



Tips to get your business ready for financial year end

An illustration of a hand holding a smartphone with a green checkmark on the screen, surrounded by small yellow stars, positioned over the word "for" in the title.

How to update information in Xero ready
for your accountant or bookkeeper at year end

The information in this guide should be used for general guidance only and you should seek appropriate tax, financial and legal advice as may be appropriate for your particular business needs.

Checklist

Confirm your bank account balances

Finalise and reconcile your sales

Finalise and reconcile your purchases

Perform a stock take and enter any adjustments (if applicable)

Upload supporting documents



Confirm your bank account balances

This includes all bank account types including credit cards, loans and savings accounts.

Check that your bank account balances in Xero match the closing balances on your external bank statements. This helps to ensure that all your business transactions are accounted for within Xero.

You can confirm the closing balances by running the Bank Reconciliation report.

Tip:

- Reconcile your bank accounts first, up to and including your balance date.

See how to record any transactions you paid for personally in the help article on **managing funds in and out of your business**.



Demo Company (NZ) | Dashboard | Business | Accounting | Payroll | Projects | Contacts

Reports
Bank Reconciliation

Contents: 1. Bank Reconciliation Summary | < | > | Add report

Pack date range: This financial year | Bank Account (required): 090 - Business Bank Accou | Columns: 4 columns selected | More | Update

The bank balance your bank is showing and **Statement Balance (Calculated)** must match. If the balances don't match you'll need to identify why and fix any errors. [Learn how to identify and fix errors](#)

Bank Reconciliation Summary | Reorder columns

Demo Company (NZ)
 As at 31 March 2023
 Business Bank Account

Date	Description	Reference	Amount
Balance in Xero			
31 Mar 2023			18,117.22
Statement Balances			
31 Mar 2023	Statement Balance (Calculated)		18,117.22
26 Jan 2023	Imported Statement Balance		18,117.22
31 Mar 2023	Calculated balance out by		-

Insert content | Compact view | Save as | Export

1. From the bank reconciliation screen, click the **Manage Account** button
2. Select **Reconciliation Report**
3. Set the date to your financial year: Select the arrow and choose **Last financial year**
4. Click **Update**
5. Check that the Balance in Xero total matches the Statement Balance (Calculated) If they don't match, click the link
6. **Learn how to identify and fix errors** for instructions
7. Once the balances match, click **Save as**, then select **Published** to publish the report for your accountant to review
8. Repeat this process for each bank, credit card, loan, savings account, and so on

For more information, see the help article on [running the bank reconciliation report](#). If you need help getting your balance in Xero and your statement balance to match, reach out to your accountant or bookkeeper.

Tools to help with smarter and faster bank reconciliation

Auto-suggestions

Xero memorises how you reconcile transactions using the Create tab and will suggest the same coding for future transactions to keep coding consistent throughout the year.

1. From the dashboard, click **Reconcile x items**
2. Select the tick box **Suggest previous entries** at the bottom of the page if it isn't already ticked
3. Select the **Create** tab to create an account transaction based on the bank statement line. Fill in the who, what and why
4. Click **OK**

Xero's memorisation is based on previously reconciled transactions with similar payee, particulars and reference details.

For more information, see the help article on [reconciling your bank account](#)

Bank Accounts
Business Bank Account 12-0102-0345678-000

Match transactions from your bank with your books in Xero.
[Watch](#) how bank reconciliation works in Xero.
See our step-by-step guide to [bank reconciliation](#).

18,117.22 16,246.82
Statement Balance Balance in Xero - Different balances?
26 Jan 2023
[Reconciliation Report](#) [Manage Account](#)

What's this?
Review your bank statement lines...

Date	Description	Spent	Received
22 Jan 2023	Central City Parking	12.00	
22 Jan 2023	Whitcoulls	29.80	
23 Jan 2023	Central City Parking	12.00	

Options

Match Create Transfer Discuss Find & Match

Who Central City Parking What 449 - Motor Vehicle Ex

Why Parking

Region 15% GST on Expenses Add details

Match Create Transfer Discuss Find & Match

Who Name of the contact... What Choose the account...

Why Enter a description...

