



**METHODIST CHURCH
OF
NEW ZEALAND
TIER 4 XERO ANNUAL REPORT GUIDE
2017**

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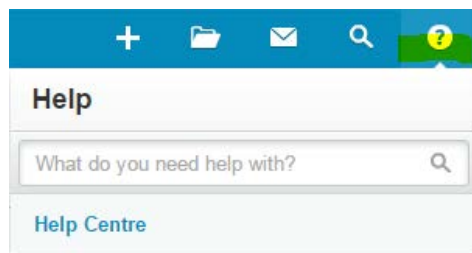
INTRODUCTION

The Xero annual report templates were set up by Xero but they have been modified to fit the needs of the parishes of the Methodist Church of New Zealand. By using these templates, the year end process to prepare the financial accounts should be a lot quicker and easier than in the previous year. Saying that however, it will take time to set them up for individual parishes. Once they've been set up and finalised for this financial year, they can then be copied over for the next year and the balances will update with the new financial year balances.

Please Note: this guide has been written to help you modify the Methodist Church templates and assist you in preparing your own annual report. It advises you how to change the template to fit your parish's needs but it will not inform you of the content that needs to be included. For this you will need to refer to the XRB guide which can be found on the Methodist Church website www.methodist.org.nz.

If you find you're stuck on any part of this, please email Christinec@methodist.org.nz and she will get in touch and walk you through and help explain how to change the template.

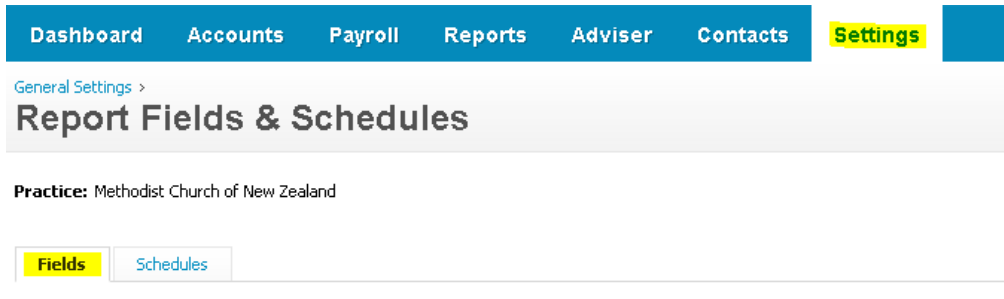
Also, you can use the Xero Help Centre. Type your query in the search box. They'll have instructions on how the templates can be modified.



1) Updating Report Fields and Schedules

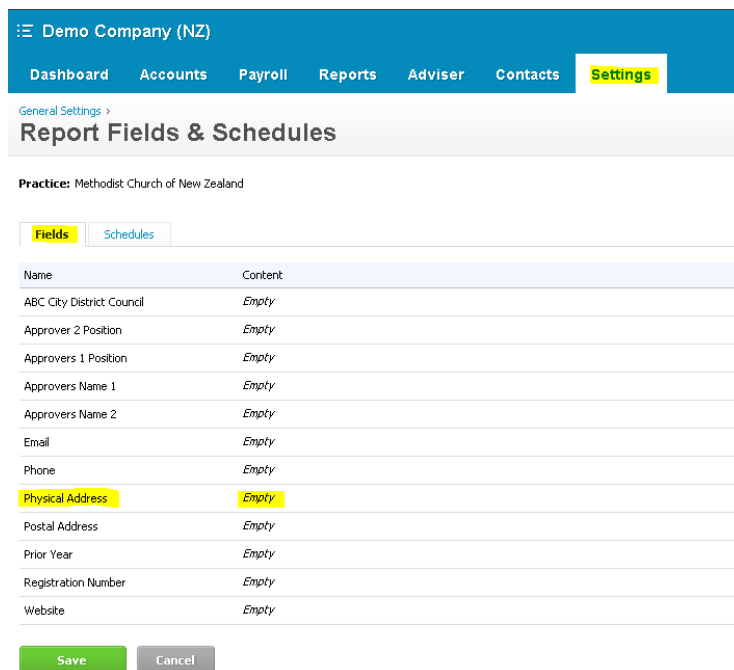
The information entered in the **Report Fields and Schedules** screen integrates into the annual report, so it's best to update these fields first, before you look at the annual report template. To update them:

- Click on **Settings/General Settings/Report Fields & Schedules**.







Click on the **Fields** tab and then click on each individual item one by one. Under the **Name** headings, there are descriptions of the information that needs to be entered.

Below is an example of how the address fields should be entered so the information comes through in the correct format in the annual reports.



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Physical Address <i>Enter the physical address of the parish</i>	B I U    
	100 St Johns Street, Christchurch, 8024, New Zealand

Physical Address

100 St Johns Street, Christchurch, 8024, New Zealand

(Christine Chisholm) 23 Jun 2016

Once all the items have been populated click **Save**.

