard looks like this, you are on your organisation's screen.



The dashboard has a header at the top showing the following:

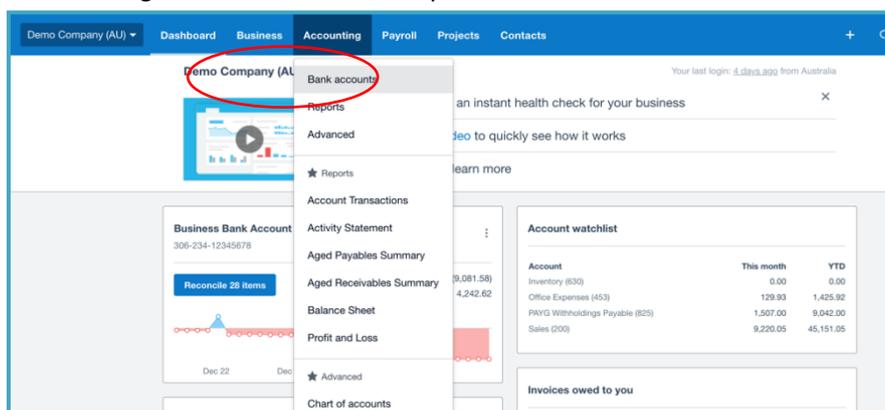
1. **Dashboard:** the page you are on, which provides an overview of your financial situation, showing your bank account, cash inflows and outflows, invoices owed to you and the bills you need to pay.
2. **Business:** this will show invoices and bills to pay in more detail.
3. **Accounting:** allows you to see reports, charts, manual journals etc.
4. **Contacts:** lists of customers and supplier contact details

This explanation is helping you to know how to navigate the system. You don't need to fully understand the functions yet.

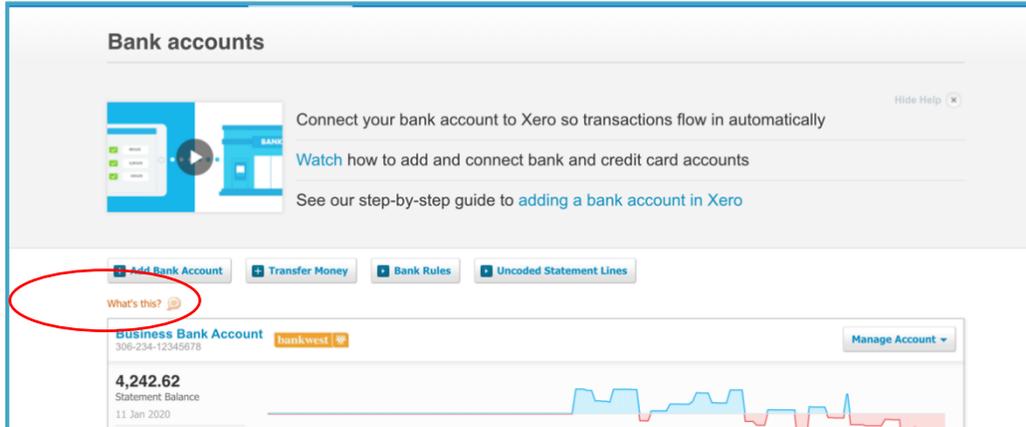
Setting up your bank account

The first step is to set up your bank account in Xero. This imports data/bank statements from your current society bank account with Commonwealth Bank, into the Xero system.

