

# Xero Migration Suggested Practices

This guide is intended to help a user of the Finance System in Administrate migrate their financials into Xero. In house, Administrate made a similar transition and have been managing our own financial records in Xero for several months now. This guide will not cover every accounting practice use case, but where possible, we've identified areas where your business practices may differ and offered suggestions for how to approach the data input. One thing this guide does not presently cover is multi-currency configurations, please contact us if this applies to you.

The initial setup will take some time to enter into Xero and it will be an adjustment to get used to the Xero workflows, but we believe you'll find the Xero accounting package to be much more robust and reliable than Administrate's offering which will be discontinued this year.

Finally, we suggest you make use of Xero's documentation & support resources in the transition. We found that their team has been very responsive to questions about best practices, with both general accounting questions and Xero functionality.

## Getting Started

Below you will find some overview information that will help you make the cutover from the Administrate finance reports to Xero's accounting software.

This is intended to be a supplement to Xero's [Setup Guide: Items Needed for Setup](#).

## Setup a Trial

Xero will allow you to test drive their software free for 30 days. To setup a trial, simply go to their website and signup: <https://www.xero.com/uk/signup/>

You may also want to watch their demo video before beginning the import process to familiarize yourself with navigating Xero's software:

<https://www.xero.com/uk/accounting-software/getting-started/>

## Demo Mode

Once you have signed up for a trial on Xero's website, you'll have access to a demo company. If you wish, you can do a dry run of your data imports using the demo company. This will allow you to see the full process and smooth out any wrinkles, before they become a part of your company's permanent records. Xero even offers a convenient "data reset" button in the demo environment.

For more information, refer to: <https://help.xero.com/uk/democoguide>

# Setup & Maintenance Overview

You will need to:

1. Import Unpaid Purchase Invoices (Bills)
2. Import Outstanding Sales Accounts from Administrate
3. Setup the Conversion Balances
4. Make Adjustments to Match Conversion Balances
5. Enter Sales Invoices - Monthly Maintenance
6. Enter Purchases - Monthly Maintenance

## Initial Imports

Once you have a Xero account setup, you will need to export data from Administrate and import it to Xero.

## Chart of Accounts

Xero will supply you with a default COA.

The simplest transition plan is to map the accounts you used in Administrate to Xero's default accounts. This will include rolling up multiple sales accounts into Xero's 200 - Sales account. It is possible to carry over your chart of accounts from Administrate, but this will require some additional work on your part.

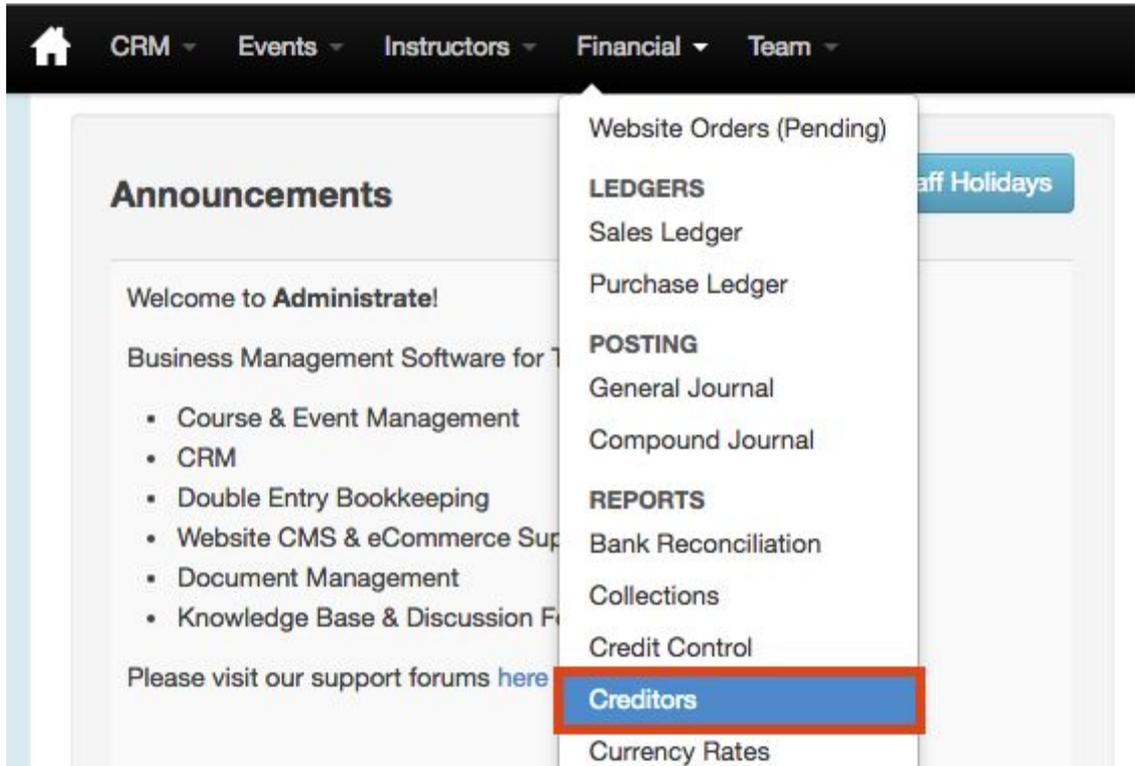
Note: These instructions assume that you only operate out of a single Sales account or that you will combine your sales accounts in the migration.

