Bank reconciliation & Cash coding

Xero Software



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Bank Reconciliation Process

What is Bank Reconciliation ?

Bank reconciliation is the process to confirm that all the transactions in your bank account are recorded in your business account records.

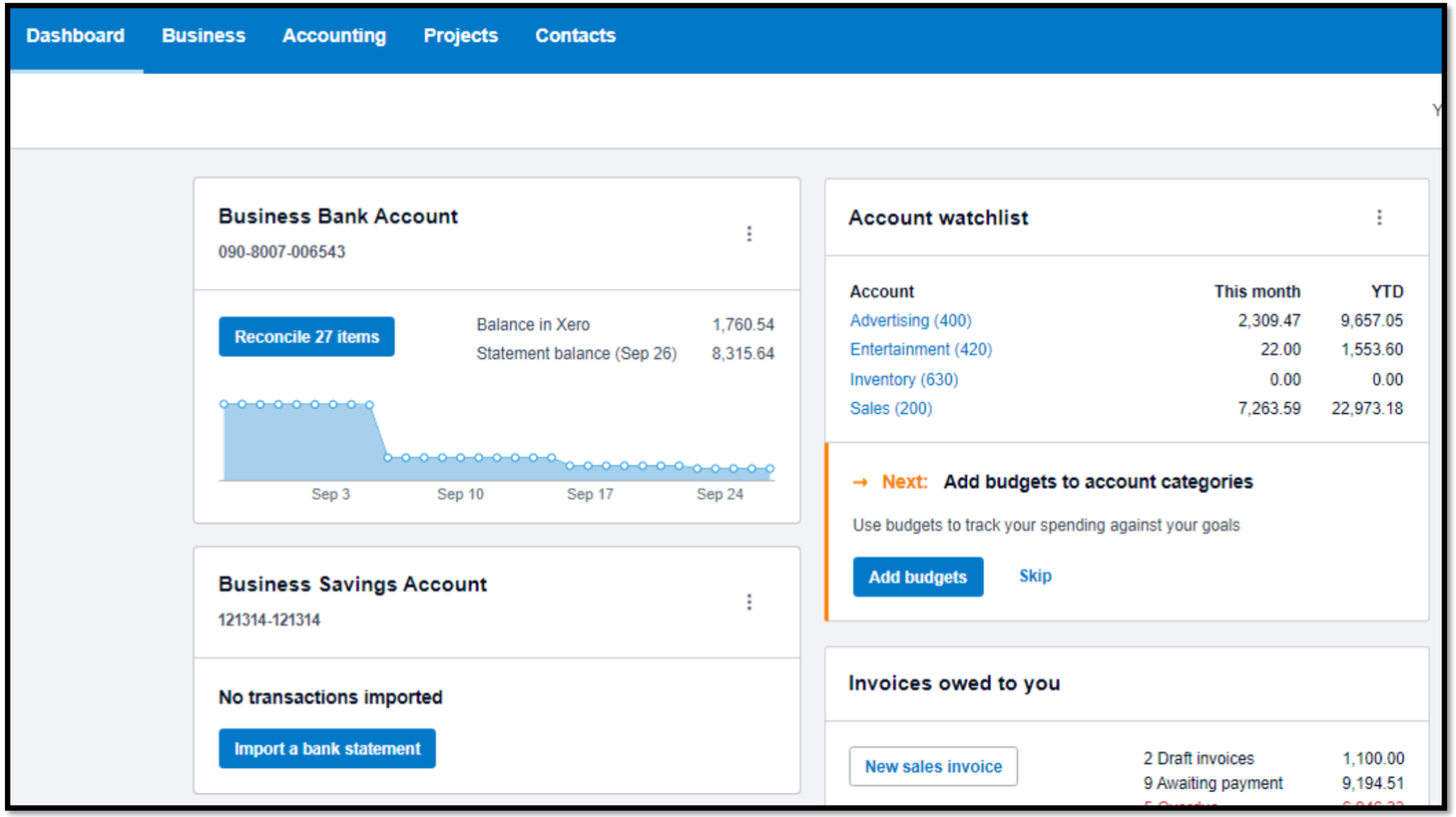


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Xero Dashboard

- Dashboard shows the number of Bank Accounts of the client.
- Each Bank account shows the number of transactions that are yet to be reconciled.



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Types of Accounts :

The types of Accounts that can be added in Xero Dashboard,

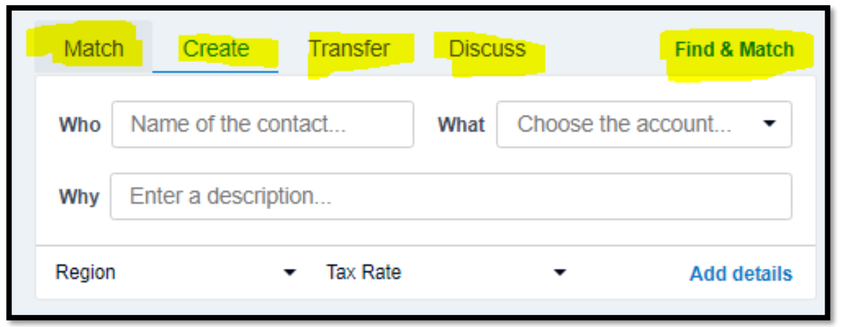
- Business Account
- Saving Account
- Paypal Account – (Different Account for each currency)
- Stripe Account
- Cash/ Petty cash/ undeposited Account if any.
- Prepaid Card - (For staff if any)
- Trust Account
- Loan Account
- Expenses Claims
- Bills you need to pay
- Invoice owned to you
- Account watchlist (To track particular expenses or Liability Account)
- Cash Flow

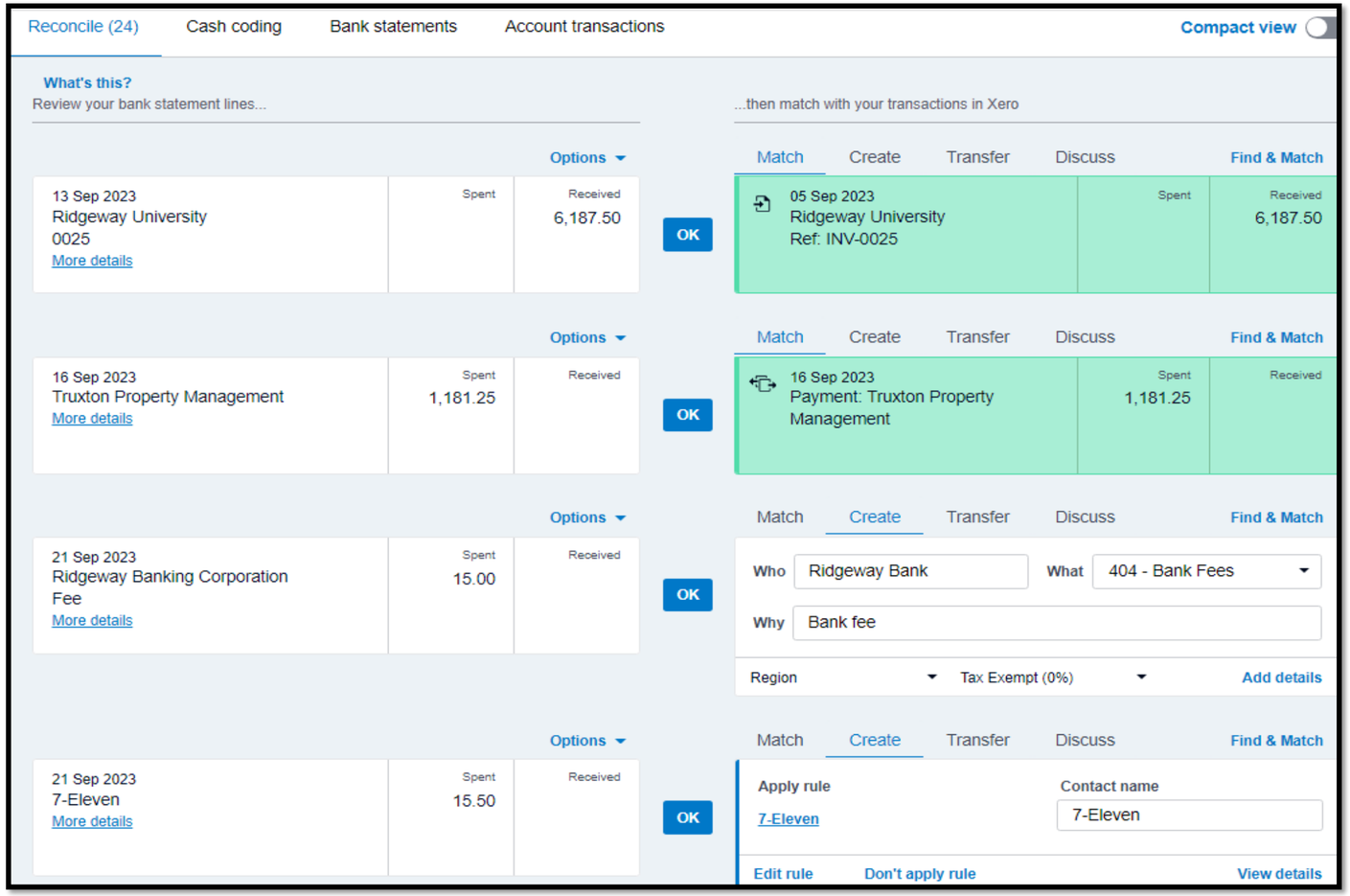
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- Bank transactions are imported from their bank account via bank feeds or they are manually imported.

