



## MYOB and Xero Accounting Systems: General Ledger Link Overview

LEAP in the cloud provides specific legal accounting solutions to our clients, with features such as:

- Matter-based time recording;
- Accurate recording of disbursements and cost recoveries;
- Matter-based office transactions, including cheques, invoices and receipts;
- Trust Accounting.

Xero and MYOB (Mind Your Own Business) are just two of many computerised accounting solutions on the market. MYOB has supplied accounting solutions to small - medium sized businesses across Australia since 1991 and has a client base of 500,000 plus. Xero, new to the market, provides a purely cloud based solution with a client base of over 280,000.

These two products specialise in providing general ledger accounting solutions to small - medium sized businesses as well as all the tools necessary to operate the business including:

- General Ledger Transactions;
- Financial Reporting for the firm;
- GST Reporting;
- Payroll;
- Office/Firm Based Expenses;
- Office Bank Reconciliation.

LEAP have chosen to partner with both Xero and MYOB to make sure we are offering our clients the best, most user friendly and comprehensive legal accounting software available.

## Xero Overview

LEAP uses the Xero add-on as the accounting system for all back office transactions, General Ledger, BAS and payroll purposes.

This dual product approach has a number of advantages. The most important advantage for small law firms is that it allows you to completely separate matter transactions from your office related transactions. This allows for Lawyers and general support staff to work on the matter based accounting alone.

Increasingly in small firms, the bookkeeping role is being filled by individuals working part-time, and often from home or branch offices. The work they do is often confidential in nature, whereas your support staff would generally need access to your client ledger information. This re-structuring also allows full time staff to be freed up to work on practice development activities. So it makes a lot of sense to separate these functions with different products.

Xero is a widely used general accounting system in Australia. People who know how it works are plentiful and less costly compared to those with knowledge of specialist legal accounting systems.

Most external Accountants are familiar with Xero and it is a lot cheaper for you to provide them with access to your Xero data than it is to have them come into your office and work with a system that they are not familiar with. We find that many small law firms with competitor systems re-key their GL data into Xero just for their accountants.

---

### **How is the work divided between the two applications?**

#### **LEAP**

- Time recording
- Disbursements

- Cost recoveries
- Billing (inc GST calculation)
- Statements
- Debtor management
- Cheque payments
- Receipts
- Matter based suppliers
- Matter based creditor management
- Trust deposits
- Trust bank reconciliation
- Trust payments
- Controlled money
- Transit money
- Trust investments
- Register of power and estates
- Safe custody
- Fee earner reports
- Trust reports
- Firm management reports

## **Xero**

- General Ledger
- Profit and Loss
- Back office transactions including rent, wages, telco etc.
- Business Activity Statement
- Payroll

---

**How does it work?**

The link between LEAP and Xero operates in the cloud and consists of a number of Journals that are created in LEAP and are exported to Xero. There is an audit trail of every transaction and you can quickly and easily check to ensure that all journal entries have been made.

Xero account codes set up when LEAP is installed and after that, the combined products do not create any extra work.

### **What are the benefits?**

- Work is logically divided between the producers and the bookkeeper.
- Confidentiality is easily maintained.
- It is easy to train staff on office and trust transactions.
- You can reduce cost of external accountants because you can easily allow them access to your Xero data.
- You can access more economical resources.
- If you practice in a remote area, you will no longer be reliant on a specific individual with product knowledge –it frees you up and provides flexibility.
- Xero is easy to learn.
- Xero is a widely used general accounting system.
- LEAP is the most widely used legal accounting system in the country.

---

### **What are the benefits of having legal accounting and general ledger accounting in the same software package?**

We don't believe that LEAP or any of its competitors could ever write a General Ledger System that is as good as Xero. Just as we merge matter data into Microsoft Word, it makes sense to merge accounting data into Xero. Having a proprietary General Ledger inside a legal accounting package simply makes no sense.

