Case Study

Missing Bills Due to Incorrect Filters in Xero during batch payment



Background: XYZ Ltd., a medium-sized manufacturing company, uses Xero software for managing its financial operations, including accounts payable (AP).During one monthly payment cycle, the AP team noticed that several bills were missing from the batch, causing delays and operational disruption.

Problem: Missing Bills Due to Incorrect Filters in Xero

During the batch payment process, the AP team was preparing the payment file in Xero, which pulls all outstanding bills under the "Bills to Pay" section. However, upon reviewing the list, it was found that several invoices were not included in the batch, even though they were due for payment. This led to a delay in settling those outstanding amounts with suppliers.

After investigating, it was discovered that the issue stemmed from incorrect filters applied in the “Bills to Pay” view. Specifically, the filters were set to exclude bills marked with certain statuses, such as "Draft" and "Awaiting Approval." As a result, several bills that were in these statuses were inadvertently omitted from the batch payment, even though they were approved for payment.

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Impact:

•**Late Payments:** Suppliers whose bills were missing from the payment batch did not receive timely payments.

•**Strained Vendor Relationships:** Some suppliers reached out, expressing frustration over the missed payments, threatening to pause deliveries.

•**Accounting Discrepancies:** The AP team had difficulty reconciling the payment batch with actual bank transactions.

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Solution: Resetting and Adjusting Filters in Xero

To resolve this issue, the AP team took the following corrective actions:

1.Revisited Filter Settings: The AP team reset the filter settings in Xero's "Bills to Pay" view to include all bill statuses, including "Draft" and "Awaiting Approval." This ensured that no approved bills would be overlooked during batch processing.

2.Regular Review Process: The team introduced a policy where filters would be double-checked before every batch processing cycle to ensure that all bills—regardless of status—were accounted for in the payment batch.

3.System Customization: Xero was customized to send alerts when bills with non-finalized statuses (like "Draft") were still pending approval. This allowed the team to address any outstanding approvals before the batch payment was generated.

4.Improved Staff Training: The AP team received additional training on filter management and batch payment processing in Xero to prevent any future mistakes.

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Results:

•**Fewer Missing Invoices:** By resetting the filters and ensuring all bills were included, no invoices were omitted from future batches.

•**Timely Payments:** The company was able to make payments on time, restoring supplier relationships and avoiding penalties for late payments.

•**Improved Accuracy:** The company improved the accuracy of its batch processing, ensuring that no bills were missed in future payment cycles

Conclusion:
The problem of missing bills during batch payment processing in Xero was traced to incorrect filter settings, which excluded bills marked as "Draft" or "Awaiting Approval." By resetting the filters and implementing a more robust review process, XYZ Ltd. was able to resolve the issue, ensuring that future batch payments would be processed smoothly and efficiently. This case highlights the importance of regularly checking system filters and statuses in accounting software to prevent payment errors.

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