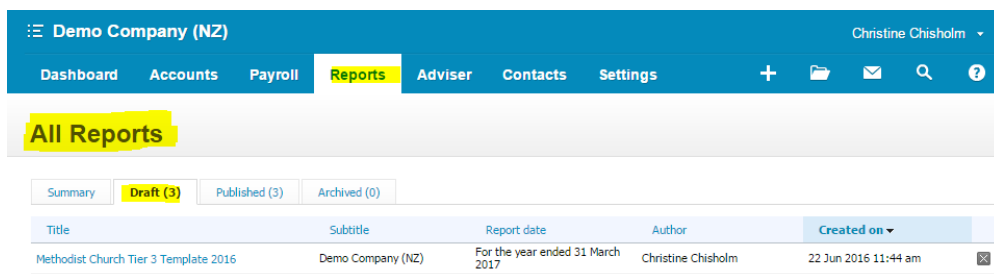
2) Updating the Methodist Church Tier 4 Template

To open the Xero annual report, click on **Reports/All Reports/Adviser**. There are various reporting templates to choose from. Click on **Methodist Church Tier 4 Template 20XX**. This is the template for Public Benefit Entity Simple Format Reporting – Cash (Not-For-Profit) (PBE SFR-C (NFP)). This template has been modified for the Methodist Church but needs to be updated for each individual parish's information.

Before changing the template save it as a draft and save it regularly as you complete the report so any changes made are not lost.

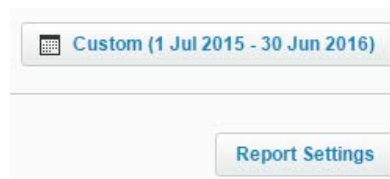


Once the draft has been saved it will move to sit under **Reports/All Reports/Drafts**.



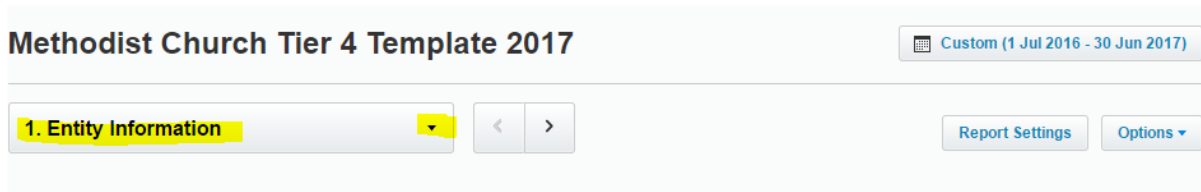
Managing the Reports:

At the top right hand corner of each report there are two buttons; **Custom (1 Jul 20XX – 30 Jun 20XX)** and **Report Settings**.

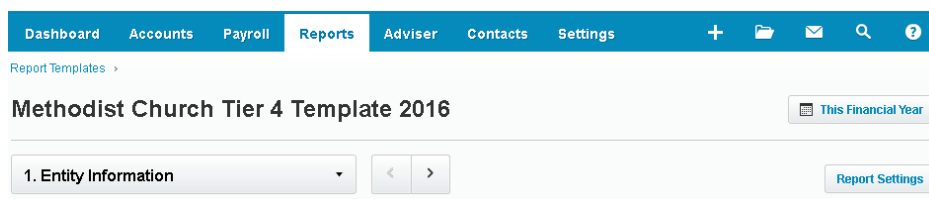


- **Custom (1 Jul 20XX – 30 Jun 20XX)** – click on this to choose the financial year the annual report is to be created for.
- **Report Settings** – these have been pre-set and will not need to be changed.

There are six reports which make up the annual report and each needs to be completed individually. Click on the down arrow next to the report heading, i.e. **Entity Information**, to see each report. Each report has been modified for the Methodist Church but they need to be updated for each individual parish's information. The six reports to be updated are covered in the following pages.



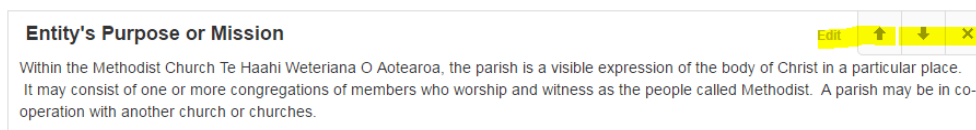
a. Entity Information



The **Entity Information** report contains information about the parish and the environment it operates in. Read through the information on this page and ensure the details entered here are correct and apply to your parish. This has been populated with general information that's relevant to the majority of parishes within the church. Therefore, the information here will need to be adjusted to include information specific to your parish.

Some of the information should not be changed, such as the **Legal Name of Entity**. Please refer to the XRB guide if you're unsure.