If that's not true for you, you can open each invoice individually to see the line item breakdown by account, then either make adjustments before uploading the data to Xero, or use the Accounts » Sales » + New (Invoice) screen to enter directly into Xero.

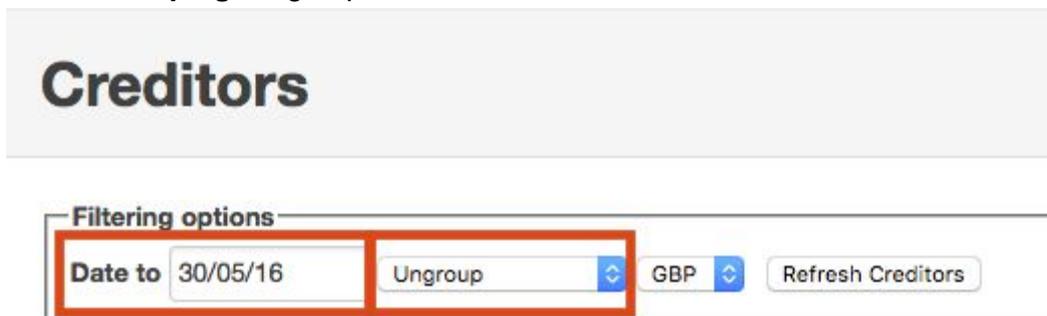
# 1 - Import Unpaid Invoices from Administrate

Steps:

1. Within Administrate, navigate to *Financial » Creditors*

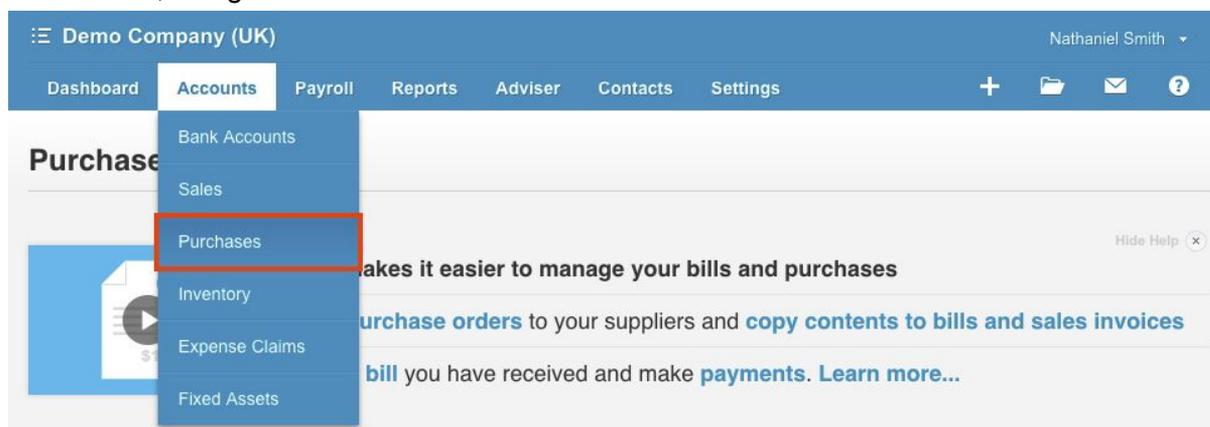


2. Adjust the filters as detailed below:
  - o **Date to:** [Conversion Date]
  - o **Grouping:** Ungroup



3. Click *Refresh Creditors*, then click *Download Excel*

4. Within Xero, navigate to *Accounts » Purchases*



5. Click *Import*
6. Follow the instructions provided on-screen by Xero to download a template file and copy the information downloaded from Administrate in step 3 into the template file.

The following field mappings should be used:

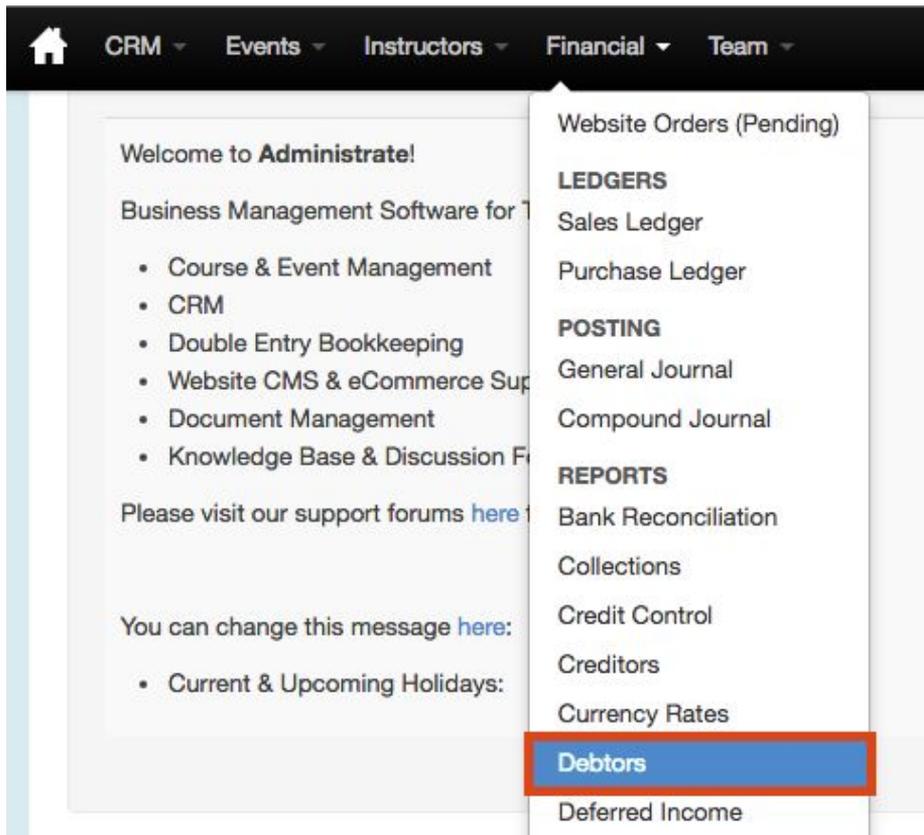
Administrate Report	Xero Template
Account	*ContactName
PO NO	*InvoiceNumber
Tax Point	*InvoiceDate
Proposed	*DueDate
Amount	*UnitAmount

