BK & OSS

Conversion Balance &
Comparative Balance in Xero.



WHAT ?

Conversion balances

- It is the balances in your previous accounting software on the day (for the year end 30th June) and you're moving to any new accounting software like Xero, MYOB. The Conversion balances needs to be updated as opening balances of accounts in the new accounting software.
- which is the current balance on each account in your existing accounting software.

Comparative balance

- The balances of accounts to be entered for the previous periods.
- It helps to compare the financial reports with previous comparative years.

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HOW to setup Conversion balances in Xero

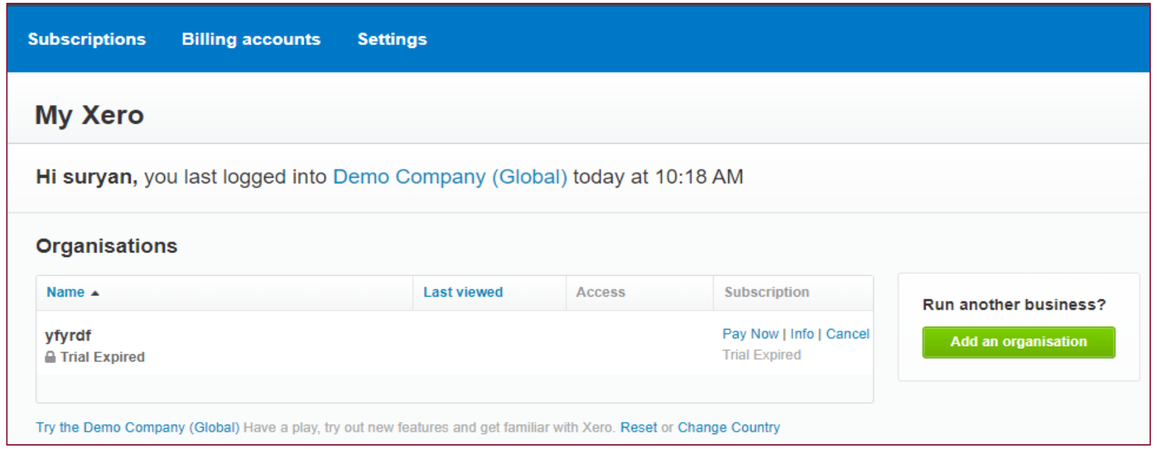
1. Organization Setting.
2. Entering GL/Charts of accounts, Bank accounts.
3. Conversion & Comparative balances.
4. Supplier & Customer contact creation.
5. Entering / Importing Purchase & Sales
6. Matching AP & AR balances
7. Payroll Setup.
8. Importing Bank Statement & Reconciliation
9. GL Fixing

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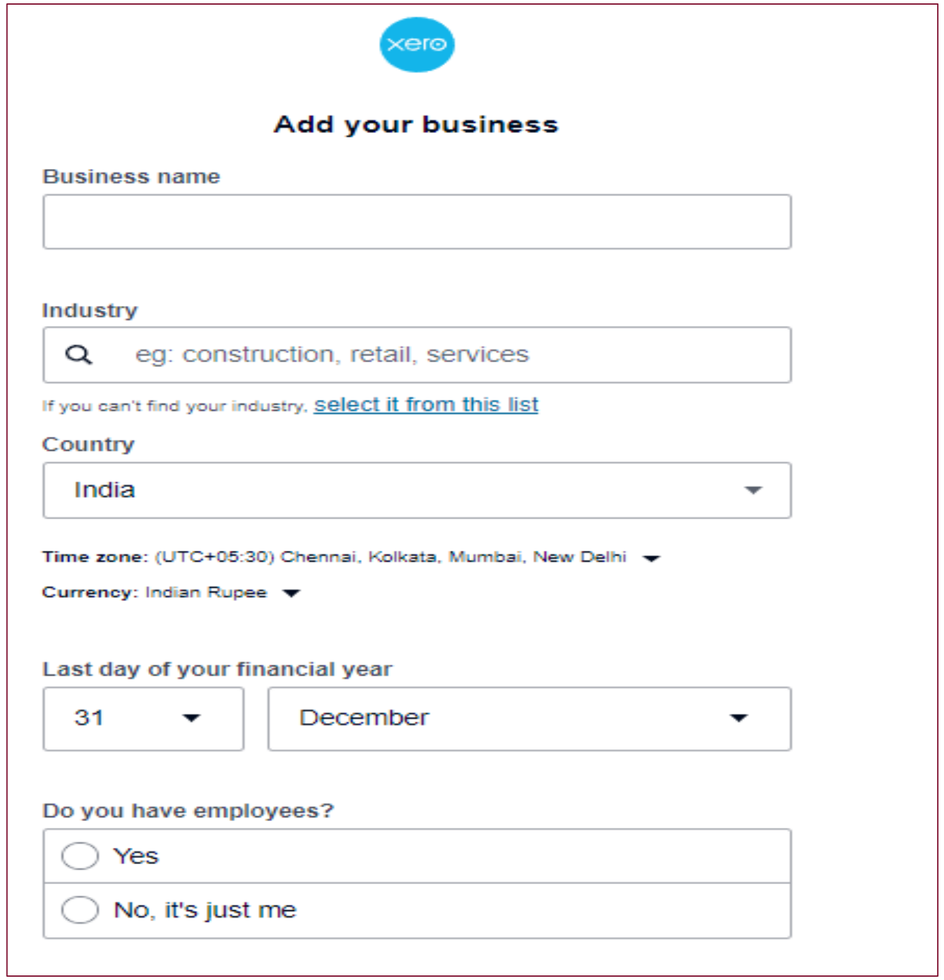
Basic Organizational Setting in MyXero

Add an Organization in MY Xero by Add organization TAB,



- By entering Business name, Industry, and Financial year.

- You can create an entity in Xero.

