Qunote 3.0

Setting up Xero integration

v1 – August 2020

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At the end of your billing period, once all invoices for that period have been finalised, Qunote can provide an export of your invoicing data as a csv file, which can be imported directly into Xero, ready for reconciliation within the accounting package.

If you wish to enable Xero integration, first read the below guide on how to prepare the system. It is important to carefully read all of the steps below before you begin.

1. ENABLE ACCOUNTS INTEGRATION IN QUNOTE

Go to **Admin section > Invoicing > Invoice settings** and set **Accounts integration** to enabled. Select "Xero" as the accounts package, then press save.

2. SET UP ACCOUNT CODES

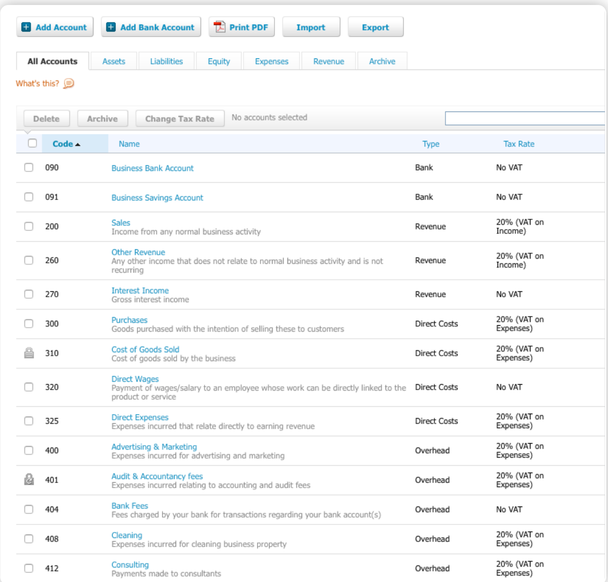
Account codes classify the type of revenue, expenditure or transfer that is being recorded for a transaction. They are used when producing financial reports.

IN XERO:

Xero has a default chart of accounts, but you can add codes in Xero to use as posting accounts for sales invoices. Your accountant will be able to advise on this further, and set up the relevant codes in Xero.

To view your chart of accounts in Xero, go to **Accounting > Advanced > Chart of Accounts.**

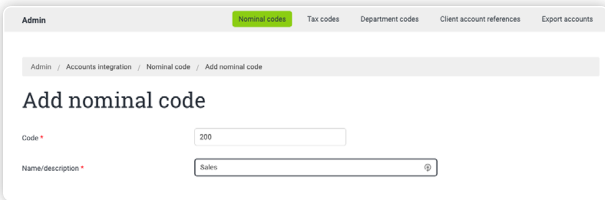
The *default* Tax Rate for each account code is shown on the right-hand side. This is the default rate that will be applied when entering invoicing data *manually* against that account code. When importing invoicing data from Qunote, the tax rate applied will change to the tax rate assigned in Qunote if it differs from the default.



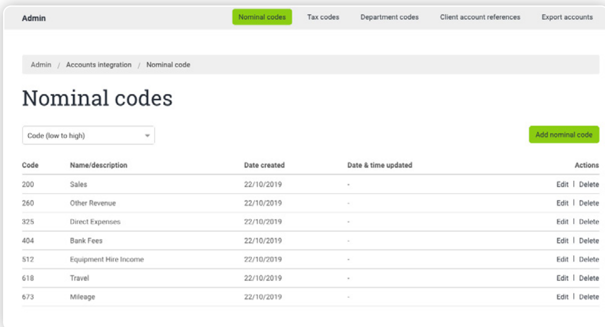
IN QUNOTE:

Once you are happy with your chart of accounts in Xero, you must set up the same account codes in Qunote. It is important that only account codes that exist in Xero are added in Qunote.

To set up your account codes in Qunote, go to **Admin section > Accounts Integration > Nominal codes**. Press the green Add nominal code button and type in the code number and description.



The code numbers must exactly match what is in Xero. The name/description do not have to be exactly the same, but should be as consistent with the description in Xero as possible. You should make the code **Active**. Click **Save** and repeat this for all of your relevant account codes in Xero.