7. Next, make the following modifications to the Xero file manually.
  - **Description:** You can be as detailed as you like, but you may choose to just enter "Opening balance" or "Imported from Administrate".
  - **\*Quantity:** Use "1" for all entries.
  - **\*AccountCode:** It is recommended that you use Xero's default "850 - Suspense" account, but you may also select from your own Chart of Accounts if you choose to customise that earlier.
  - **\*TaxType:** Use "No VAT".
8. Save your resulting file and proceed to follow Xero's instructions for importing the template file.
9. The records will be loaded as Draft Bills, which will give you an opportunity to review them, before approving them and making them final.

## 2 - Import Outstanding Sales Accounts from Administrate

Steps:

1. Within Administrate, navigate to Financial » Debtors



2. Adjust the filters as detailed below:
  - o **Date to:** [Conversion Date]
  - o **Status:** Both

### Debtors

Currency conversion rates taken at tax point, courtesy of [xe.com](#) [currency update service](#). Latest rates: 30 May 2016

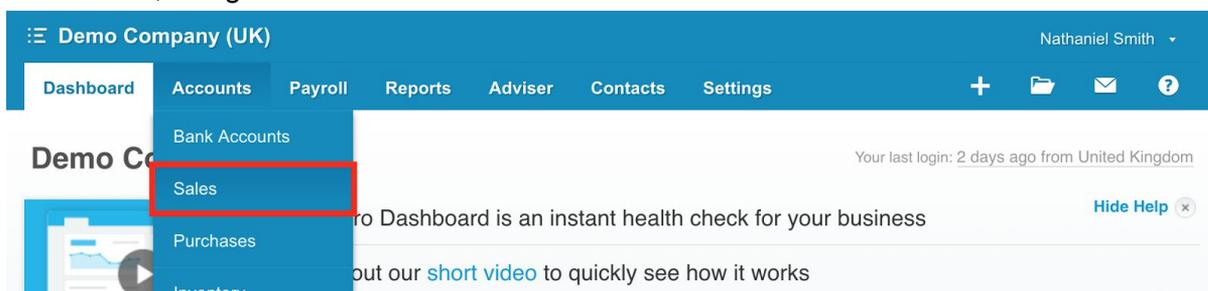
**Filtering options**

**Date to** 31/05/2016 **Group by Month** Both **GBP**  Show deleted invoices

**Category** All Categories **Code** All Courses

3. Click *Refresh Debtors*, then click *Download Excel*
4. Open the Excel file & prepare it for merge into the Xero Template:
  - o Remove all month group heading and repeated data header rows
  - o Remove all monthly subtotal rows

5. Within Xero, navigate to *Accounts » Sales*



6. Click *Import*

7. Follow the instructions provided on-screen by Xero to download a template file and copy the information downloaded and cleaned from Administrate in step 3-4 into the template file.

The following field mappings should be used:

Administrate Report	Xero Template
Account	*ContactName
Invoice	*InvoiceNumber
Tax	*InvoiceDate
£Amount	*UnitAmount

8. Next, make the following modifications to the Xero file manually:

- **\*Description:** You can be as detailed as you like, but you may choose to just enter “Opening balance” or “Imported from Administrate”
- **\*Quantity:** Fill in 1 for all rows.
- **\*DueDate:** Fill this field with the applicable due date for the invoice. Note: if you have standard terms, you can use a formula to calculate this from the Invoice Date.
- **\*AccountCode:** It is recommended that you use Xero’s default “850 - Suspense” account, but you may also select from your own Chart of Accounts if you choose to customise that earlier.
- **\*TaxType:** Enter in “No VAT”.

9. Save your resulting file and proceed to follow Xero’s instructions for importing the template file.

10. The records will be loaded as Draft Invoices, which will give you an opportunity to review them, before approving them and making them final.

### 3 - Setup the Conversion Balances

Use the *Financial » Trial Balance* report from Administrate to enter the conversion balances when moving into Xero. Note that all sales invoices and purchase invoices (bills) uploaded up until this point should be dated prior to your conversion balance date.