- Transactions are created in Xero, these could be invoices, bills, expenses or cash transactions.

- It is the process of matching each Bank transactions with the existing transaction or create a transaction during the reconciliation process.



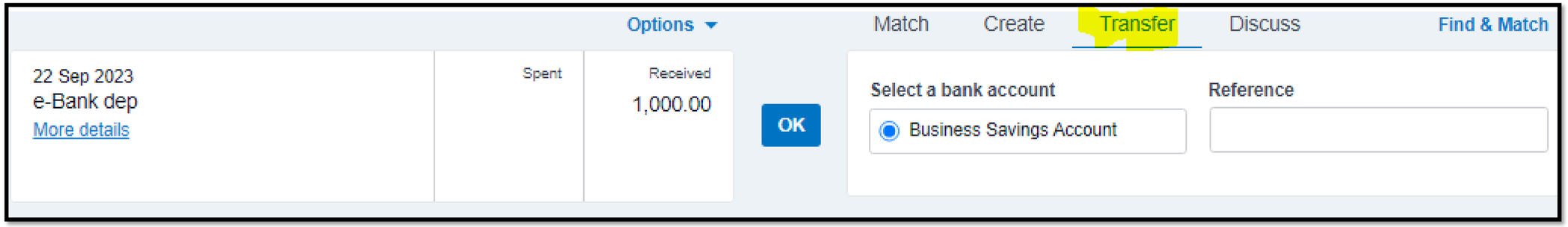


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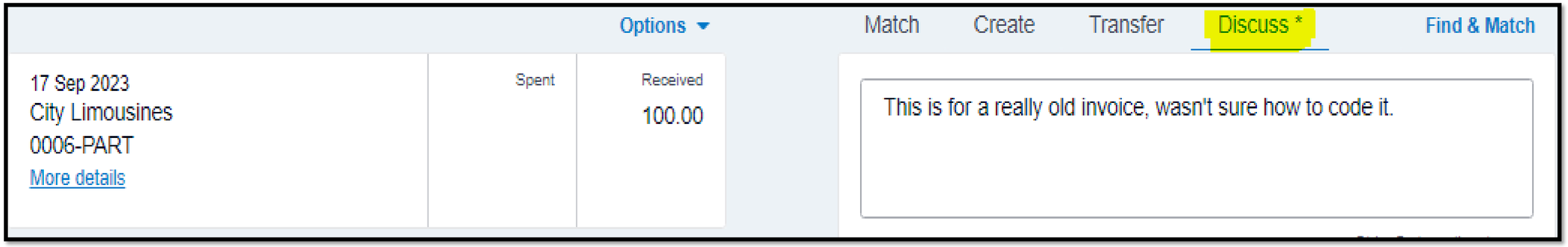
Transfer

Bank transfer is reconciled within banks > reconcile the inter bank transaction statement lines from both the banks. Make sure to refresh the page before reconciling.



Discuss

This tab is used when you are unsure about the transaction or when enough details are not mentioned. We can ask the query for the transaction to the client, as the client also uses it to reply.

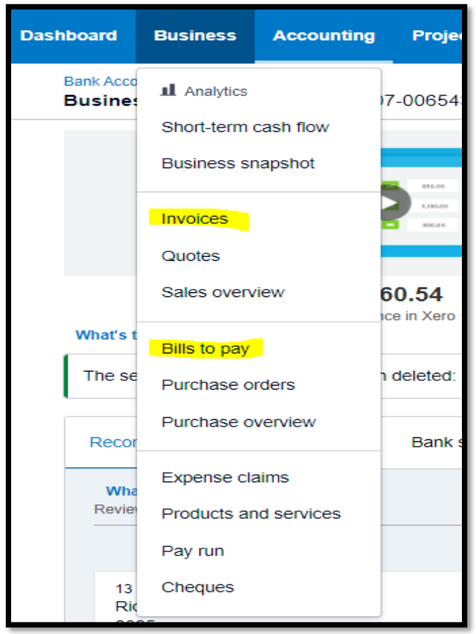


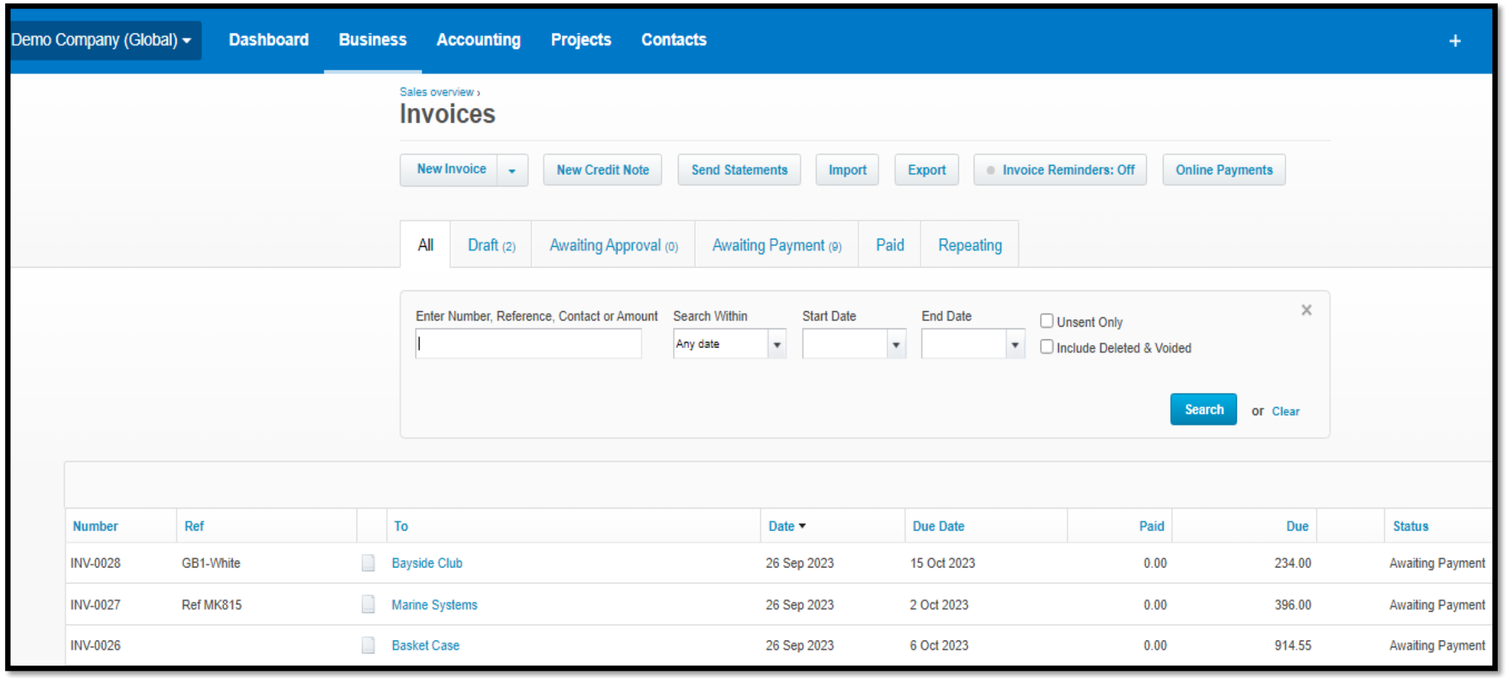
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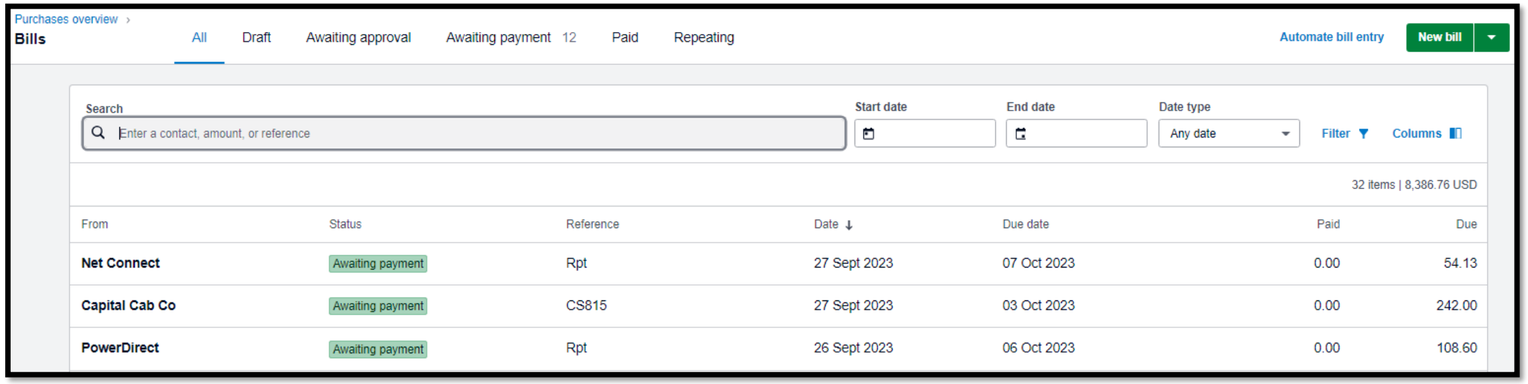
- Check previous records and find if they are new or existing suppliers and customers.

