*Jet*Convert

Ready, Jet, Go!

The go-to guide for Xero Partners

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1.2 MYOB / Reckon files accepted under the Xero sponsorship

	MYOB	RECKON	Notes
Software versions	AccountRight (free) AccountEdge ($220)	Desktop & Hosted business versions (free)	Contact us to discuss other conversion needs
File extensions	.MYO & .MYOX	.QBB & .QBW	We also accept .QBM however it is a compressed file and size is not indicative of actual file size
File size	<800MB	<150MB	You may be able to reduce the size - Contact Jet Convert
Paid employees	<200	<200	Xero may grant you an exception if you have more than 200 employees - contact Xero
Chart of Accounts	<700	<700	You can reduce # of Accounts if they have not been used, or you can pay Jet Convert to do it (MYOB only)
Jobs / Categories / Classes	<100 active and inactive	Not converted	If more than 100 active / inactive / header jobs in the MYOB file you can delete to less than 100 if they have not been used, or you can pay Jet Convert to do it (MYOB only)
Country	Australia only	Australia only	Contact Jet Convert for status of other country conversion services
Tax codes	0 or 10%	0 or 10%	If other than 0 or 10%, e.g. WET/WEG, we will remove if they have not been used. Otherwise you will need to change the tax rate on the Tax Codes list, and on any transactions associated with this code
Multi-currency	Current month data only	Not converted	You may be able to turn off multi-currency in MYOB files if it has not been used
Other	No verification errors, not multiple locations		You can try to fix the Verification errors in MYOB or pay Jet Convert to do so. With Multiple Locations you can receive current month data or pay Jet Convert to remove
Versions not accepted	Essentials, EXO, AO	Accountants version, very old files (pre 2012)	For Reckon Accountants version - save it as a business version instead

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1.3 What you receive under the free service for MYOB / Reckon

Transactional history

Transactions for the current plus previous financial year. For example if we are in the 2017 FY you can receive transactional history back to the start of the 2016 FY. For files that have a July-June FY this means we can convert back to 1 July 2015. The transactions end wherever the file ends.

With MYOB files, if you don't want transactional history you could consider a balances only or $0 balances conversion. These conversions give you all the business information without the transactional history:

- *Contacts*
- *Chart of Accounts*
- *Items*
- *Payroll setup (with payroll balances, all employee details, pay items and templates)*
- *Opening balances as of the conversion date.*

The Balances Only option preserves the account balances as of the selected conversion date. The $0 Balances option does not include balances at all so you can add later.

More information on balances conversion services.

Contacts

All contact and financial details, addresses sorted into Postal and Street in Xero. If you have contacts that are marked as inactive they will still be converted as they may have transactions associated with them. Simply archive these contacts in Xero following conversion.

Please refer to jetconvert.com.au/features for more detailed information and data exceptions for MYOB and Reckon.

Chart of Accounts

Converted as it is in the source file with any hyphens removed. Unwanted Accounts can be archived in Xero afterwards.

Open invoices & bills

Anything "open" in the source file comes across that way so it can be dealt with in Xero. Quotes and sales orders come across as draft invoices. Purchase Orders are created as Purchase Orders in Xero.

Note that Quotes prior to the conversion start date will not be converted.

Unreconciled transactions

Anything unreconciled comes across that way so your client can continue working in Xero from where they left off in their original software. This does mean that for a clean conversion you should reconcile at least up to the selected conversion start date **e.g.** *1 July 2015. Check the MYOB/Reckon file carefully as clients may think they have completed reconciliation when they haven't.*

Items

Items are created in Xero with their item codes, descriptions and purchase and sales details. Inventory management/tracking information is not converted.

As inventory conversion data involves many different fields we strongly recommend that you refer to jetconvert.com.au/features for complete information and data exceptions.

Jobs / Categories (MYOB only / if less than 100)

These are created as Tracking Categories called Job or Category in Xero. Descriptions are not brought across.

Any transaction line that we migrate to Xero gets the correct tracking option applied to it. Where categories are used in MYOB, we assign a category to each transaction line in that transaction, rather than the transaction itself as done in MYOB.

Opening balances for tracking are not created in Xero, the tracking commences at conversion date. You can add manual journals if you require opening balances in Xero.