Xero's documentation discusses how you can complete this here:

[https://help.xero.com/uk/Settings\\_ConversionBalances\\$Find](https://help.xero.com/uk/Settings_ConversionBalances$Find)

Note: If you choose to use Xero's default chart of accounts, you'll need combine the balances of any accounts that are merged in the conversion. For example:

**Administrate:**

4001 - Sales for In House Training - £100.00

4002 - Sales for Public Courses - £250.00

**Xero:**

200 - Sales - £350.00

## 4 - Make Adjustments to Match Conversion Balances

The key driver for the deprecation of the Administrate financial system is that it does not follow Generally Accepted Accounting Principles and has been known to have discrepancies between reports.

The Sales & Purchase Ledger reports are the best reflection of the financial documents within Administrate, but Xero will likely reflect a discrepancy between what was uploaded and the initial conversion balances.

In some cases, you may be able to trace the differences in the finances back to misallocated payments or credit notes, or other oddities in the data. For all remaining discrepancies, the best course of action is to record an adjustment as described below:

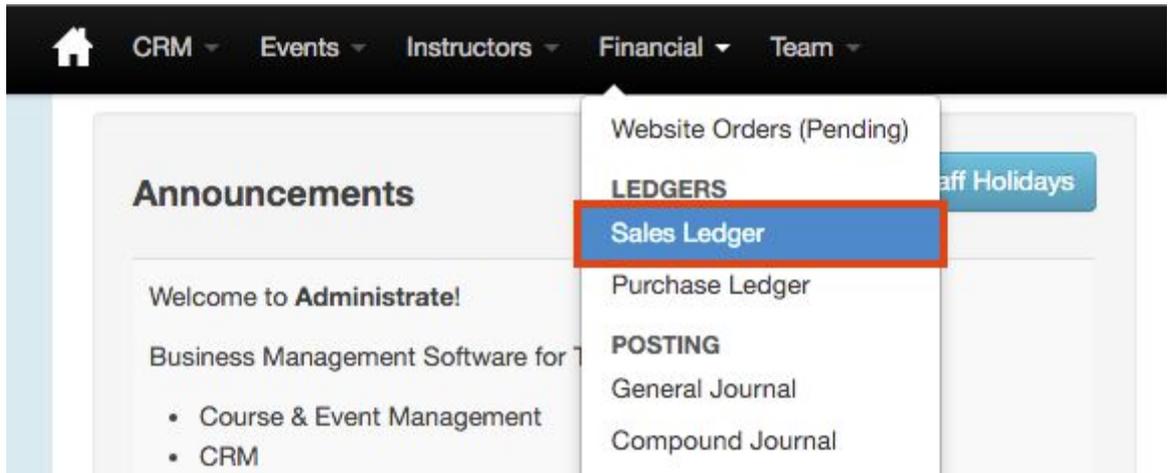
1. To make adjustment for missing amount for account receivable and account payable create one extra invoice for that amount, using the + *New* button on the applicable screen (either Sales or Purchases) in Xero.
2. Next, you'll need to make an adjustment entry to write off the discrepancy. Create a credit note against that invoice and change account code to:
  - a. Account Receivables → Debit - Bad Debts expense
  - b. Account Payables → Credit - Other Income

## 5 - Enter Sales Invoices - Monthly Maintenance

Note: You can perform this maintenance as often as you like - though we recommend weekly or monthly to cut down on the overhead of entering the invoices by doing it in batches.

