

# XERO Guide

A Guide for Club Treasurers





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

← Go back to UQBA: UQ Business	Association						
	i≘ My Xero	Hannah Olsson 🔹					
	Home Subscriptions & Billing Settin	₩ 0					
	My Xero						
	Hi Hannah, you last logged into UQBA	A: 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 new fea	tures and get familiar w	ith Xero. Reset or Chan	ge Country			

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.

Demo Company (AU) - Dashboard Business Accounting Payroll Projects Contacts	
Demo Company (AU)	Your last login: about 1 month ago from Australia
The Xero Dashboard is an instant	t health check for your business X
Check out our short video to quic	ckly see how it works
See our help article to learn more	3
Business Bank Account :	Account watchlist
Reconcile 28 items Balance in Xero (0.081.58) Statement balance (Mar 3) 4,242.62	Account         This month         YTD           Inventory (630)         0.00         0.00           Office Expenses (453)         0.00         1,425,92
**************************************	PAYG Withholdings Payable (825) 0.00 9.042.00 Sales (200) 795.05 46,151.05
Feb 9 Feb 16 Feb 23 Mar 1	Invoices owed to you
Business Savings Account : 306-234-12345679	4 Draft invoices         2,200,00           11 Awating payment         16,506,55           3 Overdue         7,007,50

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

Co	nect your bank account to Xero so transactions flow in a	utomatically
📒 🚺 😽 Wa	ch how to add and connect bank and credit card account	ts
Se	our step-by-step guide to adding a bank account in Xer	0
Add Bank Account	ney 🖪 Bank Rules 💽 Uncoded Statement Lines	
What's this? 🗩		

3. Fill in the details, by first selecting *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)				

Then complete the bank BSB and account numbers:

Add Bank Accounts						
Enter y	your Commonwealth Bank CBA (AU) account details					
Account Name	count Name Society Cheque Acct					
Account Type	Evaryday (day-to-day)					
Account Number	123-456 789101112 AUD ~					
	I've set up batch payments					
	+ Add another Commonwealth Bank CBA (AU) account					
Back	Looking for help? Try our Help Centre	Je				

4. Next, select Live Bank Feeds





	Manually import a state	ment Manage Account -
Find Account Transactions Bank Statements	<b>New</b> Spend Money Receive Money Transfer Money	Reconcile Reconcile Account Bank Rules Reconciliation Report Import a Statement
		Edit Account Detai

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





Export format	Select 👻	→ Export transactions
	2004 and earlier)	
Jui 2019	QIF (Quicken US,	+ \$ <b>116</b> .64
lul 2010	QIF (Quicken AUS, 2004 and earlier)	
Jul 2019	QIF (MYOB)	+ \$ <b>145</b> .00
	2005 and later)	
Jul 2019 +	OFX (MYOB, MS	<b>-</b> \$ <b>900</b> .00
(	CSV (e.g. MS Excel)	
Jul 2019 💽	Select	- \$ <b>206</b> .96

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.

	Manually import a statemer	Manage Account -
Find Account Transactions Bank Statements	New Spend Money Receive Money Transfer Money	Reconcile Reconcile Account Bank Rules Reconciliation Report Import a Statement
		Edit Account Details

Download the CSV template that Xero provides.

FX (recommended) OFX help	
F QIF help	
V CSV help	
port a maximum of 1000 bank statement lines at a ti	nk statement file. ime.

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.

Demo Company (AU) 👻	Dashboard	Business	Accounting	Payroll	Projects	Co
	Demo C	Company (Al	J)			
			The Xer	o Dashboa	rd is an ins	tant
		<b>O</b> .	Check of	out our <mark>sho</mark>	rt video to	quicl
		ha allana	See our	help article	e to learn n	nore
						_
	Business E 306-234-123	Bank Account 145678				
$\langle$	Reconcile	e 28 tems	Statement	Balance in Xen balance (Jan 11	o (9,081.58 I) 4,242.62	
		0-0-0-0-0-0	• • • • • • • • •	^-	-0-0-0-0-0-0	
	Dec 22	Dec 29	Jan 5	Jan	12	

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

What's this? 🗩			
Reconcile (28)	Cash coding	Bank statements	Account transactions

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

		Options -	Match Create	Transfer Discuss	Find & Match
8 Jan 2020 Parkside Kiosk More details	14.30		WhoName of the contactWhyEnter a description	. What Choose	the account 💌
			Region - Tax F	Rate -	Add details

- 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.