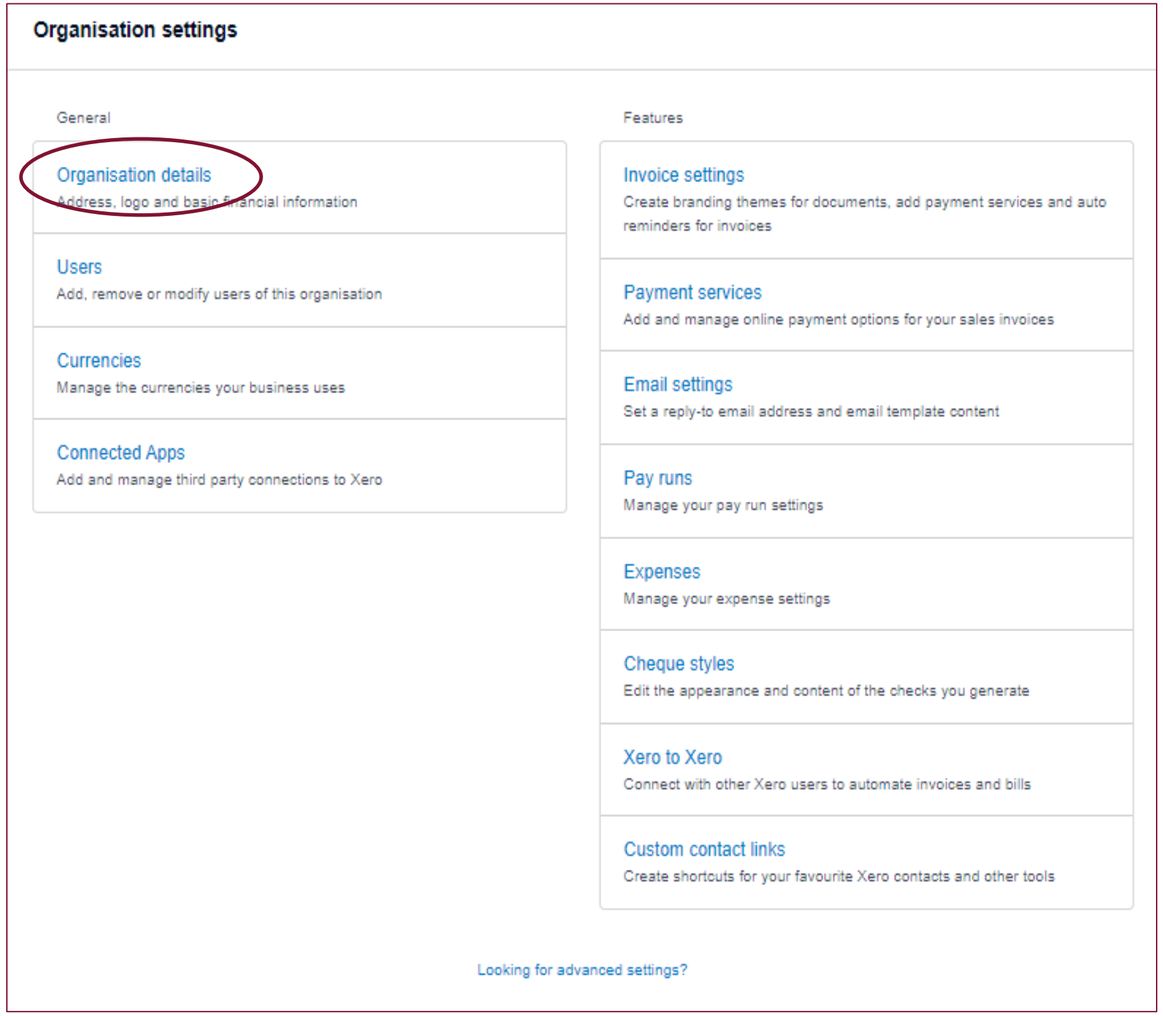


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Organizational Detail

1. Name - ABC International
2. Address – Level 2, Moores Street, SYDNEY NSW 2000
3. Email Address – aaaa@abc.com.au
4. Website – www.abc.com
5. Company Logo – Can Import the Logo
6. Business Entity – Sole Proprietor
7. Nature of Business – Constructions/ Ecommerce/ Florist etc…



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Other Setting ➢Click to Setting ➢ Organization setting to start the organizational setting

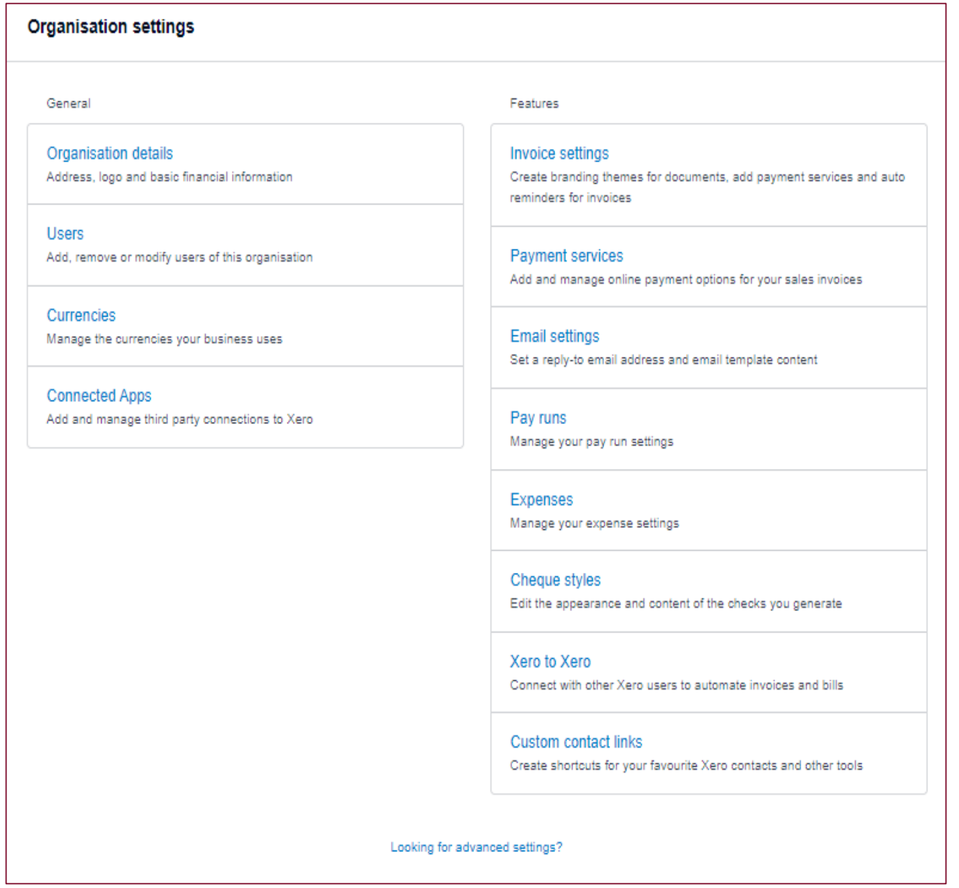
1. **Users** - You can add and overview the users for this company

2. **Currencies:** You can add multiple currencies which the business uses for transactions

