



**Document on Bookkeeping
Procedures in Xero Accounting Application**

Compiled by CA Rushabh Shah

Xero for Beginners

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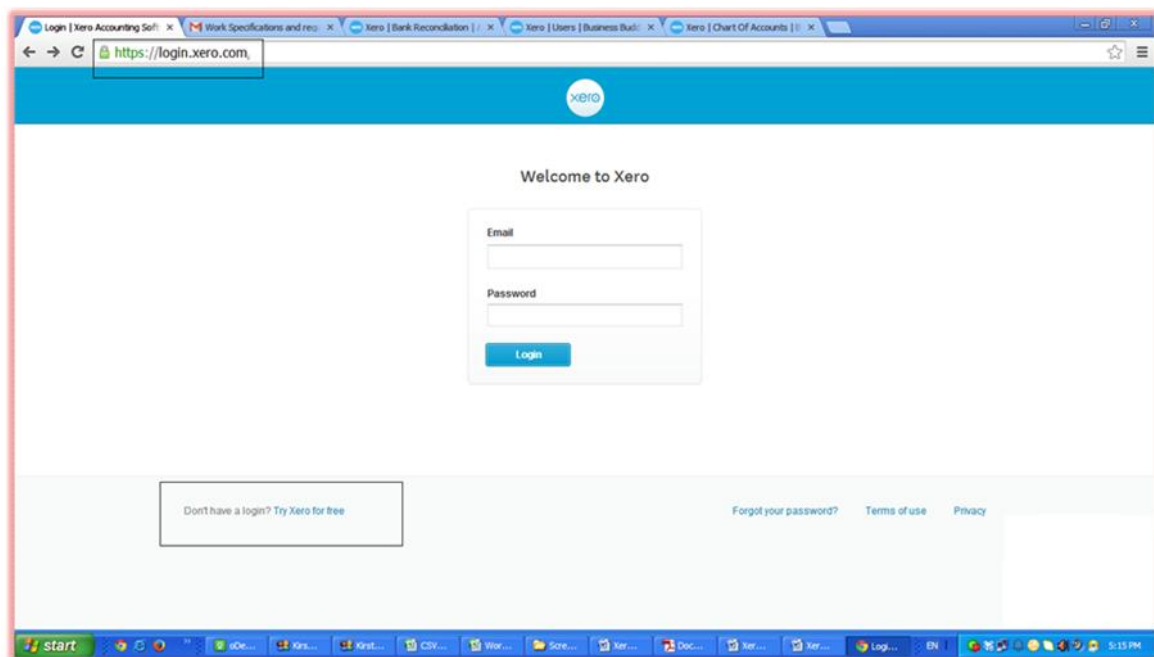
Purpose of Document: The document aims at explaining the user on how to maintain books of accounts in Xero.

1. Understanding basic functions and features in Xero

- Xero runs on a cloud platform where the data remains on server of Xero and you can login to the accounting platform just like you login to your email ID on Gmail or Yahoo.
- Having your data on Cloud gives you an ease of access and you can login to your accounts from anywhere. You just need a reliable internet connection.

1.1 Login to Xero

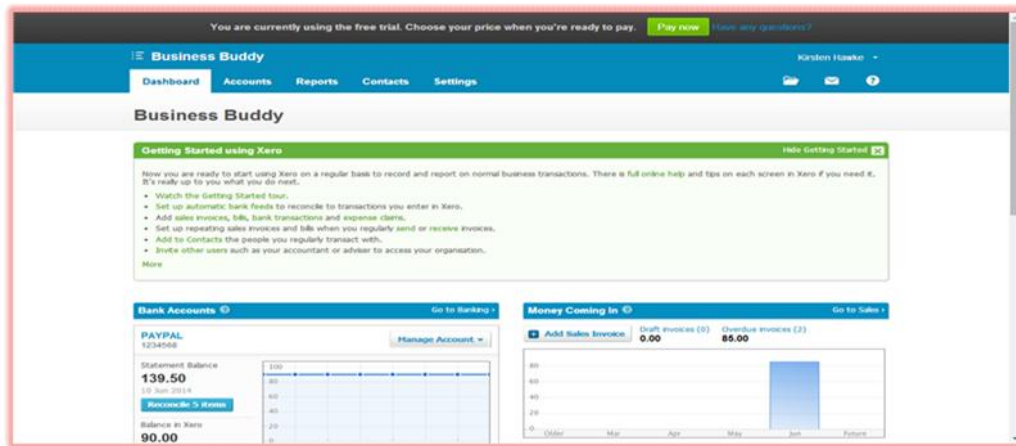
- For login into Xero you need to Go to [www.login.xero.com](https://login.xero.com) and just login with your Login details
- You can use any of your favorite internet browsers to login to Xero.
- Don't have a Xero Account? You can try it for free with a 30 days free trial offer provided by Xero.



1.2 Xero Dashboard

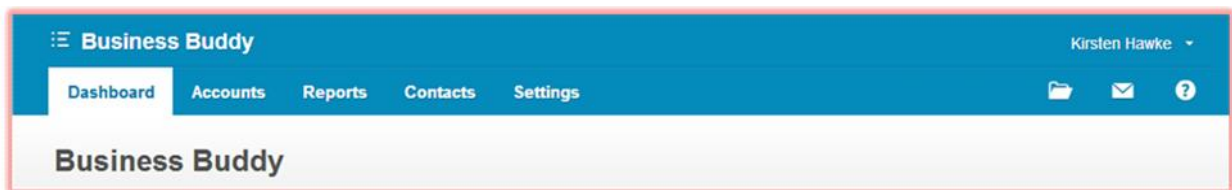
- Once you login to Xero you shall be on the Home page of Xero called “**Xero Dashboard**”
- It is your key to business reports you require to see at a glance. You can adjust the things you wish to see on your dashboard.
- You can see a Quick view of bank account balance and graphs showing money coming in from customer invoices and money due to go out for supplier invoices.
- It can be customized on the go as per your reporting requirements.

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1.3 Xero Menu

- Xero has an easy to use menu which helps you to quick jump to various sections where you need to work.
- We shall explain each menu in later sections.

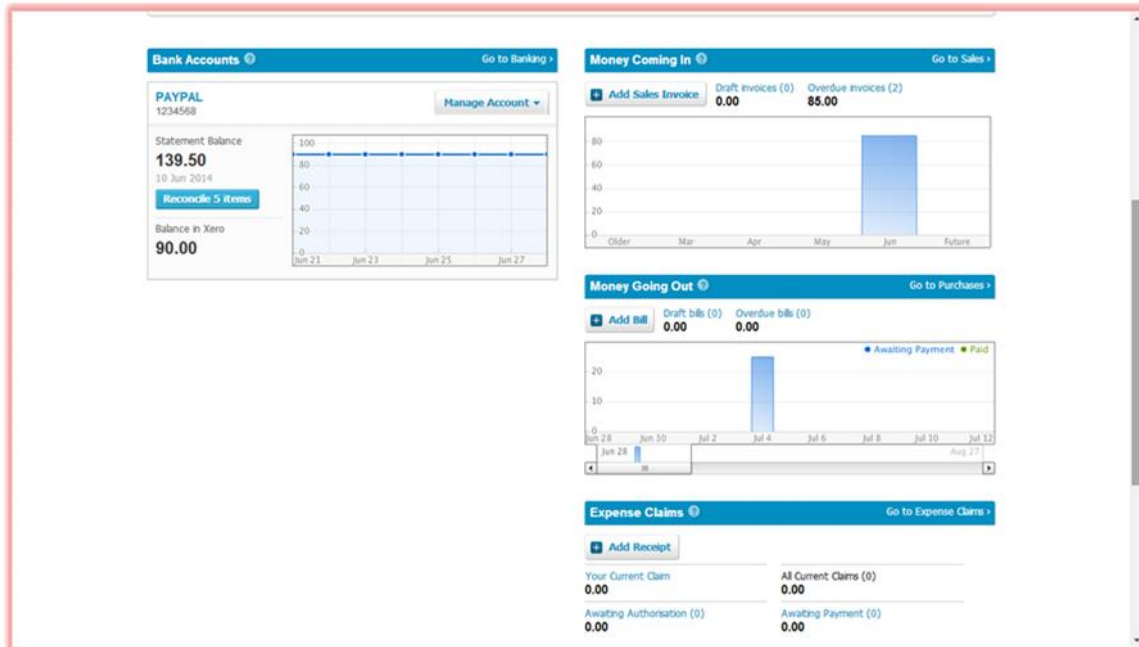


- It has mainly following sections:
 - **Dashboard**
 - **Accounts** – Manage invoices, bills, transactions, expense claims, pay run
 - Bank Accounts
 - Sales
 - Purchases
 - Pay Run
 - Expense Claims
 - Fixed Assets
 - **Reports** – View your data using standard and Xero reports
 - All Reports
 - Budget Manager
 - Choose from any of Xero's reports to appear on the menu (some display on the menu by default as report favorites)
 - **Contacts** – Add and manage the people and organizations you do business with
 - All Contacts
 - Customers
 - Suppliers
 - Employees