Payroll setup (if less than 200 employees paid)

All our Xero conversion plans include payroll setup if payroll is active in the MYOB or Reckon file. We generally bring across all employees paid in the current payroll year AND all employees set-up but never paid unless terminated or inactive.

Payroll is prepared with all pay items (excluding employer deductions), Employee details, Pay templates and Opening balances.

Note: During the process our conversion tool will go through the information in the payroll categories and identify any items that contain the word 'allowance'. Any items that contain the word 'allowance' will be set up in Xero as an allowance.

Reimbursements are identified in a similar manner, our conversion tool works by identifying any items with 'reimbursements' in the title. However, there are some additional rules that the software applies, for example in Xero you cannot set up an hourly rate for reimbursements. If you have a reimbursement set up as an ordinary earnings rate then this will be converted as an ordinary earnings rate.

Due to the complexity and often incorrectness of payroll data in the source files we strongly recommend that payroll settings and employee information be reviewed following a conversion. Also you may have to do a manual calculation for the payroll on your first BAS (please refer "Payroll figures after conversion" under the Common Mistakes section).

Please refer to jetconvert.com.au/features for more information on payroll data exclusions for MYOB and Reckon.

1.4 Optional paid services for MYOB / Reckon

Business Intelligence (+$49, MYOB only)

You receive monthly comparative balances in the P&L and balance sheet accounts back as far as we can read the data in MYOB. It is ideal for situations where you want to track business performance over a period of time or understand seasonality.

Advanced Practice (+$150, MYOB only)

With this service you select how you want the Chart of Accounts to appear in Xero, prior to conversion. The full MYOB file history will then present in Xero as though it had been run through this new Chart of Accounts. It is designed for situations where the MYOB Chart of Accounts is really messy or you want to have standardised reporting across Xero orgs.

You also have access to one of our Xero data migration experts to assist in the Chart of Accounts mapping process.

Additional transactional history (+$110 per year, MYOB and Reckon)

Up to two additional FYs of history at $110 per year. Transactions can then be available for current + 3 previous FYs so potentially back to 1 July 2013.

With MYOB files this history will not be available if the file has been rolled. To receive history back to 1 July 2013 the MYOB file needs to be in the 2014 FY or earlier.

1.5 BankLink conversions

Available to Xero Partners via the Xero Partner Consultants team. This service provides for both GST and non-GST Cashbook plans. Register interest via the Services menu on jetconvert.com.au.

Data converted

▸ *Transactional history for current financial year (conversion date set as start of current FY)*

OR

▸ *Current plus previous financial year (conversion date set as start of previous FY)*

OR

▸ *Up to 7 years history (conversion date set as start of current FY)*

▸ *Chart of accounts**
▸ *Uncoded transactions for the current financial year (coming across like bank feeds)*
▸ *All manual journals*
▸ *All non-transferring journals*
▸ *Conversion date set as of the start of the current financial year*
▸ *Conversion balances set to 0, so you can easily add balances from your back office package*

* For any conversions where there are more than 700 accounts, we have to reduce them to be able to upload into Xero. We drop all the accounts that are not used in transactions.

Data not converted
  - *Invoices, bills, credit notes, quotes, orders*
  - *Jobs & categories*
  - *Contact details*
  - *Items*

Preparation
  - *For the GST coding to come across correctly, it is important that the settings for BAS Fields (Other Functions - GST Set Up - BAS Fields) are correct.*
  - *For a chart of accounts other than Handiledger, MYOB AE MAS and Professional Accounting XPA 8, we interpret your account codes to identify the account types.*
  - *For all other chart of accounts, please make sure your account types (Other Functions - Chart of Accounts - Maintain Chart - Group) are set correctly.*
  - *The Xero Enablement team will work with you to set up the bank feeds in the most efficient way.*

After Conversion

Once the BankLink files have been converted it is important to set the conversion balances for your client's Xero organisation. If you have not set the conversion balances the trial balance report will look like the information has been imported back to front. Once you have added the conversion balances this report will be correct.

1.6 Bank Statement PDF conversion to CSV/OFX

We take historical bank statement PDFs and convert into CSV and OFX files, clean and ready for you to use. Using a semi-automated process we tidy up the data, put transactions in correct sequence, detect any potential gaps, test integrity, and send it back to you.