Modifying text boxes:



- Place the mouse over the sentence/phrase that needs to be changed
- **Edit, up and down arrows** and a **cross** will appear on the right hand side (as shown above)
 - **Edit** – click on this to change, delete or add to the existing information
 - **Up Arrow** – moves the text block above the previous text block
 - **Down Arrow** – moves the text block below the following text block

- **X** – deletes the text block, (please note: the current text boxes are the minimum requirements of the XRB for completing the annual report, so they won't need to be deleted).

The final text box on the **Entity Information** report is the **Contact Details** text box. The information which populates here originates from the **Report Fields & Schedules** as detailed above. If you have already put the information into the Report Fields and Schedules than you DO NOT need to alter the information here.

Contact Details

Physical Address	(Physical Address)
Postal Address	(Postal Address)
Phone	(Phone)
Email/Website	(Email) / (Website)

You'll know if there's information missing from **Report Fields & Schedules** because at the beginning of the report the below symbol will be shown.



This indicates when there are incomplete fields which need to be populated. Clicking on **View All** will take you to **Report Fields and Schedules** to enter the required information.



Another indication is when there's information in the report that's highlighted in red as below.

Registration Number



Go to the **Report Fields and Schedules** to enter the required information.

b. Approval of Financial Report

This page needs to be signed by the parish Steward and Treasurer to approve the annual report contents. The information which populates this page integrates from the **Report Fields and Schedules** section.

c. Statement of Service Performance

The **Statement of Service Performance** tells the user the purpose of the entity and the activities the entity undertook over the past year to achieve its mission. The description and quantification of the entities output information needs to be entered here. There is **Guidance to the Statement of Service Performance** in Xero under **Reports/All Reports/Adviser** which is a separate document to take you through step by step through the requirements of this page.

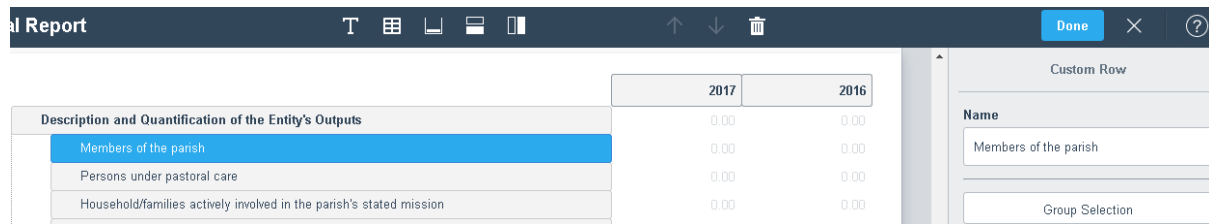
To edit the report:

Click on the boxes as shown below and enter in the amounts.

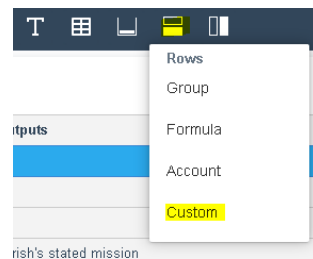
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Description and Quantification of the Entity's Outputs	2016	2015
Members of the parish	100.00	-
Persons under pastoral care	-	-

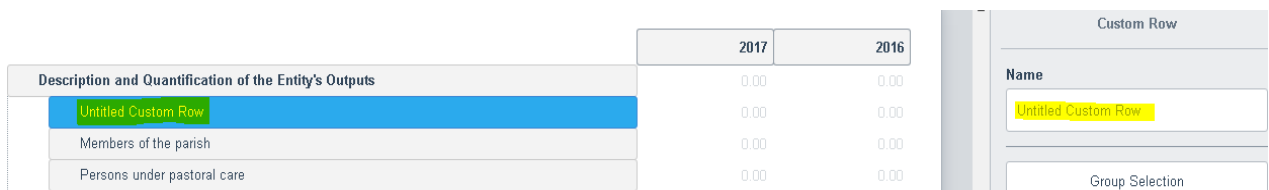
To add, delete or change a row that's not required click on **Edit**. It will take you to another screen where new rows can be added, deleted and the names changed.



- **To Add a Line** – click on as shown below




- **To Change the Line Description** – Click into the line, change the text in the **Name** field on the right hand side, then click on **Done**.



- **To Save the Changes** – Click on **Done**



- **To Delete a Line** – Click into the line and click on  sitting at the top of the page


- **To Move a Line** – Click into the line and drag it to the required position.

Click on **Save Draft** as changes are made to the report.

d. Statement of Receipts and Payments


Most of the information in the **Statement of Receipts and Payments** populates automatically pulling transactions directly from the general ledger of Xero.

To check that the annual report is working as it should, print off the **Profit and Loss** management report from Xero and agree the balance of the **Net Profit/Surplus** to the **Operating Surplus or (Deficit) for the year** on the **Statement of Receipts and Payments**.

To find out the exact transactions that make up the balances, double click in any of the balances which are high-lighted in blue. Clicking on the  will take you back to the annual report.

To see which account codes have been allocated under which headings, hover the cursor over the Report and click on **Edit**.