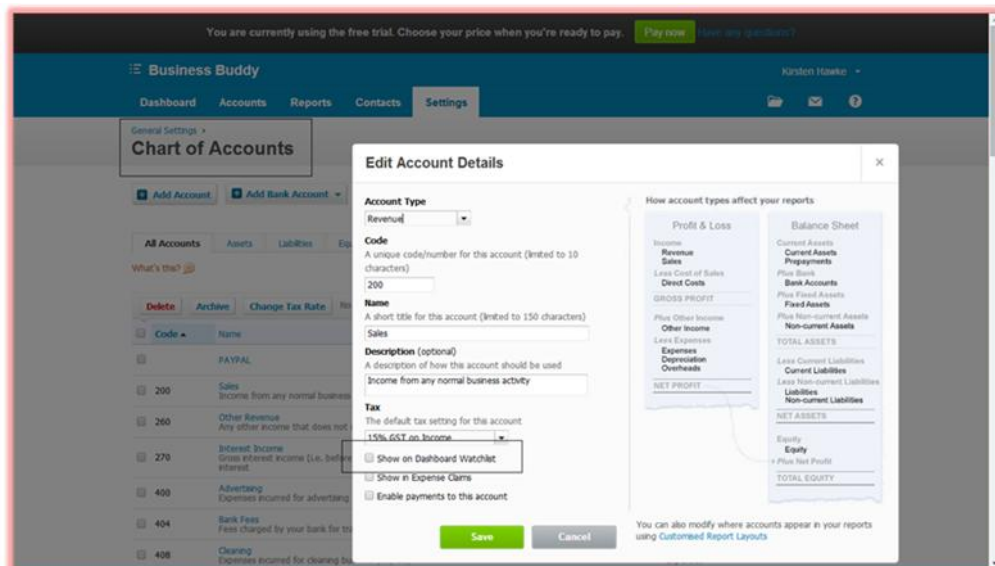
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2. Understanding Xero Dashboard

- Xero Dashboard helps to view all the reports you wish to see on a go.
- Here is what the Xero dashboard looks like



- You can configure each account you wish to see from Settings> Chart of Accounts> Go to particular account>Click on Show on Dashboard.



Tip :

1. Your user role will determine if you have a full Dashboard, a cut-down version or a bank accounts-only version.

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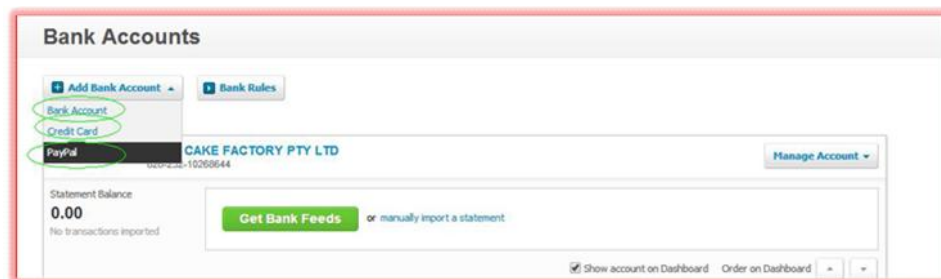
2. Some menus or options on menus might not display if your user role restricts your access to these areas.

3. Setting up Bank in Xero

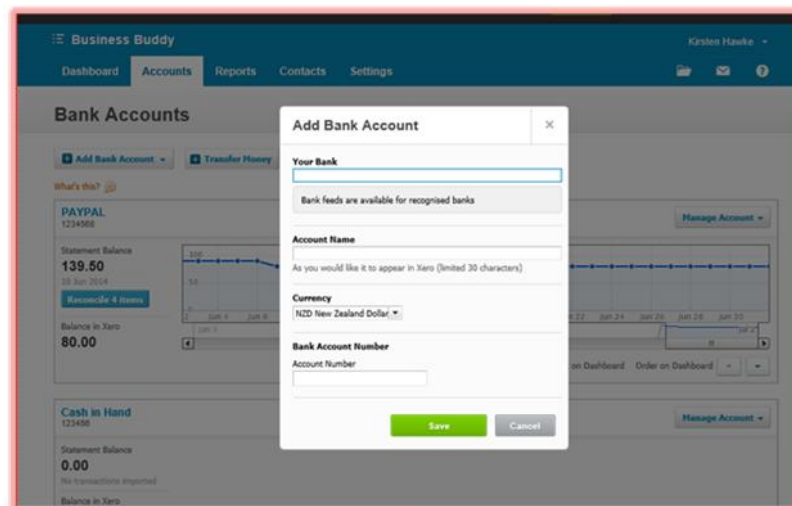
- It is easy to work with Bank account where you can set up bank account in manner that the transactions are automatically imported to Xero. You just need to reconcile your sales and purchases invoices with the bank account and it is done.

3.1 Adding Bank Account:

- You can add a Bank in Xero by just filling up basic details in Xero.
- While adding bank account you shall be prompted to ask whether it is bank account or a credit card account.



- You Just need to enter the name of Bank, your account number . Xero would prompt you in case bank feeds are available for the said bank account.



- Xero would give you different options for selecting a bank account.

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- Account name is the name which you would like to appear in Xero.
- Currency is the default currency in which your bank account is managed.

3.2 Working with Xero Bank Account:

- Now you can work on your bank account and reconcile the transactions.
- This is how your bank account would look like with imported feeds. You can view your bank balances in Dashboard.



- **Importing Bank Feeds:**

You can import bank feeds into Xero by following two methods:

- **Manual import:** You can manually import the transactions in Xero by a CSV template provided by Xero. We have not dealt with Manual import feature in this file. You can import a bank . However you can follow following steps for importing a bank statement.
 - Log in to your online banking website and save a bank statement in either .QIF format (Quicken) or .OFX format (MS Money) to your computer.
 - From Xero's Dashboard select Manage Account > Import a Statement from your own bank account that you added in the step above.
 - Locate and select the file downloaded from your bank and click Import.
- **Automatic Bank Feeds:** You can use Automatic bank feeds feature in Xero where Xero would automatically import the transactions on a daily basis. In this manual we have explained with Automatic Bank Feeds in details.
- You can match the bank feeds in Xero with suggestions by Xero. Xero automatically suggests the reconciliations based on the available data with it.

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The screenshot shows the 'Reconcile (5)' screen in Xero. It has two tabs: 'Bank statements' and 'Account transactions'. Under 'Bank statements', there's a section 'Review your bank statement lines...' with a table of transactions. Each row has a 'Spent' column, a 'Received' column, and a 'Create rule' button. The transactions listed are: 2 Jun 2014 Skype (25.00), 5 Jun 2014 Sales (50.00), and 7 Jun 2014 Bank fees (0.50). To the right, under '...then match with your transactions in Xero', there's a table of transactions to be matched. The first row is 27 Jun 2014 Skype (25.00), which is highlighted in green. Below this, there's a section for '05 Jun 2014 josh Ref: INV-0001' (50.00), also highlighted in green. At the bottom, there's a form to add details for a transaction, including fields for Name, Desc, and Tax Rate, and an 'Add details' button.