Preparing the PDFs

When sending through PDFs for a client we require them to be sorted by account. Combine all PDFs for a particular bank account into the one file or folder. Then zip all the different bank account files/folders into one zip folder for upload.

If you can, remove any unwanted pages to reduce cost.

Order via jetconvert.com.au/bankstatements.

2

How to do a conversion (MYOB & Reckon)

It is actually very easy to do a conversion, there are basically four steps:

1. *Prepare the file*
2. *Upload the file to us*
3. *Select your service*
4. *Receive the Xero subscription & Action Checklist*

2.1 Prepare the file

There is some 'tidy-up' work that we recommend you do prior to conversion. As this information changes regularly **we recommend that you visit our FAQs page under the Support menu on jetconvert.com.au** for the latest information. You can also download a PDF from the Jet Convert website.

The following is current as of September 2016.

MYOB

MUST DO!
Ensure that MYOB is set to the correct accounting basis (cash or accrual) under Setup, Company Information, BAS Information.

OPTIONAL
1. *Check that balances in all reconciled bank accounts and credit cards actually reflect the statement balances as of the last reconciliation date. Finalise all bank reconciliations. (Reconciliation is easier in Xero, so we recommend leaving unreconciled periods unreconciled in MYOB. However you need to make sure that the bank balances are correct as of your conversion start date.)*
2. *Ensure all clearing accounts (including Undeposited Funds and Electronic Clearing Account) are reconciled to NIL.*
3. *Confirm that the Accounts Payable report reconciles to Supplier statements and that all unpaid invoices are still due.*
4. *Ensure all credit notes are applied unless actually unused.*
5. *Repeat points 3 and 4 for Accounts Receivable.*
6. *Run the Payables & Receivables Reconciliation detail report as of the last day of the financial year in MYOB (e.g. 30/6/15 if you are receiving transactional history from 1 July 2015) and make sure that it has no Out of Balance amount. Xero does not allow direct journals to system accounts.*
7. *Check that your tax tables are up to date. If not upload the latest tax tables. You can do this in MYOB under Setup, Load, Payroll, Tax Tables.*
8. *Ensure that all employees that are terminated have a termination date entered, rather than just being made inactive.*
9. *Run a verification of the MYOB file (from the File menu, MYO files only). Fix any errors so that the MYOB file can be verified without any errors occurring.*

RECKON

MUST DO!

1. *Ensure that Reckon is set to the correct accounting basis (cash or accrual). You can do this in Edit/Preferences/Tax/Company Preferences.*

2. *Clean up the Reckon file by:*

    a. *From the toolbar select "File"*

    b. *From the dropdown select "Utilities"*

    c. *From the expanded options select 'Clean Up Company Data'*

    d. *Click Yes at the 'Budget data may be removed during cleanup. Do you want to continue anyway?'*

    e. *Select 'remove transactions as of a specific date'*

    f. *Enter the date. This should be the date from when you want to receive transactional history. For example if you plan to purchase history back to 1 July 2013 then set the date as 30/06/2013.*

    g. *Select Next*

    h. *Tick all boxes then click next. Select Additional Criteria for removing transactions*

    i. *Tick all boxes then click next. Select Unused list items to remove*

    j. *Click 'Begin Cleanup'.*

3. *Make sure the password for the Admin user is removed. If you do not know how to remove the password please call us on 1800 77 00 35 to advise what the password is.*

OPTIONAL

1. *Check that balances in all reconciled bank accounts and credit cards actually reflect the statement balances as of the last reconciliation date. Finalise all bank reconciliations. (Reconciliation is easier in Xero, so we recommend leaving unreconciled periods unreconciled in Reckon. However you need to make sure that the bank balances are correct as of your conversion start date.)*

2. *Ensure all clearing accounts (including Undeposited Funds and Electronic Clearing Account) are reconciled to NIL.*

3. *Confirm that the Accounts Payable report reconciles to Supplier statements and that all unpaid invoices are still due.*

