

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

ACCOUNTING

Xero Partner Program – Accountant Version

Isaac M. O'Bannon • Jan. 28, 2013

Xero Partner Program – Accountant Version

800-411-9376

www.Xero.com

Best Fit: Technologically progressive firms wanting a completely web-based professional accounting solution for use in performing periodic client write-up services, including account reconciliations, payroll reporting, ledger and journal management, and financial reporting.

Strengths

- Online bank integration supports many deposit and credit card accounts
- Reconciliation tools simplify classification of routine transactions
- When supporting clients also using Xero, the system provides excellent collaboration tools for automating reconciliation processes
- Automated multi-currency support across all clients
- Built-in invoicing, along with strong reporting and output options

Potential Limitations

- No direct inventory management options, but Integration is available with third party solutions.

- Xero has a large and growing user base, but the U.S. version of the program is still maturing.
- Primarily online and email-based support.

Xero is the leader among the web-based accounting programs challenging QuickBooks Online, with more than 200,000 small business users and an active development team that works with accounting firms to build features that firms need. The company has quietly been putting together their accountant version of the system over the past couple of years and has recently promoted it more strongly to the market.

The accountant version of Xero, which is part of the free Partner Program, gives firms direct access to the data of their business clients who use Xero and like the business version, also offers direct downloading of financial information from banks, speeding reconciliation processes. More than 115 third party add-ons are available for additional functionality for payroll, workflow management, inventory, point-of-sale, job tracking, time tracking, online payments and other functions. The program can manage sales and VAT taxes, and is available in versions for the U.S., U.K, Australia, New Zealand and a generic global version.

Basic System Functions: 5 Stars

Xero is a web-based program that supports all major browsers and mobile devices, with multiple user roles and password protections allowing firms to determine their own security and access protocols. The initial setup of the accounting version is similar to the business version, with the program offering a new company wizard that guides users through setup of charts of accounts, beginning balances, banking information and other company data. The program offers only a single template chart of accounts, as compared with some programs that offer industry-specific options, but users can also import account structures from Excel.

As our technical editor Brian Tankersley, CPA.CITP, stated recently, the business version of Xero was developed with a goal of “zero data entry” for accounting professionals, and differentiates itself from other SaaS accounting programs by providing an easy to use online accounting solution which provides tools for automatically importing, classifying, and reconciling transactions from the company’s bank accounts.

The program’s interface is easy to work in, with a clean structure and logical menus and navigation options. When working in the accountant version, users can easily

access client businesses, firm staff, practice management functions, settings and other tools. The initial home screen opens to a “My Xero” workspace that is customized to the current user and has links to help, clients and other functions. When working with firm information, the screen uses a green interface, which changes to blue when working within client files. The system also offers at-a-glance information on the last time a client’s files were worked in by the firm, the number of unreconciled lines for an account, and comments made by users. Selection screens for clients, vendors and employees include search, sort and filter options, as well as quick access to contact information and the ability to see which firm staff are assigned to a particular client.

Client work screens open into a dashboard view that is customizable and can include bank account information, cashflow, overviews of specific accounts and other information. The navigation menu offers access to accounts, reports, the Advisor function, contacts and system settings. Any number of firm and small business users can be concurrently in the program at the same time, and new users can be added at any time with no additional cost.

Core Write-Up Features: 4.25 Stars

The core of the Xero Accountant Edition includes the large business version of the Xero Accounting program and practice management system, from which they can directly access the books of their clients. The program includes full GL, AR, AP, financials reporting, invoicing and online document sharing. It supports U.S. GAAP as well as IFRS standards, as well as state sales tax calculations and GST/HST.

Since the program allows accounting firm staff to directly access live client data, there is no need for data transfer to or from the professional program. This can nearly eliminate data entry for the firm, which also reduces the potential for data entry errors. Of course, clients make mistakes in posting transactions, for which the Xero system provides full access to client ledgers and journals, with tools for quickly making adjusting entries or other corrections.

The program can be set up to automatically alert firm users to client or practice events that may require attention, such as client customer AR balances and vendor issues. It also includes a full-time audit trail that is always on and active, and cannot be disabled, purged, or modified by any user.

For bank account reconciliation functions, the program includes integration with Yodlee bank feeds, which lets users automatically import, classify and reconcile

transactions from the company's live bank accounts. When Brian tested this functionality over two months, he imported and classified two months of transactions from business bank and credit card accounts and noted that he was "very impressed with the feature" and its accuracy. It can import from more than 5,000 financial institutions worldwide. Client businesses can have multiple banks.

Xero does not directly provide payroll calculation functions, although users can manage payroll transactions via a check or a journal entry, and it offers integration with ADP for payroll services. Automated conversion of foreign currency transactions is included in the large business version (which is the same version that firms use internally and to manage clients).

Reporting & Financial Statements: 4.75 Stars

Xero includes more than 40 customizable template reports for basic and advanced financials, including profit and loss, balances sheets, management reporting, sales tax returns, depreciation schedules and foreign currency gains and losses. The system also offers tracking categories to report by department, region and staff. The program integrates with ADP for payroll and with Track1099 for 1099 compliance, including printable and online filing.

Built-in invoicing options allow firms to design their own templates, including logos with e-payment instructions and links to email, websites and social media websites. Different layout templates can be created for each client or groups of clients, or for specific transaction types. The online invoicing options offer easy payment options directly from the email a client receives, and notifies the firm when the invoice has been opened by the client.

Firms can also sign up their clients for Xero and have the billing completely managed by the firm, with the ability to add a markup as desired.

Import/Export/Integration: 5 Stars

The Xero accountant version offers direct access and integration with each of the data files of their clients who are also using Xero, allowing firms to always be working with live data and eliminating the need to transfer or worry about converting between software versions. The program can also import FreshBooks invoices and payments, and has more than 115 add-on options for integration with CRM, workflow, payroll, inventory management, point-of-sale and other programs. Xero's reporting and snapshots can be saved to Excel, Google Docs or PDF, allowing import of the data into most other financial, trial balance and tax systems.

The online financial data import tool is the MVP of the program when it comes to reconciliation functions, greatly easing the processes of importing, classifying, and reconciling transactions from the company's bank accounts.

Help/Support System: 5 Stars

The completely online Xero system includes numerous guides, FAQs, video tutorials and online training options, in addition to a help utility. Additional online support options include an extensive help center with topic and function-specific sections, and an online user community where professionals can collaborate and share tips and advice. Phone-based support is generally not provided, but 24/7 email support is included in pricing.

Summary & Pricing

Xero has entered the professional accounting and write-up space with a strong system that includes excellent integration functionality and strong reconciliation features, along with instant access to the live data of clients who are using Xero for their businesses. The free Partner Program, which includes the most functional version of the Xero platform, also includes practice management utilities and additional tools and add-on options. Extra benefits include marketing leads, a directory listing on the company's "find an accountant" list, training, promotional material and a dedicated account manager for support.

Pricing for the Large Business version that is included with the Partner Program for accounting firms is normally \$39 per month, but since the goal of the partner program seems to be A) helping firms move to the cloud and manage their clients that way, and B) to get more businesses onto Xero, there is no cost to accounting firms that are a part of the Partner Program.

For clients, in addition to the Large business version mentioned above, there are also versions for Small (\$19 per month) and Medium (\$29 per month), with no limit to the number of users. However, the Small version does have a low limit on invoices, bills and bank statements. The other versions have no limits on these features.

2013 Overall Rating: 4.75 Stars

CPAPA is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2023 Firmworks, LLC. All rights reserved