- You just need to press OK and the bank transaction is reconciled

This is a close-up of the 'Reconcile' screen. It shows the '2 Jun 2014 Skype' transaction (25.00) in the 'Bank statements' table. The 'OK' button is highlighted with a black box. To the right, the '27 Jun 2014 Skype' transaction (25.00) is shown in the 'Account transactions' table, also highlighted in green.

- You can see the unreconciled bank statement lines going to Bank reconciliation. Bank Reconciliation shows the transactions which are yet to be matched in Xero. Once a complete reconciliation is done, Xero bank balance would match with the statement balance and there would be no unreconciled bank statement line.

The screenshot shows the 'Bank Reconciliation Summary' screen in Xero. It has a green header 'Check your Statement Balance' with a message: 'We suggest you compare the statement balance below to the balance your bank is showing on 28 June 2014. Why do we recommend this? Xero calculates statement balances based on your transaction history – occasionally duplicate statement lines or omissions can occur in bank feeds or manual imports causing balances to be incorrect. Read this help page for more details and what to do if balances don't match.' Below this, there's a 'Bank Reconciliation Summary' section with tabs for 'Bank Statement' and 'Statement Exceptions'. It shows 'Bank Account: PAYPAL' and 'Date: 28 Jun 2014' with an 'Update' button. The main table is titled 'Bank Reconciliation Summary PAYPAL Business Buddy As at 28 June 2014'. It has columns for Date, Description, Reference, and Amount. The table shows the following data:

| Date | Description | Reference | Amount |
|--|-------------------|-----------|--------------|
| 28 Jun 2014 | Balance in Xero | | 80.00 |
| Plus Un-Reconciled Bank Statement Lines | | | |
| 2 Jun 2014 | Skype | | (25.00) |
| 5 Jun 2014 | Sales | | 50.00 |
| 7 Jun 2014 | Bank fees | | (0.50) |
| 10 Jun 2014 | Sales | | 35.00 |
| Total Un-Reconciled Statement Lines | | | 59.50 |
| 28 Jun 2014 | Statement Balance | | 139.50 |

At the bottom, there are buttons for 'Publish', 'Print', and 'Export'.

Tip :

- Cash Withdrawal from Bank: For Cash drawings from bank you need to create a Bank in Xero called "Cash Account". Xero does not have "cash in hand" Ledger automatically created in it.

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3.3 Bank Rules:

- Bank Rules can be created for automatically allocating the transactions based on predefined rules.
- You can create bank rule by Going to "Create rule" button in Xero bank reconciliation.



- Here is how create rule would look like in Xero.
You need to input following details in order to make a rule:

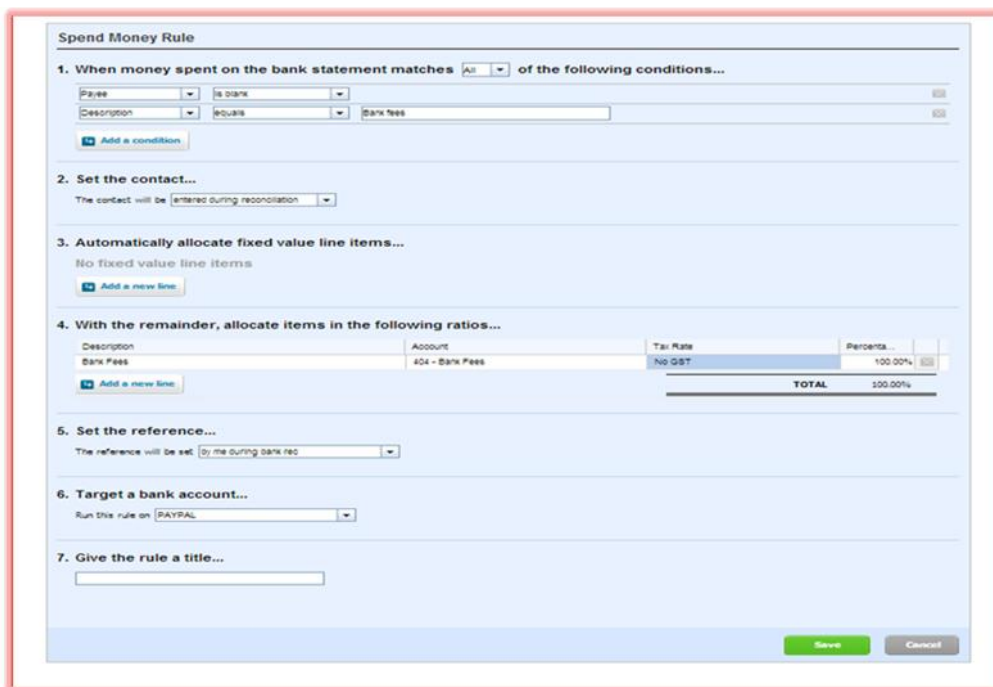
When to Apply rule:

- Name of Payee and description.
- Bank account in which the rule applies (Target Bank)

Where to match with the rule:

- Contact details
- Account where the details are to be matched.

- Here is how to create rule in Xero.



- You can see a complete list of bank rules here:

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The screenshot shows the Xero Business Buddy interface. The top navigation bar includes 'Dashboard', 'Accounts', 'Reports', 'Contacts', and 'Settings'. The user is logged in as Kirsten Hawke. The main section displays the 'PAYPAL' account with a statement balance of 139.50 and a balance in Xero of 80.00. A 'Manage Account' dropdown menu is open, showing options: 'Find Account Transactions', 'New Spend Money', 'New Receive Money', 'New Transfer Money', 'Reconcile Reconcile Account', 'Reconcile Bank Rules', 'Reconcile Reconciliation Report', and 'Reconcile Import a Statement'. The 'Bank Rules' option is highlighted with a red box.

- This is how bank rules look like:

The screenshot shows the Xero Bank Rules interface. A green notification bar at the top states: 'Bank Fees' bank rule saved. Click to edit. Below this, there are buttons for 'Create rule' and 'Reconcile'. The interface is divided into two sections: 'Spend Money Rules (1)' and 'Receive Money Rules (0)'. Under 'Spend Money Rules (1)', there is a table with one rule: 'Bank Fees'. The table has a 'Delete' button and a 'No items selected. Drag & drop to re-order.' message.

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4. User Management:

- Xero allows you to have unlimited number of users for any type of account.
- Here is a look at the pricing structure of Xero.

| NZ Edition | MOST POPULAR | | |
|------------------------------|--------------|-------------|-------------|
| | STARTER | STANDARD | PREMIUM |
| | \$25 | \$50 | \$65 |
| | NZD / month | NZD / month | NZD / month |
| Users | Unlimited | Unlimited | Unlimited |
| File storage | 1 GB | 5 GB | 10 GB |
| Bank feeds | ✓ | ✓ | ✓ |
| Bank transactions reconciled | 20 / month | ✓ | ✓ |
| Invoices | 5 / month | ✓ | ✓ |
| Bills | 5 / month | ✓ | ✓ |
| Multi-currency | × | × | ✓ |

Prices exclude GST

4.1 User Types:

- You can set up different types of permission for different type of Xero users.
- There are following types of users in Xero:
 - Read only: Can only read the data entered in the system.
 - Invoice Only: Can only do data entry of the invoices.
 - Standard user: Can be customized as per requirements.
 - Adviser user: All access along with lock in dates and publishing reports.