Region Tax Rate Add details

Match Create Transfer Discuss Find & Match

Who Name of the contact... What Choose the account...

Why Enter a description...

Bank rules

Create rules for regular cash transactions to save time and maintain consistency when you're reconciling.

1. From the dashboard, click **Reconcile x items**
2. From the bank statement line, click **Options**, then select **Create bank rule**
3. Edit or add to the conditions that the bank statement line must meet in **step 1**.
Apply a bank rule
4. Fill out steps 2 to 5
5. Then click **Save**

Next time a bank statement line meets the conditions of a bank rule you've created, Xero will suggest the rule and you can select **OK** to apply it.

For more information, see the help article on [creating a bank rule](#)

1. Apply a bank rule

☒ Any conditions match
☐ All conditions match

Add conditions

Field	Condition	Value	
Any text field	contains	Mobil	
Any text field	contains	BP	
Payee	contains	Z	
Any text field	contains	Caltex	
Any text field	contains	Waitomo	

[Add condition](#)

2. Set the contact

The Payee from the bank

3. Allocate line items

Automatically allocate fixed value line items

Description	Account	Tax Rate	Region	Amount
Add a new line				

Total 0.00

With any remainder, allocate ratios using percent line items

Description	Account	Tax Rate	Region	Percent
Petrol	449 - Motor Vehicle Expe	15% GST on Expenses		100.00%
Add a new line				

Total 100.00%

4. Set the reference

from the Reference

5. Add rule details

Run this rule on All bank accounts

Name the rule Petrol

[Cancel](#) [Save](#)

Finalise and reconcile your sales

Review the list of customers owing you money at year end and identify any amounts that may need to be written off as bad debt.


Tip:

- Check that all accepted quotes have been invoiced, and any draft invoices are actioned.

Run the Aged Receivables Summary report to view the outstanding amounts owed by your customers.

1. Select **Accounting**, then **Reports**
2. Use the search bar to find and open the **Aged Receivables Summary** report
3. Set the date to your financial year: Select the arrow and choose **End of last financial year**
4. Click **Update**
5. Review each customer
6. To add notes, hover your mouse by their name and clicking the **Add note** button when it appears, then type in your note and click **Done**
7. Click **Save as** and select **Published** to publish it ready for your accountant or bookkeeper to review

For more information, see the help article on [running the Aged Receivables report](#).



Contact	Current	< 1 Month	1 Month	2 Months	3 Months	Older	Total
Basket Case	-	-	914.55	-	-	-	914.55
Bayside Club	-	-	3,434.00	-	-	-	3,434.00
Boom FM	-	-	3,247.50	-	-	-	3,247.50
City Limousines 1	-	-	650.00	-	269.95	250.00	1,169.95
DIISR - Small Business Services	-	-	4,200.00	-	270.63	-	4,470.63
Hamilton Smith Ltd	-	-	550.00	-	-	-	550.00
Marine Systems	-	-	396.00	-	-	-	396.00
Rex Media Group	-	-	550.00	-	-	-	550.00
Total	-	-	13,942.05	-	540.58	250.00	14,732.63
Percentage of total	-	-	94.63%	-	3.67%	1.70%	100.00%

Tools to help with smarter and faster invoicing

Products and services

Save time by using inventory items to populate descriptions and unit prices for items or services you sell regularly. When you raise an invoice, select the item you've set up and the details will populate for you.

1. Select **Business** then **Products and services**
2. Select **New Item** then fill in the details
3. Select whether you sell or purchase this item and fill out the fields
4. Select **Save**

For more information, see the help article on [adding an inventory item](#).