- Search for the supplier or customer name > If it is a new invoice or bill, we can create as new bills / new invoices.

- We can view the previous bills and invoices to find out the GL and Tax type.







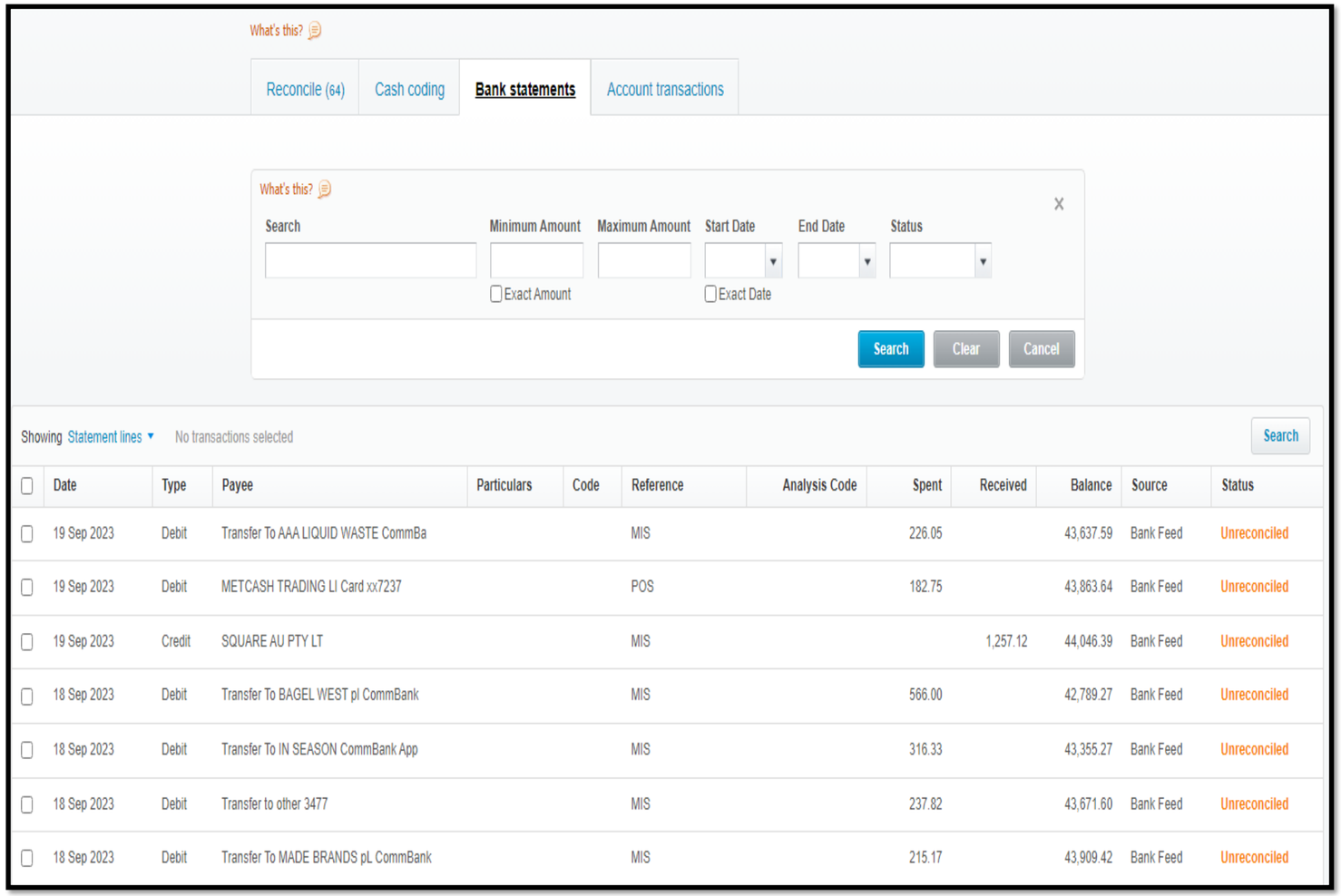
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- **Bank Statement** is used to search and find the particular amount, name, etc of the Bank statement line.

- Find and Match is been accessed to find other possible matches such as amount, invoice number, bill number, etc.

- Bank rule is created for the transactions that fall under the similar category with or without same amount such as Subscription & membership, sales, etc.



Date	Type	Payee	Particulars	Code	Reference	Analysis Code	Spent	Received	Balance	Source	Status
19 Sep 2023	Debit	Transfer To AAA LIQUID WASTE CommBa			MIS		226.05		43,637.59	Bank Feed	Unreconciled
19 Sep 2023	Debit	METCASH TRADING LI Card xx7237			POS		182.75		43,863.64	Bank Feed	Unreconciled
19 Sep 2023	Credit	SQUARE AU PTY LT			MIS			1,257.12	44,046.39	Bank Feed	Unreconciled
18 Sep 2023	Debit	Transfer To BAGEL WEST pl CommBank			MIS		566.00		42,789.27	Bank Feed	Unreconciled
18 Sep 2023	Debit	Transfer To IN SEASON CommBank App			MIS		316.33		43,355.27	Bank Feed	Unreconciled
18 Sep 2023	Debit	Transfer to other 3477			MIS		237.82		43,671.60	Bank Feed	Unreconciled
18 Sep 2023	Debit	Transfer To MADE BRANDS pL CommBank			MIS		215.17		43,909.42	Bank Feed	Unreconciled

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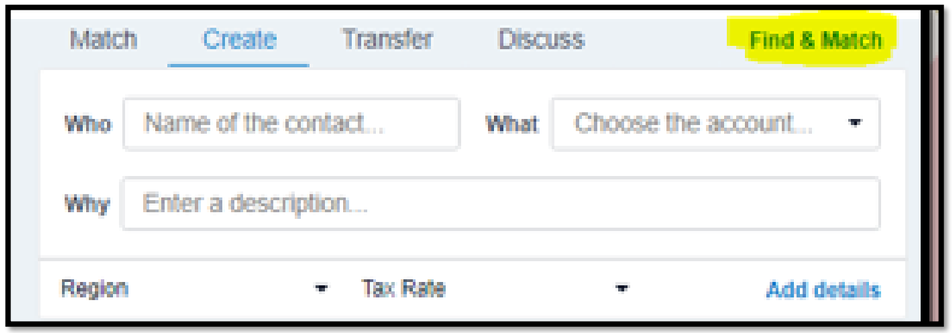
Find & Match

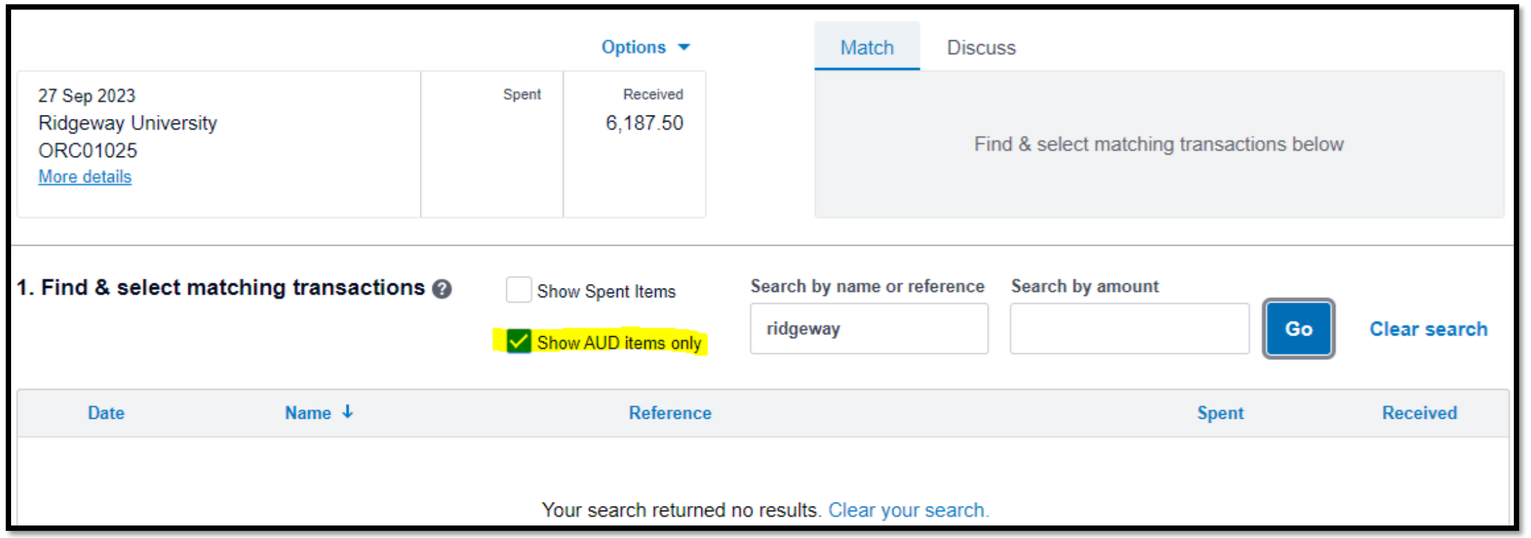
- The find and match is used when invoices or bills are being processed.