4. *Ensure all credit notes are applied unless actually unused.*

5. *Repeat points 3 and 4 for Accounts Receivable.*

6. *Run a detailed Reconciliation report (for sales and purchases) as of the last day of the financial year (e.g. 30/6/13 if that was the date used in Tidy Up above) and make sure that it has no Out of Balance amount. Xero does not allow direct journals to system accounts.*

7. *Ensure that all employees that are terminated have a termination date entered, rather than just being made inactive.*

8. *Run a verification of the file (from the File/Utilities menu). Fix any errors so that the file can be verified without any errors occurring.*

DO NOT'S

1. *Do not change any account types in your desktop software (MYOB, Reckon) before the conversion.*
2. *Do not start a Xero subscription prior to the conversion!*
3. *Do not roll a MYOB file. If it is in the current financial year you will receive transactional history for the current financial year only. So if the MYOB file is in 2017 the transactional history will start from 1 July 2016.*

2.2 Send the file to us

Compress the file to reduce the time it takes to upload by doing a back-up. Do not put a password on the back-up file. If your client is doing the back-up we recommend that you check it prior to uploading to make sure it has the most current information in there.

Go to our website and click the green "Load your file" button OR click "+New organisation" from within Xero.

When the form appears fill in contact information for yourself, and the e-mail address to which we should send the Xero subscription. This email address is the one the Xero subscription holder (yourself or your client) uses to log in to Xero.

MYOB

Click the Green "Submit my client's file" to receive accounting professional service options.

RECKON

You will also be asked on what GST reporting basis you report to the ATO. Then click the green "Submit for Conversion" button.
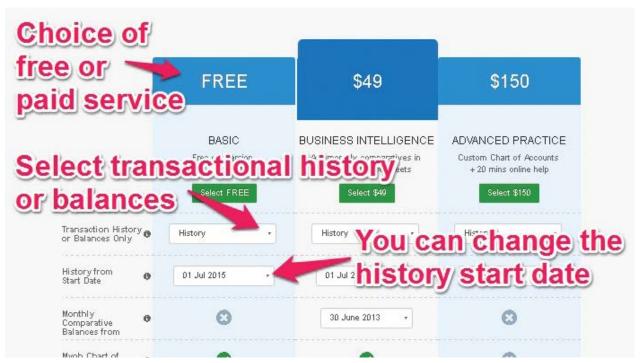
2.3 Select your service

MYOB

When your MYOB file has been analysed you will receive an email that asks you to go to your status page to select your conversion service. This may just be a matter of seconds or make take some hours, it depends on the data in your MYOB file.

Select the service that best meets your needs. You can also change the conversion start date.

You then go to another page to advise us how you want the MYOB bank accounts to be treated in Xero. At this step you can review and, if necessary, change bank account types during the upload process prior to conversion. We recommend that any accounts that require bank feeds or reconciliation should be set up as bank accounts or credit cards and all other accounts be changed to an asset or liability account. This is because you cannot create manual journals to bank accounts in Xero.

When finished with the bank accounts hit the green Continue button to get the conversion happening. From here we take up to three business days to complete the conversion.

If you have elected to customise your Chart of Accounts there are some additional steps that need to be completed. You will need to upload your standard Chart of Accounts and map the accounts accordingly. Once you have mapped and reviewed your customised chart of accounts press the continue button to start your conversion. Contact Jet Convert for assistance.

If you have non-standard files such as Macintosh AccountEdge or Multi-currency the process will vary from this. Contact Jet Convert to discuss.

RECKON

After uploading the Reckon file we ask you to select your conversion service.

Select the service that best meets your needs. You can also change the amount of history you will receive.

2.4 Receive the Xero subscription & Action Checklist

At the completion of the conversion you will receive an email with your post conversion Action Checklist with recommended next steps.

If you selected one of the paid premium services or file fix the email also contains a link to the conversion status page to pay via Master or Visa card.

The Xero subscriber (yourself or your client) is sent an email from an @xero.com e-mail with a link to taking over the Xero subscription. Click on the link in this e-mail and then either login using an existing Xero username and password, or register with Xero if this has not been done.

3

Work to be done post conversion

3.1 Do's and dont's

While all due care has been taken during the conversion process, moving to Xero often brings to light problems that were previously hidden in your source file. Our software is designed to deal with over 90% of MYOB/Reckon data variations and is converted as per the website jetconvert.com.au/xero-conversion-features/. We will rectify free of charge anything that does not convert as described.