Go back to last organisation

Demo Company (NZ) ▾ Dashboard

Products and services

Initial Consultation

☐ Track inventory item

Track the quantity and value of stock on hand. This option is suitable for organisations with less than 4,000 products or services, who purchase items before they are sold, and who calculate the average cost of items. [Learn more about tracked inventory](#)

☐ Purchase

Add item to bills, purchase orders, and other purchase transactions

☒ Sell

Add item to invoices, quotes, and other sales transactions

Sale price: 250.00 Sales account: 200 - Sales Tax rate: 15% GST on Income

Description: Initial Consultation

Save & add another Save

Active ▾

Delete Archive

Quantity

<input type="checkbox"/>	Code ↑	Name	Price	Unit Price	
<input type="checkbox"/>	BOOK	Book			
<input type="checkbox"/>	GB1-White	Golf balls - white 1-pack	20.00	24.99	
<input type="checkbox"/>	GB3-White	Golf balls - white 3-pack	25.00	32.00	
<input type="checkbox"/>	GB6-White	Golf balls - white 6-pack	20.00	24.99	
<input type="checkbox"/>	GB9-White	Golf balls - white 9-pack	25.00	32.00	
<input type="checkbox"/>	PMD	Project management - daily rate		700.00	
<input type="checkbox"/>	PMDD	Project management & implementation due diligence		105.00	

Demo Company (NZ) ▾ | Dashboard | Business | Accounting | Payroll | Projects | Contacts | + | 🔍 | 🔔¹ | ? | ☰ | TB

Sales overview ▸ Invoices ▸

New Repeating Invoice

Create 📄

Repeat this transaction every: 1 Month(s) ▾ | Invoice Date: 28 Feb 2023 ▾ | Due Date: Due 20 of the following month ▾ | End Date (Optional): ▾

☐ Save as Draft | ☐ Approve | ☒ **Approve for Sending**

Invoice no. and currency rate (when applicable) will be set on invoice creation date.

Invoice to: Customer A | Reference: SLA [Month+1] [Year] | Branding: Standard ▾ | Online Payments: democo@democo.co | Manage

Amounts are: NZD New Zealand Dollar ▾ | Tax Inclusive ▾

Item	Description	Qty	Unit Price	Disc %	Account	Tax Rate	Reg...	Amount NZD
111	SLA: Service Level Agreement	1.00	300.00		205 - Service Level Agreement (SLA)	15% GST on Income		300.00 ×
121								×
122								×
123								×
124								×

[Add a new line](#) ▾

Subtotal: 300.00
 Includes GST 15.00%: 39.13
TOTAL: 300.00

[Preview placeholders](#) | [Save](#) | [Cancel](#)

Repeating invoices

Set up repeating invoice templates for recurring sales transactions so Xero automatically creates and emails them out for you.

1. Select **Business** then **Invoices**
2. Select the arrow next to New invoice
3. Select **New Repeating Invoice**
4. Fill in the repeating details: select **Approve for sending**, then click **Save**

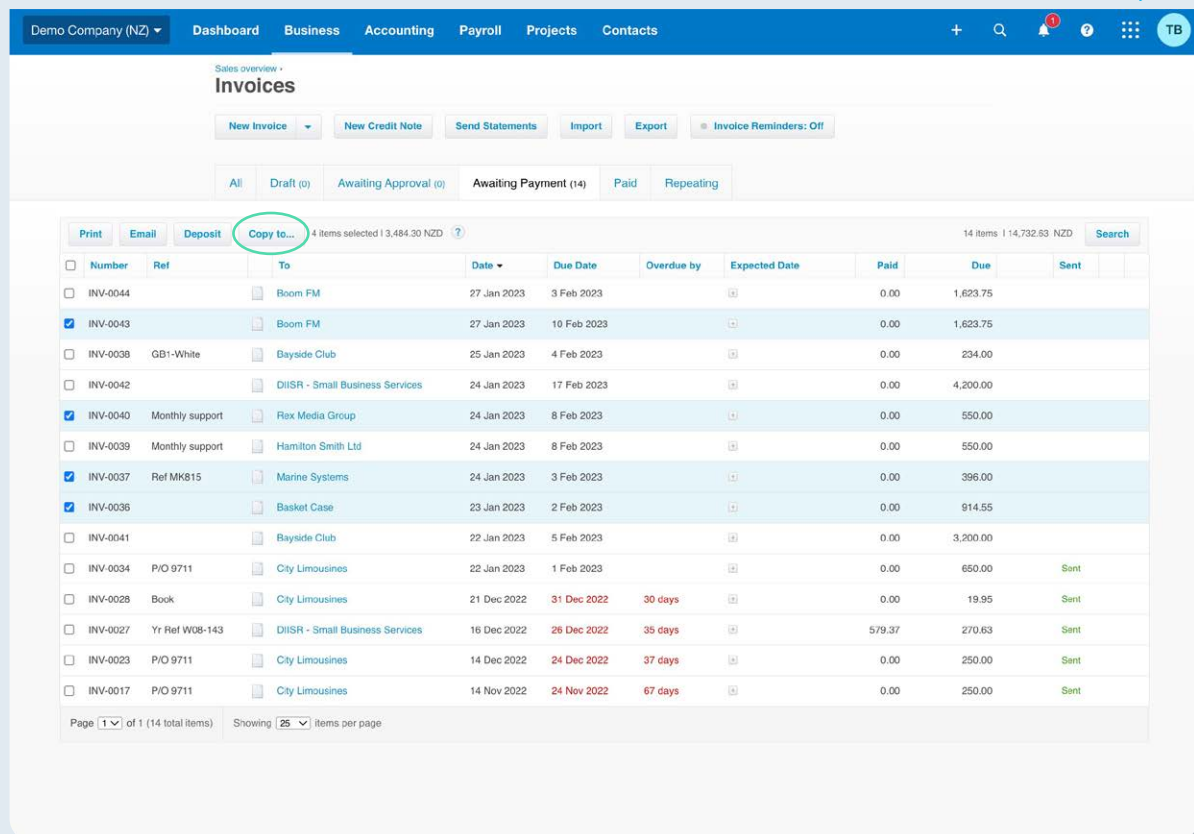
For more information, see the help article on adding a [repeating invoice template](#).