3. **Invoice settings**: Customize your invoice by using this tab

4. **Payment services**: Add online payment modes to your Xero

5. **Connected apps** : Connect software like Dext, Hubdoc.. with Xero by using this tab

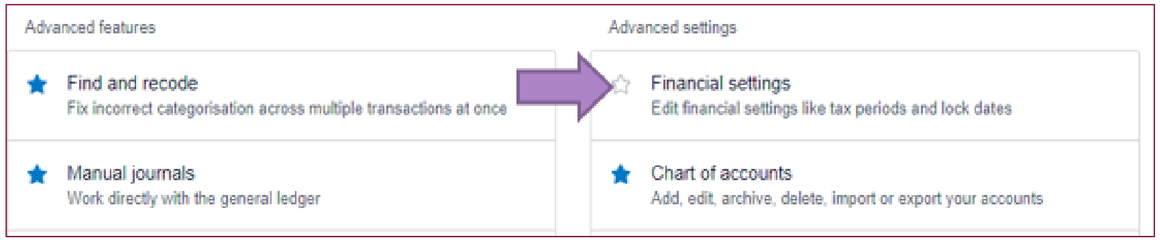


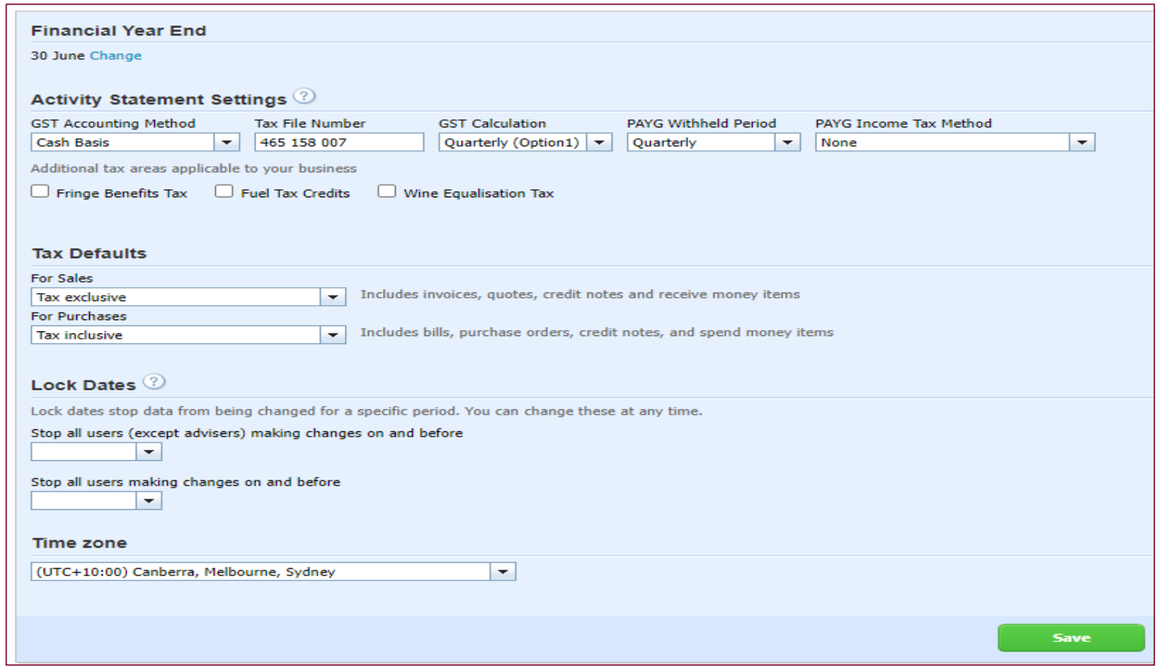
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Advanced Settings Financial Setup

1. **Financial Year End** – 30/06/2020
2. **Periodical Filling** – Monthly/ Quarterly/ Annual
3. **TFN** -0123456789
4. **Accounting method** – Accrual/Cash
5. **Tax Period** – 01/07/2019 to 30/06/2020
6. **Tax Setting** - Select the required tax basis/scheme and period, and enter registration details as required. Depending on the organization's country, these might be sales tax, VAT or GST details. If your client is not registered for GST, select None as the tax basis.





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Entering GL/Charts of accounts, Bank accounts.

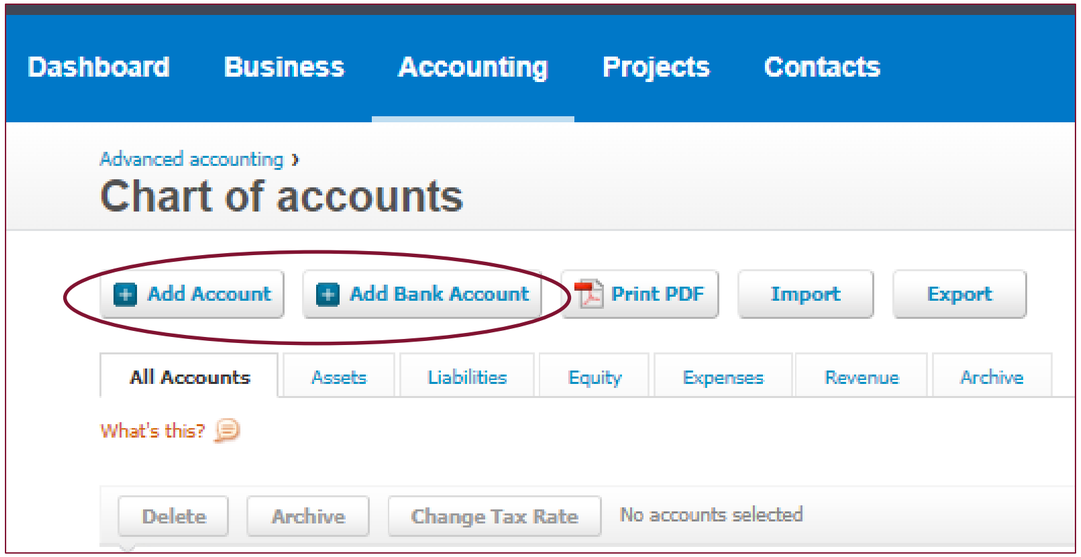
There are 3 methods to create COA into Xero,

1. Manually adding Accounts
2. Importing COA
3. Importing COA with balance (By using this method entering conversion balance step can be avoided)

.

