



# WATCHFUL EYE

## Improve Your Accounting Processes

### Xero Tips



#### Bank Feeds

Bank feeds automatically import transactions from your bank or financial institution directly into your Xero organisation, eliminating the need to import transactions manually.

This will save you a lot of time and if done correctly will mean your bank statement will flow in to Xero seamlessly, avoiding time spent exporting and editing spreadsheets



#### Bank Rules

Bank rules are handy, but we recommend that you only use these for payments that have automatically come out of your bank account or are not supplier payments. Examples of these are automatic payments, direct debits, payroll, tax payments, bank fees, etc.

To create go to Accounting \ Bank Accounts \ press Bank Rules button \ press Create rule button.



#### Email to Bills

We recommend that you always attach a copy of the supplier invoices in Xero, Email to Bill helps you improve the performance on this front. Having a copy of the invoice in Xero allows your external accountants to see the source documents so they can resolve any queries which should make your year end process more streamlined.

Business menu, select Bills to Pay, click create bill from email copy your unique xero email link and forward the suppliers email that contains the pdf invoice to your unique xero email address. The email will create a Draft invoice, complete the details required to process the Draft invoice.



#### Default Expense Accounts

Setting up a default expense account on suppliers goes a long way to improving the consistency and accuracy of your supplier invoice coding. This not only removes errors but also eliminates the need to fix errors with manual journals.

Contact \ Suppliers \ select a Supplier and press the Edit button \ Purchase settings and in the Financial Settings select the desired 'default account'. Now every time you process a supplier invoice this account will be prepopulated by default.



#### Batch Payments

If you are not doing this already, move to generating supplier payments into pay runs. Use a weekly pay run to deal with exceptions and process most of your Supplier payments in a monthly payment run. The payment runs will make the process a lot less time consuming and suppliers will learn that you pay on these cycles only.

We recommend that you generate all supplier payments from within Xero to ensure the money goes where it is intended as well as being auditable. If your bank allows you to import payment batches please generate all payments via Xero's Batch Payment.

Batch Payments require you to have the Supplier bank accounts loaded in Xero, we consider this best practice and recommend that any requests to change Supplier bank accounts are supported by loading a copy of the request to change against the Contact in Xero.

Business \ Bills to Pay \ Awaiting Payment tab, select the invoices due for payment and then press the Batch Payment button.



#### Repeating Invoices

If you send regular invoices to customers make sure you use Xero's repeating invoices. Set up a template and Xero will automatically create an invoice or bill for you according to the frequency you specify and drop it on the Draft tab (if you need to vary the amount or something else each time) or the Awaiting Payment tab (if the it is the same every time).

Business \ Invoices \ New Invoice dropdown & select New Repeating Invoice.

We think the Email to Bills is better for Bills rather than Repeating Bills, this way you ensure that the invoice is attached in Xero each time (having a default Purchase account helps too).



#### Customer Invoice Reminders

No one likes chasing overdue customer invoices, so let Xero automate it for you!

Set up here: Name Dropdown \ Invoice Settings \ Invoice Reminders button. Configure Xero to automatically send reminders for past due invoices and get your customers average days to pay reduced.

Choose from the predetermined days past due parameter or create your own reminder. You can even customize what each reminder email says by clicking on the Edit link.

You can switch it off for specific customers (edit on the contact) or invoices (edit on the invoice).

**Want to learn more, use this great resource;**  
<https://central.xero.com/s/>

## Helpful Links



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