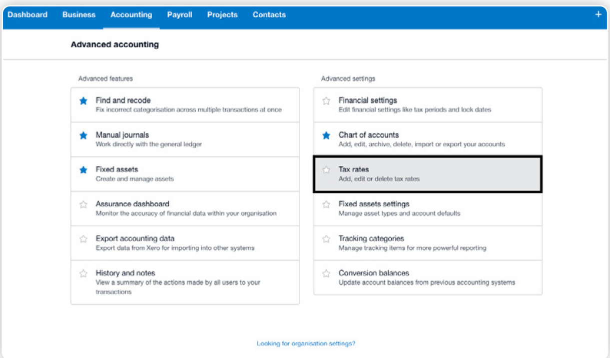


3. SET UP TAX CODES (TAX RATES)

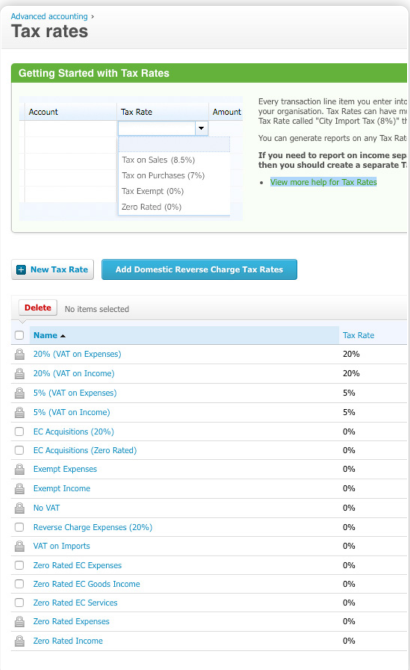
Next you should set up the VAT tax codes you wish to use as VAT analysis accounts for sales invoices and VAT returns. The Qunote invoicing data export is validated by Xero so it is important that only VAT tax codes which exist in Xero should be set up in Qunote.

IN XERO:

In Xero, go to **Accounting > Advanced accounting > Tax rates** to view the tax rates that you have set up in Xero.



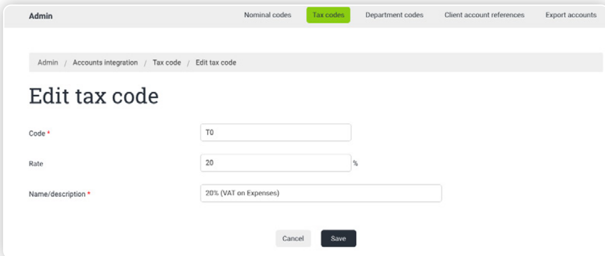
The most commonly used VAT rates are set up in Xero for you, but you can add tax rates to this list. Your accountant can provide further information on the VAT rates to set up.



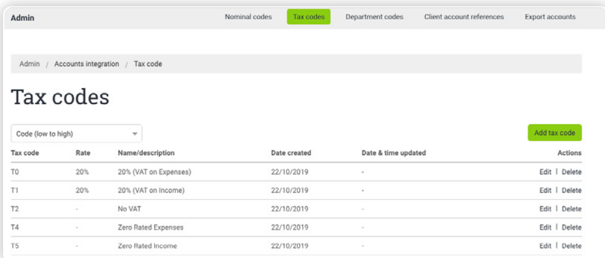
IN QUNOTE:

Once you have your list of tax rates in Xero, you should set up matching tax rates in Qunote.

To set up a tax rate in Qunote, go to **Admin section > Accounts integration > Tax codes** and click the green **Add tax code** button.



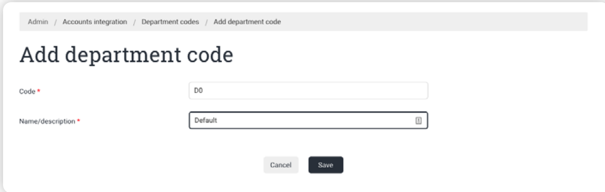
Enter a tax code. The 'tax code' should exactly match the name/description of the tax in Xero e.g. 'No VAT'. Then enter the tax rate and the tax name/description, following what is in Xero as closely as possible. As you enter each tax code, make sure that it is active.



Once you have set up the relevant tax rates in Qunote, you can move to the next step.

4. SET UP A DEPARTMENT CODE

Xero does not require that you set up department codes, therefore, in Qunote, simply create a “dummy” department code by going to **Admin section > Accounts integration > Department codes > Add department code** and adding a mock department code, like in the screenshot shown here.

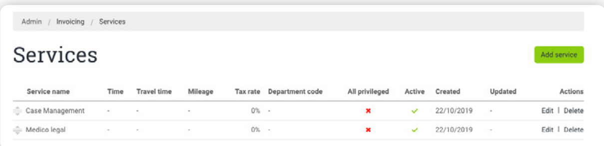


The reason the ‘department code’ section exists in Qunote, is because the accounting package ‘Sage’ uses this.