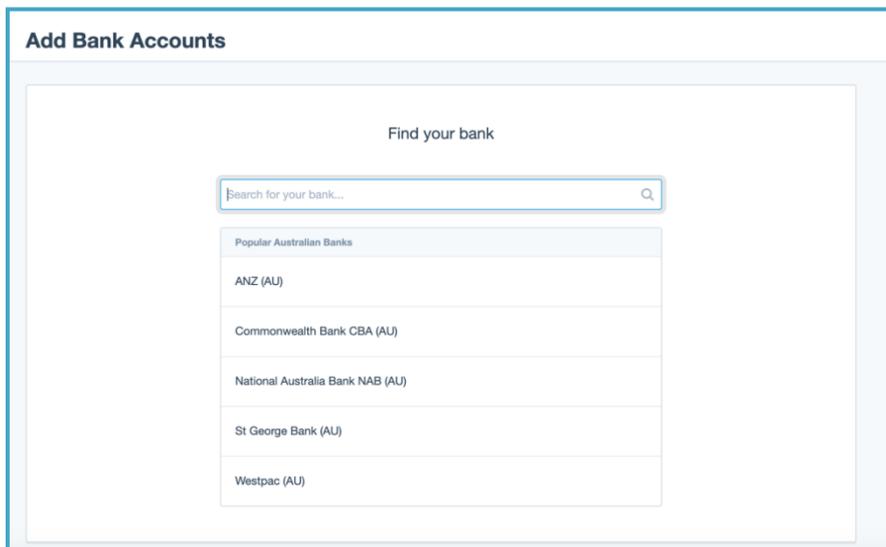
1. First select *Accounting* and then from the dropdown menu select *Bank Accounts*



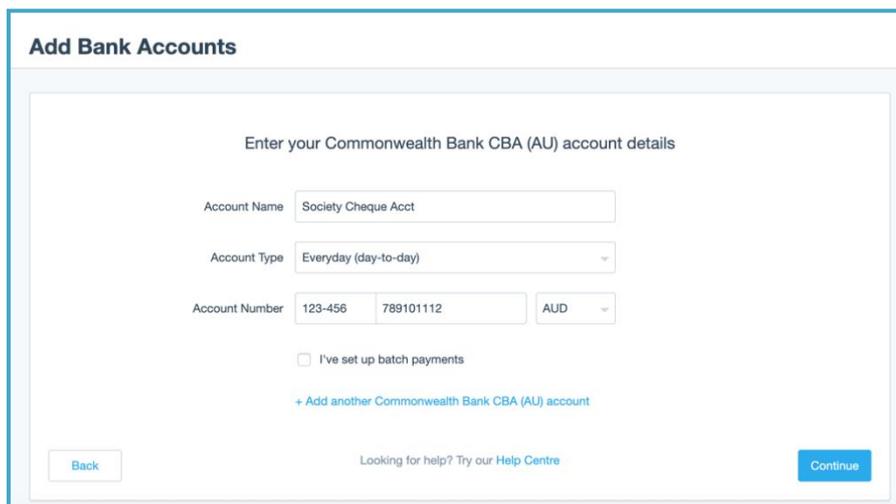
2. Select *Add Bank Account*



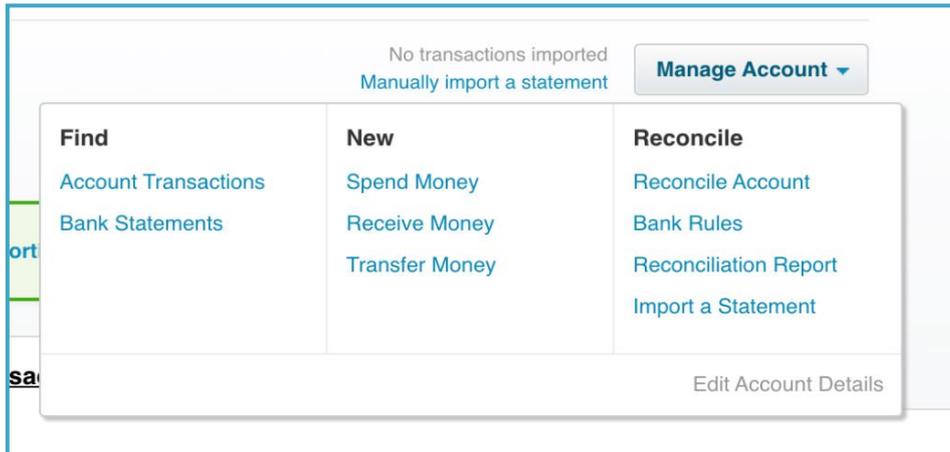
3. Fill in the details, by first selecting *Commonwealth Bank*:



Then complete the bank BSB and account numbers:



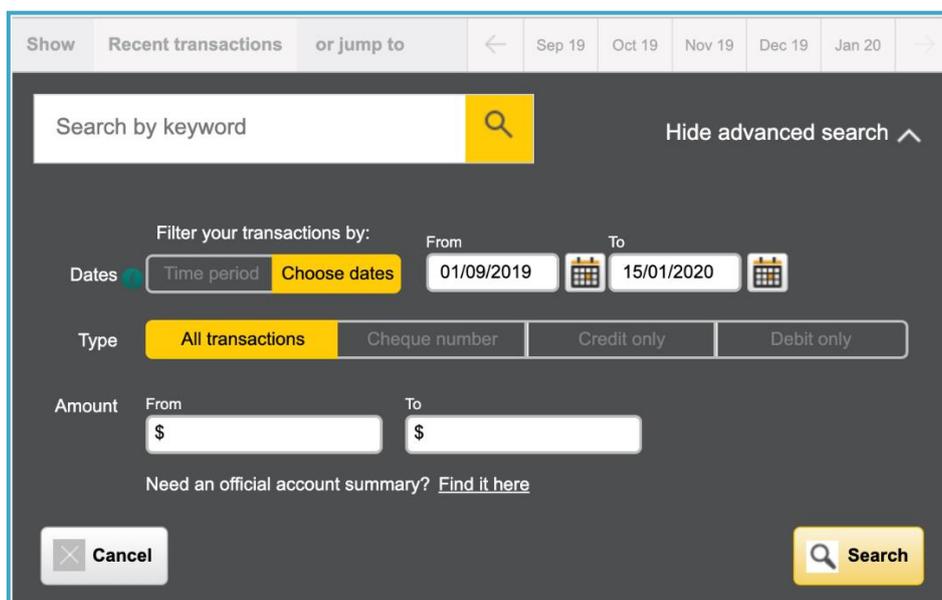
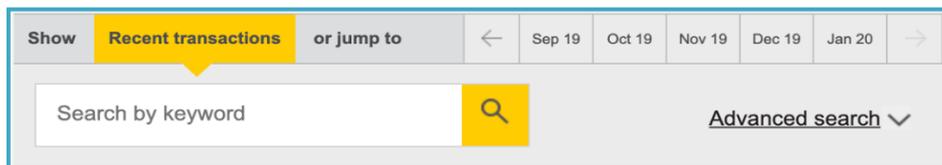
4. Next, select *Live Bank Feeds*



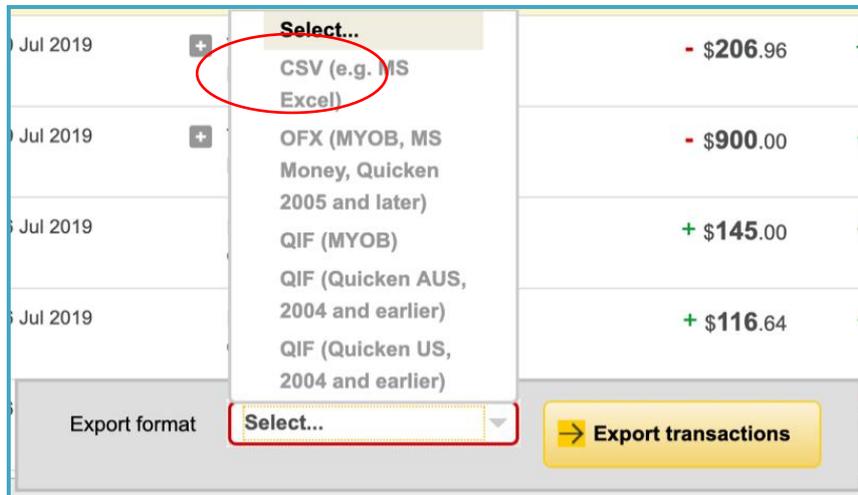
You'll need to fill out the Xero Authority Form as the account requires more than one signature. Head to the following to download the form: <https://www.commbank.com.au/business/accounting-software-integration.html>. After you have filled out the form, you can hand it into CommBank at UQ and they will 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, contact the Xero support function for help.