Operating Receipts	Notes	2016	2015
Grants, donations, fundraising and other similar revenue		74,575	59,534

If, for example, you wanted to look at which accounts make up the **Grants, donations, fundraising and other similar revenue**, click on 

	Notes	2017	2016
Operating Receipts		0.00	0.00
▶ Grants, donations, fundraising and other similar revenue	2	0.00	0.00
▶ Fees, subscriptions and other receipts from members	2	0.00	0.00
▶ Receipts from providing goods or services	2	0.00	0.00
▶ Investment income receipts	2	0.00	0.00
▶ Other operating receipts	2	0.00	0.00
<i>Total Operating Receipts</i>		0.00	0.00

	Notes	2017	2016
Operating Receipts		0.00	0.00
▼ Grants, donations, fundraising and other similar revenue		0.00	0.00
Appeals		0.00	0.00
Bequests		0.00	0.00
Donations		0.00	0.00
Grants Received		0.00	0.00
Offerings - Cash		0.00	0.00
Offerings - Envelopes		0.00	0.00
<i>Total Grants, donations, fundraising and other similar revenue</i>		0.00	0.00

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As stated previously, these reports have been modified specifically for the Methodist Church, therefore the Statement of Receipts and Payments should not need to be changed for individual parishes. There may be some accounts which are sitting under a different headings in the annual reports from that of the management reports so when you compare the balances they might be slightly different.

To customise this report and change where the account codes are sitting please refer to the section at the end of this guide: **6) Additional Editing**.

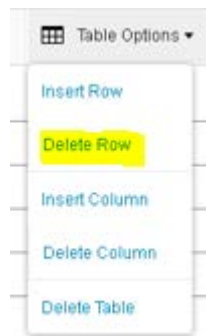
At the bottom of the report is a section which shows a breakdown of the parish's cash balances. This section needs to be populated manually. Print off the parish's **Balance Sheet** from the reports in Xero and use this to populate this section.

Represented By:			Edit	↑	×
	2016	2015			
Cheque account(s)					
Savings account(s)					
Term deposit account(s)					
Petty cash					
Total Bank Accounts and Cash at the End of the Financial Year					

Change the year if needed.

Key the cash balances into the appropriate cells. They will not add up automatically so manually calculate the **Total Bank Accounts and Cash at the End of the Financial Year**.

To delete a row click in the row and then click on  then click back into the row again. **Table Options** will be highlighted, click on **Delete Row**.



Click on **Done** and **Save Draft**.

e. **Statement of Resources and Commitments**

This report shows “what the entity owns?” & “what the entity owes?”. The bank account and deposit balances automatically populate but the remaining part of the report needs to manually input.

Check the cash balances to those on the balance sheet and to the cash balance in the **Statement of Receipts and Payments**.

The remaining sections, such as “Money Owed to the Entity” can be updated in the same way as the **Statement of Service Performance**.

Remember to delete any lines that have a zero balance.

f. **Notes to the Performance Report**

Notes to the Performance Report contains the accounting policies and breaks down balances contained in the **Statement of Receipts and Payments** and **Statement of Resources and Commitments**. At the top of this report there is a box which shows you how many notes need to be adjusted, as shown below;



These are not the only areas which need adjusting, just an indication. You will need to read through all of the notes and ensure the information in them is correct and relates to your parish. There are instructions in the text boxes advising you of the information that needs to be entered. But if you need more detail regarding the content, please refer to the XRB guide.

There are notes here for which there are two alternatives. Delete the note that doesn't apply. For example, there are two GST notes as shown below. There's an alternative note which can be deleted if the parish is GST registered by clicking on the **X** at the top right hand corner of the alternative note. If the parish is not GST registered, delete the other option and take the “**Alternative notes**” heading out.

Goods and Services Tax (GST)	Edit	↑	↓	×
The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.				

Goods and Services Tax (GST) (Alternate Note)	Edit	↑	↓	×
The entity is not registered for GST. Therefore all amounts are stated inclusive of GST (if any).				

Most of the balances update automatically from Xero but for **Related Parties**, please refer to the instructions for the **Statement of Service Performance** on how to update this.

3) Publishing the Annual Report

Once the Annual Report has been finalised, publishing the report will ensure a copy is saved in Xero that can't be changed. To do this click on **Publish** in the bottom right hand corner.



The below screen will come up. Most of the options are set appropriately already but please ensure the **Prepared By** field is set at **None** and the **Numbers** field at the bottom of the page is set at **Hide decimals on all pages**.