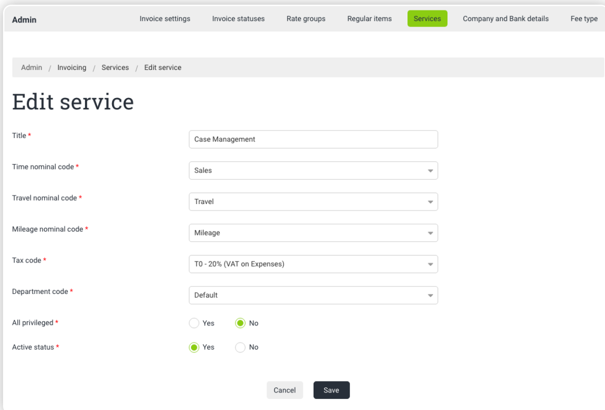
5. ASSIGN ACCOUNT CODES AND TAX CODES TO SERVICES

You can now assign the account codes and tax codes you have created to each type of service you provide.

Go to **Admin section > Invoicing > Services** and click **Edit** next to a service type.



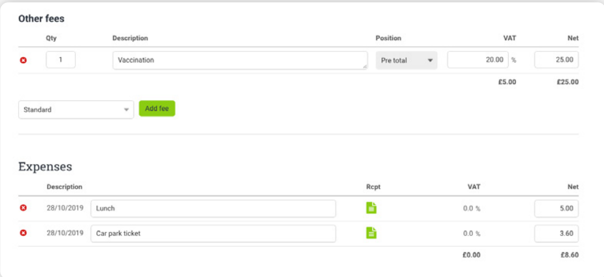
Choose the account codes that charges for time (hourly/fixed fee), travel and mileage should be posted to for that particular service type.



Then press the **Save** button and repeat for each of your services.

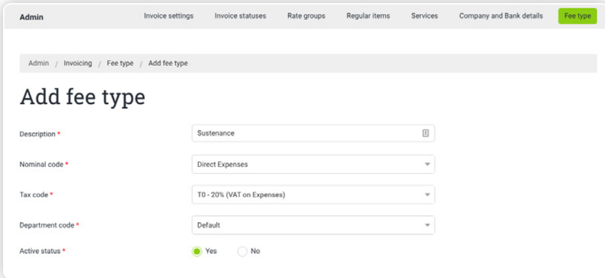
6. ADDING FEE TYPES

Currently, when adding an expense or regular item (under "other fees") to your invoice, you can simply free-type the description and VAT.

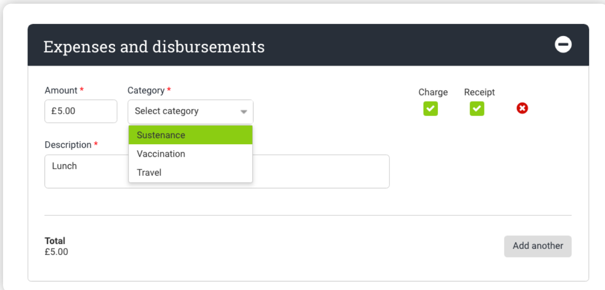


Once integrated with Xero, you'll need to select the description from a pre-defined drop-down box of "fee types". The fee type selected assigns the expense/fee a valid VAT and account code for when the invoice data is imported into Xero.

To enter a fee type, in Qunote, go to **Admin section > Invoicing > Fee type** and click **Add fee type**. For each regular item, and each type of expense, enter a description and select the relevant account, tax and (dummy) department code. As you enter each fee type, make sure that it is active, then press **Save**.



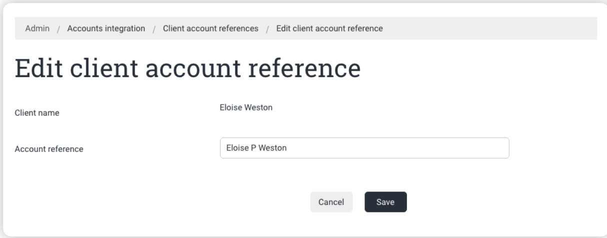
You'll now be able to select from these fee types when adding an expense to a filenote or a regular item to your invoice, so that when you export this invoice data, it will be validated by Xero. You can still add a more detailed description of the expense/fee in the free-text description box for reference.



7. CLIENT ACCOUNT REFERENCES

Next, in Qunote, you should enter a client account reference for each client. The client account reference in Qunote should exactly match the Contact Name you have entered for that client account in Xero. This is imperative to ensuring that sales transactions can be posted to the correct client account within Xero, when you import the invoicing data from Qunote into Xero.