Enter their details

First Name Last Name Email

Access to the accounts

Choose the user's level of access to this organisation's accounts:

| | Bank reconciliation | Invoices | Edit settings | View reports | Publish reports | Lock dates |
|---|---------------------|------------|---------------|--------------|-----------------|------------|
| <input type="radio"/> Read Only | × | Read only | × | Read only | × | × |
| <input type="radio"/> Invoice Only | × | Draft only | × | × | × | × |
| <input checked="" type="radio"/> Standard | Non Cash Coding | ✓ | ✓ | All Reports | × | × |
| <input type="radio"/> Adviser | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

☐ **Manage Users** Allow this user to add and remove users and change permissions

☐ **Payroll Admin** Allow this user full payroll access, including preparing & posting pay runs and payroll reporting

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4.2 Inviting a user:

- You can invite the user by entering name and email ID of the user.
- The invited user would be able to login with his own email ID.



Enter their details

First Name Last Name Email

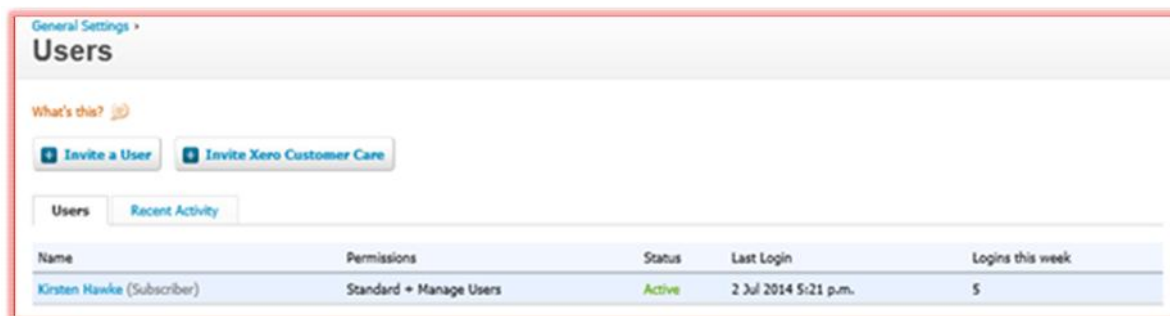
Access to the accounts

Choose the user's level of access to this organisation's accounts:

- Additionally you can also define whether the user would be given right to "Manage User" and be a "Payroll Admin".

4.3 Viewing Login details of User:

- You can see login details of user at General Settings> Users.
- You can get details of number of times the user has login to the account



General Settings > Users


What's this?

Invite a User Invite Xero Customer Care

| Name | Permissions | Status | Last Login | Logins this week |
|----------------------------|-------------------------|--------|----------------------|------------------|
| Kirsten Hawke (Subscriber) | Standard + Manage Users | Active | 2 Jul 2014 5:21 p.m. | 5 |

4.4 Inviting a Xero Customer Care:

- You can invite a Xero customer care representative in case there is any troubleshooting required.
- You can also remove the same at later stage when not required.



✓ Xero Customer Care has been deleted from this organisation.

What's this?

Invite a User Invite Xero Customer Care

| Name | Permissions | Status | Last Login | Logins this week |
|----------------------------|-------------------------|--------|----------------------|------------------|
| Kirsten Hawke (Subscriber) | Standard + Manage Users | Active | 2 Jul 2014 5:21 p.m. | 5 |

Tip:

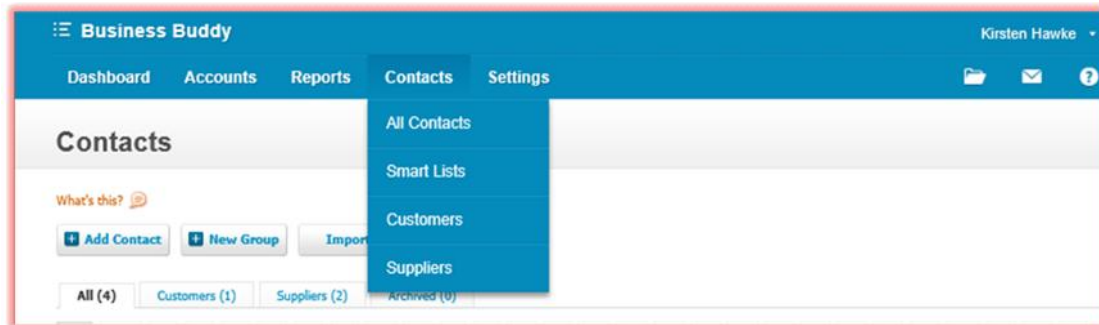
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You will default to a Standard user when you complete the setup wizard as part of creating your own organisation. And you may be given a different role if someone invites you into their organisation. This means that some of the features you see in the demo company may not be available to you. You can change your role to Financial adviser if you need these features, or invite your accountant or bookkeeper to have this role.

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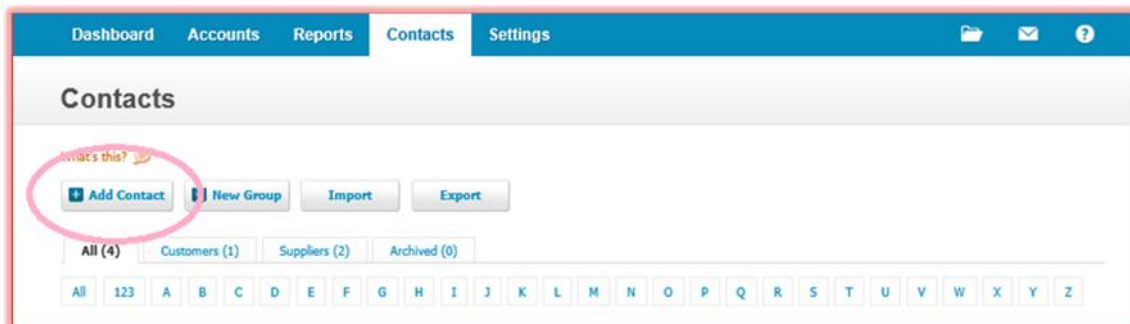
5. Contacts:

- Xero does not differentiate between customer and supplier unless a sales invoice or a purchase Bill is entered.
- In Xero you need to add contacts and they would be automatically classified into customers and suppliers based on the entry of sales/purchase you enter with that contact.



5.1 Adding a Contact in Xero

- You can add a contact in Xero by as per below screenshot:



- Xero allows you to enter a whole lot of information you would ever need to know regarding the contact.
- However the compulsory feeds are just First name and Last name which needs to be entered in order to create a contact in Xero.
- You can even create a group of your own so that all the contacts would be assigned to that group.
- Here is a look at the Xero form for adding a contact in Xero:

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Add Contact

What's new?

Contact Information

Add Contact

Contact

Temporary Person

First Name Last Name Email

[Add another person](#)

Contact Details

Postal Address

Post Address

Address

Street Address or PO Box

Town / City

State / Region

Postal / Zip Code

Country

Physical Address (Not a postal address)

Post Address

Address

Street Address

Town / City

State / Region

Postal / Zip Code

Country

Telephone

Country Area Number

Fax

Country Area Number

Mobile

Country Area Number

Direct Dial

Country Area Number

Mobile Number

Website

Financial Details

Default Account Settings These settings can be overridden on individual transactions.

For Sales

Default Account

For Purchases

Default Account

GST These default tax rates can be overridden on individual transactions.

GST Number Sales GST Purchases GST

Sales Discount This default sales discount rate can be overridden on individual transactions in sales invoices.

Discount %

Currency This default currency can be overridden on individual transactions.

Default Currency

Batch Payments

Bank Account Number Bank Account Name Particulars Code Reference

Invoice Settings These settings can be overridden on individual sales invoices, credit notes, statements and purchase orders.

Take Invoices Due Date (Optional) Take Invoices Due Date (Optional)

Due of the following month Due of the following month

Xero Network Key This must be provided by the contact.