The screenshot shows the Xero Annual Report publishing interface. It is divided into four main sections: 'Cover page', 'Contents', 'PDF Styling', and 'Numbers'.
1. **Cover page**: Includes fields for Title (Annual Report), Date (For the year ended 31 March 2017), and Prepared By (None). A preview box shows the cover page content: 'Annual Report', 'Demo Company (NZ)', 'For the year ended 31 March 2017'. There is a checked checkbox for 'Include cover page'.
2. **Contents**: A list of report sections with 'Edit' links: Entity Information, Approval of Financial Report, Statement of Service Performance, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Statement of Accounting Policies, and Notes to the Performance Report. A preview box shows the 'Contents' list. There is a checked checkbox for 'Include contents page'.
3. **PDF Styling**: Includes a dropdown for 'Default', a 'Title Colour' dropdown set to a blue color with the hex code #00A0C6, and a preview box showing the word 'Title' in blue.
4. **Numbers**: Includes two radio buttons: 'Hide decimals on all pages' (which is selected and highlighted in yellow) and 'Show decimals as set on each page'.

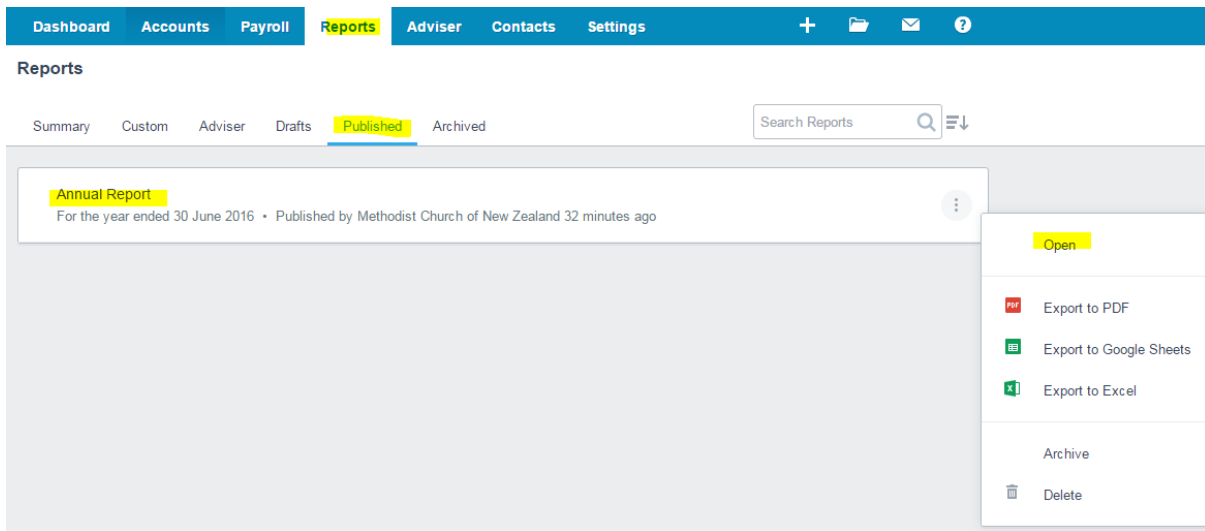
Click on **Save** and it will save the report to the **Published** section under **All Reports**.

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4) Copying a Published Report to use for the Next Financial Year

First ensure any new account codes that have been added during the year have been given a report code. How to do this is described above.

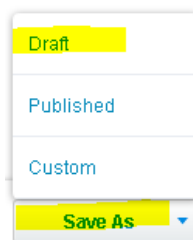
Go into the published report which is sitting in **Reports/All Reports/Published**. Click on last years annual report to open it or click on the three dots on the right hand side.



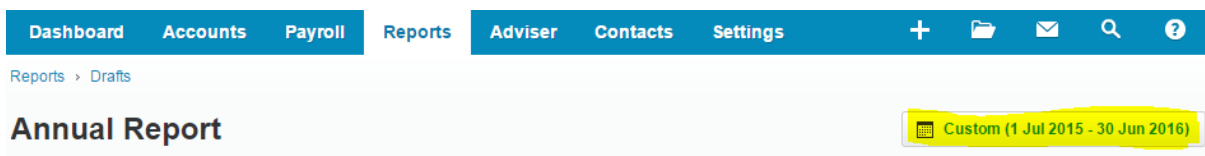
Click on **Copy & Edit** as shown below. This will save a copy of the report under **Reports/All Reports/Drafts**.



Click on **Save As/Draft**.



The report dates will need to be changed. Click on the box as shown below and change the settings to **Custom** and the appropriate dates.



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The screenshot shows the Xero 'Date Range' selection interface. At the top, there is a 'Date Range' dialog box with a close button (X). Below it, a 'Custom' dropdown menu is visible. To the right of the dropdown are two date pickers: '1 Jul 2016' and '30 Jun 2016'. Below these is an 'Update' button. Overlaid on the right side of the dialog is a calendar for 'June 2017'. The calendar has columns for days of the week (S, M, T, W, T, F, S) and rows for dates. The date '30' is highlighted in blue, indicating it is the selected date.

After this it would be a good idea to print off the new annual report template sitting in **Reports/All Reports/Adviser**. This is an original report which will help you know if other information needs to be included in this years' annual report or if there have been any updates to the template that you need to be aware of.