Should you have any further queries in relation to Xero, please do not hesitate to contact LEAP.

# MYOB Overview

LEAP is designed to use MYOB as the accounting system for all back office transactions, General Ledger, BAS and payroll purposes.

This dual product approach has a number of advantages. The most important advantage for small law firms is that it allows you to completely separate matter transactions from your office related transactions. This allows for Lawyers and general support staff to work on the matter based accounting alone.

Increasingly in small firms, the bookkeeping role is being filled by individuals working part-time, and often accessing the system remotely. The work they do is often confidential in nature, where as your support staff would generally need access to your client ledger information. This re-structuring also allows full time staff to be freed up to work on practice development activities. So it makes a lot of sense to separate these functions with different products.

MYOB is a widely used general accounting system in Australia. People who know how it works are plentiful and less costly compared to those with knowledge of specialist legal accounting systems.

Most external Accountants are familiar with MYOB and it is a lot cheaper for you to provide them with a copy of your MYOB data file than it is to have them come into your office and work with a system that they are not familiar with. We find many small law firms with competitor systems who re-key their GL data into MYOB just for their accountants.

## 1. How is the work divided between the two applications?

### LEAP

- Time recording
- Disbursements
- Cost Recoveries
- Billing (inc GST calculation)
- Statements
- Debtor management
- Cheque payments
- Receipts
- Matter based suppliers
- Matter based creditor management
- Trust Deposits
- Trust Bank Reconciliation
- Trust Payments
- Controlled Money
- Transit Money
- Trust Investments
- Register of Power and Estates

- Safe Custody
- Office reports
- Trust reports
- Firm management reports

## **MYOB**

- General Ledger
- Profit and Loss
- Back office transactions including rent, wages, telco etc.
- Business Activity Statement
- Payroll

### **2. How does it work?**

The link between LEAP and MYOB operates “real-time” and consists of a number of Journals that are created in LEAP and are passed into MYOB. There is an audit trail of every transaction and you can quickly and easily check to ensure that all journal entries have been made.

The General Ledger mapping is set up when LEAP is installed and after that, the combined products do not create any extra work at all.

### **3. What are the benefits?**

- Work is logically divided between the producers and the bookkeeper.
- Confidentiality is easily maintained.
- It is easy to train staff on office and trust transactions.
- You can reduce cost of external accountants because you can easily give them a data file.
- You can access more economical resources.
- If you practice in a remote area, you will no longer be reliant on a specific individual with product knowledge –it frees you up and provides flexibility.
- MYOB is easy to learn.
- MYOB is a widely used general accounting system in the country.
- LEAP is the most widely used legal accounting system in the country.

### **4. What are the benefits of having legal accounting and general ledger accounting in the same software package?**

We don't believe that LEAP or any of its competitors could ever write a General Ledger System that is as good and as widely used as MYOB, which has a user base of more than 500,000 businesses. Just as we merge matter data into Microsoft Word, it makes sense to merge accounting data into MYOB. Having a proprietary General Ledger inside a legal accounting package simply makes no sense.

Should you have any further queries in relation to MYOB, please do not hesitate to contact LEAP.

## How does LEAP in the cloud use the General Ledger?

LEAP in the cloud utilises the general ledger, or chart of accounts from MYOB or Xero.

When a receipt or payment is entered into LEAP in the cloud, it sends this information to MYOB/Xero to be included in Office Bank Reconciliations, and to be classed as an income or expense on the chart of accounts.

MYOB/Xero accounts for the “back end” of LEAP in the cloud and also the financial reporting such as profit and loss statements, business activity statements, tax liabilities and financial position reports.

LEAP in the cloud sends general journals across to MYOB/Xero. These journals only contain financial information and will not send details of invoices, staff members or clients to MYOB. The sending of the journals depends on how the client is reporting for their business activity statement.