Copy function

Copy information from one or more invoices to a new transaction to speed up data entry.

1. Select **Business** then **Invoices**
2. Select the tab for the status of the invoices you want to copy.
3. Tick the invoices with line items you wish to copy.
4. Click **Copy to**, or click **More** then select **Copy to**
5. Choose the transaction type, for example **Invoice**
6. Click **Copy** or **Copy & merge**
7. Fill out the invoice header fields and make changes to the line items as required.
8. Click **Approve**

For more information, see the help article on [creating an invoice for your customer](#).



The screenshot shows the 'Invoices' page in a software interface. The top navigation bar includes 'Demo Company (NZ)', 'Dashboard', 'Business', 'Accounting', 'Payroll', 'Projects', and 'Contacts'. The 'Business' tab is selected. Below the navigation bar, there are buttons for 'New Invoice', 'New Credit Note', 'Send Statements', 'Import', 'Export', and 'Invoice Reminders: Off'. The 'Invoices' section has tabs for 'All', 'Draft (0)', 'Awaiting Approval (0)', 'Awaiting Payment (14)', 'Paid', and 'Repeating'. The 'Awaiting Payment (14)' tab is selected. A table of invoices is displayed with columns: Number, Ref, To, Date, Due Date, Overdue by, Expected Date, Paid, Due, and Sent. Four invoices are selected, indicated by blue checkboxes. The 'Copy to...' button is circled in green. A blue arrow points from the text 'creating an invoice for your customer' to the 'Copy to...' button.

Number	Ref	To	Date	Due Date	Overdue by	Expected Date	Paid	Due	Sent
INV-0044		Boom FM	27 Jan 2023	3 Feb 2023			0.00	1,623.75	
<input checked="" type="checkbox"/>	INV-0043	Boom FM	27 Jan 2023	10 Feb 2023			0.00	1,623.75	
<input type="checkbox"/>	INV-0038	GB1-White	25 Jan 2023	4 Feb 2023			0.00	234.00	
<input type="checkbox"/>	INV-0042	DIISR - Small Business Services	24 Jan 2023	17 Feb 2023			0.00	4,200.00	
<input checked="" type="checkbox"/>	INV-0040	Monthly support	24 Jan 2023	8 Feb 2023			0.00	550.00	
<input type="checkbox"/>	INV-0039	Monthly support	24 Jan 2023	8 Feb 2023			0.00	550.00	
<input checked="" type="checkbox"/>	INV-0037	Ref MK815	24 Jan 2023	3 Feb 2023			0.00	396.00	
<input checked="" type="checkbox"/>	INV-0036	Basket Case	23 Jan 2023	2 Feb 2023			0.00	914.55	
<input type="checkbox"/>	INV-0041	Bayside Club	22 Jan 2023	5 Feb 2023			0.00	3,200.00	
<input type="checkbox"/>	INV-0034	P/O 9711	22 Jan 2023	1 Feb 2023			0.00	650.00	Sent
<input type="checkbox"/>	INV-0028	Book	21 Dec 2022	31 Dec 2022	30 days		0.00	19.95	Sent
<input type="checkbox"/>	INV-0027	Yr Ref W08-143	16 Dec 2022	26 Dec 2022	35 days		579.37	270.63	Sent
<input type="checkbox"/>	INV-0023	P/O 9711	14 Dec 2022	24 Dec 2022	37 days		0.00	250.00	Sent
<input type="checkbox"/>	INV-0017	P/O 9711	14 Nov 2022	24 Nov 2022	67 days		0.00	250.00	Sent

