

Xero end of financial year payroll process

To finalise your payroll year end, Xero encourages you to complete the following 7 simple steps;

1. Finish any pay runs that need to be included in the 2017/18 financial year

The payment date is key here. If earnings should be included in this financial year, make sure they are posted with a payment date of 30 June 2018 or earlier.

2. Reconcile your accounts

Take a look at this support article on what to look for when you're reviewing and reconciling your payroll transactions. <https://central.xero.com/s/article/Payroll-year-end>

If you find any that have been reconciled to an incorrect account, you can either edit the transactions, remove and redo them, or use find and recode to allocate the transactions to the correct account.

3. Compare the payroll activity and payment summary reports

Compare the Payroll Activity Summary Report against the Payment Summary Details report for the current financial year and make sure that they match.

4. Found a mistake that needs fixing?

If you need to make any changes to an employee's earnings, run an unscheduled pay run. Just be sure not to rename or edit the pay item name or the PAYG or SGC settings for existing pay items. Instead create new pay items via Payroll Settings. You can mark the incorrect pay items as inactive later.

5. Publish payment summaries

Once you're happy that everything's been checked and is good to go, you can publish the payment summaries for your employees. As soon as they're published, employees who've been invited into the My Payroll portal can view and download their payment summary. Or else email them to your employees as pdf documents.

6. Submit your annual report to the ATO

You can submit the report directly via the Payment Summaries screen using Xero's dedicated AUSKey, or download an EMPDUPE to lodge it via the ATO portal.

7. Set up two-step authentication (2SA)

Finally, because you have access to such sensitive employee information, take a moment to enable 2SA. This security feature helps protect your login by asking you to input a code generated on your smartphone at least once every 30 days. It will soon be compulsory for all Xero customers, and set up is simple.

For additional help with end of financial year, please find below a link to Xero resources for helpful hints and video.

<https://www.xero.com/au/campaigns/eofy/>

Alternately, please contact our office on 02 6800 2740 and one of our staff members will be able to help with any questions you may have.