Categorizing Account types –

1. Assets
2. Liabilities
3. Owner's Equity
4. Income
5. Expense



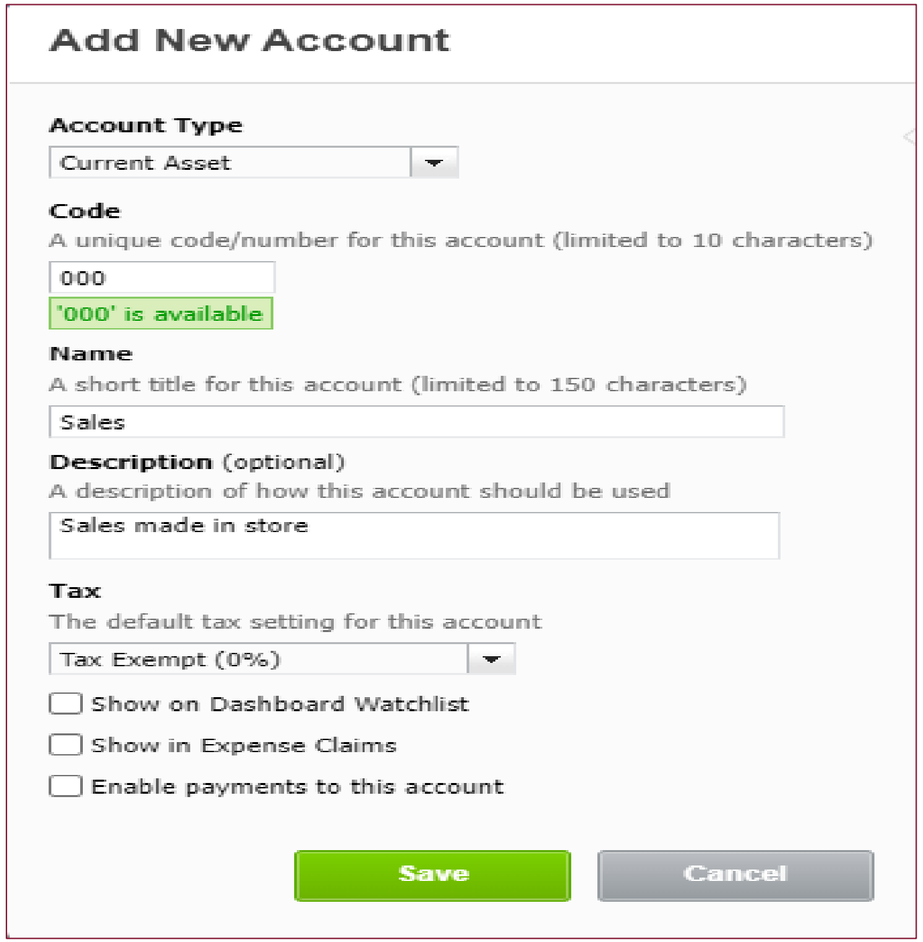
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Manually adding Accounts

Adding General Ledger or Charts of Accounts (If count is low) Manually

1. To create a new account
2. In the **Accounting** menu, select **Advanced**.
3. Click **Chart of accounts.**
4. Click on Add new account.
5. Enter the details.
6. Click **Save**.



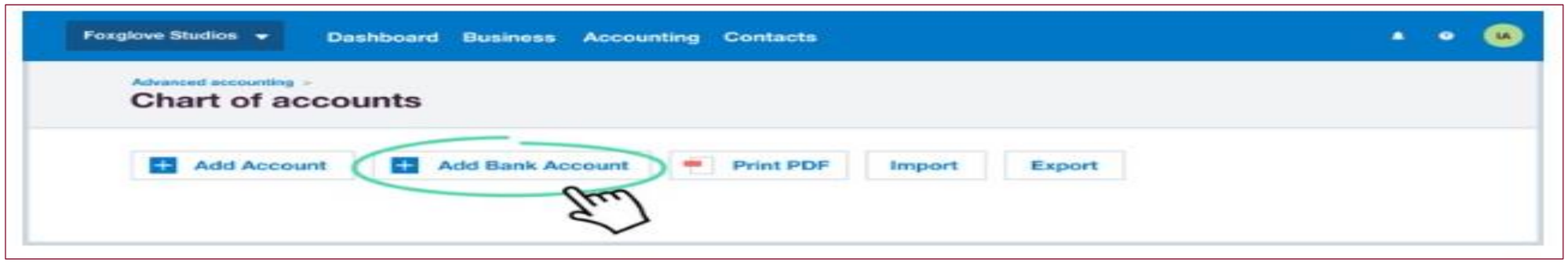
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Add Bank Account

- Bank accounts aren't included in Xero's standard charts of accounts. Add your client's business bank accounts so you can enter opening balances for them in the conversion balances.

- Depending on your client's bank, you may be able to apply for a direct feed to automatically import bank statements into Xero. This makes it easier to monitor bank balances and stay on top of reconciliations.



From the **Accounting** menu, select **Advanced**.

- Click **Chart of accounts.**
- Click **Add Bank Account.**

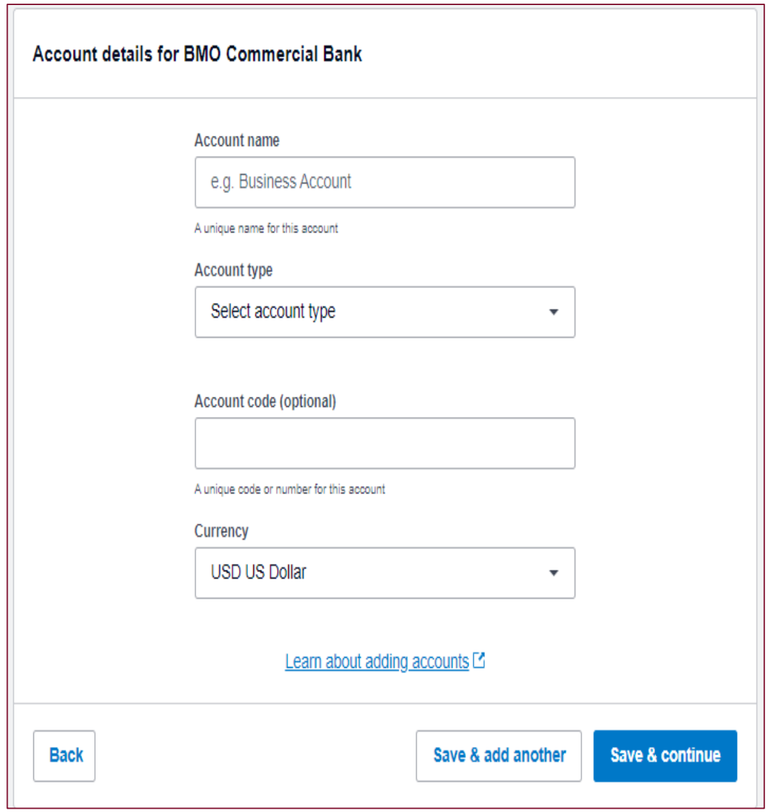
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Enter the below,

- Account name
- Account type
- Account code
- Currency

And click save to add bank account.