Steps:

1. Within Administrate, navigate to Financial » Sales Ledger



2. Adjust the filters as detailed below:

- **Status:** All Invoices
- **Exclude Intercompany Invoices:** Unchecked
- **Format:** Full report
- **Date:** Start the day after your last export from Administrate through the end of the period you want to import to create a continuous history of data. For example:
  - Opening Balance Import: 01-Jan-2016 to 31-Apr-2016
  - 1st Monthly Batch: 01-May-2016 to 31-May-2016
  - 2nd Monthly Batch: 01-Jun-2016 to 30-Jun-2016

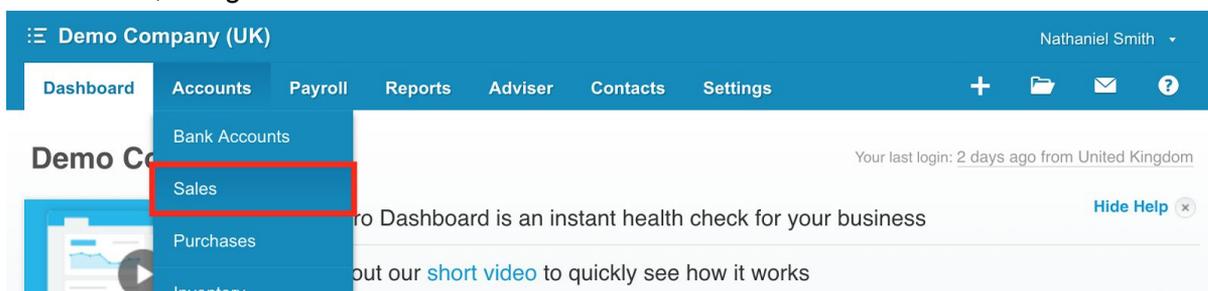
Filtering Options [show/hide](#)

<b>Date</b>	01/05/16	to	31/05/16	Year	
<b>Region</b>	All Regions United Kingdom				
<b>Category</b>	All Categories Scrum Alliance Certified Training			<b>Owner</b>	All Owners (unassigned)
<b>Course</b>	All Courses AASW	<b>Status</b>	All Invoices Unpaid	<b>Type</b>	All Types
<b>Amounts</b>	Gross Amount	<b>Currency</b>	GBP	<b>Group</b>	By Month
<b>Format</b>	Full report	<input type="checkbox"/> <b>Exclude Intercompany Invoices</b>		<input type="checkbox"/> Show deleted invoices	

[Refresh Sales Ledger](#)

3. Click *Refresh Sales Ledger*, then click *Download Excel*

4. Within Xero, navigate to *Accounts » Sales*



5. Click *Import*

6. Follow the instructions provided on-screen by Xero to download a template file and copy the information downloaded and cleaned from Administrate in step 3-4 into the template file.

The following field mappings should be used:

Administrate Report	Xero Template
Account	*ContactName
Invoice	*InvoiceNumber
Date	*InvoiceDate
Orig Gross	*UnitAmount

7. Next, make the following modifications to the Xero file manually:
- **\*Description:** You can be as detailed as you like, but you may choose to just enter “Sales” or “Imported from Administrate on [date]”
  - **\*Quantity:** Fill in 1 for all rows.
  - **\*DueDate:** Fill this field with the applicable due date for the invoice. Note: if you have standard terms, you can use a formula to calculate this from the Invoice Date.
  - **\*AccountCode:** Use Xero’s default “200 - Sales” account, unless you customised your Chart of Accounts during the initial setup
  - **\*TaxType:** Use “20% (VAT on Income)” (this must match exactly to the tax type as it appears in Xero)
8. Save your resulting file and proceed to follow Xero’s instructions for importing the template file.
- *Is the UnitAmount field tax inclusive or exclusive?* should be set to Tax Inclusive
9. The records will be loaded as Draft Invoices, which will give you an opportunity to review them, before approving them and making them final.

## 6 - Enter Purchases - Monthly Maintenance

Note: You can perform this maintenance as often as you like - though we recommend no less than monthly to be able to perform your financial documents.

All purchases will be entered and managed directly within Xero. For more information refer to: <https://www.xero.com/uk/accounting-software/purchase-orders/> and [https://help.xero.com/uk/Payments\\_AP\\_AddInvoice](https://help.xero.com/uk/Payments_AP_AddInvoice)