Importing past bank data

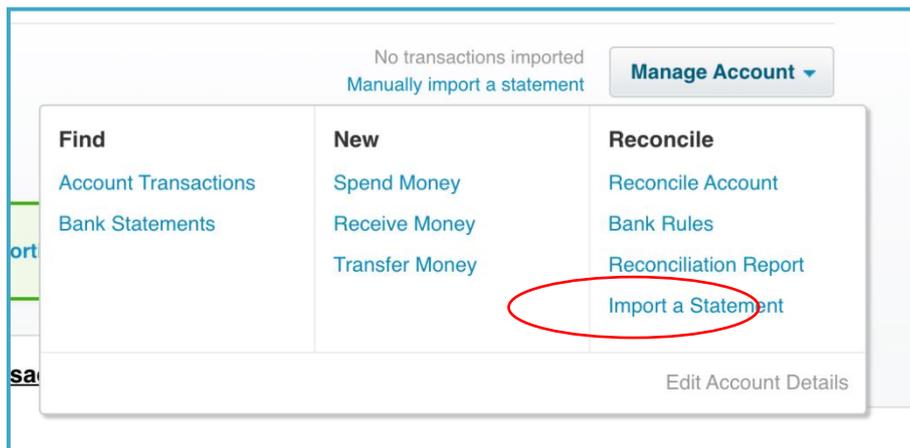
When Xero imports bank data, it won't include data that is prior to the current date. For example, the form is handed to the bank on 10 January and the bank processes it on 15 January, only data from 15 January onwards will display in your Xero file. Previous date can be imported to the Xero system manually. To do this, first find your CommBank Account, select the bank account, then *Advanced Search*, and select the missing dates.



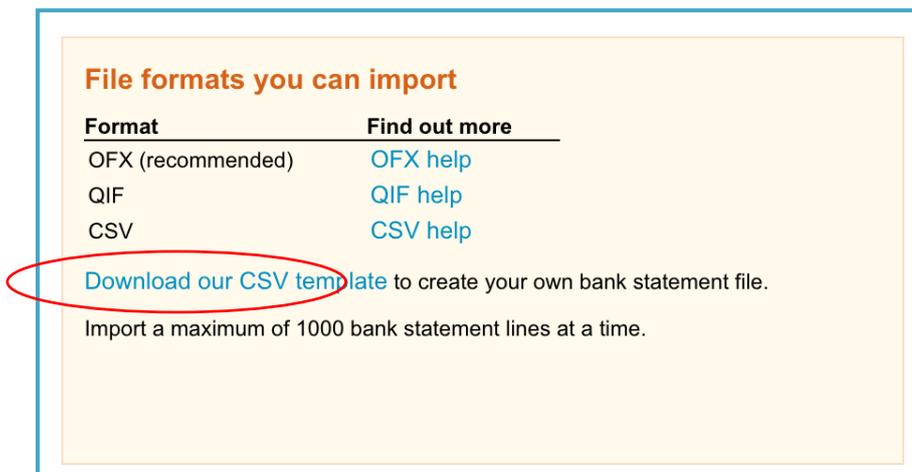
Select *Search*, scroll to the bottom of the page and export the data as a CSV.



Now head back to Xero and select *Import a Statement*.



Download the CSV template that Xero provides.



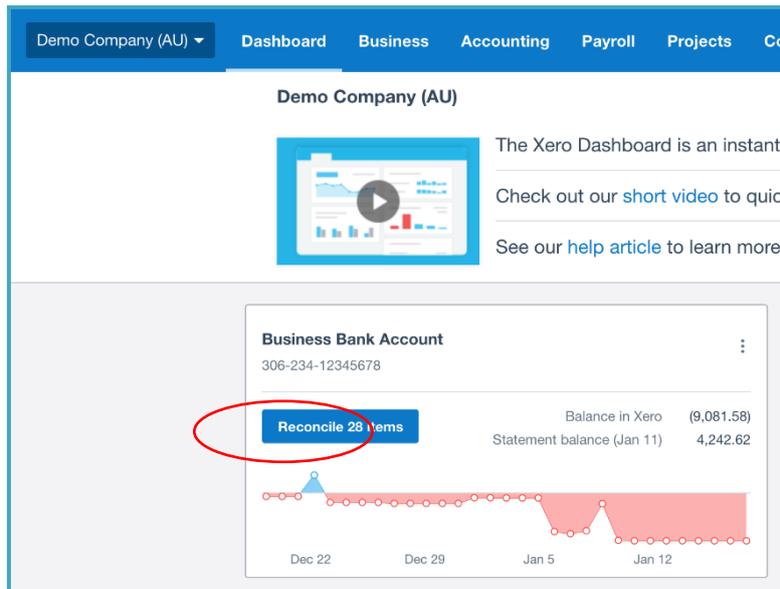
Now, copy and paste your downloaded bank statements into the template, and *Import*.