Enter the name of the bank the account is held at so Xero can check if a bank feed is available. If a feed is available, you'll be guided through the set-up process. If no feed is available, select the option to add your account without a bank feed.

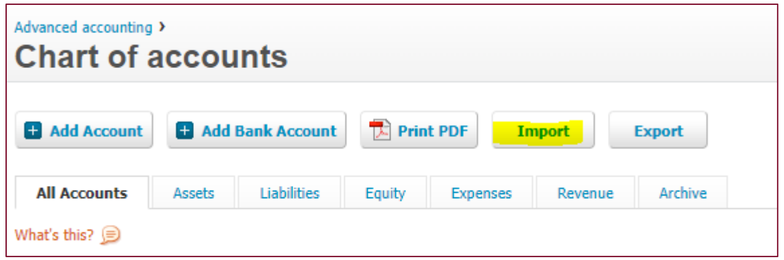


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Importing of Chart of Accounts

If you have more charts of accounts, you can import bulk into Xero



Download the format of uploading CSV file from Xero

Please follow the below steps:

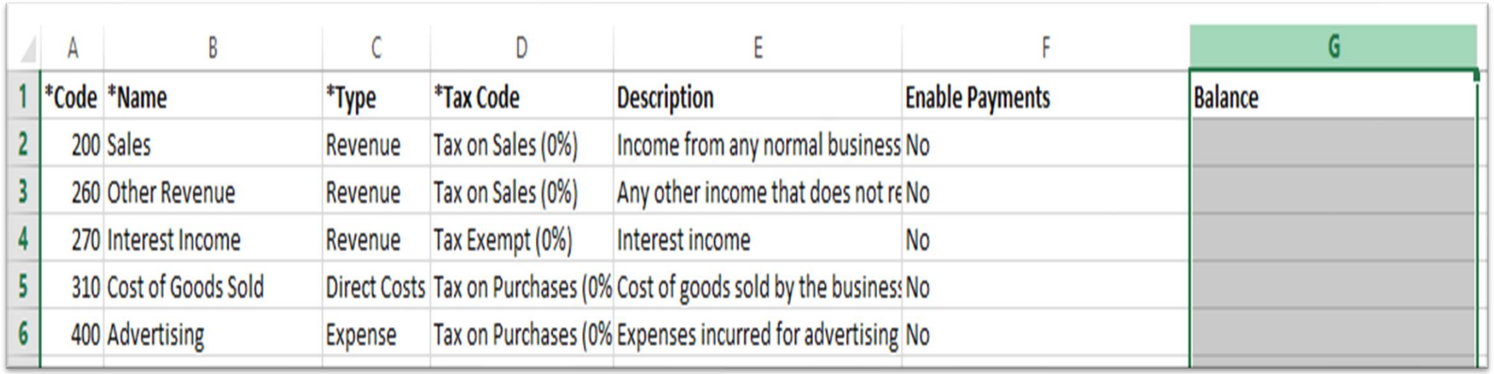
1. Accounting menu Chart of accounts Click Import Under Example file, click the link for the chart of accounts CSV file Under Example file.
2. If you don't want to include an optional field, delete the column or leave all cells in the column blank.
3. The Code column is formatted as text.
4. The file must upload as same format CSV
5. After uploading the file

Accounting menu select Advanced_ then click Chart of accounts Click Import.
Select whether the file includes balances. If Yes, enter the conversion date.

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Template file for importing COA



	A	B	C	D	E	F	G
1	*Code	*Name	*Type	*Tax Code	Description	Enable Payments	Balance
2	200	Sales	Revenue	Tax on Sales (0%)	Income from any normal business	No	
3	260	Other Revenue	Revenue	Tax on Sales (0%)	Any other income that does not re	No	
4	270	Interest Income	Revenue	Tax Exempt (0%)	Interest income	No	
5	310	Cost of Goods Sold	Direct Costs	Tax on Purchases (0%	Cost of goods sold by the busines	No	
6	400	Advertising	Expense	Tax on Purchases (0%	Expenses incurred for advertising	No	

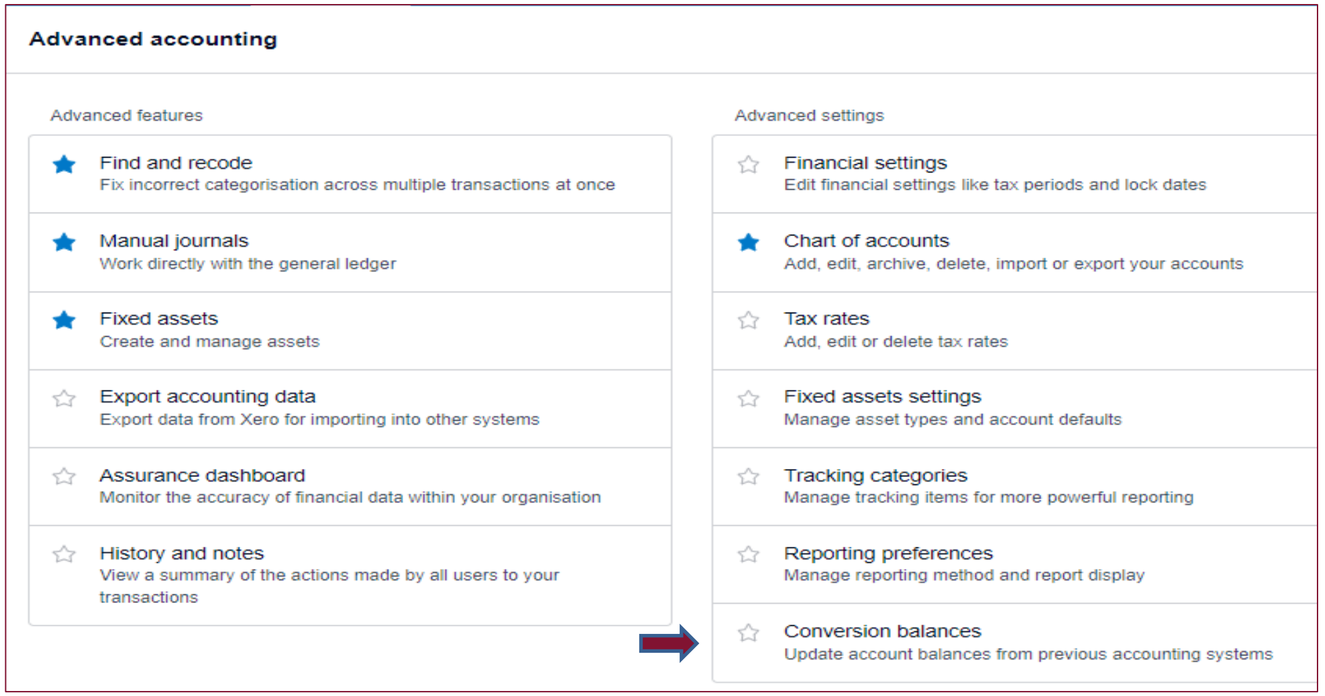
- If you want to import COA with balances fill the balance column and import
- By importing COA with balances, you can skip the Conversion balance process

