

Xero User Manual - 13 Easy Steps



It can be difficult to start a new business for the first time. You've always wanted to make a living doing something you enjoy, and you're sure your new venture will take the globe by storm.

Xero is a web-based accounting system for small and rapidly expanding enterprises.

It's no wonder that the software has over 1,000,000 users and is the principal accounting solution for over 16,000 accounting firms, as it's described as "effective professional-level accounting software for small businesses" and "the best at what it does."

Xero can either save you a lot of time, energy, and money, or it can cause you more trouble than it's worth, depending on your individual business needs. Make your own decision based on the benefits and negatives listed below.

However, reality does not often operate in this manner. Even if you could get the word out so quickly, chances are the world won't fall in love with your business on day one. And you quickly discover that starting a business entails a lot of things you definitely don't want to undertake, such as hiring employees, figuring out IT solutions, and dealing with the dreaded bookkeeping and taxes.

Thankfully, another startup, Xero, can assist you with the last two. Yes, the company that everyone loves and that has taken over the world was once a startup much like yours.

That's just one of the many reasons why Xero is the best accounting software for small businesses. Here are some more compelling reasons:

Xero is a versatile business platform.

Every startup requires tools that will aid in the growth of the company while also allowing the company to expand. And that is exactly what the Xero environment offers.

You can start with Xero's core accounting package and add other programs to integrate with it as your company expands. You don't have to throw out software because you've outgrown it; instead, you just add what you need to develop a cutting-edge platform that's personalized to your company's demands.

You may construct eCommerce sites, securely accept online payments, establish a customer database with an integrated CRM, go mobile, and even manage your employees with rostering solutions and workflow management tools by connecting numerous add-ons. You may simply add and adapt versatile reporting tools to generate reports for KPIs, departmental reports, or whatever you require as your business expands.

If you find that a certain add-on no longer satisfies your requirements, just unsubscribe and replace it with one that does.

Keeping records is simple using Xero.

Xero is a cloud-based accounting software that is one of the most innovative on the market. They've made it simple for your firm to meet its bookkeeping duties by allowing you to import bank feeds directly into the system.

Your financial advisor will have access to the same data at the same time, allowing you to discuss difficulties as they arise rather than six or even twelve months later. Your accounting system will always be up to date because the software is cloud-based. There will be no more manual software upgrades to purchase or install, and there will be no issues with incompatible versions.



Setting Up Xero.

The number 13 may be unlucky for some, but you won't need luck if you follow these 13 best recommendations on how to utilize Xero and get the most out of your account.

1. Get started with Xero

The 'Xero Dashboard' video, which can be located in the top left corner of your Xero dashboard, is the first step in learning how Xero works.

2. Make sure your bank account feeds are set up

The next step is to set up your bank account feeds, as well as any credit card or PayPal accounts you may have.

3. Create a chart of accounts

You can import your chart of accounts into Xero or edit the default chart of accounts if you're transferring from another accounting software.

If you have access to an accountant, you can enlist their assistance in making this selection. If you're a self-employed bookkeeper, though, we recommend sticking with Xero's default chart of accounts. You can add, alter, or delete these accounts to meet your company's needs.

Go to Settings > Chart of Accounts to make adjustments to your accounts.

4. Reconcile frequently

Xero makes bank reconciliation more straightforward than ever before. Your data is up to date with just a few minutes every week spent approving pre-matched items. Transactions are automatically pulled through because Xero is connected to your bank. Xero remembers the last time you categorised a transaction, so if you want it to go to the same category, simply click 'OK.' To ensure that your finances are as accurate as possible, you should reconcile at least weekly, if not daily.

Invoices that are updated on a regular basis provide you a better insight of your cash flow. When you have a clear picture of your cash, you can make better business decisions and avoid falling behind on payments.



5. Set up your company's information

Make sure you have a registration number and a registered office address if you run a limited company. On any bills you send out, you must include this information.

To input or alter your company's contact information, go to Settings > General Settings > Organisation Settings, including:

- Display name
- Legal / Trading name
- Email
- Registration Number
- Organisation Description

- Physical address
- Registered address
- Organisation type
- Phone and fax numbers
- Logo
- Website

6. Set your financial parameters

To enter your company information, go to [Settings > General Settings > Financial Settings](#):

- Financial year end: this will ensure you have the right year-end for your reports.
- VAT Details: VAT scheme (flat, cash or accrual rate), VAT number and VAT period.

7. Users

Users can be added under the [Settings > General Settings > Users](#) section. Include your accountant, bookkeeper, and any other stakeholders who are required.

8. Include your company's logo

Then you may add payment terms, a contract, and a logo to your invoices.

Getting your payment terms in writing can help you optimize your cash flow. Shorter payment conditions can assist you in receiving payment sooner.

Go to Settings > General Settings > Invoice Settings to set up multiple branding schemes.

9. Include Payment Services

You must also connect your Xero account to any active payment services. PayPal, Stripe, and GoCardless are examples of such services. Customers will be more likely to pay you if you offer a wider range of payment choices. To do this, go to Settings > General Settings > Invoice Settings > Payment Services.

10. Set up automatic payment reminders

Any company's ability to get paid swiftly is critical. You can be paid faster by setting up payment reminders and organising your credit control procedures.

Go to Settings > General Settings > Invoice Settings > Invoice Reminders

Set up payment reminders only when you've established a daily habit of reconciling receipts. Trying to collect money from consumers who have already paid can damage your image. You can return to this step after daily reconciliation has become a habit.

11. Understand the fundamentals of reporting

It's critical to understand how basic Xero reports work. Examine your Balance Sheet, Profit And Loss, Aged Receivables, and Aged Payables once you've entered some data.

Go to Reports > All Reports to see the options available to you.

12. Create a payroll system

Xero Payroll can assist you in keeping track of your employee costs. Rather than having to extract data from a separate system, this feature allows you to store payroll costs in one place.

The payroll overview is a step-by-step instruction that will walk you through the whole setup process.

Don't forget to add the opening balances if you're migrating payroll from another system in the middle of the financial year.

This can be found at [Payroll > Payroll Overview](#)

13. Connect Apps

Using Xero's many apps and add-ons to automate repetitive tasks and save time is an excellent method to save time.

Xero provides apps with a variety of features, including cash flow forecasting, document management, and more. The Xero app store is the ideal location to start exploring your alternatives.

Finally, if you work with an accountant, have them double-check your setup. They might need to add year-end conversion balances, but they can make sure your year-to-date amounts are correct.