

Reconciling Wages Subsidy Receipt in Xero

Many of you have now received your wages subsidy from the government. If you are using Xero, you will now have a receive money transaction that needs to be reconciled.

We recommend creating new account codes to accurately recognise the subsidy. An Other Income code should be setup. A Current Liability code should also be created if you have applied for the subsidy for any shareholders. For both account codes, the tax rate needs to be set as No GST.

Add New Account ✕

Account Type
Other Income ▼

Code
A unique code/number for this account (limited to 10 characters)

Name
A short title for this account (limited to 150 characters)

[+ add Reporting Name](#)

Description (optional)
A description of how this account should be used

Tax
The default tax setting for this account
No GST ▼

Show on Dashboard Watchlist

Show in Expense Claims

Enable payments to this account

How account types affect your reports

Profit & Loss

Income

Revenue

Sales

Less Cost of Sales

Direct Costs

GROSS PROFIT

Plus Other Income

Other Income

Less Expenses

Expenses

Depreciation

Overheads

NET PROFIT

Balance Sheet

Current Assets

Current Assets

Inventory

Prepayments

Plus Bank

Bank Accounts

Plus Fixed Assets

Fixed Assets

Plus Non-current Assets

Non-current Assets

TOTAL ASSETS

Less Current Liabilities

Current Liabilities

Less Non-current Liabilities

Liabilities

Non-current Liabilities

NET ASSETS

Equity

Equity

Plus Net Profit

TOTAL EQUITY

Save
Cancel

You can also modify where accounts appear in your reports using [Customised Report Layouts](#)

When the subsidy is received in your bank, it can then be reconciled to these newly created account codes. Funds applied to employees are coded to your newly created Other Income code and funds for shareholders to your newly created Current Liability code.

If you need to split the funds received across both account codes, select the 'add details' button on the reconcile screen.

2 Apr 2020 MSD COVID19W More details		Options ▼ 35,148.00
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Match
Create
Transfer
Discuss
Find & Match

Who What

Why

Region Tax Rate Add details

Received as Direct Payment

From: MSD COVID19W Date: 2 Apr 2020 Reference:

NZD New Zealand Dollar Amounts are Tax Inclusive

Item	Description	Qty	Unit Price	Account	Tax Rate	Region	Amount NZD	
***	4 x Employees	1.00	28,118.40	201 - Covid19 Subsidy	No GST		28,118.40	
***	1 x Shareholder	1.00	7,029.60	981 - Owner A Covid19...	No GST		7,029.60	

							Subtotal	35,148.00
							GST	0.00
							TOTAL	35,148.00

Add a new line

Save Transaction Cancel

If you have any questions, please contact us at covid19@ph.co.nz