Key

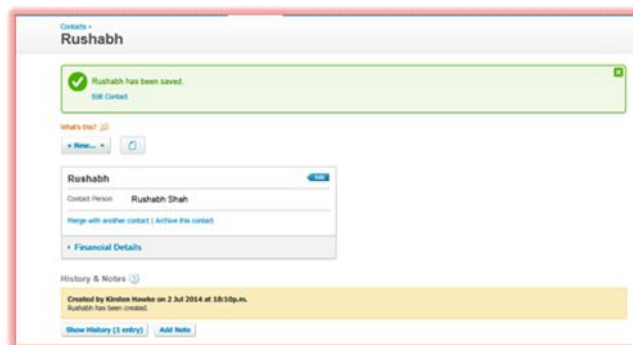
[Save](#) [Cancel](#)

[History & Notes](#)

5.2 How would a contact look like in Xero:

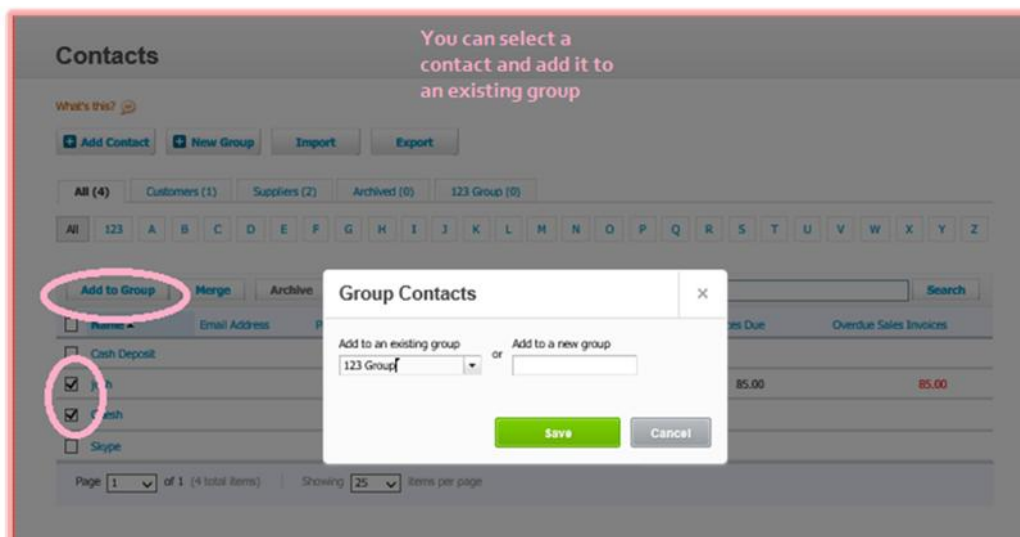
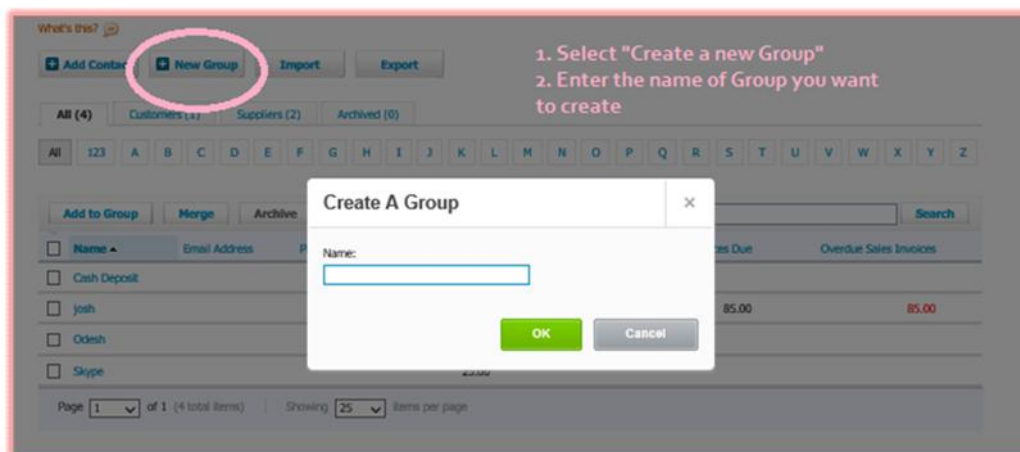
The contact also has a log in it to ensure that you have a whole lot of who edited the details and when.

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5.3 Creating a Group in Xero:

- You can select the contacts and add them to your group so that they can appear in one group:



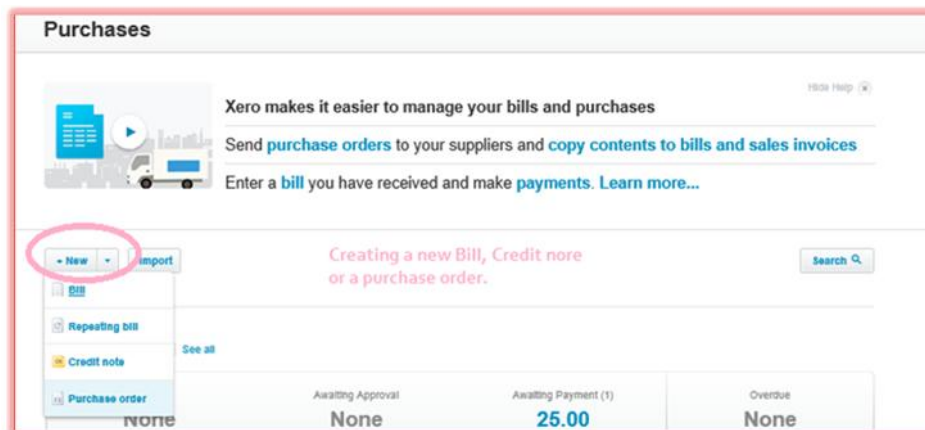
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6. Accounts Payables (Purchases)

- You can access purchases in Xero from Accounts> Purchases.
- Xero gives you an easy to use function for creating a purchase order and sending it to the designated supplier.
- You can convert a purchase order into an invoice whenever you require.
- Xero also has capability of creating a credit note against the purchases in case you need to reduce your purchases.

6.1 Creating a Bill in Xero

- You can create a new bill in Xero by Going to Accounts> Purchases> New > Bill.



- For creating a bill you need to enter basic information from vendor invoice as described in the screenshot below:

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Purchases > Bills > **New Bill**

From: [] Date: [] Due Date: [] Reference: [] Total: 0.00

Currency: NZD New Zealand Dollar Amounts are: Tax Inclusive

| Item | Description | Qty | Unit Price | Account | Tax Rate | Amount NZD |
|------|-------------|-----|------------|---------|----------|------------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

Add a new line

Subtotal: 0.00
GST: 0.00
TOTAL: 0.00

Save Approve Cancel

Tip:

1. You can enter due date by just mentioning +2 in case you want due date to be 2 days after the date of invoice. In case you want due date to be same as date of invoice then you can just mention +0 in due date entry.

2. You need not worry in case you are entering the same bill again as Xero will not accept the bill again with same reference number. Hence you can ensure that there is no duplicate entry of bill in Xero.

3. It is optional to enter Item in entering the bill. You may choose not to maintain inventory record in the bill.

4. You can set a user and approver role for the bill where the person doing data entry will only be allowed to enter the bill and the standard user can approve the bill and give an accounting effect.

5. Once the bill is created and approved, it cannot be DELETED it can just be VOIDED.

- Mentioning a note in the bill:

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Item Description Qty Unit Price Account Tax Rate Amount NZD

Subtotal 0.00
GST 0.00
TOTAL 0.00

Save Approve Cancel

History & Notes

Add Note

Note:

Save Cancel

You can add a note here. This can be useful for the user to understand the bill in a better manner

- Information log of edits done.

Xero maintains a log of all the edits done in a particular entry

History & Notes

Approved by Kirsten Hawke on 3 Jul 2014 at 2:47a.m.
From Rushabh for 20.00.

Hide History (2 entries) Add Note

| Changes | Date | User | Details |
|----------|----------------------|---------------|-------------------------|
| Approved | 3 Jul 2014 2:47 a.m. | Kirsten Hawke | From Rushabh for 20.00. |
| Created | 3 Jul 2014 2:47 a.m. | Kirsten Hawke | From Rushabh for 20.00. |

6.2 Making payment of Bill:

- You can make a payment of bill right in the bill create section.