Day to Day

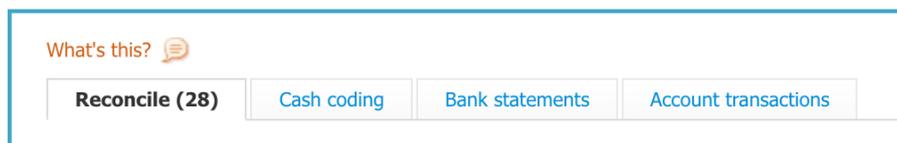
Now that you have all the bank statements imported to your account, you can move forward, using Xero to manage all of your club's transactions and receipts.

Reconciling Transactions

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



Next, make sure you are on the *Reconcile* tab of your bank account.

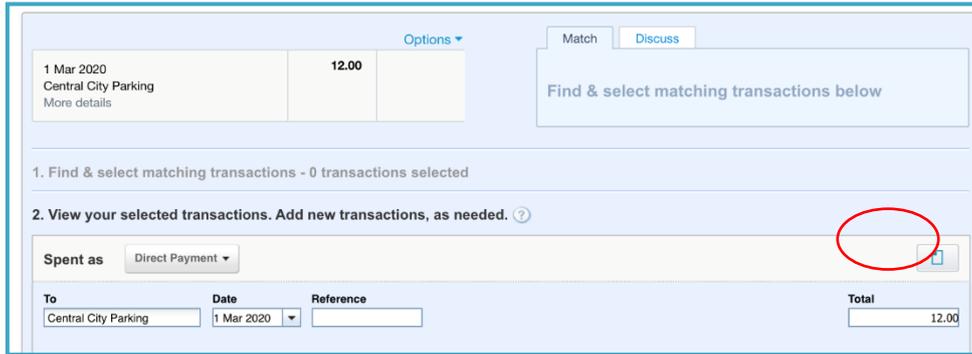


Fill out the details for each transaction, following the instructions below.

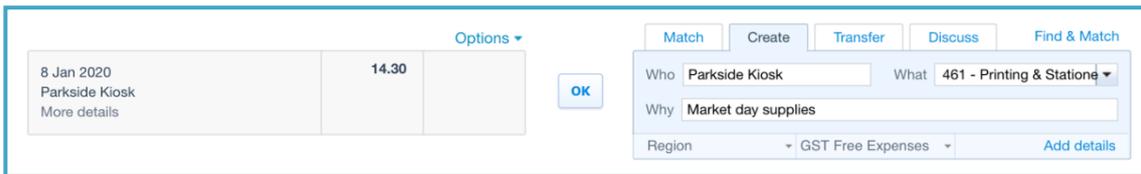


- **Who:** possible options for this expense/revenue could be: Red Room, Members, QPAY, UQ Union, The Victory Hotel, Kmart, Officeworks, or any person/company that is relevant to the expense.
- **What:** This is a description/label for the expense. For example: printing, venue hire, food & catering, stationary, 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:** You can add a photo of a receipt to an invoice. Simply select 'add details' and select the page icon to upload an image.



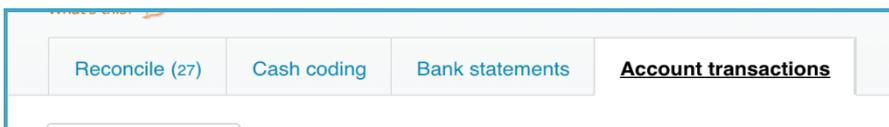
Below is an example of a completed transaction. When you are happy with the entry, select OK.



