



Taking control of tax season

The ultimate

guide to

Schedule C

with Xero





Want to make the most of this tax season for you and your clients? Use the steps and tools in this guide to quickly gather and reconcile your client information, and see how much time you could be saving.

Note: *This guide is intended for Xero partners ready to activate their purchased Schedule C organizations. This includes the Xero team pre-populating a Schedule C template on your behalf for these organizations. If you don't yet have Schedule C organizations ready to activate in your Xero account, please connect with your Xero account manager about a customized business plan.*

Ready?

Let's get started!

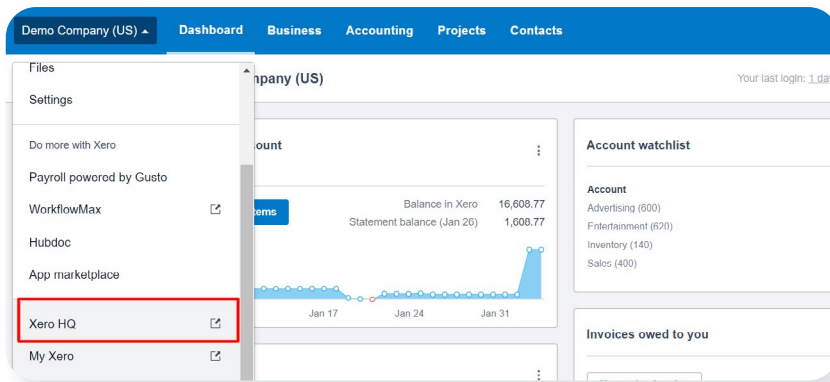
The Xero Schedule C process can be broken down into 4 basic steps:

- 1.** Open and rename the client's Xero file
- 2.** Import bank information
- 3.** Reconcile transactions in bulk
- 4.** Run the Schedule C report

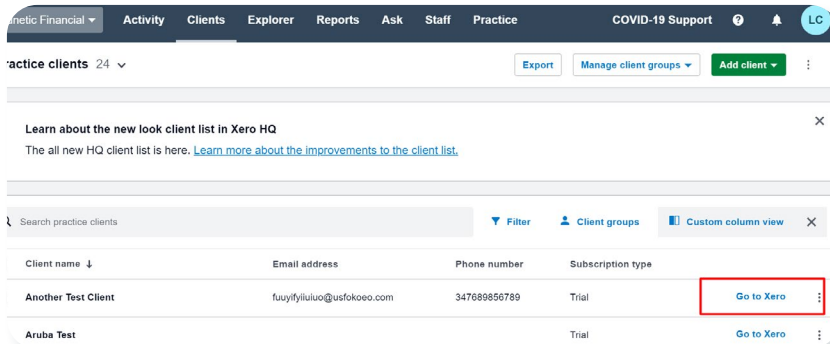


Open and rename the client's Xero file

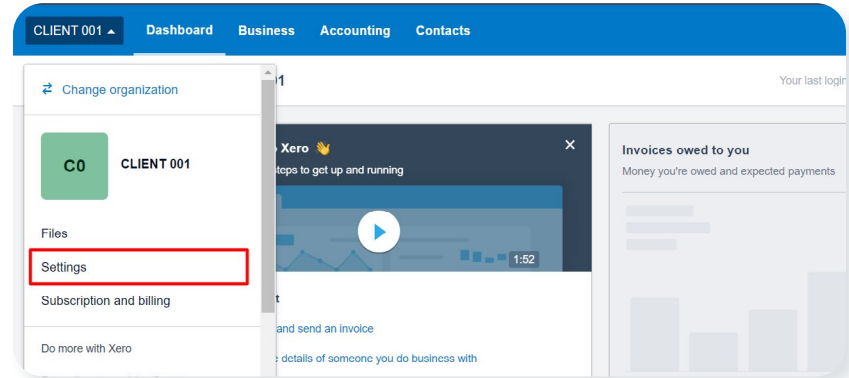
1. Log into Xero and navigate to Xero HQ by clicking on the name in the top left corner, then selecting **Xero HQ** from the menu.



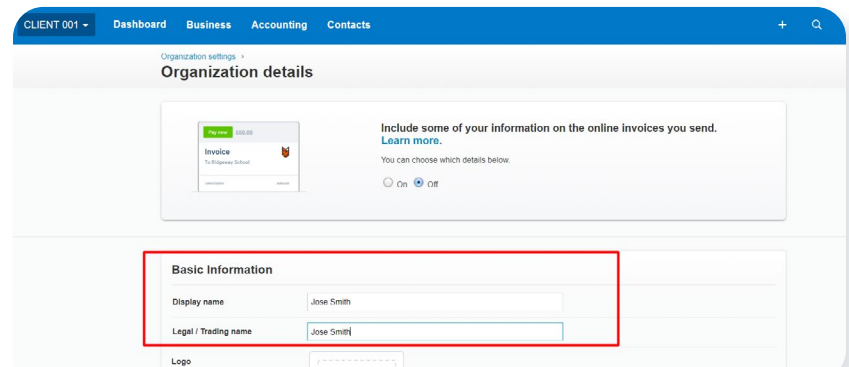
2. Open the **Clients** tab and click **Go to Xero** next to the organization you want to activate.



