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ACCOUNTING

2018 Review of Xero – AR Functions

Mary Girsch-Bock • Mar. 19, 2018



Xero

www.xero.com

From the 2018 reviews of AR systems.

Xero is a cloud-based accounting application well suited for small business owners. Xero offers three versions, Starter, Standard, and Premium, with all versions offering complete accounting functionality.

The 2018 version of Xero offers several product enhancements made including the addition of a new payment service, mobile app upgrades, and the addition of a Statement of Cash Flows.

Xero offers good accounts receivable functionality, with users able to import a list of current contacts directly into Xero. Once an invoice or bill has been entered for an existing contact, they automatically become classified as a customer or supplier. The Contact option allows users to enter personal and business contact information, including name, business name, and general contact details. Along with contact details, users can add sales and purchasing details, tax rates applicable to the customer, and sales discount information. Users can also choose the currency associated with the customer as well as other invoice settings such as theme, default due dates, and 1099 details. Both payment terms and custom due dates can be set up for customers as well.

Users can easily record payments in Xero, by simply accessing the invoice that is being paid. Cash payments can be applied as well.

For those that want to accept online payments, users would simply provide a link to online payment options, which customers can utilize after the invoice has been received. Once payment is received online, Xero will automatically mark the invoice as paid. Both overpayments and prepayments are easily handled in Xero, with users clicking on the Awaiting Payment option, then adding the amount of the overpayment or prepayment. For overpayments, users can opt to process a refund check or simply apply the overpayment to the next open invoice.

Users can easily apply payments to multiple invoices by creating a batch deposit. Users will simply access the Awaiting Payment area and select the invoices that are paid by the check received, then click Deposit to finalize the batch. Users can include up to 50 invoices in a single batch transaction.

The Sales Dashboard allows users to view comprehensive summary of all processed invoices, including invoices waiting for payment, money due to come in, any quotes that have been created, and any outstanding billable expenses. Users can also edit current invoices to add a finance charge or late fee to the invoice if desired. Customer statements can be created directly from the Sales Dashboard as well as from the payment entry screen, with users able to print and mail invoices or simply email the invoices to their customers if desired.

Xero offers decent reporting options including the new Aged Receivables Detail Report, which provides a look at individual invoices, credit notes, and overpayments, as well as aging of all open invoices. An Accounts Receivable Invoices Report is also available as well. Users can easily customize all Xero reports to better suit their needs,

saving the newly created report for future access. All reports can be viewed on screen, printed, saved as a PDF or exported to Microsoft Excel or Google Sheets.

Xero offers complete accounting functionality, with all features completely integrated. Along with a mobile app for iOS and Android devices, Xero offers integration with over 500 third-party apps for increased product functionality.

Xero is well suited for small businesses, and also offers Xero for Accountants, perfect for accounting professionals that wish to utilize Xero when offering bookkeeping and accounting services to their clients. Xero recently reduced the cost of their product, with the Starter Edition now \$9.00 per month, with Standard edition now \$30.00 and Premium remaining \$70.00. All editions of Xero include unlimited user capability as well as free product support and free product upgrades.

2018 Overall Rating – 4.75 Stars

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