To ensure a smooth transition into Xero it is vital that you follow the Action Checklist and take note of the following:

1. *Keep all converted transactions:*

   Do not *delete any transactions in Xero that have been converted from your old accounting system. We recommend that you journal or pay off invoices to applicable accounts. Otherwise you risk creating differences between the two accounting systems that will be difficult to explain in an audit.*

2. **Do Not** *Adjust the Conversion Clearing Accounts*

   To bring some of the information from the source file into Xero we have to use clearing accounts during the conversion.

   For MYOB files these accounts are called:
   - *Conversion Clearing Account (199)*
   - *Conversion Clearing Bank Account (198)*
   - *GST Clearing Account (standard MYOB code)*

   For Reckon conversions these accounts are called:
   - *Jet1*
   - *Jet2*
   - *and GST Clearing Account (standard Reckon code)*

   These accounts enable us to reproduce the data from your old accounting package as accurately as possible. When you receive the Xero Subscription these accounts are balanced to 0 and archived. **If you have to delete any transactions, make sure you also delete any of the associated clearing transactions.**

3. *Follow the Action Checklist*

3.2 Action Checklist

The Action Checklist explains any conversion issues specific for your organisation and highlights information that will need to be updated or reviewed post conversion. The documentation details the next steps that need to be completed in your Xero organisation to ensure that the you get up and running in the most efficient manner

In most instances this Action Checklist also shows a trial balance comparison as at the time of conversion so that you can be sure that the data has converted as per the source file. If you do have any questions in regards to your converted data please check our website and our support centre has a wealth of resources. If you still have additional questions please email the office at support@jetconvert.com.au and we will endeavour to get back to you as soon as possible

3.3 An example of a generic Action Checklist

We recommend the accountant/bookkeeper go through this checklist together with business management or on behalf of the client.

Bank Accounts
- ❑ *Add BSB and Bank Account Numbers to the Bank Accounts*
- ❑ *Activate bank feeds as soon as possible*
- ❑ *Select bank account for ABA file creation*
- ❑ *Reorder Bank Accounts/take off Dashboard*
- ❑ *Review Chart of Accounts (including Tax codes)*
- ❑ *Check bank balances (use bank reconciliation report) in Xero against actual bank statements as at last Reconciled date*
- ❑ *Import bank transactions to close the gap when bank feeds are active*

Optimise
- ❑ *Review dashboard and add useful accounts to the watchlist*
- ❑ *Decide on business process to maximise benefit of bank feeds*
- ❑ *Customise invoice setup, ensure next invoice is correct in Xero*
- ❑ *Add payment gateways as appropriate*
- ❑ *Customise email settings*
- ❑ *Remove Jet Convert access from the User settings*

Payroll

- ❑ *Check* <u>*user access*</u> *to ensure you can view payroll*
- ❑ *Upload company logo to payslip*
- ❑ *Review and add incomplete* <u>*payroll data*</u> *for employees, Eg: Banking info & Holiday groups*
- ❑ *Review and add Superannuation Funds as necessary*
- ❑ *Complete the form for Auto Superannuation Payments*
- ❑ *Review* <u>*Payroll and Payroll Settings*</u>*. Please ensure the correct posting accounts are selected*
- ❑ *Review Pay Items. Identify the Earnings rates you would like included in W1 & W2*
- ❑ *Review Leave items per employee and update if 'Paid out on termination'*
- ❑ *Review how to* <u>*calculate your payroll amounts*</u> *for your first BAS after conversion*

Financial Information

- ‣ *Review the* <u>*financial settings*</u>*, but do not change the selected GST Basis.*
  NOTE: We have added manual journals to make the GST Reports work. If you need to change your GST Basis, these journals have to be adjusted.
- ‣ *Clarify any 'Out of Balance' amounts*
- ‣ **Publish all BAS's starting from the conversion date to use the GST Reconciliation report**
- ‣ *Adjust the lock dates in the* <u>*financial settings*</u> *to limit other users' ability to change data*
- ‣ *Review the Management Report and prepare for presentation as appropriate*

3.4 Best Practice Advice - Payroll

Review Payroll Details

Every payroll system uses slightly different settings to achieve similar results. We recommend <u>reviewing every pay item</u> and all settings within each employee to make sure you are getting the intended payroll outcome and comply with latest regulations.