### **The two types of accounting are:**

- Cash Based Accounting
- Accrual (Non-Cash) Based Accounting

---

### **Cash**

When reporting to the ATO under a cash basis, you are only reporting on what you have received. This is the standard system for companies with an annual turnover less than \$1,000,000pa.

LEAP in the cloud will not send invoices to MYOB in this setup, only receipts and payments – ie when you enter a transaction which directly affects your bank account. You also have the ability to modify invoices up to and after you have receipted them.

The General Ledger link screen provides options in relation to GL transaction exportable to MYOB/Xero.

The key features include:

- The default view of this screen when opening it is to show those transactions which have not been exported or have generated an error in attempting to export to MYOB/Xero.
- Option to manually Export the outstanding journals to MYOB/Xero.
- Options to view transactions with other status e.g. Hold, Error, Warning, Success.
- Options to view transactions for specific periods or a date range.
- Right menu click options to Open Journal Entry (if there is an error), set journal as Not Exported, Hold journal or Unhold journal.

## MYOB

LEAP Office Cloud General Ledger Link

Export Journals to MYOB

Export Status: Error/Not Exported

Date Range: Last 90 Days

From: 19/12/2012 To: 19/12/2012

Date	Journal No.	Memo	Status
27/09/2012	LJ000002	LEAP payment no. 1	Not Exported
05/10/2012	LJ000003	LEAP receipt no. 1	Not Exported
09/10/2012	LJ000004	LEAP payment no. 3	Not Exported
09/10/2012	LJ000005	LEAP receipt no. 2	Not Exported
09/10/2012	LJ000006	LEAP bank deposit no. 1	Not Exported
11/10/2012	LJ000007	LEAP receipt no. 3	Not Exported
12/10/2012	LJ000008	LEAP payment no. 1111	Not Exported
12/10/2012	LJ000009	LEAP payment no. 3	Not Exported
12/10/2012	LJ000010	LEAP payment no. 1	Not Exported
12/10/2012	LJ000011	LEAP receipt no. 1	Not Exported
12/10/2012	LJ000012	LEAP bank deposit no. 1	Not Exported
12/10/2012	LJ000013	LEAP receipt no. 1	Not Exported
12/10/2012	LJ000014	LEAP Invoice no. 1	Not Exported
12/10/2012	LJ000015	LEAP Invoice no. 1	Not Exported
12/10/2012	LJ000016	LEAP receipt no. 6	Not Exported
22/10/2012	LJ000017	LEAP receipt no. 7	Not Exported
13/10/2012	LJ000018	LEAP receipt no. 8	Not Exported

No. of Journals: 95

# Xero



Send all unexported journals to Xero

Export Status: Success

Date Range: Last 30 Days From:  To:  Reload

Change Status

<input type="checkbox"/>	<u>Date</u>	<u>Journal No.</u>	<u>Memo</u>	<u>Status</u>	
<input type="checkbox"/>	23-05-2014	LJ000242	LEAP invoice no. 938	Success	
<input type="checkbox"/>	23-05-2014	LJ000243	LEAP receipt no. 154	Success	
<input type="checkbox"/>	24-05-2014	LJ000244	LEAP reversal receipt no. 154	Success	
<input type="checkbox"/>	24-05-2014	LJ000245	LEAP reverse invoice no. 938	Success	
<input type="checkbox"/>	26-05-2014	LJ000246	LEAP invoice no. 939	Success	
<input type="checkbox"/>	04-06-2014	LJ000247	LEAP invoice no. 941	Success	
<input type="checkbox"/>	05-06-2014	LJ000248	LEAP invoice no. 942	Success	
<input type="checkbox"/>	11-06-2014	LJ000249	LEAP payment no. 1	Success	
<input type="checkbox"/>	12-06-2014	LJ000250	LEAP invoice no. 947	Success	
<input type="checkbox"/>	12-06-2014	LJ000251	LEAP receipt no. 155	Success	
<input type="checkbox"/>	12-06-2014	LJ000252	LEAP invoice no. 948	Success	
<input type="checkbox"/>	19-06-2014	LJ000253	LEAP invoice no. 949	Success	