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Conversion Balance

To enter conversion balance – Get the Trail Balance from the old accounting software

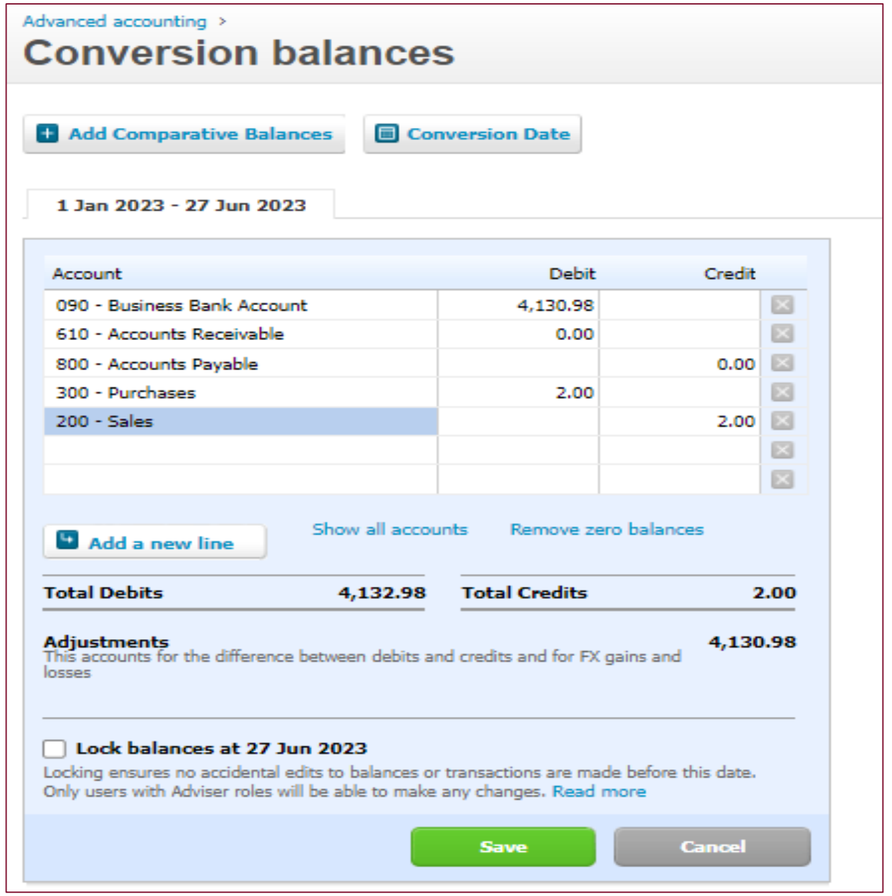
Then go to **Accounting menu**, select **Advanced**, then click **Conversion balances**



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- **Conversion date** - Enter the date of the period
- Click **Show all accounts**. To add a new account, click **Add a new line**, then click **Add new account.**
- Enter balances from your previous accounting system's trial balance into the debit and credit fields
- Click **Save**.



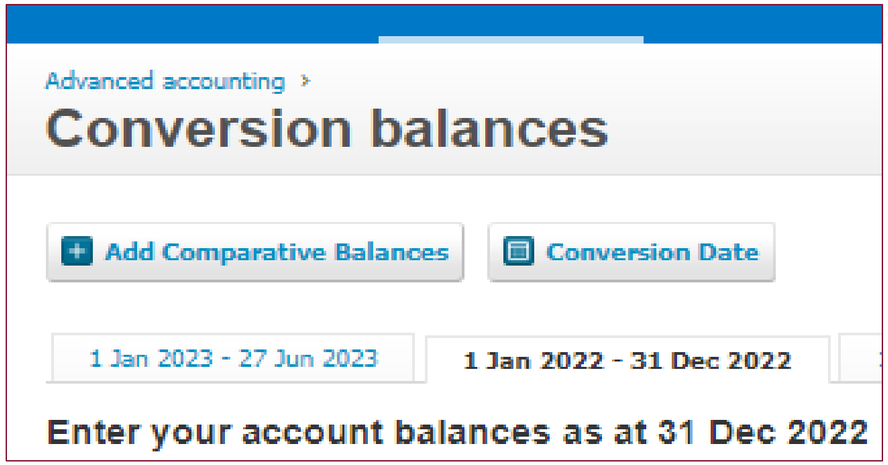
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Comparative balance

Add comparative balances

- In the **Accounting** menu, select **Advanced**, then click **Conversion balances.**
- Click **Add Comparative Balances**.
- Enter the year-end account balances into the debit and credit fields.
- Click **Save**.
- Repeat steps 2 to 4 for any additional years you want to enter.



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Conversion date VS Comparative Date

- Conversion date:
- It is the date of your opening account balance known in Xero as conversion balance.
- If you are coming from another accounting system, it’s important the conversion date is the day after the date when you balanced all your accounts in previous system
- If your conversion date is in past and you’ve carried on business since then, you need to import from your conversion date onwards.

Comparative Date:

- The date for which the Comparative balances are entered is referred as comparative date.

