

# Xero Features You Need To Know About



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You're missing out if you're not using Xero for your accounting and bookkeeping needs.

Xero accounting software is packed with features that make it easy to track your finances, stay compliant, and get paid—all in one place.

# What Is Xero?

Xero, based in New Zealand, is a powerful cloud-based accounting software that has become increasingly popular recently.

Unlike many traditional accounting tools, it does not require you to manually enter your financial data, as it is connected directly to your business's bank account and credit cards.

All bank transactions are automatically added to the system, reducing the time required to stay on top of your finances.

Xero also provides extensive reporting features, allowing you to keep track of income, expenses, and other key data.

It has a user-friendly interface and is known in the accounting software industry for its ease of use. It's great for budgeting, expense tracking, and time tracking, and it comes with unlimited users.

## Xero Pricing

Xero has three pricing plans to choose from, and you can move through the plans as your business scales. Every plan includes:

- Bank connections
- Inventory management functionality
- Reporting
- The ability to accept payments
- Purchase orders
- Files
- Manage Xero contacts
- Sales tax

## ▪ **Early**

Priced at \$12/month, this plan is great for new businesses, freelancers and other sole proprietors. You can send quotes and up to 20 invoices per month.

You'll also be able to enter and pay five bills a month, reconcile your bank transactions, capture bills and receipts, and get an idea of your short-term cash flow.

Price is changing to \$13/month as of November 14, 2022, at 4 PST and will bill at the new rate from that point forward.

## ▪ **Growing**

Priced at \$34/month, this plan is ideal for growing businesses. There's no limit on the number of invoices and quotes you can send, or the bills you can enter.

As with the Early plan, you'll be able to reconcile bank transactions, capture bills and receipts, and see reports for your cash flow.

Price is changing to \$37/month as of November 14, 2022, at 4 PST and will bill at the new rate from that point forward.

## ▪ **Established**

Priced at \$65/month, this option is best for established businesses. In addition to the features of the Growing plan, businesses can also:

- Use multiple currencies
- Track projects
- Handle employee expense claims (capture costs, submit, approve,

and reimburse spending)

- See more in-depth analytics

Price is changing to \$70/month as of November 14, 2022, at 4 PST and will bill at the new rate from that point forward.

Each plan can add the Gusto Add-on, starting at \$40/month, so businesses can easily take care of their payroll needs.

## **Xero Features**

Here are the top 11 Xero features you need to know about.

### **1. Automatic Bank Feeds**

Gone are the days of manually entering transactions into your accounting software.

With Xero's automatic bank feeds, all your transactions are pulled directly from your bank or credit card statements and entered into your account—saving you hours of data entry every month on bank statement reconciliation.

### **2. Invoicing and Billing**

Xero makes it easy to create and send invoices and bills to get paid faster.

With customizable templates and online payments, your customers can pay you in just a few clicks—without ever having to leave their desks.

Plus, automated payment reminders take the hassle out of chasing late payments.

## ▪ **Quick Quotes**

Once you've quoted someone for the cost of a job, you can easily convert it into an invoice in a click or two to save time.

Once the quote has been sent to the customer, the status gets updated in Xero as either accepted or rejected. You'll also be able to see client comments so you know how to follow up.

## ▪ **Invoice Templates**

Every account starts with the default invoice template, but you can change it as needed.

Navigate to Settings > General Settings > Invoice Settings. You'll see the invoice template feature "Branding Themes."

You can add a logo to your invoice with the Standard Branding Themes. Click Options > Upload logo. You can also use Options > Edit to change some of the text.

If your business requires more invoice customization, you'll use a Custom Branding Theme. A Custom Branding Theme uses template files when printing invoices, quotes, purchase orders, and credit notes.

You can add backgrounds, tables, lines, images, and text to create a cohesive, professional look across all your documents.

## ▪ **Faster Invoices with Saved Items**

If you're often entering the same line items (same prices, item descriptions, etc.), you can save time with "Items."

In the Item column, look for the dropdown box. You can use it to create a new item or select an item you've used before. It's also possible to search for items with the search box.