Send All journals to Xero

Export Status: Success

Date Range: Last 30 Days From:  To:  Reload

Change Status

<input type="checkbox"/>	<u>Date</u>	<u>Journal No.</u>	<u>Memo</u>	<u>Status</u>	
<input type="checkbox"/>	23-05-2014	LJ000242	LEAP invoice no. 938	Success	
<input type="checkbox"/>	23-05-2014	LJ000243	LEAP receipt no. 154	Success	
<input type="checkbox"/>	24-05-2014	LJ000244	LEAP reversal receipt no. 154	Success	
<input type="checkbox"/>	24-05-2014	LJ000245	LEAP reverse invoice no. 938	Success	
<input type="checkbox"/>	26-05-2014	LJ000246	LEAP invoice no. 939	Success	
<input type="checkbox"/>	04-06-2014	LJ000247	LEAP invoice no. 941	Success	
<input type="checkbox"/>	05-06-2014	LJ000248	LEAP invoice no. 942	Success	
<input type="checkbox"/>	11-06-2014	LJ000249	LEAP payment no. 1	Success	
<input type="checkbox"/>	12-06-2014	LJ000250	LEAP invoice no. 947	Success	
<input type="checkbox"/>	12-06-2014	LJ000251	LEAP receipt no. 155	Success	
<input type="checkbox"/>	12-06-2014	LJ000252	LEAP invoice no. 948	Success	
<input type="checkbox"/>	19-06-2014	LJ000253	LEAP invoice no. 949	Success	

## Chart of Accounts

[+ Add Account](#)
[+ Add Bank Account](#)
[Print PDF](#)
[Import](#)
[Export](#)

[All Accounts](#)
[Assets](#)
[Liabilities](#)
[Equity](#)
[Expenses](#)
[Revenue](#)
[Archive](#)

What's this? 

<input type="checkbox"/> Code ▲	Name	Type	Tax Rate	YTD
<input type="checkbox"/> 1-1110	LEAP Bank	Bank	BAS Excluded	8,188.00
<input type="checkbox"/> 1-1185	Unbanked funds	Current Asset	BAS Excluded	3,605.00
<input type="checkbox"/> 1-1201	Debtors Adjustment	Current Asset	BAS Excluded	0.00
<input type="checkbox"/> 1-1202	LEAP Debtors	Current Asset	BAS Excluded	246,500.45
<input type="checkbox"/> 4-1001	LEAP Client Fees	Revenue	GST on Income	220,458.37
<input type="checkbox"/> 4-1003	LEAP Cost Recoveries	Revenue	GST on Income	5,175.60
<input type="checkbox"/> 4-1005	LEAP Payments Received	Revenue	GST on Income	9,704.14
<input type="checkbox"/> 4-1007	LEAP Client Credits	Revenue	GST on Income	0.00
<input type="checkbox"/> 5-1001	LEAP Office Payments	Expense	GST on Expenses	460.32
<input type="checkbox"/> 5-1007	LEAP Discounts Given	Expense	GST on Expenses	0.00
<input type="checkbox"/> 5-1009	LEAP Debtors Write Off	Expense	GST on Expenses	0.00
<input type="checkbox"/> 5-1011	LEAP Payments Write Offs	Expense	GST on Expenses	0.00

## Journals in MYOB/Xero

After the journals have transferred to MYOB/Xero, they are readily accessible.