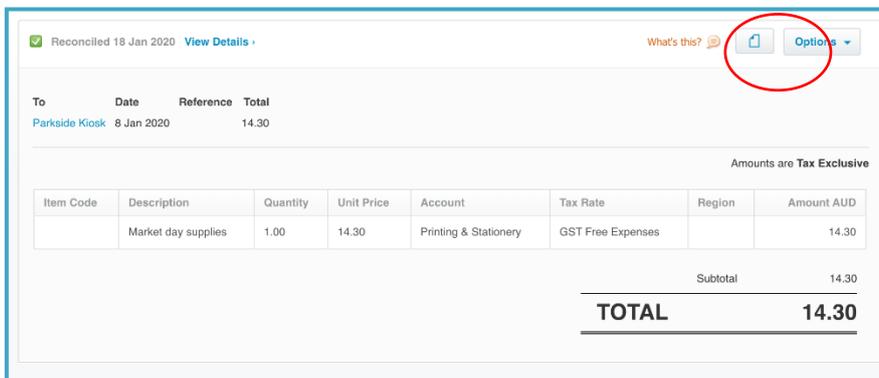
Congratulations! You have just reconciled your first transaction.

Attaching receipts

You can find your transactions using the *Account Transactions* tab under your bank account.



First, select the transaction, then the page icon:



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

From here you can *Upload Files*, by selecting a scanned image of the relevant receipt from Your Documents.

End of Financial Year

At the end of the each financial year, treasurers should ensure that all transactions have been reconciled with a copy of the receipt attached. From that point, an auditor or the Clubs & Societies Manager, can review the club's financial status easily simply by reviewing your Xero file.

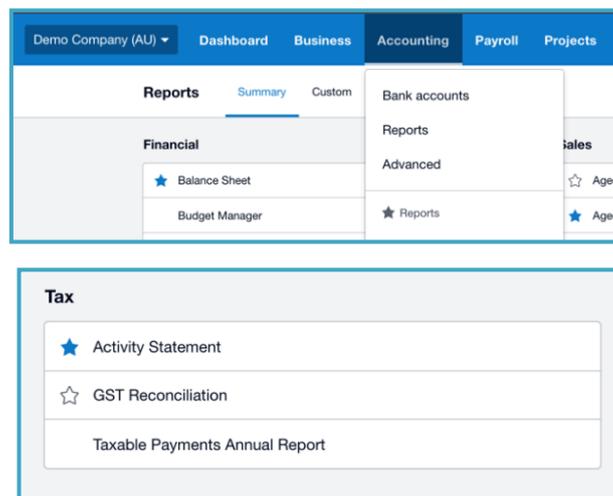
Xero not only saves clubs a huge amount of time, but also removes the need to print documents and bank statements.

Advanced Information

Goods and Services Tax

If you are a larger club that is registered for GST (over than the \$150,000 revenue threshold) you should be able to get your activity statement figures from Xero. When you are reconciling transactions, be sure to appropriately label the expense as GST on Income, GST-free Income, GST on Expenses, GST-free Expenses or BAS Excluded. These labels are important, so make sure they are done correctly.

Head to Accounting → Reports → Activity Statements.



Most societies, that are registered for GST, will use these settings:

Business Activity Statement Settings

Activity Statement Reporting Method

Simpler BAS

GST Calculation Period

Monthly
Quarterly
Annually

GST Accounting Method

Cash
Accrual

PAYG Withholding Period

None
Monthly
Quarterly

PAYG Income Tax Method

None
Option 1
Amount
Option 2
Income x Rate

Additional obligations

Fuel tax credits

Wine equalisation tax

Luxury car tax

Fringe benefits tax

Back

Save & continue

Once you have reconciled transactions for the time period, eg quarter, select the relevant quarter for which you need to lodge a Business Activity Statement (BAS) from the drop-down menu.

Reporting > **Activity Statement**

December 2019
▼

Xero will then show you exactly what to include in your Activity Statement when you lodge it on the Business Portal. You won't need to do any calculations or provide any further documentation. Check out the example below.

Summary		Transactions by tax rate	Transactions by BAS field	Export
December 2019			1,439	
ABN: 11111111138 • GST accounting method: Cash			Amount payable	
Goods and services tax Oct-Dec 2019				
G1	Total sales		GST inclusive	25,474
PAYG 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			
W3	Other amounts withheld (excluding shown at W2 or W4)			
W5	Total withheld W2 + W3 + W4			0
Amounts you owe the Tax Office				
1A	GST on sales		Adjust	2,315
4	PAYG tax withheld			0
8A	Total owed to the ATO			2,315

Tracking Categories

Another great Xero tool is Tracking Categories, which are useful for budgeting and future planning. Head to Accounting → Advanced → Tracking Categories. Add a tracking category called 'Events' and add in a list of all your events to be included. You can easily add or delete them later.