Page 1 of 1 (14 total items) Showing 25 items per page

Finalise and reconcile your purchases

Similarly, review what supplier bills are still outstanding at financial year end. Make sure you have supporting documents attached to any large purchases.

Aged Payables Summary							
Demo Company (NZ) As at 31 March 2023 Ageing by due date							
Contact	Current	< 1 Month	1 Month	2 Months	3 Months	Older	Total
Aged Payables							
ABC Furniture	-	-	1,150.00	-	-	-	1,150.00
Bayside Club	-	-	-	130.00	-	-	130.00
Bayside Wholesale	-	-	840.00	-	-	-	840.00
Capital Cab Co	-	-	242.00	-	-	-	242.00
Central Copiers	-	-	-	-	-	163.56	163.56
Gateway Motors	-	-	411.35	-	-	-	411.35
Net Connect	-	-	-	54.13	-	-	54.13
PowerDirect	-	-	-	108.60	-	-	108.60
SMART Agency	-	-	-	2,500.00	2,000.00	-	4,500.00
Swanston Security	-	-	-	59.54	-	-	59.54
Xero	-	-	-	56.35	-	-	56.35
Young Bros Transport	-	-	125.03	-	-	-	125.03
Total Aged Payables	-	-	2,768.38	2,908.62	2,000.00	163.56	7,840.56
Expense Claims							
Terry Brown	-	-	-	115.95	-	-	115.95
Total Expense Claims	-	-	-	115.95	-	-	115.95
Total	-	-	2,768.38	3,024.57	2,000.00	163.56	7,956.51
Percentage of total	-	-	34.79%	38.01%	25.14%	2.06%	100.00%

Run the Aged Payables Summary report to check outstanding amounts you owe to suppliers.

1. Select **Accounting**, then **Reports**
2. Use the search bar to find and open the **Aged Payables Summary** report
3. Set the date to your financial year: Select the arrow and choose **End of last financial year**
4. Click **Update**
5. Review each supplier
6. Click **Save as** and select **Published** to publish it ready for your accountant or bookkeeper to review

For more information, see the help article on [running the Aged Payables Summary report](#).