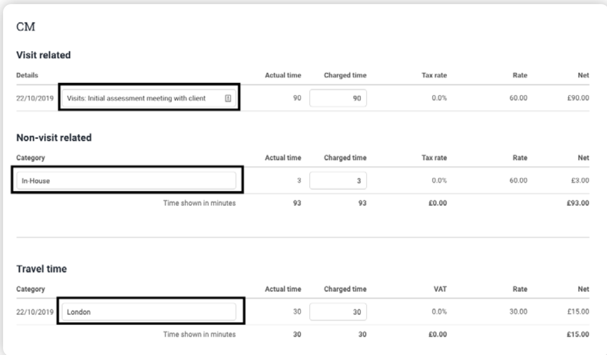
To set up your client account references in Qunote, go to **Admin section > Accounts integration > Client account references** and click **Edit** next to a client's name. Enter the contact name as it appears in Xero into the account reference box, then press **Save**, and repeat this for all clients.



SET UP IS NOW COMPLETE.

8. INVOICE DESCRIPTION

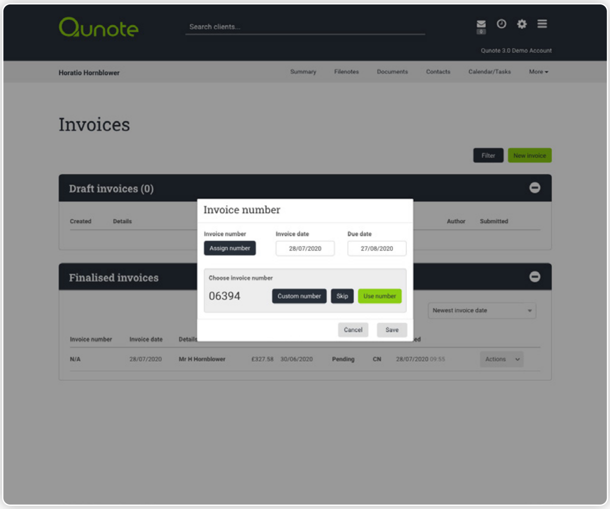
Note that when generating an invoice in Qunote, each item/line of your invoice must have a description, as this is a required field for Xero integration. This will be pre-populated according to your invoice settings.



9. INVOICE NUMBER

Assigning an invoice number within Qunote is another required field for Xero integration.

The invoice number can be chosen based on your preference. Simply click **Assign number**, choose a number, then click Use number and then **Save**.



10. EXPORTING FROM QUNOTE

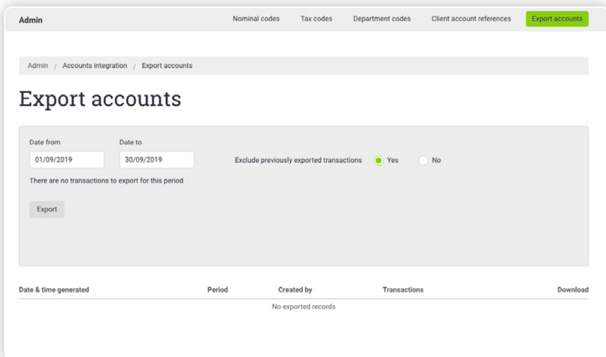
At the end of the billing period, you can generate invoices in Qunote and export this invoicing data into an excel file that can be imported directly into Xero, meaning you do not have to enter each invoice manually.

Once you have approved all your invoices for the billing period, go to **Admin section > Accounts Integration > Export accounts**.

Select the start and end dates of the period for which you wish to export data. It would be usual to set the "Date from" to a date earlier than the beginning of the current accounting period so as to 'sweep up' any invoices raised after the last period end but dated prior to the previous month end. There is no danger of importing the same invoice twice since you can select that the export should "exclude previously exported transactions". Set the 'Date to' as the last date up to and including which you want to post invoices to Xero.

Press **Export** and a file of type ".csv" is generated which will automatically be downloaded.

You should then save this to the correct place on your computer.



11. IMPORTING INTO XERO

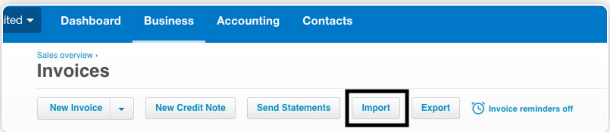
The next stage is carried out entirely in Xero.

Firstly, ensure that you have a backup of your Xero Data in case anything goes wrong.

Secondly, ensure that there are no other users on your multi-user system.