Please note that if you use generic settings and payroll templates in your source file we will convert the generic settings into Xero.

4

Common Mistakes

4.1 Incorrect file uploaded for conversion

It is really important when the time comes to convert the file that you select the relevant file that you would like to be converted. We recommend completing the following to avoid uploading the wrong file for conversion. We reserve the right to charge a fee if a reconversion is requested within 30 days of delivery :

▸ *Check when the transactions end in the file you are going to upload & when last reconciled*

▸ **Clearly name** *the file that is to be converted to avoid any confusion.*

▸ *Put the file that you need to upload on your desktop separate to the other back-ups so that the file does not get 'lost' or confused with other backups.*

4.2 Incorrect service selection

Being aware of the conversion process can make you more comfortable with what to expect at each point of the conversion. You need to select the service that meets your needs. Please pay attention to the service you are selecting and the date in which you select as this derives what information you will receive in Xero. If you need assistance during the process or you have selected an incorrect option please contact Jet Convert so we can assist with cancelling the conversion.

4.3 File uploaded on incorrect accounting basis

If you are short of time and are unable to check the data in the source file at minimum we recommend that you check that the file has been set up on the correct GST Basis. This is important as this impacts how we convert the information from the data file. Please ensure that the source file has been set up on the same reporting basis as per the ATO. For example: If you report to the ATO on a cash basis for GST then the source file should be set up a cash basis for GST. Similarly if you report to the ATO on accruals then the file should be set up for GST on accruals basis.

If needed please update this information in the source file prior to uploading for conversion. To fix this information after the conversion would include updating the "GST" accounts in the "conversion balances" area, and adjusting the manual journals that we create in Xero to match the GST account balances. Please see our blog for additional assistance.

4.4 Don't set-up the Xero organisation first

Our conversion tool creates the Xero organisation based on the information in the source file. We do not convert into an existing Xero organisation.

If you have already set up a Xero organisation here is what we recommend you do:

1. *Rename your existing org display name via 'Organisation Settings' in Xero so you can easily tell which is the original org and which is the new one we create.*
2. *If you have bank feeds already established in the org you created, you can transfer them across to the new org we create for you by e-mailing bankfeeds@xero.com with the details of where you want them transferred from and to. This usually occurs overnight.*
3. *Cancel the original organisation once bank feeds have been transferred, otherwise you will end up with two Xero subscriptions to pay.*

4.5 Xero promo codes

We do not apply promo codes to the free conversions. Xero will sponsor the conversion or provide a discounted subscription, but not both. If you would like to take advantage of a Promo code we do offer a paid conversion service that may be an option. Please contact Jet Convert to discuss.

4.6 Not understanding the conversion features

Prior to uploading your file it is important to understand what information comes across during the conversion to establish if the solution is going to be suitable for your client. We have some fantastic information on our website detailing how the information is converted, this covers Contacts, Payroll & Employees, Jobs, Categories, Inventory, Invoices payslips and templates, and other considerations. Please visit jetconvert.com.au/features.

Once you have read through the information if you have any further questions or you have specific requirements we do recommend that you contact the office so we can discuss. This way you can avoid surprises when you receive the converted data.

5

Common Questions

5.1 Unable to view payroll information

To be able to view employee information and payroll data in Xero you must have 'Payroll Administrator' access. Please check your user settings to allow your access into payroll. If you are the subscriber then you can give yourself access. If you are not the subscriber, you need to request access to payroll from the subscriber.

5.2 Missing Superannuation Funds

Where possible we bring across superfund details for employees. If a superfund is missing it will be because we didn't have enough details or there was more than one SPIN/USI number in the source file.

An example is the superfund AMP, which can be one of nine different Superfunds depending on the spin number.

Self-Managed Super Funds will not come across as there is no equivalent fund in Xero.

5.3 Payroll figures after conversion

During the conversion we cannot bring in the detailed payroll information as you would expect to see in Xero. Instead we bring through the employees opening balances so that payment summaries can be created out of Xero easily at the end of the financial year. If you selected a conversion with transactional history you will receive "paid off" bills which represent the actual payments and transactions processed in your file.