- Bills once processed will move to awaiting payments. These bills/ invoices will show up as an option to be matched with the respective transaction.

- Other currency Bills or invoices can also be reconciled with the statement line by using Find & Match.

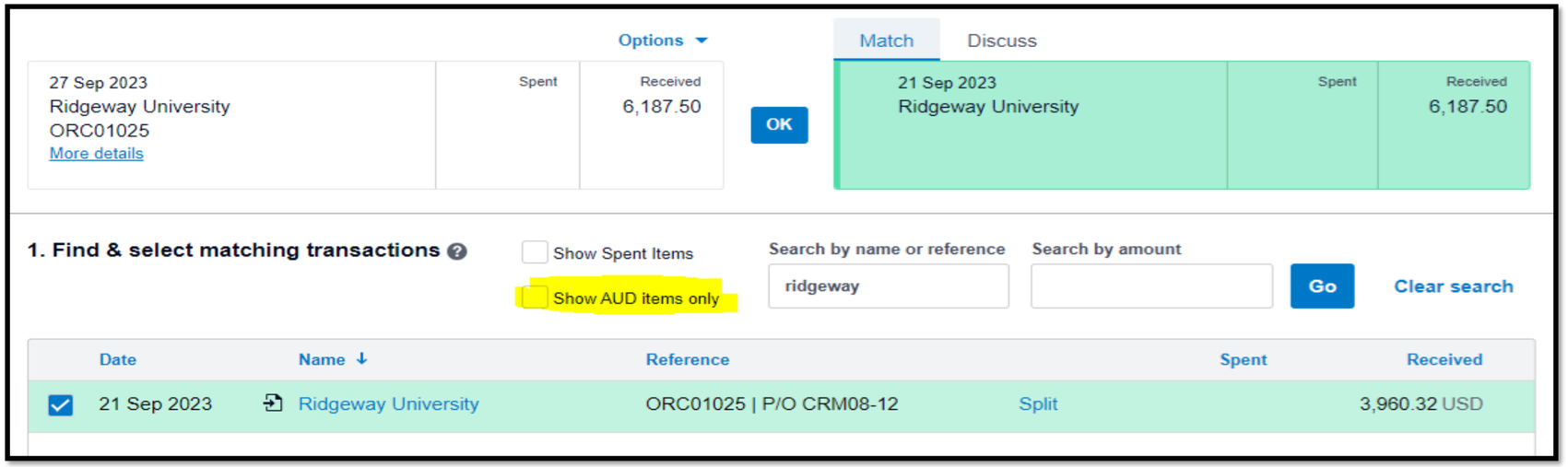
- Check the date, amount, contact and invoice number of the transactions.

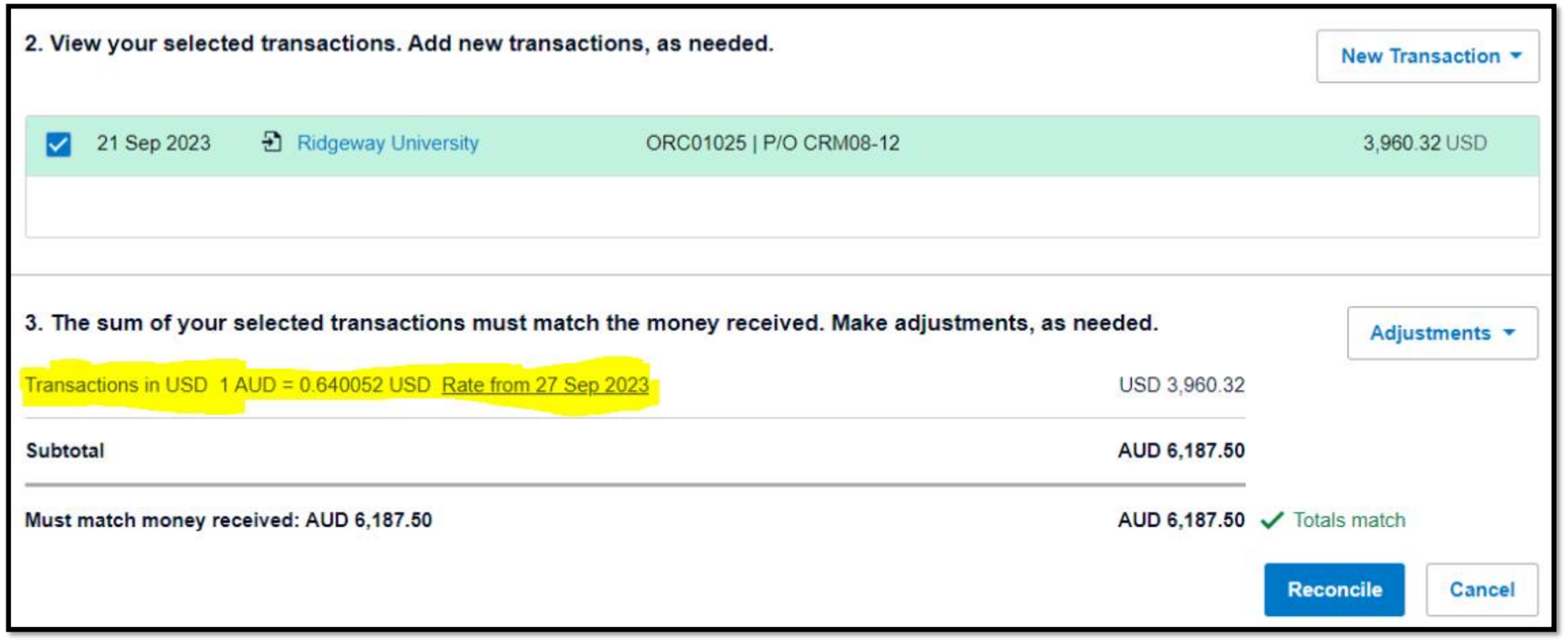




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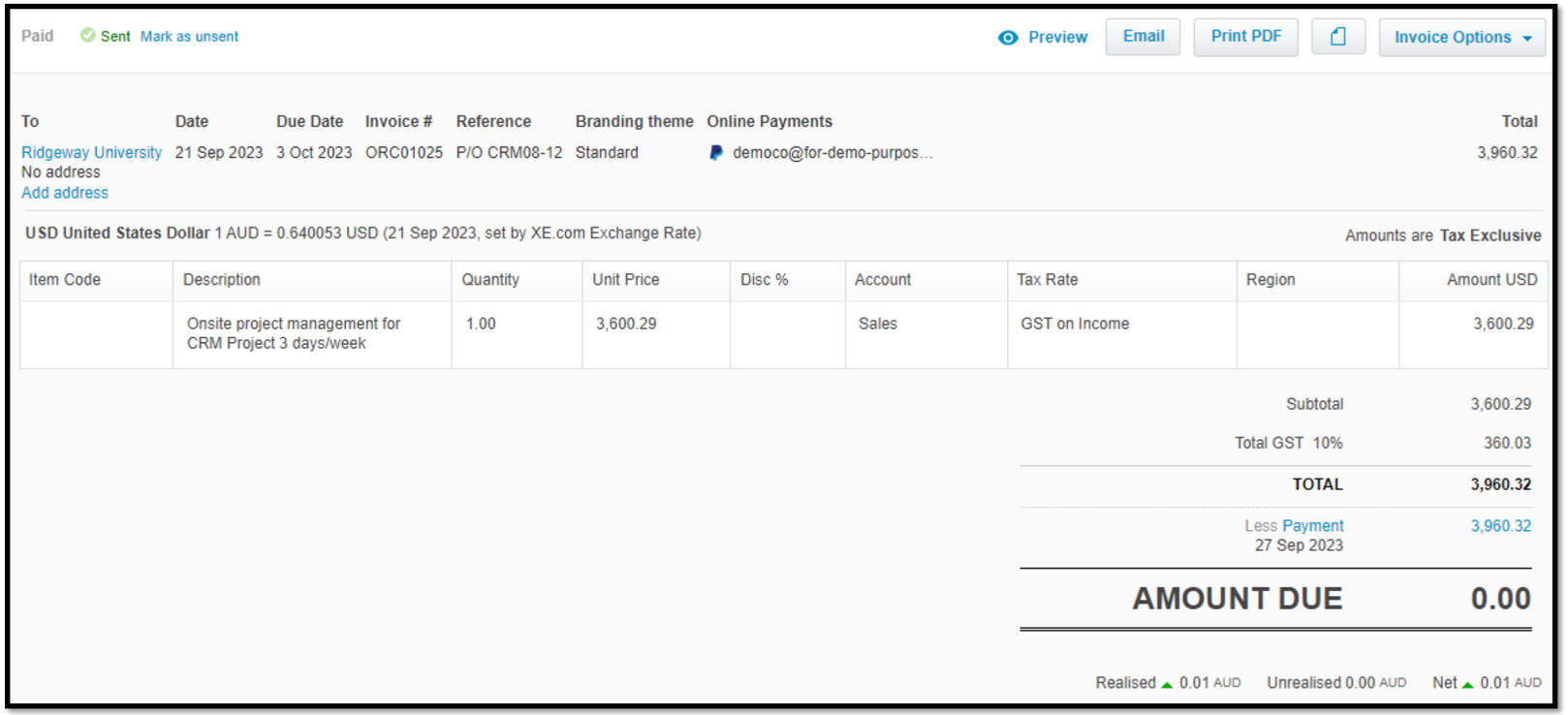
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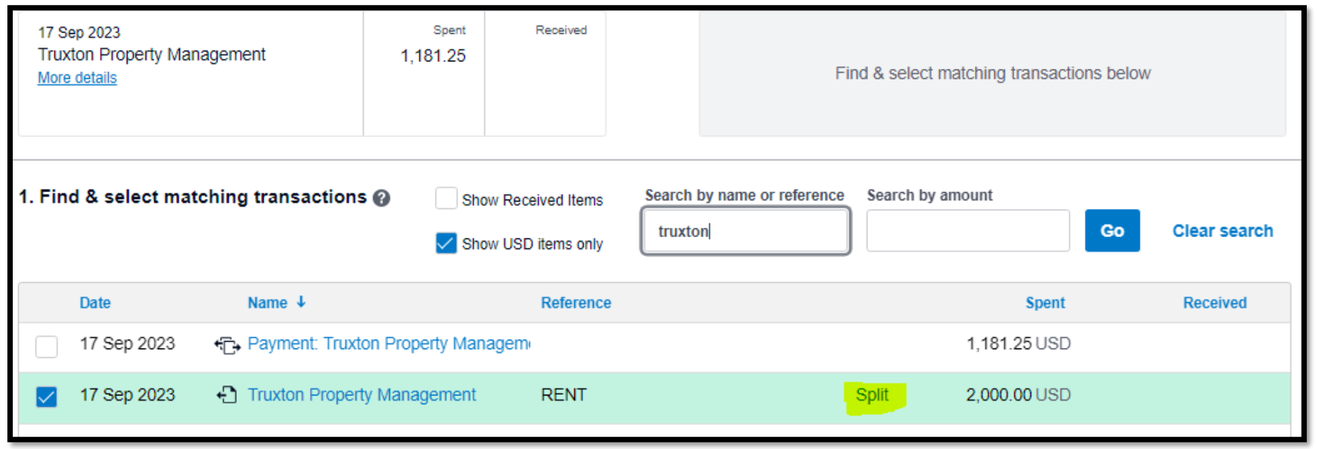
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Split :