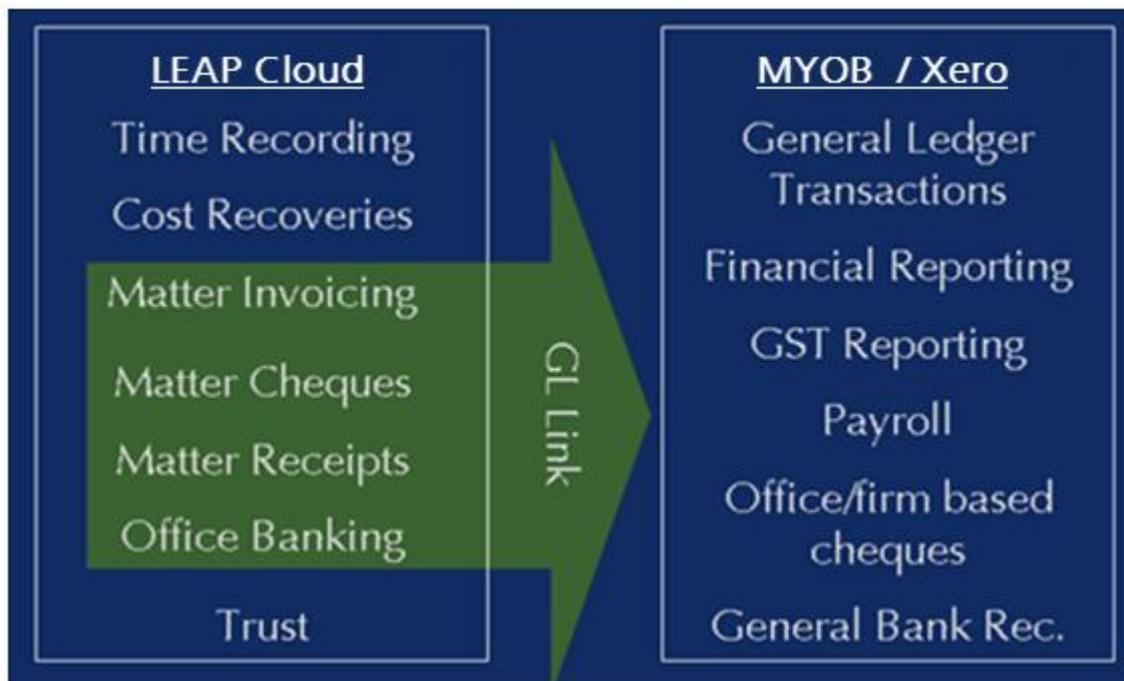
- Open MYOB/Xero and login to the datafile linked to LEAP in the cloud.
- Go to the “Accounts” module.
- Click on “Transaction Journal”.
- Select the “General” tab. From this screen you can view all journals that have come from LEAP in the cloud into MYOB/Xero.

Note: It is very important that you do not amend any journals in MYOB/Xero. Changing journals in MYOB/Xero will adversely affect reporting and BAS calculations. If an error has been made, you must reverse and re-enter the transaction in LEAP in the cloud.

These journals will automatically appear on all relevant reports and screens, such as BAS calculations and the office account bank reconciliation.

If you cannot locate a journal in MYOB/Xero, ensure that the journal has an “Uploaded” status in LEAP in the cloud, under General Ledger Link screen.

Note: LEAP is able to provide advice regarding the content and transfer of LEAP journals to MYOB/Xero, however LEAP cannot provide assistance on the use of MYOB/Xero. If you have any questions regarding the use of MYOB/Xero please contact the relevant Company helpdesk.



---

## Accrual

Under this system, you are reporting on what you have invoiced regardless of whether the funds have been received from the client. LEAP in the cloud will send a journal to MYOB/Xero which accounts for income as soon as an invoice is finalised. Using the accruals system, it allows for more control over the accounting procedures – such as defining security groups as to who can finalise or modify invoices.

LEAP Cloud

Time Recording

Cost Recoveries

Matter Invoicing

Matter Cheques

Matter Receipts

Office Banking

Trust

GL Link

MYOB / Xero

General Ledger

Transactions

Financial Reporting

GST Reporting

Payroll

Office/firm based  
cheques

General Bank Rec.