Awaiting Payment

Print PDF Bill Options

From Rushabh No address Add address
Date 2 Apr 2014 Due Date 2 Apr 2014
Total 20.00

Amounts are Tax Exclusive

| Item Code | Description | Quantity | Unit Price | Account | Tax Rate | Amount NZD |
|---------------|-------------------|----------|------------|-------------------------|---------------------|------------|
| | Purchase of books | 1.00 | 17.39 | Consulting & Accounting | 15% GST on Expenses | 17.39 |
| Subtotal | | | | | | 17.39 |
| Total GST 15% | | | | | | 2.61 |
| TOTAL | | | | | | 20.00 |

Make a payment

Amount Paid 20.00 Date Paid Paid From Reference Add Payment

- The payment would be automatically appear into bank account in Xero once it is paid from here.
- If there is an equal amount of payment in bank, Xero shall automatically match it with bank payment.

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- However it is advisable to match the Bill Payments from Bank reconciliation section of Xero in order to ensure that reconciliation is done correctly and problems in case of wrong entry can be avoided.

6.3 Adding a document to Xero Entry:

- You can add a source document like scanned copy of supplier invoice or any other file in Xero along with Xero entry.

Bill Approved. Add Another Bill

Awaiting Payment

From: Supplier Date: 2 Apr 2014 Due Date: 2 Apr 2014 No address Add address

| Item Code | Description | Quantity | Unit Price |
|-----------|-------------------|----------|------------|
| | Purchase of books | 1.00 | 17.39 |

You can upload source files into Xero as a reference of the entry

RELATED FILES

Upload your files to store them alongside all of your financial documents. Added files will only be visible to users with access to your company.

+ Add from file library... + Upload files...

Amount NZD: 17.39, 2.61, TOTAL: 20.00

Make a payment: Amount Paid: 20.00 Date Paid: Paid From: Reference: Add Payment

History & Notes: Approved by Winston Henke on 3 Jul 2014 at 2:47a.m. from Supplier by 20.00. Hide History (2 entries) Add Note

- If you have a bulk of documents and are not sure where to place it in Xero, you can upload it to Xero library and assign it at a later stage to relevant entry.
- There is a limit to document storage space in Xero which is explained here in pricing part:

Everything at one monthly price. Try Xero for free and choose a plan when your trial ends.

| | STARTER | STANDARD | PREMIUM |
|------------------------------|-------------|-------------|-------------|
| NZ Edition | | | |
| Price | \$25 | \$50 | \$65 |
| | NZD / month | NZD / month | NZD / month |
| Users | Unlimited | Unlimited | Unlimited |
| File storage | 1 GB | 5 GB | 10 GB |
| Bank feeds | ✓ | ✓ | ✓ |
| Bank transactions reconciled | 20 / month | ✓ | ✓ |
| Invoices | 5 / month | ✓ | ✓ |
| Bills | 5 / month | ✓ | ✓ |
| Multi-currency | × | × | ✓ |

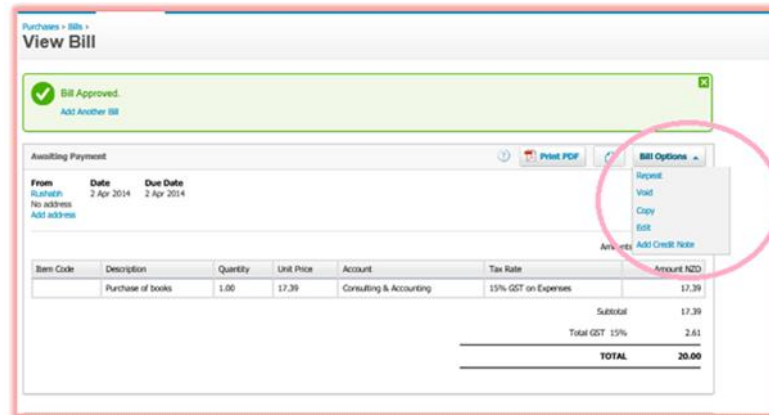
Prices exclude GST

6.4 Editing and making changes to Xero Bill:

- You can make changes to Xero Bill on the go by various bill options available in bill entry itself.
- You can Copy the same Bill again

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- Voiding the Bill would nullify the financial effect of same. As mentioned earlier once the Bill is approved, it cannot be DELETED, it can be just be VOIDED.
- You can also enter a credit note for an Bill if the amount payable on the Bill needs to be reduced for some or the other reason.



View Bill

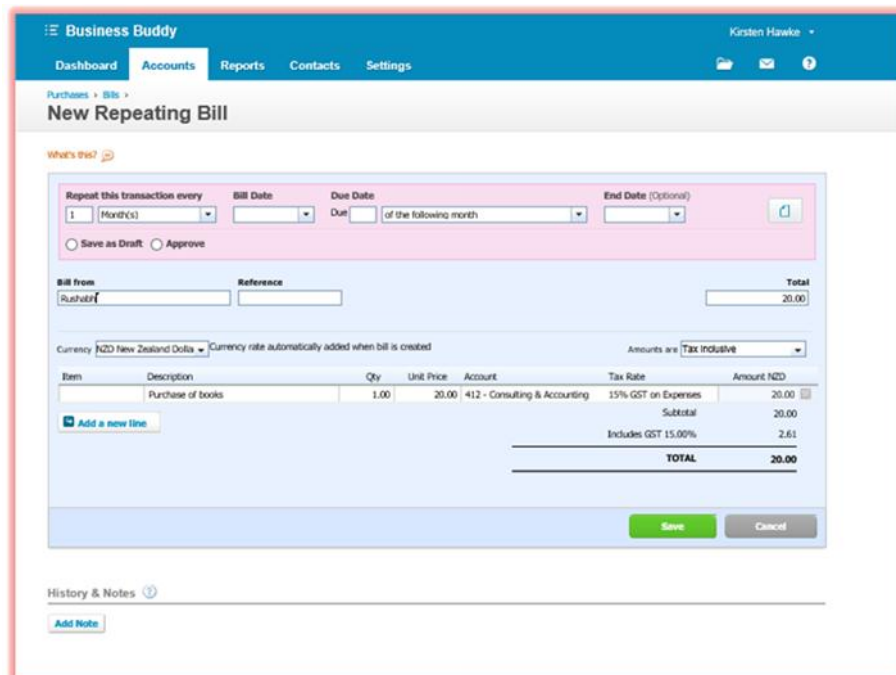
Bill Approved. [Add Another Bill](#)

Awaiting Payment [Print PDF](#) [Bill Options](#)

From: Rushnell, No address, Add address | Date: 2 Apr 2014 | Due Date: 2 Apr 2014

| Item Code | Description | Quantity | Unit Price | Account | Tax Rate | Amount NZD |
|---------------|-------------------|----------|------------|-------------------------|---------------------|--------------|
| | Purchase of books | 1.00 | 17.39 | Consulting & Accounting | 15% GST on Expenses | 17.39 |
| Subtotal | | | | | | 17.39 |
| Total GST 15% | | | | | | 2.61 |
| TOTAL | | | | | | 20.00 |

- You can set the bill as repetitive one. You need to enter various parameters for making the Bill as a repetitive one.



Business Buddy | Kisten Hawke

Dashboard | Accounts | Reports | Contacts | Settings

New Repeating Bill

Repeat this transaction every: 1 Month(s) | Bill Date: | Due Date: | End Date (Optional): | of the following month

☐ Save as Draft ☐ Approve

Bill from: Rushnell | Reference: | Total: 20.00

Currency: NZD New Zealand Dollars | Currency rate automatically added when bill is created | Amounts are: Tax Inclusive

| Item | Description | Qty | Unit Price | Account | Tax Rate | Amount NZD |
|---------------------|-------------------|------|------------|-------------------------------|---------------------|--------------|
| | Purchase of books | 1.00 | 20.00 | 412 - Consulting & Accounting | 15% GST on Expenses | 20.00 |
| Subtotal | | | | | | 20.00 |
| Includes GST 15.00% | | | | | | 2.61 |
| TOTAL | | | | | | 20.00 |


[Add a new line](#) | [Save](#) | [Cancel](#)

History & Notes | [Add Note](#)




- You can even print the PDF copy of the Bill in case you wish to send the bill to someone or you need it for your reference.