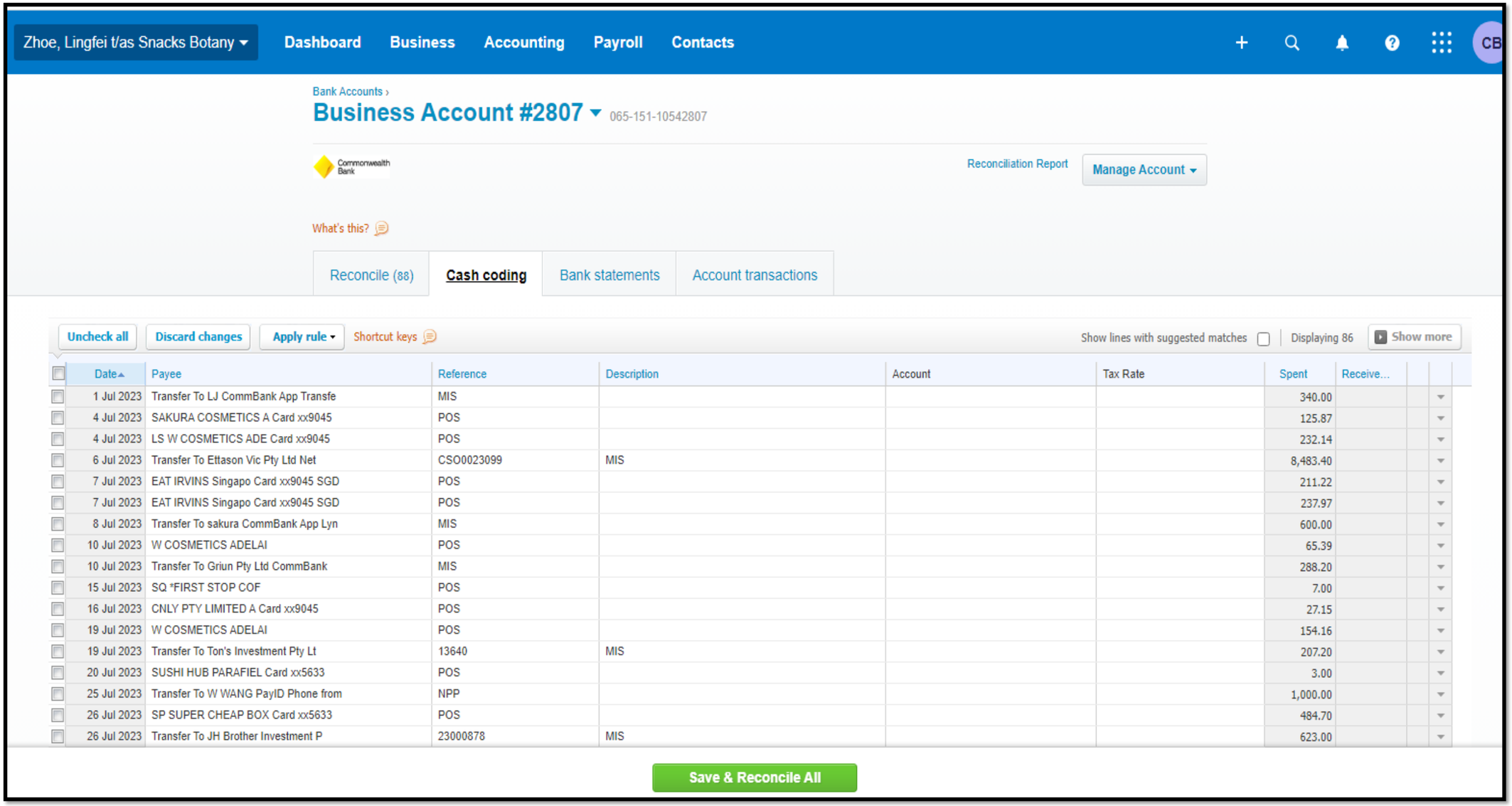
- This option is used when a payment for the bill is partly made.
- Click on split > Enter the amount paid > Click ok to reconcile.



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Cash coding



Date	Payee	Reference	Description	Account	Tax Rate	Spent	Receive...
1 Jul 2023	Transfer To LJ CommBank App Transfe	MIS				340.00	
4 Jul 2023	SAKURA COSMETICS A Card xx9045	POS				125.87	
4 Jul 2023	LS W COSMETICS ADE Card xx9045	POS				232.14	
6 Jul 2023	Transfer To Ettason Vic Pty Ltd Net	CSO0023099	MIS			8,483.40	
7 Jul 2023	EAT IRVINS Singapo Card xx9045 SGD	POS				211.22	
7 Jul 2023	EAT IRVINS Singapo Card xx9045 SGD	POS				237.97	
8 Jul 2023	Transfer To sakura CommBank App Lyn	MIS				600.00	
10 Jul 2023	W COSMETICS ADELAI	POS				65.39	
10 Jul 2023	Transfer To Griun Pty Ltd CommBank	MIS				288.20	
15 Jul 2023	SQ *FIRST STOP COF	POS				7.00	
16 Jul 2023	CNLY PTY LIMITED A Card xx9045	POS				27.15	
19 Jul 2023	W COSMETICS ADELAI	POS				154.16	
19 Jul 2023	Transfer To Ton's Investment Pty Lt	13640	MIS			207.20	
20 Jul 2023	SUSHI HUB PARAFIEL Card xx5633	POS				3.00	
25 Jul 2023	Transfer To W WANG PayID Phone from	NPP				1,000.00	
26 Jul 2023	SP SUPER CHEAP BOX Card xx5633	POS				484.70	
26 Jul 2023	Transfer To JH Brother Investment P	23000878	MIS			623.00	