The following reports need to be updated with in the new period:

- **Statement of Service Performance** – the dates and the balances in the boxes will not automatically move across to the prior period so they will need to be manually keyed in.
- **Statement of Receipts and Payments** – update the dates and transfer the balances to the comparison year.
- **Statement of Resources and Commitments** – as with the **Statement of Service Performance**, the balances in the boxes will have to be moved to the prior period where they are manually input.
- **Notes to Performance Report** – update as with the Statement of Service Performance.

5) Report Codes

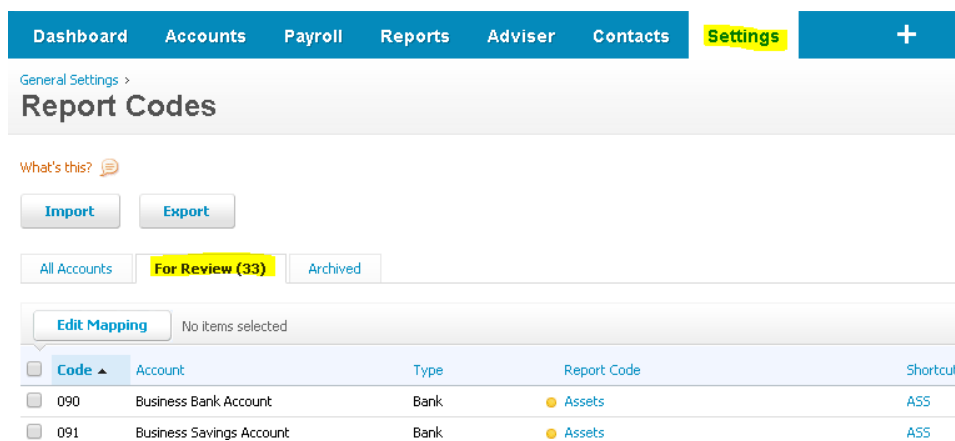
The following is background information for you to understand how the annual reports work. Most of the work around the report codes has already been completed by the Connexional Office. The only reason you will need to look at this section is if there's been a new account code entered into the **Chart of Accounts**. This will need to be allocated a Report Code to ensure it's feeding into the annual reports correctly.

Xero's **Help** function is useful by typing in "Managing report codes flagged for review".

Report codes are used as the basis for producing the annual reports in Xero. They are tags that are applied to each account code individually and are then allocated to the appropriate revenue, expense, asset, liability or equity line in the annual reports.

To Allocate Report Codes to New Account Codes:

- Click on **Settings/General Settings/Report Codes/For Review**.
- Any accounts sitting in the **For Review** tab need to be allocated a report code.



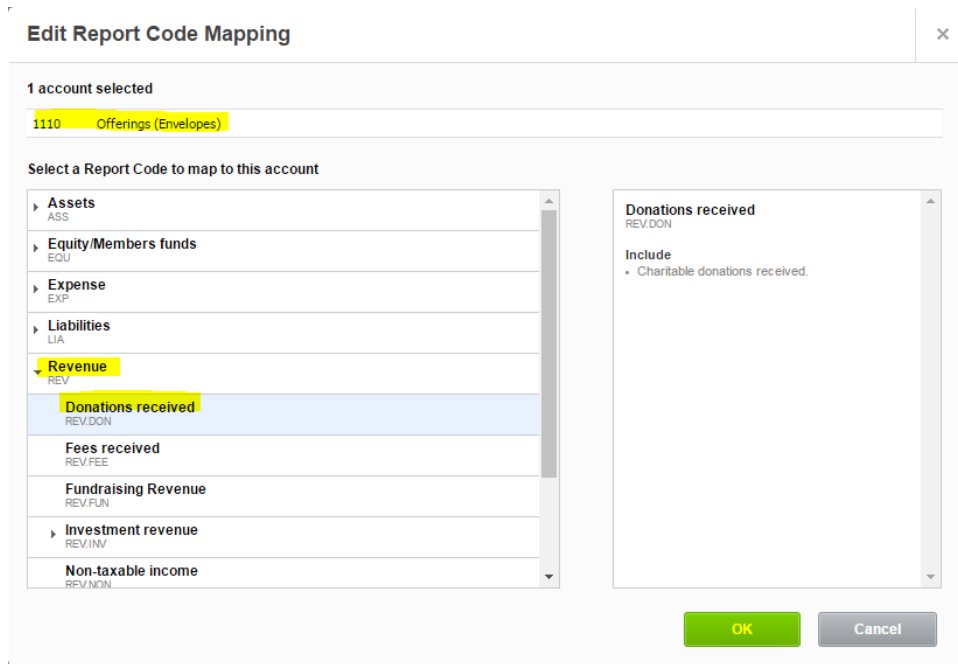
The screenshot shows the Xero 'Report Codes' interface. At the top, there is a navigation bar with 'Settings' highlighted. Below it, the 'Report Codes' section is visible, with 'For Review (33)' selected. There are 'Import' and 'Export' buttons. Below the tabs, there is an 'Edit Mapping' button and a table of accounts. The table has columns for 'Code', 'Account', 'Type', 'Report Code', and 'Shortcut'.