It's also possible to show or hide the item code and name on invoices (printed or emailed) with Invoice Branding Themes.

That way, if you raise your prices, you can adjust them from Accounts > Inventory and have them updated on any future invoices you create without affecting approved invoices.

### 3. **Reporting and Analytics**

Xero's reporting and analytics tools give you real-time insights into your business so you can make informed decisions about where to invest your time and money.

With over 80 built-in reports, you can track everything from revenue and expenses to inventory levels and employee performance.

You can even create custom reports to suit your business needs. And with the Xero Dashboard, you'll get a quick overview of everything happening in the business so you can focus efforts where you need to.

### 4. **Mobile App**

Xero's mobile app allows you to stay on top of your finances even when you're on the go. With the app, you can send invoices, reconcile transactions, approve bills, and more from your smartphone or tablet.

So whether you're at the office or out on the job site, you can rest assured that your finances are always under control.

The Xero mobile app is available for Android and iOS devices.

## 5. **Account Watchlist**

With this feature, you can choose the accounts you want to keep a closer eye on. You'll see the balance for the month and the financial year to date. This is helpful for things such as:

- Monitoring your tax debts
- Watching sales grow over time
- Watching expense accounts to prevent overspending

You can use it with the Profit First Framework to ensure you're putting in enough money to pay your taxes.

To add or remove accounts from your Account Watchlist:

1. Navigate to Settings > General Settings > Chart of Accounts
2. Click the name of the account you wish to add or remove from the watchlist.
3. Click the checkbox next to the "Show on Watchlist Dashboard" and then click Save.

*Xero is a highly versatile software that can be adapted to suit the needs of any industry.*

## 6. **HubDoc**

Xero HubDoc is a software platform that makes managing and organizing financial documents easier.

With simple tools for scanning and uploading documents and powerful search features to help you find exactly what you need, Xero HubDoc

ensures that your financial data remains organized and easily accessible at all times.

Whether you're a small business owner or a team of accountants, Xero HubDoc provides the tools you need to improve your workflow and stay on top of your financial data.

You'll never have to worry about losing track of a receipt again.

Xero added the HubDoc feature to all plans for free in March 2020.

## 7. **File Attachments**

How many times have you sent an email that says, "I've attached," only to send it without actually adding the attachment?

Since sending file attachments with quotes is common, you can easily attach files to your quotes from nearly any Xero quoting screen.

You can attach a PDF to a quote, an invoice, or even a journal entry, so information is there whenever and wherever you need it.

## 8. **Integrations**

Xero integrates with a wide range of third-party apps to help streamline your workflow and save you time. From payroll and CRM to eCommerce and point of sale, there's an integration for almost every business need.

It integrates with popular payment gateways like Stripe and Square. Xero integrates with Planergy also. So if you need AP automation software or procure-to-pay software that is compatible with Xero, you know where to come.

So whether you're looking for a way to automate repetitive tasks or want to work more efficiently, Xero has you covered.

## 9. **Securely Share Data with Financial Managers**

Whether you work with an internal bookkeeper or an outsourced financial manager, you can allow the system to share all the relevant data with them.

The data is secure, and updates in real-time, so they can easily do their jobs.

## 10. **Credit Limits**

Credit limits are common in purchasing and allow you to extend customers a certain amount of credit based on their financial stability and history with your company.

This feature is easy to overlook but can be found in the financial details screen for any customer.

## 11. **Xero Email Templates**

You can email a lot of things directly from Xero, including quotes, invoices, purchase orders, statements, credit notes, receipts and remittances. The defaults work quote well, but you can also customize them.

And instead of having to change each email, you can create and use your own email templates. It's a great way to send invoice reminders, so you're always paid on time.

If you're not using Xero for your accounting needs, you're missing out on some serious time-saving features—like automatic bank feeds, online invoicing and billing, reporting and analytics tools, mobile app access, and integrations with popular business apps.

Switching to Xero is easy—and once you see how much time it saves you each month, you'll quickly see why so many people consider it the best accounting software available.

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