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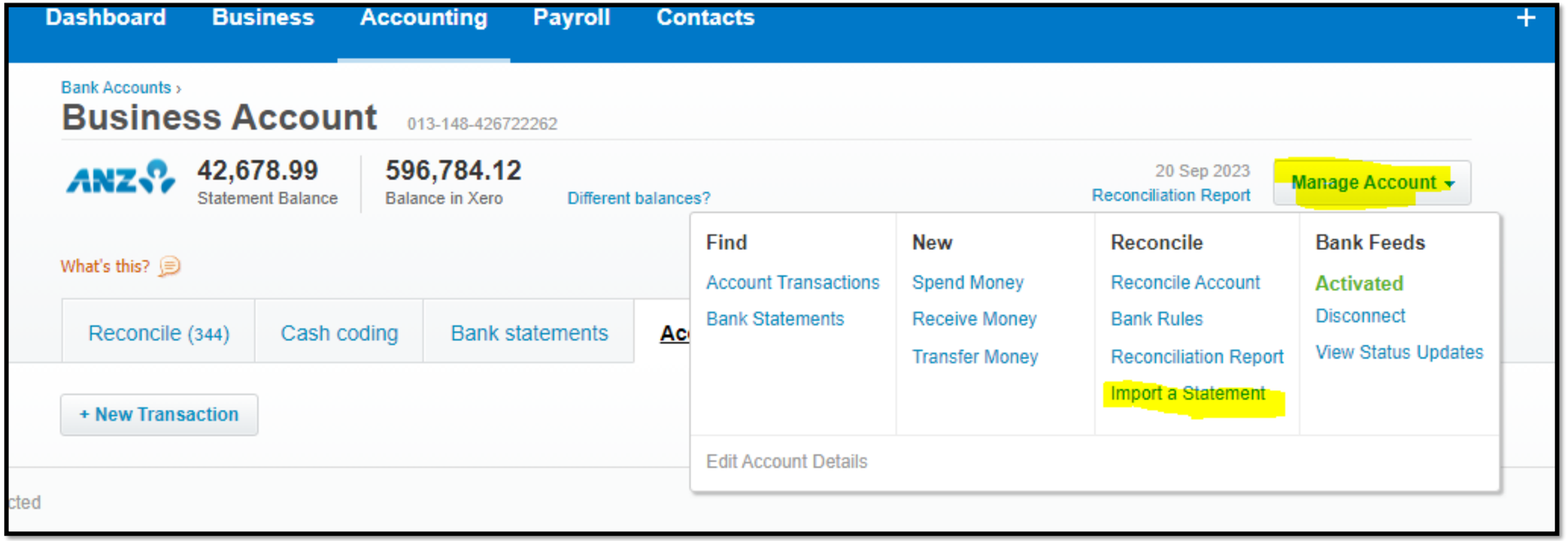
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Cash Coding

- Cash coding is used when there are similar transactions of the same nature.
- It is used when there are more transaction to reconcile.
- It is the fast and easy way to reconcile multiple statement lines.
- It is not used to reconcile Bills , sales invoices , credit note etc.
- Select the particular supplier one by one and reconcile all in one go.
- Once you enter the details for a particular transaction, the same details gets prefilled for all the selected transaction. As such, cash coding saves time.

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Bank Statement import

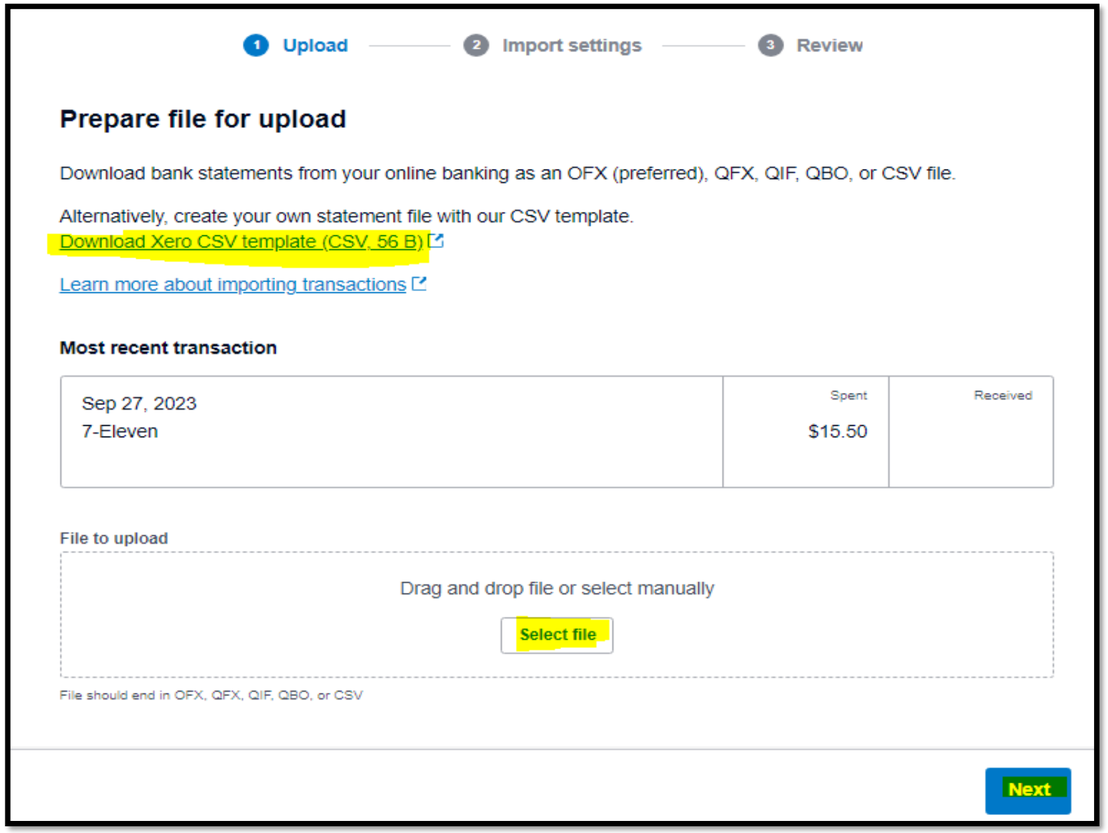


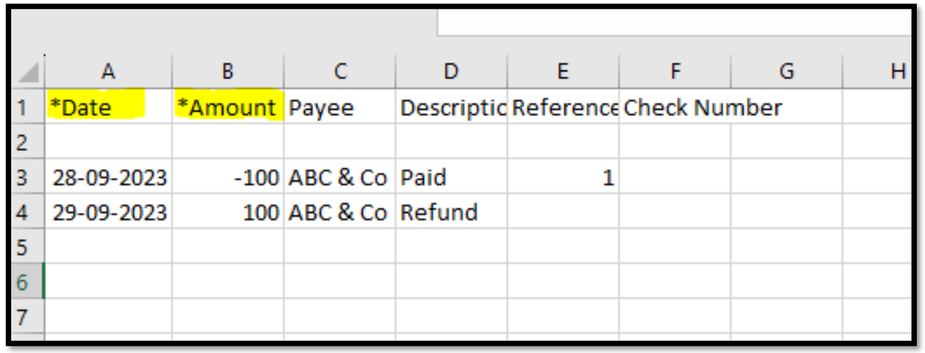
- Select the Bank account you wish to import the statement
- Click manage account > import a statement

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- Download xero csv template.
- Enter the date, amount, description correctly, Ensure the closing balance matches with the statement.
- Enter the transactions from the statement under the suitable headings in the csv template and save the file.
- Drag and drop the csv file to import the statement into xero.





	A	B	C	D	E	F	G	H
1	*Date	*Amount	Payee	Descriptic	Reference	Check Number		
2								
3	28-09-2023	-100	ABC & Co	Paid	1			
4	29-09-2023	100	ABC & Co	Refund				
5								
6								
7								

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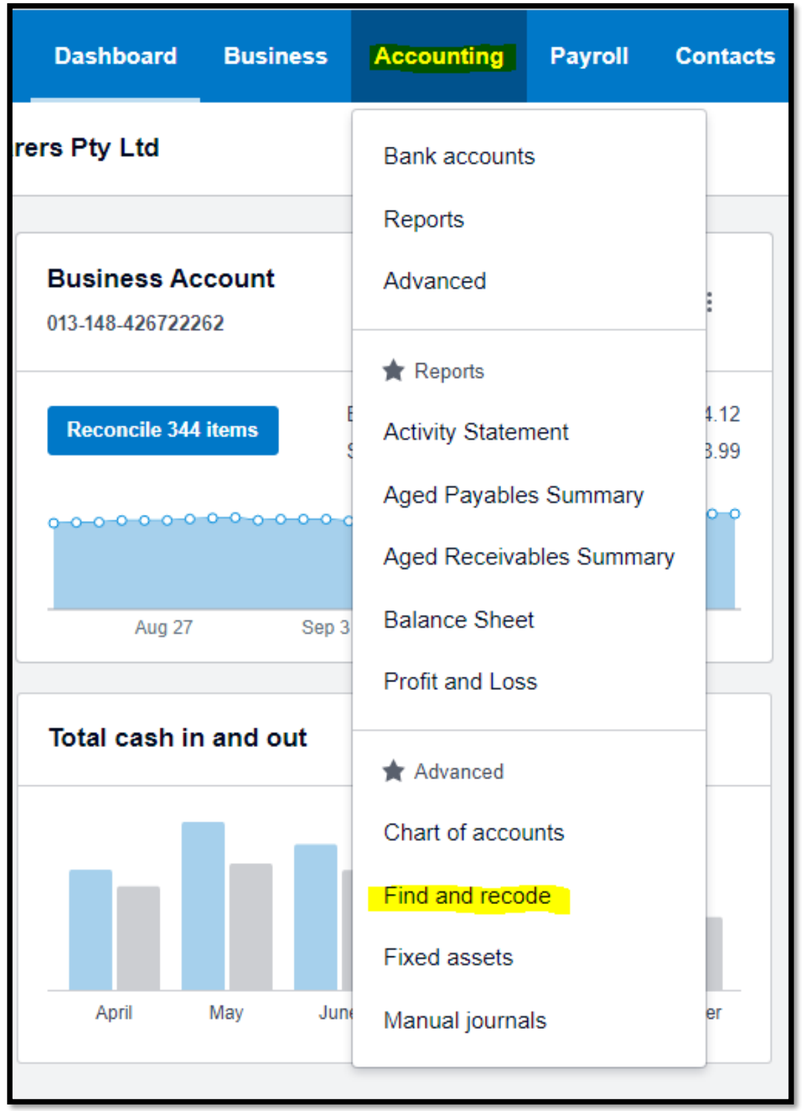
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Find & Recode

- Find and recode multiple transaction line in bulk by recording the source transaction.