Untitled

Tracking category name

Category options

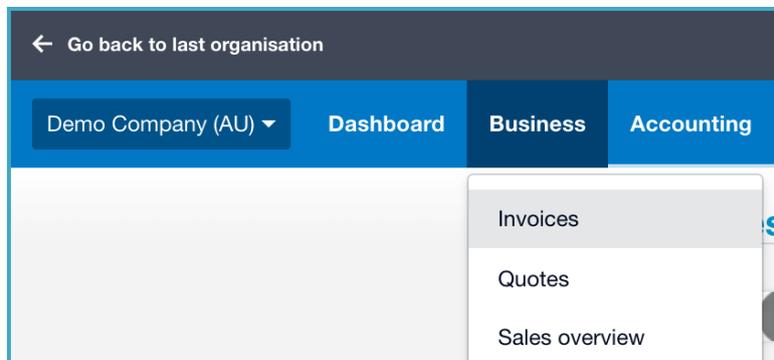
Add another item

Save
Cancel

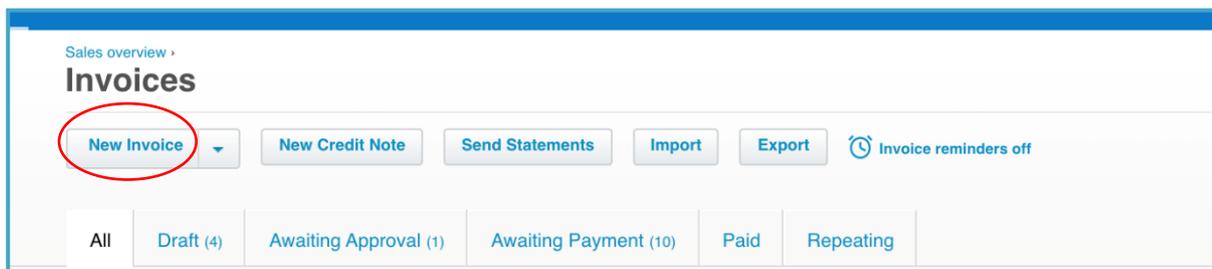
When you are reconciling transactions, select the event that the transaction is relevant to. Now head to Accounting → Reports → Profit and Loss, select *Report Settings*, and Xero will create a Profit and Loss account for that specific event. This is a quick and easy way to track profitability of your club's events and activities.

Creating Invoices

Xero can also help you by generating invoices and sending them to sponsors/members. Head to Business → invoices.



Select *New Invoice*:



Fill in all the details as per below

- **To:** This is the person or entity you are issuing the invoice to.
- **Date:** Today's date.
- **Due Date:** When the invoice is due (usually two weeks from the invoice date).
- **Invoice number:** Start with INV-001 and work your way up.
- **Amounts:** If you are not registered for GST, select no tax. If you are registered for tax, then select tax exclusive or tax inclusive.
- **Item:** Leave this field blank.
- **Description:** Describe what items or services you are providing e.g. Gold Sponsorship or Ball Tickets.
- **Qty:** Number of whatever you are providing.
- **Unit Price:** 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.

Sales overview > Invoices >

New Invoice

To: New x Date: Due Date: Invoice #: Reference: Branding: Preview Print

AUD Australian Dollar Amounts are:

Item	Description	Qty	Unit Price	Disc %	Account	Tax Rate	Region	Amount AUD	
	Gold Sponsorship	1.00	500.00		260 - Other Revenue	BAS Excluded		500.00	
								Subtotal	500.00
								TOTAL	500.00

Add a new line Save Approve Cancel

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

Awaiting Payment Preview Email Print PDF Print Invoice Options

To	Date	Due Date	Invoice #	Branding theme	Online Payments	Total
Sponsor	4 Mar 2020	18 Mar 2020	INV-001	Standard	democo@for-demo-purpos... Manage	500.00
No address						
Add address						