Code	Account	Type	Report Code	Shortcut
090	Business Bank Account	Bank	Assets	ASS
091	Business Savings Account	Bank	Assets	ASS

- When you've clicked on the **For Review** tab, click on the account code and look for the most appropriate report code to allocate to it.

If you're unsure what report code to use then please email Christinec@methodist.org.nz. If an incorrect report code is used, the account code might show in the incorrect place in the annual report, so it's best to check first.

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- Because there aren't enough Report Codes which cover all of the account codes of the Methodist Church, and new ones can't be created and the existing ones can't have their names changed, we've had to allocate existing Report Codes with their existing names to the account codes. Therefore some of the names of the Report Codes look very weird.
- Below is a table which shows you the different codes we've had to use and the expense category that against that code so the expense or revenue is separated in the annual reports. This isn't a full list of report codes that can be chosen, only a list of the "weird" ones we've had to use. If you want a full list of the **Report Codes** and how they're mapped to the account codes please email Christinec@methodist.org.nz.

<u>Report Code Abbreviation</u>	<u>Report Code</u>	<u>Revenue/Expense Category</u>
<u>Revenue</u>		
REV.TRA.FAR.WOO	Sale of Wool	Revenue from providing goods and services/property income - residential
REV.TRA.FAR.PIG	Sale of pigs	Revenue from providing goods and services/property income - commercial
REV.TRA.RET	Retail goods and services	Revenue from providing goods and services/opportunity shop

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<u>Report Code Abbreviation</u>	<u>Report Code</u>	<u>Revenue/Expense Category</u>
<u>Expense</u>		
UDE	User Defined	Voluntary & employment related costs/allowance, reimbursement. & other employment costs
UDE1	User Defined 1	Costs related to providing Goods or Services/property expenses - residential costs
UDE2	User Defined 2	Costs related to providing Goods or Services/property expenses - commercial costs
UDE3	User Defined 3	Voluntary & employment related costs/allowance, reimbursement. & other ministry costs
UDE4	User Defined 4	Voluntary & employment related costs/stipend
UDE5	User Defined 5	Voluntary & employment related costs/allowance, reimbursement. & other ministry costs
EXP.FAR.ANI	Animal Health	Costs related to providing goods or services/cost of service provision

If you're unsure which code to use please email Christinec@methodist.org.nz.

6) Additional Editing

The following instructions include detailed explanations of how you can further manipulate the presentation of the annual report for your own reporting purposes. You may not have to look at this section if you're happy with the annual reports content and how it's displaying the balances.


If you want to go into further detail then the following will help you. Again, the Xero Help tool is also very useful.

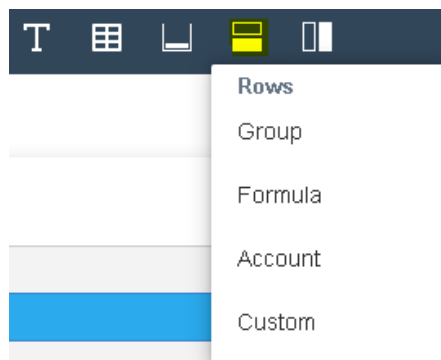
a. To modify the financial content of a report:

Click on **Edit** which will appear when the cursor is on the section you want to modify.

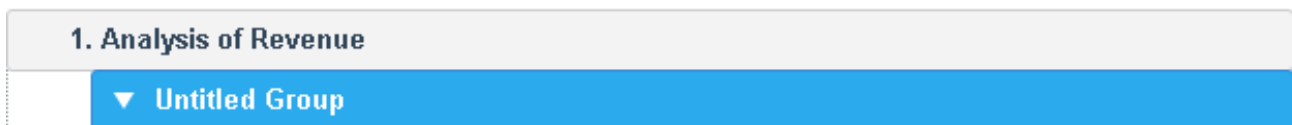
This will show where each account code sits and under which heading.

b. To add a new heading/group:

Click in the area where the new line will go. Click on  and **Group** as shown below.



A new line will appear.



Group

Name

Untitled Group

Display Balance

Debit Positive
Credit Positive

Group Selection

Add Switch Rule...

Opening Balance

Total

- **Name** – Enter the description of the group
- **Display Balance** – Automatically assigned
- **Group Selection** – Adds more groups
- **Add Switch Rule** – Changes the where the account code sits in the report according to if the balance is a credit or a debit.
- **Opening Total** – Tick to include in the report
- **Total** – Tick to include to total the balances of the accounts sitting under the group heading

c. To move an account to sit under another heading/group:

If a line item was sitting under the wrong heading as below; for example if **Donations** should be sitting under **Donations and Other Similar Revenue** instead of **Fundraising**. Drag and drop the line to where it should be.