			Options		
1 Mar 2020 Central City Parkin More details	g	12.00			Find & select matching transactions below
. Find & select r . View your sele	matching transaction	ns - 0 transact	tions selected	d eeded. 🕐	$\frown$
. Find & select ı . View your sele Spent as Di	matching transaction ected transactions. A rect Payment -	ns - 0 transac	tions selected	d eeded. 💿	
. Find & select ( . View your sele Spent as Di To	matching transaction ected transactions. A rect Payment V Date	ns - 0 transact add new trans Reference	tions selected	d eeded. 🕐	Total

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

		Options -		Mato	ch Create	Transf	er Di	scuss	Find & Match
8 Jan 2020 Parkside Kiosk More details	14.30		ок	Who F Why N	Parkside Kiosk Market day suppl	ies	What	461 - Pr	inting & Statione 🔻
			ĺ	Region	-	GST Free E	xpenses	Ŧ	Add details

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:

Reconciled	18 Jan 2020 View Detail	5)			What's	this? 🦻 🚺	Options -
o Parkside Kiosk	Date Reference 8 Jan 2020	<b>Total</b> 4.30					
						Amou	nts are <b>Tax Exclusi</b>
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
					ΤΟΤΑΙ		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 theclub'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  $\rightarrow$  Reports  $\rightarrow$  Activity Statements.

Demo Company (A	AU) 🕶 Dashbo	oard Business	Accounting	Payroll Projects
	Reports S Financial Relative Shee Budget Mana	ummary Custom at uger	Bank account Reports Advanced	s iales ☆ Age
Tax       ★ Activity       ☆ GST R       Taxable	y Statement econciliation e Payments An	nual Report		





Activity Statement Repo	rting Method	
Simpler BAS		
GST Calculation Period		_
Monthly	Quarterly	Annually
GST Accounting Method		
Cash		Accrual
AYG Withholding Period	d	
None	Monthly	Quarterly
AYG Income Tax Metho	d	
AYG Income Tax Metho	d Option 1	Option 2
AYG Income Tax Metho	d Option 1 Amount	Option 2 Income x Rate
AYG Income Tax Metho None	d Option 1 Amount	Option 2 Income x Rate
PAYG Income Tax Metho None	d Option 1 Amount	Option 2 Income x Rate
AYG Income Tax Metho None Additional obligations	d Option 1 Amount	Option 2 Income x Rate
AYG Income Tax Metho None Additional obligations Fuel tax credits Wine equalisation ta	nd Option 1 Armount	Option 2 Income x Rate
AYG Income Tax Metho None Additional obligations Fuel tax credits Wine equalisation ta	nd Option 1 Arnount	Option 2 Income x Rate
Additional obligations Additional obligations Fuel tax credits Wine equalisation ta Luxury car tax Fringe benefits tax	id Option 1 Arnount	Option 2 Income x Rate
Additional obligations Comparison	d Option 1 Armount	Option 2 Income x Rate

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

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	019 <del>-</del>	

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.





Su	ummary Transactions by tax rate Transactions by BAS field		Export
Dec	ember 2019		1,439
ABN:	1111111138 • GST accounting method: Cash	,	mount payable
Good	ds and services tax Oct-Dec 2019		
G1	Total sales	GST inclusive	25,474
PAYO	G tax withheld Oct-Dec 2019		
<b>W</b> 1	Total salary, wages and other payments		
W2	Amounts withheld from payments at W1		
<b>W</b> 4	Amounts withheld where no ABN is quoted		
W3	Other amounts withheld (excluding shown at W2 or W4)		
W5	Total withheld W2 + W3 + W4		0
Amo	ounts you owe the Tax Office		
1A	GST on sales	Adjust	2,315
4	PAYG tax withheld		0

# **Tracking Categories**

Another great Xero tool is Tracking Categories, which are useful for budgeting and future planning. Head to Accounting  $\rightarrow$  Advanced  $\rightarrow$  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		
Event		
Category options		
Market Day		
Pub Crawl		
Ball		
First Year Event		
Add another item		
	Save	Cancel

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

← Go back to last organisation									
Demo Company (AU) 🔻	Dashboard	Business	Accounting						
		Invoices	s						
		Quotes							
		Sales overv	view						

Select New Invoice:

Sales over Invoi New In	view > Ces voice -	New Credit Note S	Send Statements Import	t Ex	cort 🕥 Invoice reminders off	
All	Draft (4)	Awaiting Approval (1)	Awaiting Payment (10)	Paid	Repeating	

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.





То	Date	Due Date	Invoi	ce #	Reference	Branding			
Sponsor	New × 4 Mar 2020	<ul> <li>18 Mar 2020</li> </ul>	▼ INV-	001		Standard	•		Preview
AUD Australian Doll	ar 👻							Amounts are	No Tax
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
Add a new lin	e -							Subtotal	500.0
							1	ΟΤΔΙ	500.0

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

Awaiting Payment					Preview Email Print PDF     Invoice Options
To Date Sponsor 4 Mar 2020 No address Add address	Due Date 18 Mar 2020	Invoice # INV-001	Branding theme Standard	Online Payments	τα 500-