- To Access find and recode, go to Accounting > Find and recode >Add condition.

- By clicking on add condition you can select the change you wish to make from the drop down menu.

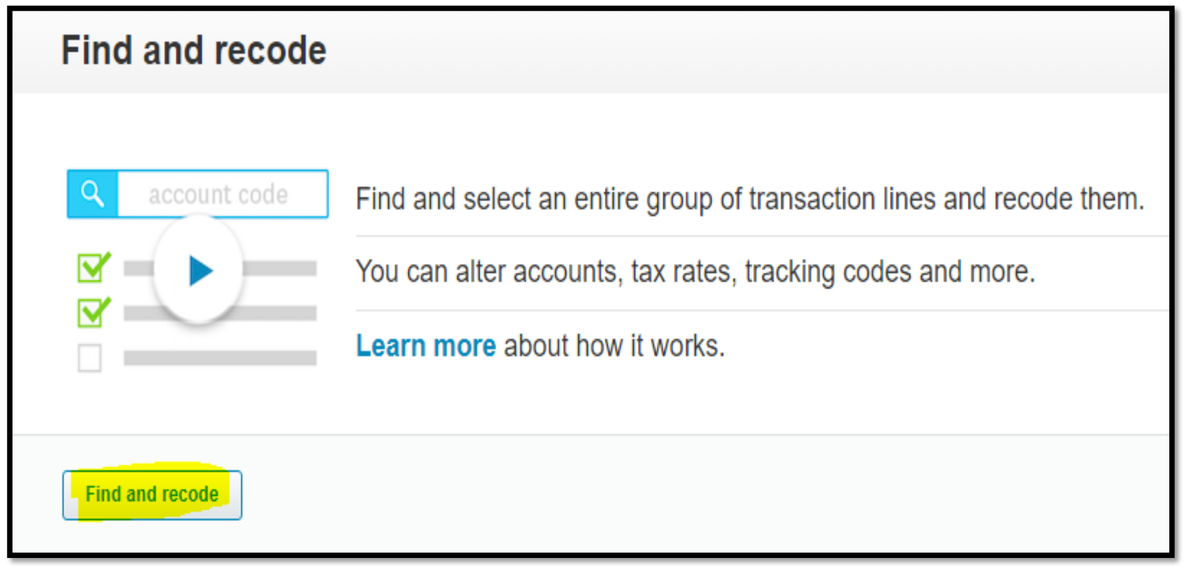


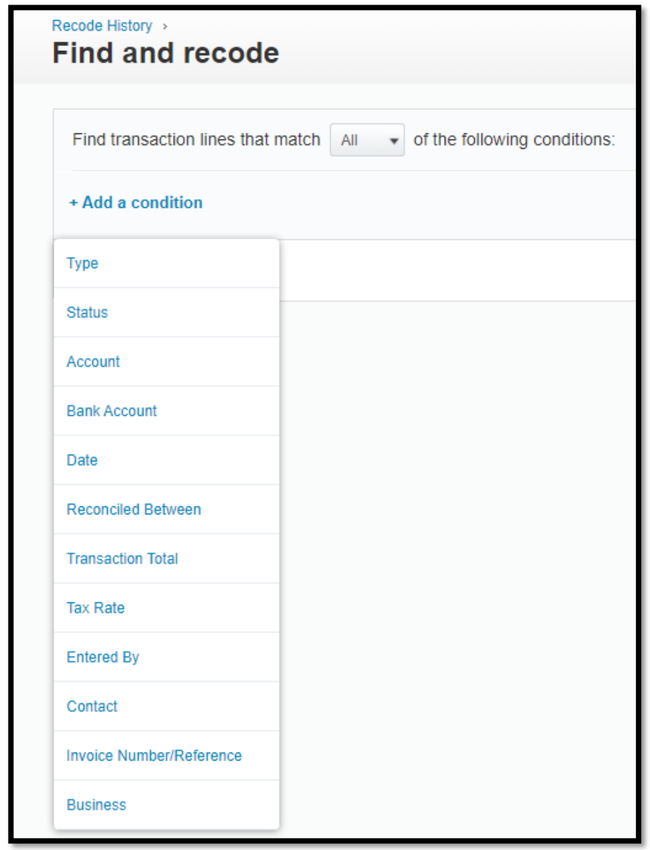
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- When you find that the tax rate or Account or Contact etc of multiple transactions are incorrect you can use this option to make the necessary changes at a single time.

- By entering the required conditions, select the transactions to be recorded and make the changes as required.





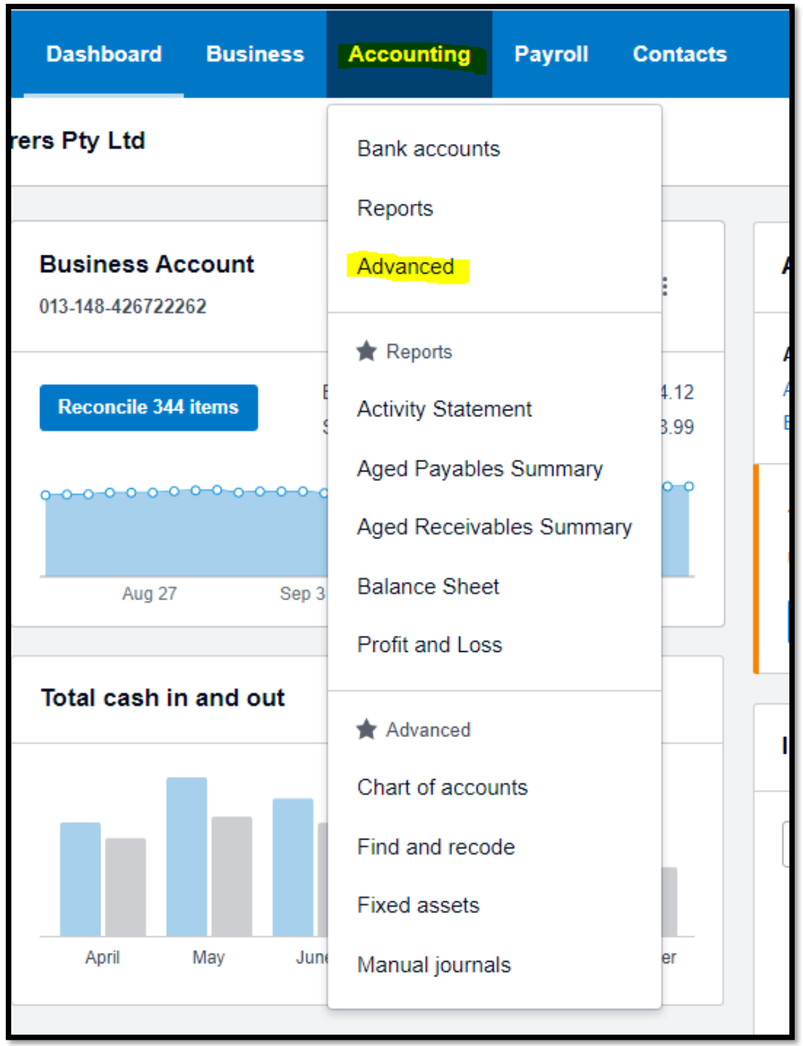
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History and notes

History

- Shows the history of changes made to the transactions and any attached notes.
- It is recorded when we add a note, create, edit, or make any other changes to the transaction.
- The name of the user who does the action and the time and date is recorded as history.