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Adding Supplier & Customer Contact

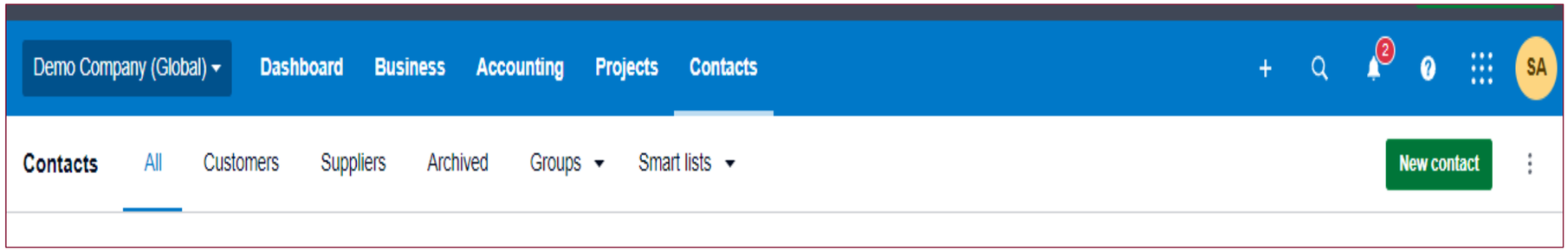
1. In the **Contacts** menu, select **All contacts**.

2. Click **New contact.**

3. Enter the contact's name.

4. (Optional) Select the **Contact details, Addresses**, and **Financial details** sections on the left and enter any additional details.

5. Click **Save & close.**



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Importing Supplier & Customer Contact

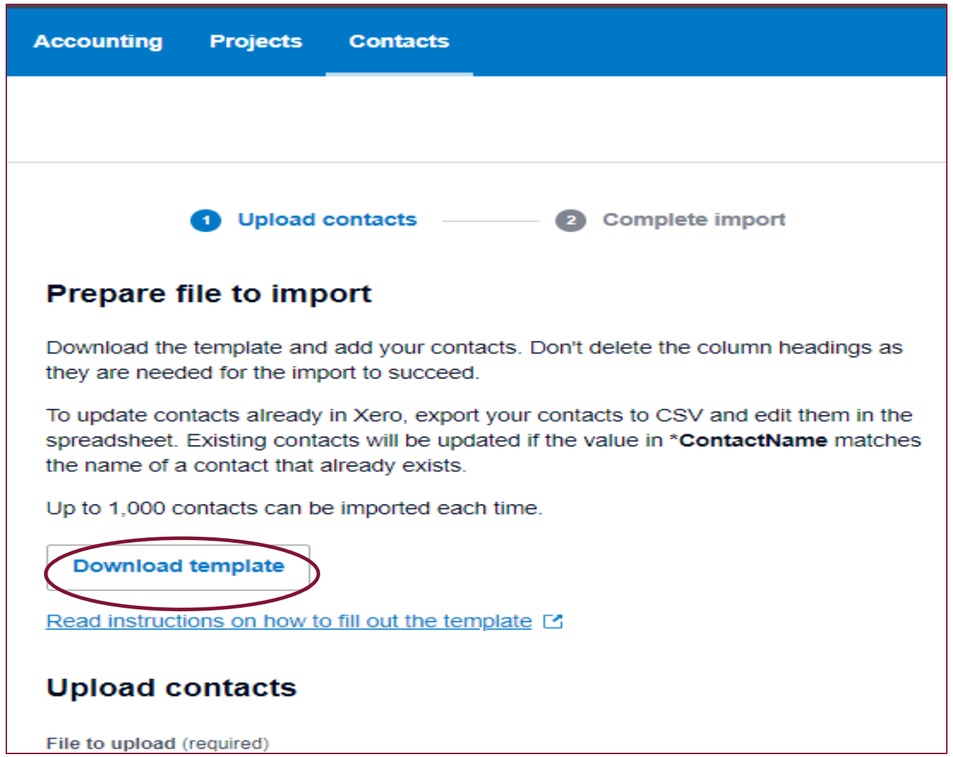
- Go to all contacts and click the below **highlighted tab**.
- Then download the template
- Fill all the available details into the file.

(*) highlighted heading is compulsorily needs to fill

Others are optional, save the file.

Drag and drop the saved file and over

Review the data and then complete import.



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Import of Sales and Purchase

- The Step is followed when the conversion is done at the middle of Financial Year
- Invoices and bills can be imported into Xero as draft, awaiting approval, approved, or approved and paid. The status determines the fields in the import file. You can import transactions that have multiple lines, but all lines must use the same invoice/reference number and date. You can't include a negative line on a multi-line invoice.

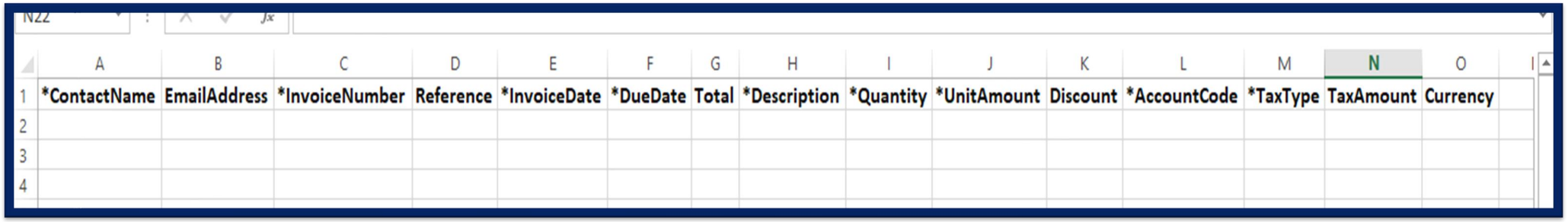
Steps to Import:

Prepare the CSV file.

- Click **Import Invoices, Bills, and Payments.**
- Download the template file.
- Open the template, adjust the column headers and content as needed, then save the file in CSV format

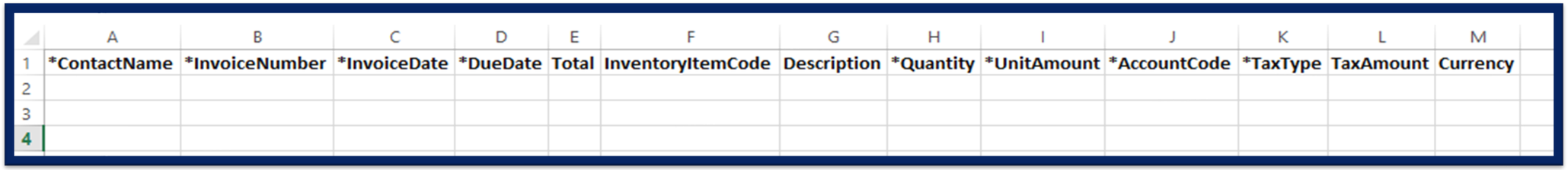
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Import of Sales and Purchase



	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	*ContactName	EmailAddress	*InvoiceNumber	Reference	*InvoiceDate	*DueDate	Total	*Description	*Quantity	*UnitAmount	Discount	*AccountCode	*TaxType	TaxAmount	Currency
2															
3															
4															

Import of Sales and Purchase



	A	B	C	D	E	F	G	H	I	J	K	L	M
1	*ContactName	*InvoiceNumber	*InvoiceDate	*DueDate	Total	InventoryItemCode	Description	*Quantity	*UnitAmount	*AccountCode	*TaxType	TaxAmount	Currency
2													
3													
4													

After updating these CSV files, follow the below steps to import..