The downside is that if the conversion is completed after the 1st BAS quarter then reporting for the first quarter/first month after conversion does not readily give the correct figures for earnings, PAYG and super. To get those, you'll need some details from your old system. There are two methods available to arrive at these figures and the step by step can be found at our website or using the link provided in your Action Checklist upon delivery of the conversion:

Below is **one** example how to get the correct figure for W1 & W2 Post conversion.

Situation: You created your last payroll in the source file 17 February 2016 and moving forwards payroll has been completed in Xero. The Wage and PAYG Withheld figures are needed for the Jan – March BAS.

In Xero you can confirm that the last payrun was completed on the 17 February by going to your "Payroll" tab, selecting employees and clicking on one of them. By going to the "Opening Balances" tab you will see that the employee has an opening balance as of 17 February with a lump sum on total earnings, PAYG tax and the superannuation fund. These opening balances are including the year to date figures 1st July to 17th February which means that some amounts have already been both lodged and paid to both the Australian Taxation Office and the Superannuation funds.

Assuming that everything has been run in the correct way in your source file and that the amounts have been paid this is how you can calculate the figures that need to be lodged for the January-March quarterly BAS:

1. *In Xero Go to Reports, select all reports.*

   Select the Payroll Activity Summary report, ensure all employees are included and "Select Date Range", your date needs to be the first date of the initial pay run created in Xero up until the end of the quarter. Using the above example you would select 18 February – 31 March as the date range.

   2. *You will then be able to view each employee's total amounts in the different line items, such as earnings, tax and superannuation created by you using the Xero payruns.*
   3. *Obtain figures from your source file*

MYOB: In your MYOB file select reports, payroll, employees and make a printout of the detailed activity for 1 January -17 February.

RECKON: In your Reckon file select reports, payroll & employee and the Payroll Detail Review report and make a printout of the detailed activity for 1 January – 17 February.

This report will give the total amounts on each line item, earnings, tax and superannuation.

   2. *Add these total amounts from the MYOB/RECKON reports onto the Xero payroll activity report. Once you have added the figures from the source file to the Xero figures this will display the amounts that need to be lodged and paid.*

Note: In regards to mid month conversions for the first payruns completed in Xero you may need to make manual adjustments for some Superannuation for employees if they have earned over $450 for the month. This is because Xero will not take these past month payruns into consideration.

5.4 Accounts Receivable / Accounts Payable - Out of balance

There are system differences between accounting packages some packages allow users to perform actions that cannot be replicated in Xero. When we are converting the data a Xero integrity check forces us to enter invoices/bills equal to the Trade Debtors/Creditors balances on conversion date. Other systems may not enforce this, leading to a possible Out of Balance amount.

When you receive your Action Checklist there may be some information in regards to an out of balance amount in the file. There are three main reasons why an out of balance occurs:

1. *Journal, transaction or open balance to a header account (Trade Debtors/Trade Creditors). This includes accounting end of year journals, and transactions directly into the control account.*
2. *Deposit against a quote.*
3. *Prepayment against invoice.*

In some instances you may see this Out of Balance amount if you run a Payables/ Receivables Reconciliation detail report in the source file.

If your Trade Debtors/Trade Creditors accounts had transactions in it that were not invoices or credit notes to import these transactions into Xero the following changes will have had to be made:

We create the Trade Debtor/Creditor New as the system account for Accounts Receivable/ Payable in Xero. In addition you will identify accounts called Trade Debtor/Creditor Original.

The system accounts called Trade Debtor/Creditor New is where you will add your invoices, bills and credit notes. The Trade Debtor/Creditor Original contain the direct entry transactions or deposits.

We split the amount in the different accounts so that the out of balance amount stays in the original account and the invoices/bills actually match the balance in the new system account for Trade Debtor/Creditor. So there is no out of balance issue any more.

If there is a remaining balance in the Trade Debtor / Creditor original account then you may need to investigate the source file further. We have a blog post that can offer some additional guidance.

Once the Trade Debtor/Creditor account(s) is balanced to $0 we recommend archiving and using Xero's system account for the invoices, bills and credit notes.