Tools to help with smarter and faster bill and receipt management

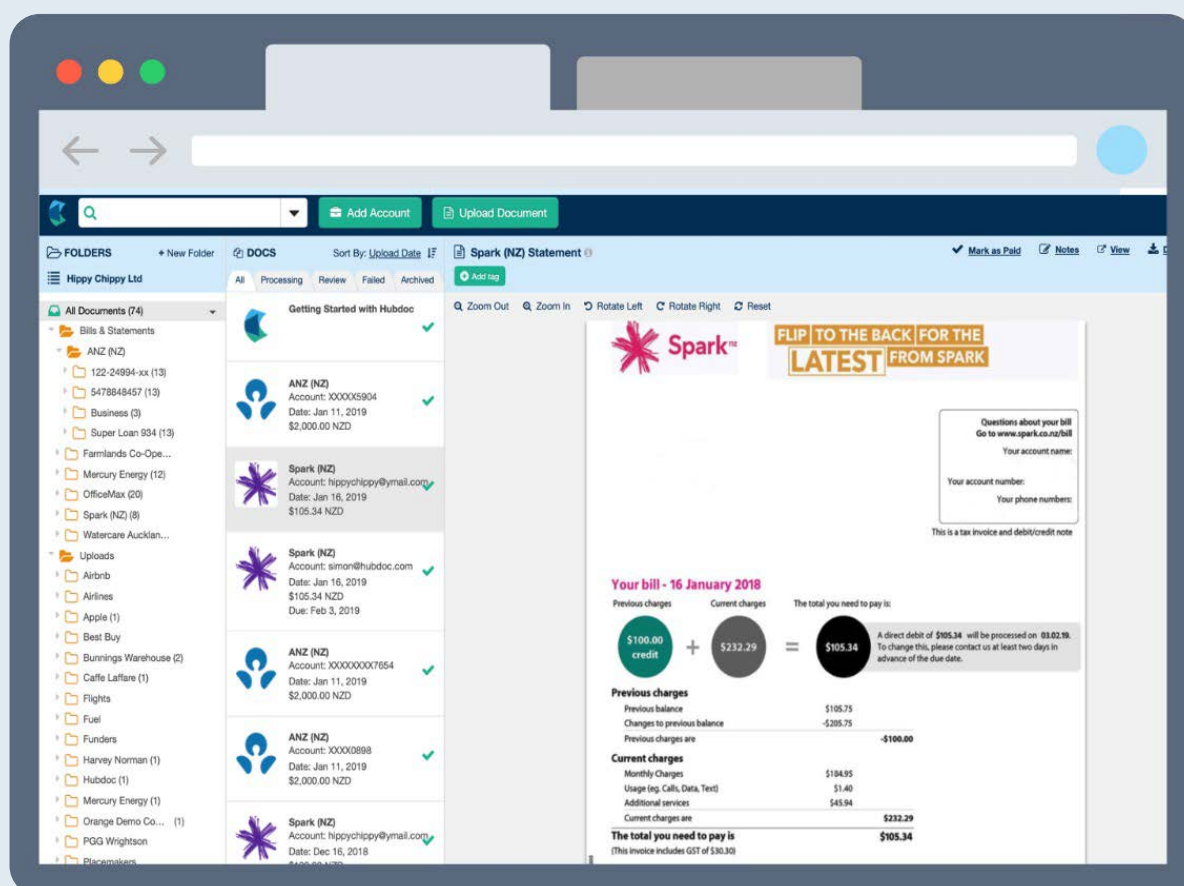
Hubdoc

Automate your bills and receipts process using this data capture solution. Best of all, it's included in all Xero business edition subscriptions.

Benefits include:

- Capture bills and receipts: Take photos, use email, scan or upload documents
- Capture data automatically: Add key information to Xero without data entry
- Match bank transactions: Seamlessly reconcile data with bank feeds
- Store documents online: Search and access bills and receipts from anywhere

For more information, see the help article on [using Hubdoc for data capture](#).



Perform a stocktake and enter adjustments

Count and value your stock on hand and make any necessary adjustments. This is a good opportunity to discount slow moving stock and dispose of any obsolete stock.

Use the Inventory Item List report as a starting point to conduct your stocktake, then use the adjustments feature in Xero to adjust the quantity on hand or revalue items.



Inventory Item List

Demo Company (NZ)
As at 31 March 2023

Inventory Type contains Tracked

Item Code	Item Name	Purchases Description	Inventory Type	Unit Cost Price	Unit Sale Price	Total Value	Quantity On Hand
630 - Inventory							
TSL - Black	T-Shirt Large Black	Company Branded T-Shirt Large Black. Order Code #2412	Tracked	20.00	40.00	100.00	5
TSS - Black	T-Shirt Small Black	Company Branded T-Shirt Small Black. Order code #2308	Tracked	20.00	40.00	140.00	7
TSM - Black	T-Shirt Medium Black	Company Branded T-Shirt Medium Black. Order code #2382	Tracked	20.00	40.00	80.00	4
Total 630 - Inventory						320.00	16
Total						320.00	16

Showing items 1-6 of 6

Run the Inventory Item List report to do your stock count.