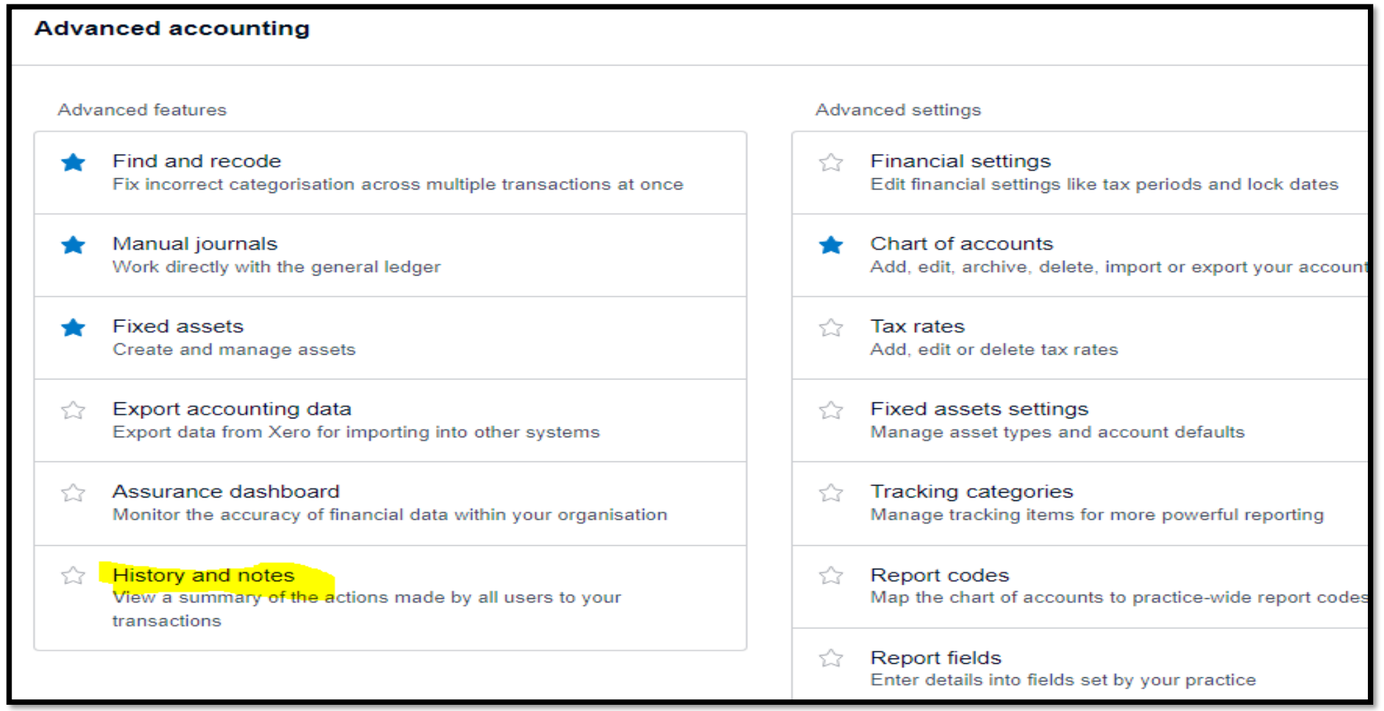


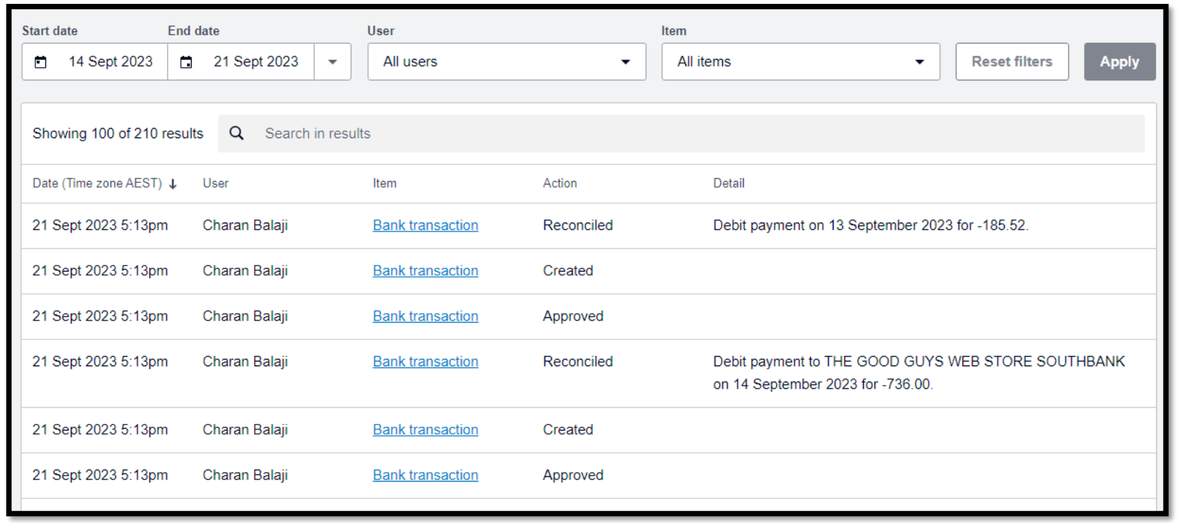
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- To view the history select the Accounting menu > Advanced > History and notes, select start date and end date to run report and select the particular period and apply.

- We can also export the report to PDF and Excel.





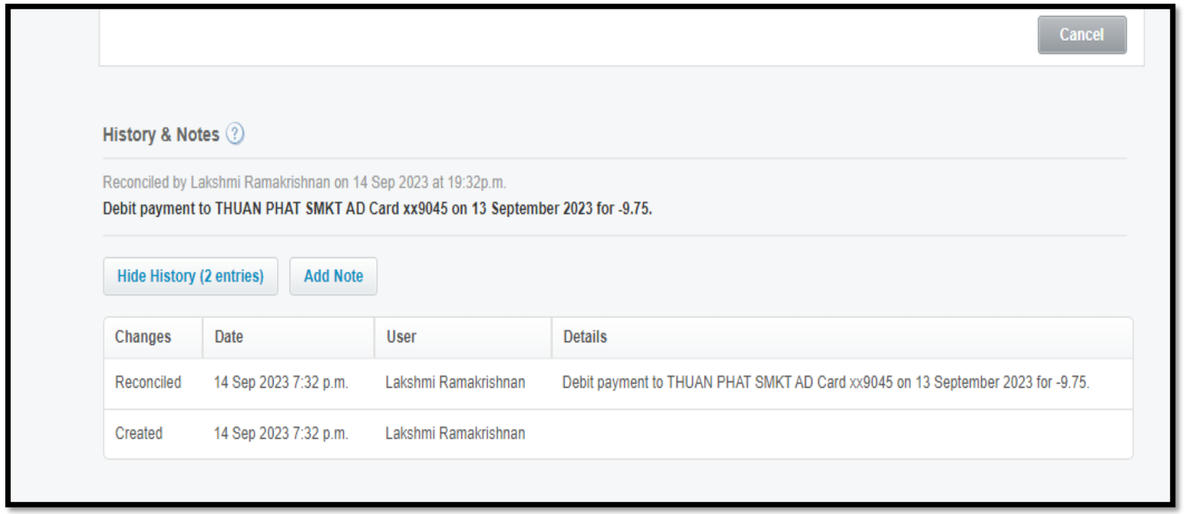
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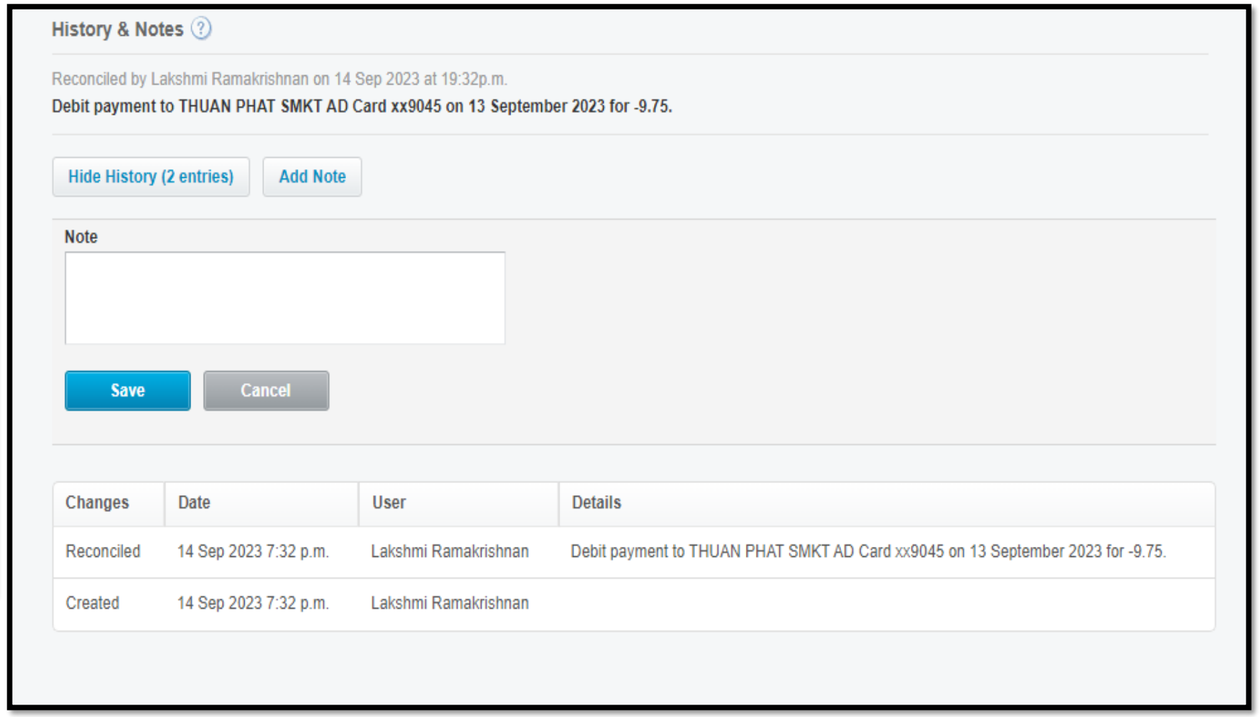
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Note

- We can manually add a note when creating or existing invoice, bills, spend or receive money transaction.

- To create a note Click Add note > Enter your note > and save .





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Thank you

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