Xero for Beginners

Purchases > Bills >
View Bill

 Bill Approved.
[Add Another Bill](#)

Awaiting Payment

   **Bill Options** ▾

| From | Date | Due Date |
|-----------------------------|------------|------------|
| Rushabh | 2 Apr 2014 | 2 Apr 2014 |
| No address | | |
| Add address | | |

Amounts

[Reprint](#)
[Void](#)
[Copy](#)
[Edit](#)
[Add Credit Note](#)

Xero for Beginners

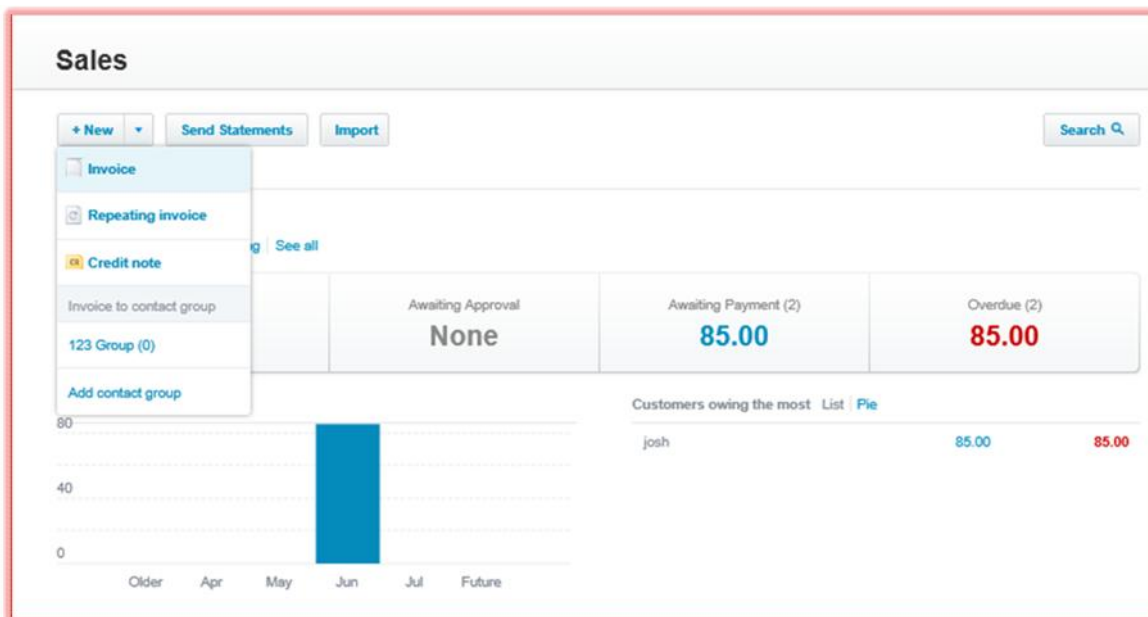
•

7. Accounts Receivable (Sales):

- You can access purchases in Xero from Accounts> Sales.
- Xero gives you an easy to use function for creating a Invoice and sending it to the designated Customer.
- You can even create sales invoice for a group of customers as explained in this section
- Xero also has capability of creating a credit note against the sales in case you need to reduce your sales.

7.1 Creating Sales Invoice

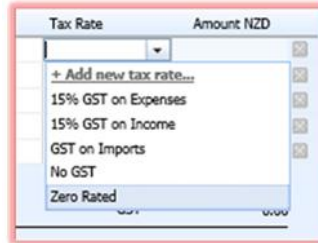
- You can easily create a sales invoice by Going to Accounts>Sales> New> Invoice.
- You can also create a repeating invoice for repeating invoice for certain time periods.
- By invoicing to group contacts, it creates invoice for all the contacts in a Group.



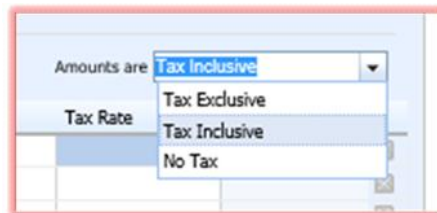
- Create a new invoice: For creating an invoice, you need to input following information into Xero:
 - Name of Customer
 - Date of Invoice
 - Due date of payment
 - Invoice Number
 - Reference
 - Item Sold
 - Description which you wish to mention in invoice
 - Qty
 - Price

Xero for Beginners

- Discount
- Account where effect needs to be given
- Tax rate



- Amount in NZD
- Stating whether the Amount is Tax Inclusive or Tax Exclusive



- Here is how the input screen looks like

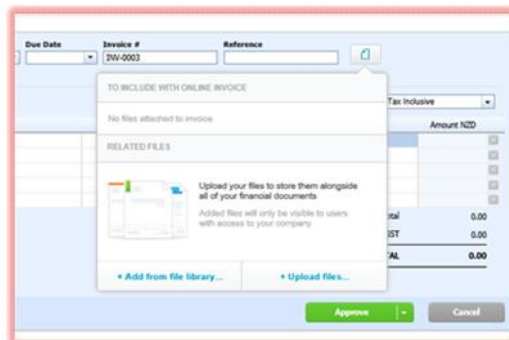
A screenshot of the Xero 'New Invoice' screen. The screen shows a form for creating a new invoice. At the top, there is a header bar with 'Business Buddy' and navigation tabs: 'Dashboard', 'Accounts', 'Reports', 'Contacts', and 'Settings'. Below the header, there is a 'Sales > Invoices > New Invoice' breadcrumb. The main form area includes fields for 'To', 'Date', 'Due Date', 'Invoice #', and 'Reference'. Below these fields, there is a 'Currency' dropdown set to 'NZD New Zealand Dollar' and an 'Amounts are' dropdown set to 'Tax Inclusive'. The main table has columns: 'Item', 'Description', 'Qty', 'Unit Price', 'Disc %', 'Account', 'Tax Rate', and 'Amount NZD'. At the bottom of the table, there is a 'Subtotal' row with '0.00', a 'GST' row with '0.00', and a 'TOTAL' row with '0.00'. Below the table, there is a 'Save' button and an 'Approve' button. At the bottom of the screen, there is a 'History & Notes' section with an 'Add Note' button.

- Invoice needs to be approved once all the parameters are entered on the screen.
- One the invoice is entered and saved it becomes a part of draft invoices which can be approved at a subsequent point of time.
- Once it is approved it gives the effect into financials.
- You can also add a note to the sales invoice for your reference.

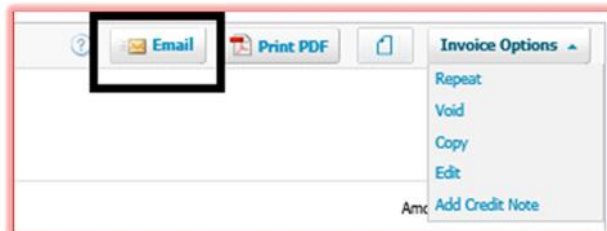
Xero for Beginners



- You can also upload other source document along with invoice entry which can help you relate the entry with source document.



- Source document can be uploaded from your computer or from the documents previously uploaded in the file library of Xero.
- Sending the invoice: You can send the invoice by email to the customer directly from Xero by pressing on email button.