3. Once inside the client's Xero file, click on the organization's name in the top left and select **Settings**.



4. Click **Organization Details**. Then enter the client name in the first and second fields and click **Save**.

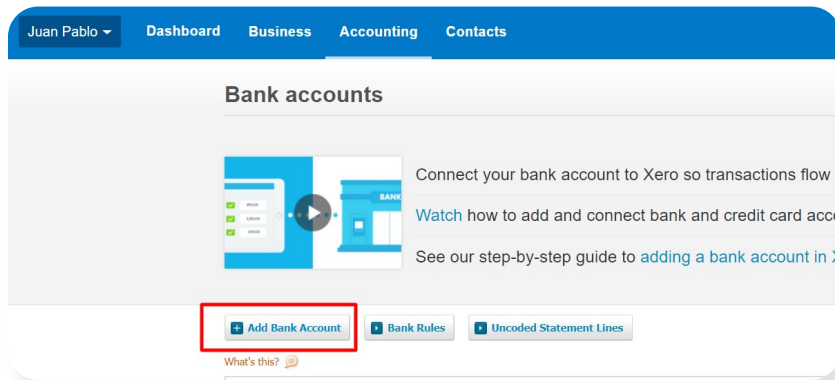


That's it! The client file has been updated and should already be populated with the correct chart of accounts per the terms of your custom business plan.

2.

Import bank information

1. In the client's file, click **Accounting > Bank Accounts**, then the **Add Bank Account** button.

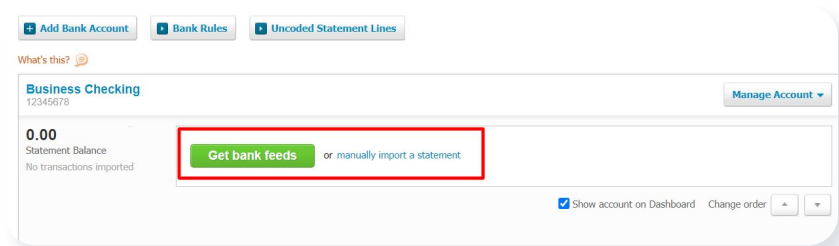


2. Follow the step-by-step prompts to [create your bank account](#) in Xero.

Some banks have the option to connect a bank feed. Bank feeds allow the transactions from the bank to appear automatically in Xero. You can set them up using the login information from the client's bank. Don't worry, if a connection isn't available, you can still import transactions manually.

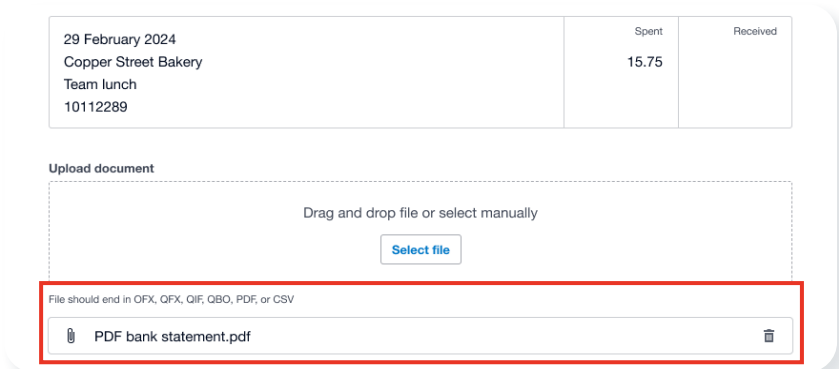
Option 1

If a bank feed is available, you can connect it and wait for the transactions to arrive. If the transactions imported don't include older data, you can import the missing lines manually using OFX, QBO, QFX, QIF, CSV or PDF file formats.



Option 2

If your bank doesn't offer a bank feed at all, you can have your client download a PDF of their bank statement and import the statement PDF straight into Xero in less than 35 seconds. (OFX, QBO, QFX, QIF and CSV file types are also available).

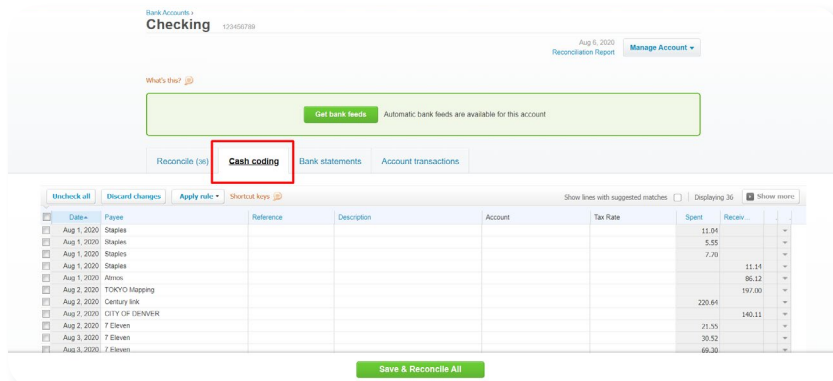


Once all of the bank statement lines are in Xero, you're ready for the next step.