1. Select **Accounting**, then **Reports**
2. Use the search bar to find and open the **Inventory Item List** report
3. Set the date to your financial year: Select the arrow and choose **End of last financial year**
4. Click **Filter** and click on **Inventory Type**
5. Tick **Tracked**, leaving Untracked unticked
6. Click **Apply 1 filter**
7. Click **Update**
8. Click **Export**, then select your desired format to work with.
9. Conduct your stocktake, noting down differences in both the quantity and value, or any that you need to talk to your accountant or bookkeeper about

For more information, see the help article on [running the Inventory Item List report](#).

Enter inventory adjustments to update the quantity on hand or value of your items.

1. Select **Business** then **Product and services**
2. Use the search bar to find and open the item that needs adjusting, then click **New adjustment**
3. Fill out the details of the adjustment, then click **Next**
4. Check that the adjustment details are correct, then click **Post adjustment**

For more information, see the help article on [making inventory balance adjustments](#).

Pro tip:

- Enter a purchases credit note to quickly decrease the quantity (or a purchases bill to increase the quantity) of multiple tracked inventory items at a time. You could set the contact record to '2023 Year End Adjustment', or something similar.

The screenshot shows a software interface for managing inventory. A modal window titled "New adjustment" is open over the product page for "T-Shirt Large Black".

Product Details (Background):

- Quantity on hand: 5
- Cost price: 20.00
- Cost of Goods Sold account: 310 - Cost of Goods Sold
- Tax rate: No GST
- Description: Company Branded T-Shirt Large Black #2412

New adjustment Dialog Box:

- Quantity on hand:** 5
- Average cost:** 20.00
- Total value:** 100.00
- Adjustment type:** Decrease quantity
- Date:** 30 Jan 2023
- Decrease quantity by:** 2.00
- New quantity on hand:** 3.00
- Adjustment account:** 310 - Cost of Goods Sold
- Region (optional):** (empty)
- Reference:** Y/End stocktake adjustment
- Reasons for adjustment:** (empty)
- Next** button

Latest transactions (Background Table):

Date	Type	Price	Amount
31 Mar 2014	Opening balance	+5	20.00

Upload supporting documents

Upload all your supporting documents in Xero throughout the year so they're available online for you and your accountant or bookkeeper anywhere and anytime.

You can attach documents directly to your transactions as well as using the Files inbox to store and manage all other documents such as term deposit notices and loan summaries.

The screenshot displays the Xero interface for a bill (SM0210). A modal window titled 'RELATED FILES' is open, prompting the user to upload files. The modal text states: 'Upload your files to store them alongside all of your financial documents. Added files will only be visible to users with access to your company.' It includes two buttons: '+ Add from file library...' and '+ Upload files...'. In the background, the bill details are visible, including a table with item codes and descriptions, and a summary section showing a total of 2,500.00. A blue arrow points from the 'RELATED FILES' modal towards the 'How to attach documents...' section below.

From	Date	Due Date	Reference
SMART Agency	11 Jan 2023	21 Jan 2023	SM0210
No address Add address			

Item Code	Description	Quantity	Unit Price	Account
	Prototype media banner & print mockups for Qantown Business Leader ad series	1.00	2,173.91	Advertising

Subtotal	
2,173.91	

Total GST 15%	
326.09	

TOTAL	
2,500.00	

Make a payment

Amount Paid	Date Paid	Paid From	Reference
2500.00			

[Add Payment](#)

History & Notes

Approved by Terry Brown on 30 Jan 2023 at 14:45p.m.

[Show History \(4 entries\)](#) [Add Note](#)

How to attach documents to new or existing transactions

1. Click the document icon when creating a transaction such as an invoice or bill
2. Upload the document from your file library or computer

For more information, see the help article on [attaching files to a transaction](#).

How to upload other supporting documents not linked to transactions

1. Select your **Organisation name**, then select **Files**
2. Upload files in one of these ways:
 - Click the **Upload file** button to upload a file from your computer
 - Email the file to your unique files email address shown on the files screen in the Inbox tab
 - Go to the files section of the Xero mobile accounting app and snap a photo of the file you want to save

Tip:

- Create folders to neatly group your documents for easier future reference.

For more information, see the help article on [managing your file library and inbox](#).