5.5 Balances in the Conversion Clearing Account

To bring some of the information from the source file to Xero we have to use clearing accounts during the conversion process. These accounts enable us to reproduce the data from your old accounting package as accurately as possible.

Deleting transactions - When you receive the Xero Subscription these accounts are balanced to 0 and archived. If you have to delete any transactions, make sure you also delete any of the associated clearing transactions.

Each transaction in the conversion clearing account has a Debit amount and corresponding Credit amount. If there is a balance in a clearing account this usually indicates that transactions have been deleted, voided or amended post conversion. These transactions have direct reference to the conversion clearing account.

To rectify you will need to investigate why these amounts have been deleted, voided or amended in order to decide how to manage the balance in the conversion clearing account. Either re-create the missing transaction or delete the corresponding amount.

5.6 Amending conversion balances

We will have converted the balances as they are in the source data file as of the conversion date. There are some instances in which you may need to amend the Conversion Balances in Xero. Some of the common reasons for this include:

▸ *You are cleaning up some messy legacy data that came over from the source file.*
▸ *The conversion has been conducted before the previous year's financials have been finalised by the accountant.*

These issues can result in differences between the finalised financial reports and what you have in Xero.

Here are your options for updating this information post conversion.

Option 1 - If the balances are correct as at
             30 June 2015 yet incorrect as at 30 June 2016

If the conversion date is 30 June 2015 and these balances are correct then you can update the balances as at 30 June 2016 using a manual journal. Please keep in mind that you cannot create manual journals to the control accounts in Xero such as the bank, trade debtor & trade creditor accounts.

Option 2 - Amending the conversion balances

If the conversion balances in the source file were incorrect and have been replicated in Xero you can update the conversion balances in the following way:

1. *Unlock the financial period so that you can amend the conversion balances.*
2. *Ensure the conversion date is correct, for example check to ensure you are updating the correct conversion date ie: 2015 Financial year and not the 2014 Financial year, update this if necessary.*
3. *Ensure that any of the accounts you are updating have not been archived. If accounts have been archived you will need to restore these accounts.*
4. *Update the conversion balances as per the completed financials. Using the trial balance is usually the easiest method.*

Note: If there are changes in the Trade Creditor or Trade Debtor amounts then you will need to add or delete these invoices/bills to match the figure you would like seen in the conversion balance.

5. *Update and 'save' the conversion balances.*
6. *Re-lock the financial period.*

Option 3 - $0 Balances or Balances only conversion (Currently MYOB only)

If the file contains messy legacy data that you do not want to convert one option may be to select a $0 Balances or Balances only conversion instead of transactional history. This way you can have a cleaner start in Xero.

5.7 GST

There are a number of differences in regards to GST handling that you need to be aware of when moving from one software to another. These differences can impact you regardless of whether you are converting over yourself or using our conversion service. For example:

▸ *Credit notes and the date they are applied*
▸ *Overpayments*
▸ *Recognition of GST Paid/Collected in invoices*
▸ *Invoice rounding*
▸ *1/11th rule*
▸ *Adjusting GST to match Supplier invoice*
▸ *Only one GST account in Xero*

For a detailed explanation please visit the blog post on the Jet Convert website.

To compensate for these differences between systems we enter adjusting transactions and lines using our conversion Clearing Accounts during the conversion process. Transactions should not be added to or removed from these accounts without first checking with us as this may have impact on Conversion Balances, GST Reconciliation reports and BAS's.

5.8 Quality Assurance

Our conversion tool reads the data directly from the database of the source file, it then converts this data with over 120 rules and pushes it directly into Xero. Once the data has been imported the information is then subject to a list of quality assurance tests to ensure the integrity of the data is correct as per the source file. In this process we may need to spend time manually in the Xero file prior to this being delivered.

5.9 Other Considerations - Why Wait?

If you select a transactional history option during the conversion process we give you an exact replica of the source file, including anything open or unreconciled, so you can simply pick up from where you left off. There is no need to wait until the end of a financial year or the end of quarter.

We recommend converting at a quieter time of the year when both you and your client have time to work in Xero following conversion. Immediately following a payrun or invoicing gives more time to have Xero organisation available in time for the next run.

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Jet Convert contact information

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