- You can also print the PDF of the document for your reference.
- Invoice Options:**
From Invoice options, you can do following tasks:
 - Repeat the Invoice: You can set the invoice to repeat at regular intervals of time
 - Void: You can mark the invoice as void
 - Copy the invoice: The invoice can be copied to make a copy of it.
 - Edit the invoice: You can change the parameters entered into the invoice
 - Add credit note: You can reduce the amount of invoice by entering the credit note.
- Repeating the invoice: You can repeat the amount of invoice at regular point of time by this function. This is useful in case the invoices

Xero for Beginners

Sales > Invoices > **New Repeating Invoice**

What's this? ⓘ

Repeat this transaction every Month(s) Invoice Date Due Date of the following month End Date (Optional)

☐ Save as Draft ☐ Approve ☐ Approve & Send

Invoice to Reference Invoice # Automatically added when invoice is created

Currency Currency rate automatically added when invoice is created Amounts are

| Item | Description | Qty | Unit Price | Disc % | Account | Tax Rate | Amount NZD |
|---------------------|----------------------|------|------------|--------|-------------|-------------------|--------------|
| | Bookkeeping Services | 1.00 | 60.00 | 0.00 | 200 - Sales | 15% GST on Income | 60.00 |
| Subtotal | | | | | | | 60.00 |
| Includes GST 15.00% | | | | | | | 7.83 |
| TOTAL | | | | | | | 60.00 |

[Add a new line](#)

[Save](#) [Cancel](#)

History & Notes ⓘ

[Add Note](#)

7.2 Receiving payment in Xero:

- You can receive payment in Xero by entering the receipts in Xero.

Make a payment ⓘ

Amount Paid Date Paid Paid To Reference

[Add Payment](#)

- You can subsequently match the receipts with the bank receipts in Xero.

7.2 History and Notes:

- Xero shows history and notes in each of the entry. It shows the user which has changed the entry and who created the same.

History & Notes ⓘ

Approved by Kirsten Hawke on 5 Jul 2014 at 17:58p.m.
[INV-0003 to Mr. John for 60.00.](#)

[Hide History \(2 entries\)](#) [Add Note / Expected Payment date](#)

| Changes | Date | User | Details |
|----------|----------------------|---------------|---------------------------------|
| Approved | 5 Jul 2014 5:58 p.m. | Kirsten Hawke | INV-0003 to Mr. John for 60.00. |
| Created | 5 Jul 2014 5:58 p.m. | Kirsten Hawke | INV-0003 to Mr. John for 60.00. |

- You can also add a note and expected date of payment for the same.

Xero for Beginners

The screenshot shows a form titled 'Add Note / Expected Payment date' for invoice INV-0003. It includes a 'Mr. John' label, a 'Notes' text area, and an 'Expected Payment Date' dropdown menu. There are 'Save' and 'Cancel' buttons. Below the form is a table showing the history of changes.

| Changes | Date | User | Details |
|----------|---------------------|---------------|---------------------------------|
| Approved | 5 Jul 2014 5:58 pm. | Kirsten Hawke | INV-0003 to Mr. John for 60.00. |
| Created | 5 Jul 2014 5:58 pm. | Kirsten Hawke | INV-0003 to Mr. John for 60.00. |

7.3 Editing a customer address in Sales invoice:

- You can edit the customer from the invoice.
- The same would be updated in Master data once it is uploaded into the document.

The screenshot shows the 'Customer's Address' dialog box open over an invoice. The dialog box has fields for 'Email Address', 'Postal Address', 'Find address', 'Attention', 'Street Address or PO Box', 'Town / City', 'State / Region', 'Postal / Zip Code', and 'Country'. There are 'Save' and 'Cancel' buttons. The background shows an invoice for 'Mr. John' with a total of 60.00.

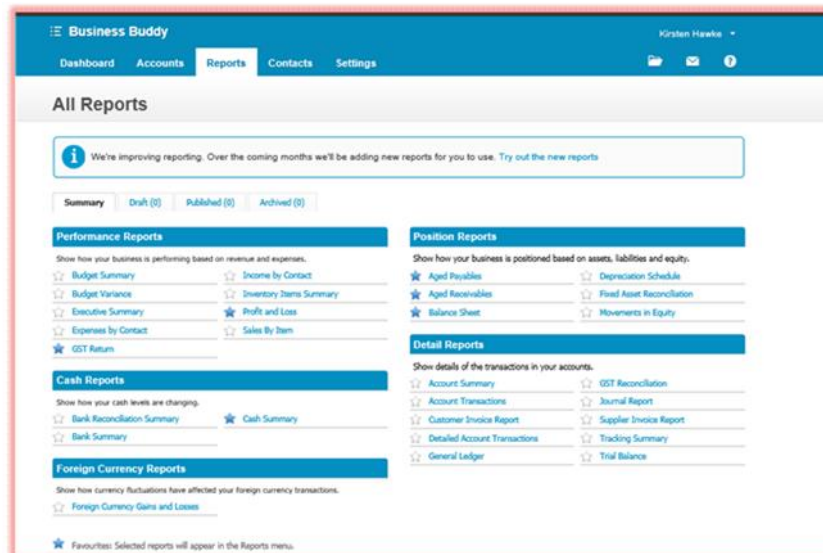
Tip:

1. You can enter due date by just mentioning +2 in case you want due date to be 2 days after the date of invoice. In case you want due date to be same as date of invoice then you can just mention +0 in due date entry.
2. It is optional to enter Item in entering the Invoice. You may choose not to maintain inventory record in the Inventory.
3. You can set a user and approver role for the Invoice where the person doing data entry will only be allowed to enter the invoice and the standard user can approve the bill and give an accounting effect.
4. Once the invoice is created and approved, it cannot be DELETED it can just be VOIDED.

Xero for Beginners

8. Introduction to Reports:

- Reporting is at core of any accounting system which is handled beautifully by Xero.
- Xero provides you a large number of reports on the go in an easy to use manner.
- Here is a screenshot of the reports which are generated by Xero. There are also large number of reports in Payroll section which we have not dealt with in this manual.



8.1 Performance reports:

Performance reports help you to analyze the profitability of your business and the performance of business vis a vis your expectations from the budget.



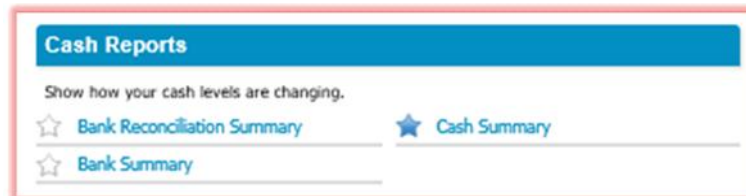
Following are important performance reports:

1. Budget Summary: It provides a summary of the budget figures added by you.
2. Budget Variance: It shows the budget variance against the actual.
3. Executive Summary: It provides an executive summary of the deviations for year on year basis.
4. GST Return: It gives the details of GST collected and paid for a particular period.
5. Income by contact: It provides the income received from a particular customer
6. Inventory summary: It gives the summary of the inventory movement
7. Profit and Loss
8. Sales by Items

Xero for Beginners

8.2 Cash Reports:

Cash Reports shows the reports on Cash generated during the period and report on bank reconciliations.

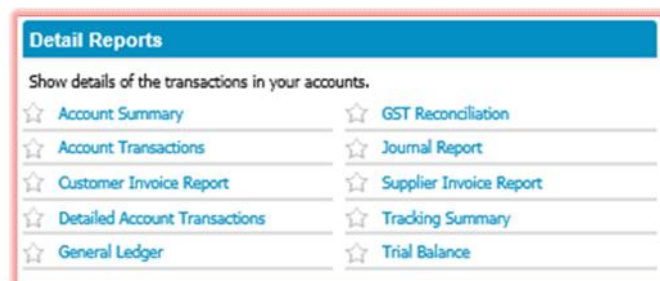


8.3 Position Reports:



- Important reports in this section are Aged Payables and Aged Receivables.
- It helps to analyze the payments pending to be done and customers from whom the receivables are pending.

8.4 Detailed Reports:



- This report is more of bookkeeping side which can help you to determine the transactions during the period and the summary of the transactions in a particular account.