Once logged in to Xero, you will first see the Dashboard page. This presents you with graphs summarizing your various balances. It is probably worth now checking the gross total of all balances and recording the figure.

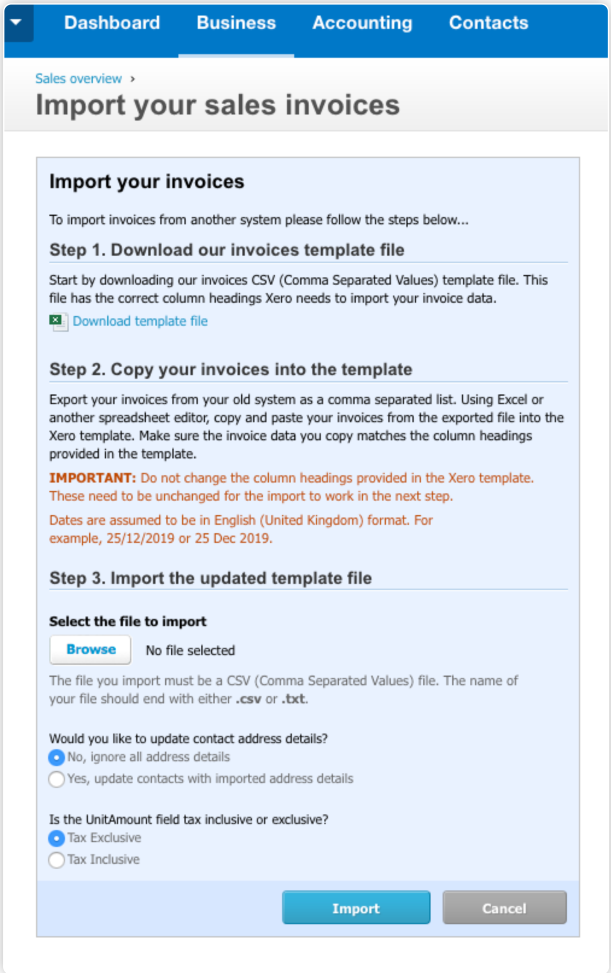
To import the .csv file produced by Qunote, in Xero, go to **Business > Invoices > Import**.



Go straight to step 3 (click **browse** and select the sheet exported from Qunote (.csv file)).

Please note: There is no need to download the template file in Step 1 or copy the invoices into the template in step 2, as your csv file is already compatible.

Ensure that 'Would you like to update contact address detail?' is set to **No**, and the 'Is the Unit Amount field tax inclusive or exclusive?' is set to **Tax Exclusive**.



The imported invoices will be presented under the Draft heading and can be identified by the contact name/account reference and invoice number. You can view each invoice and edit the fields, such as the description, if required. Once you're happy, each invoice can be 'approved', which presents the invoice as awaiting payment ready for reconciliation when the money comes in.

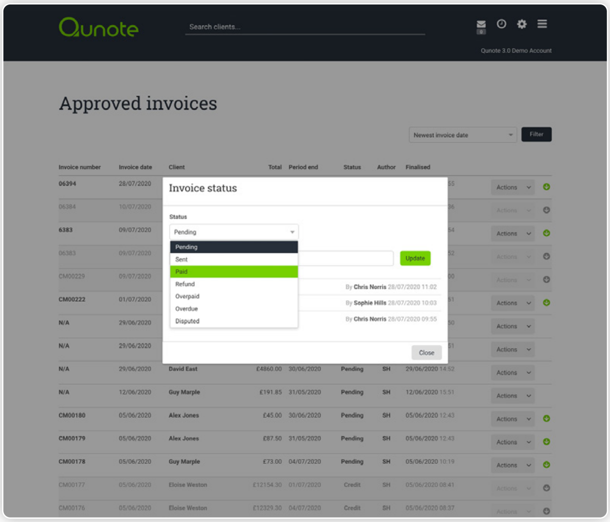
THE PROCESS IS NOW COMPLETE.

12. MANUALLY UPDATE INVOICE STATUS IN QUNOTE (OPTIONAL)

As a final step, once an invoice has been marked as ‘Paid’ in Xero, if you wish, you can *manually* mark the invoice in Qunote as ‘Paid’.

Please note: Invoice statuses don’t update automatically update when they have been marked as paid in Xero.

In Qunote, go to **User section > Approved Invoices** and click on the **Status** of the relevant invoice to change the status from ‘Pending’ to ‘Paid’. You can also add a note here. Press **Update** and the status of the invoice will be updated.



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