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Import into Xero

- Select the status you want the invoices imported as, then click **Next Step.**
- In the **Field** column, select the field that maps to each column in the import file. Select **None** for columns you don't want to import detail from, then click **Next Step**.
- In the **Xero Tax Type** column, select the tax types that match the imported tax types, then click **Next Step.**
- Check the preview. Once you're happy, click **Next Step** to import your invoices or bills.
- View the results of your import, and if you're happy click **Finish**. **If you need to make changes, import your invoices or bills CSV file again.** This overwrites your existing bills or invoices files.

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Matching AR and AP Balances

- You should enter the customer invoices and supplier bills that were unpaid at your conversion date.
- Post the Debtors/Creditors balance as in the trail balance, while posting Conversion balance.
- Post the GST as in the balance sheet.
- Then import the Unpaid bills/Invoices with GL Xero as BAS Excluded.
- After this process, the total of Aged payables/ Receivables must match with Balance of Sundry Debtors/Creditors.

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Payroll Setup

Payroll Setup – If at the end of a FY

- Setup Periodical Payroll (Weekly/Fortnight/Bimonthly/ Monthly / Quarterly)
- Adding Employees details
- Creating various types of Pays items, Pay Category
- Setting up Pay run Template for Employees
- Select Location (Suburb) of the company to setup Holidays automatically
- Creating Superannuation types
- Mapping Wages expense, Liability and bank account in payroll settings
- Setting up Employee's opening leave balances
- Setting up Single Touch Payroll lodgment

Payroll Setup – In-between a FY

- You can post the payroll which are done previously in the old software without filing STP to avoid Double filing of STP.
- If your client requires the STP balance needs to add in Xero, you can add the STP opening balance employee wise.

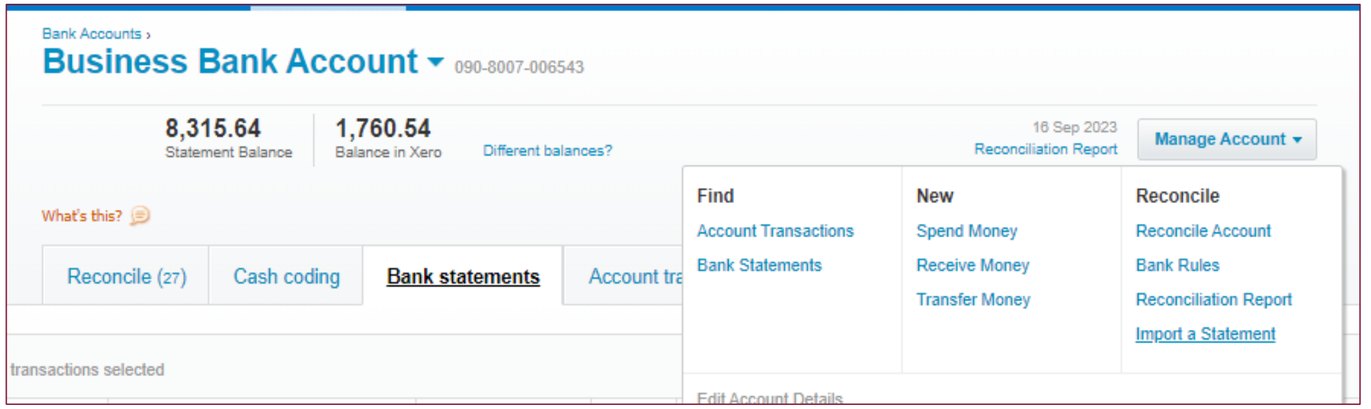
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Importing Bank Statements and BRS

This step will be done when the conversion is done at the middle of a financial year, While doing conversion for a completed FY, importing bank statement is not necessary.

Steps to Import bank statement:

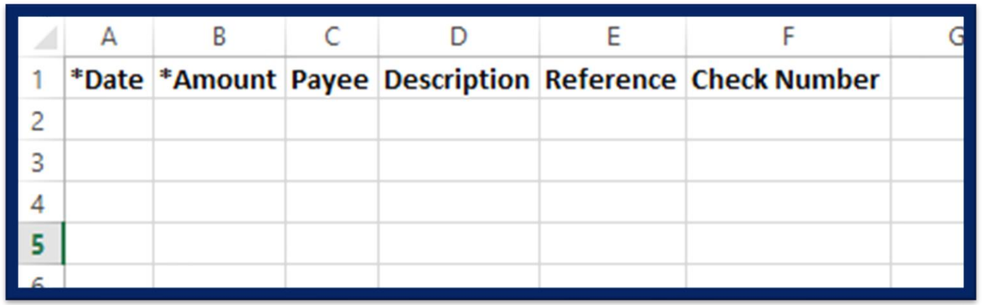
- Similar to importing of Chart of Accounts download the template file from Xero and prepare the file to import.
- Then Accounting menu, select Bank Accounts.
- For the bank account you want to import your file into, click Manage Account, then select Import a Statement.



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Template file for importing bank statement



	A	B	C	D	E	F	G
1	*Date	*Amount	Payee	Description	Reference	Check Number	
2							
3							
4							
5							
6							

- In **File to upload**, drag and drop a file or click **Select file** to choose a file from your computer, then click **Next.**
- If prompted, assign the columns in your import file to the matching bank statement fields in Xero, then click **Next.**
- Review the imported transactions and clear the checkbox next to any transaction you don't want to import.
- Click **Complete import.**
- After importing bank statements, you need to reconcile the bank
- You can also import reconciled bank transactions by using Conversion Toolbox.

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GL Fixing

- This the final step in this process.
- GL fixing is a process of reviewing all the balances of corresponding accounts are correctly fixed and placed.
- The newly entered data must be reconciled with the data from previous software.
- The report such as Trail balance or Profit and Loss Account and Balance sheet should be taken to review all the GLs and their balances are rightly allocated and reconciled.

After completing all these stages the book is ready to function in the new software.

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Thank you!

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