1. Analysis of Revenue	
▼	Fundraising
	Donations
	<i>Total Fundraising</i>
▼	Donations and Other Similar Revenue
	Bequests
	Grants Received
	Morning Teas
	Offerings-Cash

d. To change a note number:

This is needed in the **Statement of Receipts and Payments** and **Statement of Resources and Commitments** to show the reader which notes in the **Notes to the Performance Report** relates to the breakdown.

Revenue	Notes	2017	2016
Donations, fundraising and other similar revenue	1	45,368	255,963
Revenue from providing goods or services	1	7,102	8,831
Interest, dividends and other investment revenue	1	29,525	37,458
Other revenue	1	614	2,137

Click on **Edit** in the report and on the note number to change.

Revenue	Notes
▶ Donations, fundraising and other similar revenue	1
▶ Fees, subscriptions and other revenue from members	1

A box will appear on the right hand side as shown below. From here, click on the drop down box to choose the note number required.

Notes

Link To

Notes to the Performance Report ▼

1. Analysis of Revenue ▼

e. To add a new text box

Click on **Edit Layout** which sits on the bottom left hand side of the page.



Click on the **T** on the top of the page. This will add a text box to the bottom of the page. On the right hand side there are three choices as to how you want the text box to look. Choose the most appropriate one.

Text Block

Heading

Numbered

Standard

None

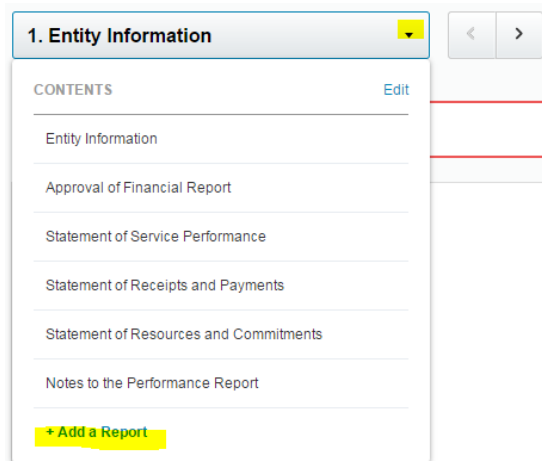
Click on **Done** when it's finished

Before moving on to the next report, click on **Save Draft**.

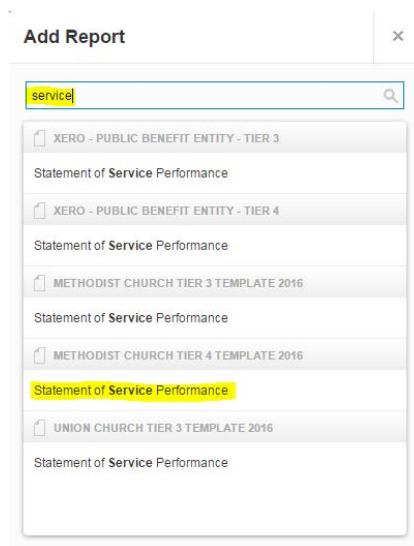
f. To add a new report to the template

A new report would need to be added if there had been a lot of changes made to an existing report by the Connexional office, for example, this year there were some changes made to the wording of the Statement of Service Performance. To add in this new report follow the below:

Click on the down arrow and “+ Add a Report”

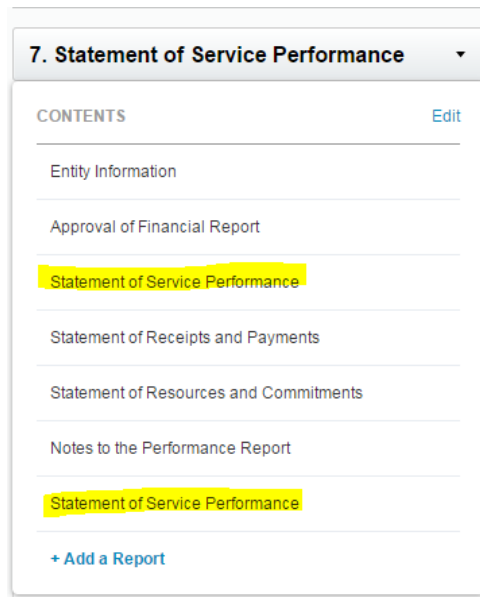


Enter in the report that you want in the search box, as shown below. This will bring up the choices from the various templates that are in Xero. The one to choose sits under the **METHODIST CHURCH TIER 4 TEMPLATE 20XX.**



Click on the report that you want and it will add it to the bottom of the Contents.

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The next step is to delete the old report. Click on **Edit** and the below box will appear. Click on the **x** next to the report to be deleted.