3. Reconcile transactions in bulk

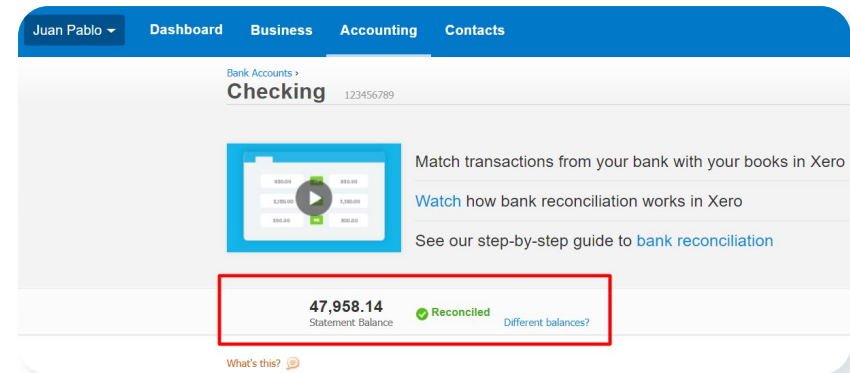
1. In the client file, click **Accounting > Bank Accounts**, then the name of the bank account you'd like to reconcile.

2. Click the **Cash Coding** tab near the top of the page.



Cash coding allows you to select multiple bank lines and reconcile them in one go. [Please see this page for more information on reconciling via cash coding.](#)

3. When the cash coding page is empty, you've fully reconciled. The balance at the top of the page should match the balance in the actual bank account as at the last reconciled date (ex: 31st December).



4. Repeat for any other bank accounts as needed.



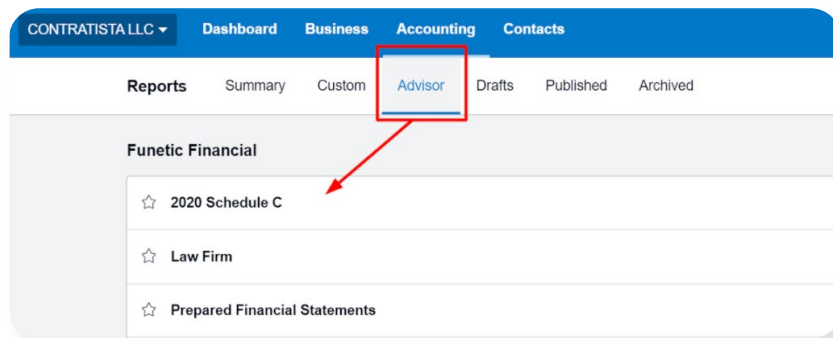
You're almost done!

Only one thing left before you can file.

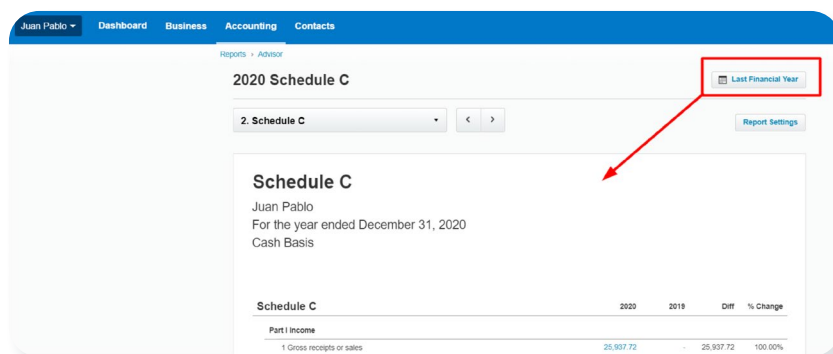
4. Run the Schedule C report

1. Click **Accounting > Reports**.

2. Here, click the **Advisor** tab and select the Schedule C report.

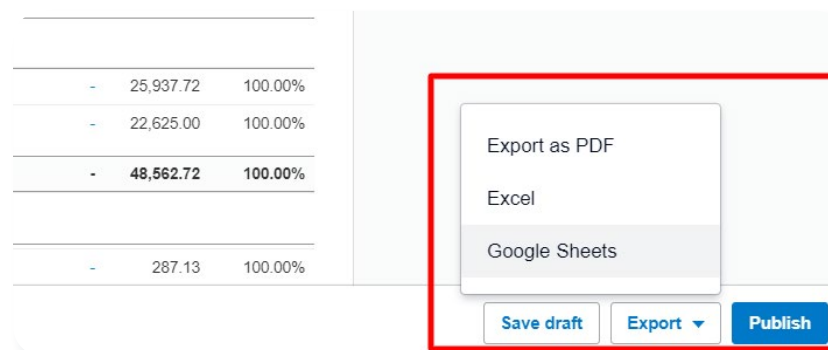


3. Set the date range of the Schedule C using the button at the top right.



4. The **Schedule C report template** has multiple pages. You should flip through them to verify the data is correct and to include additional information by using the “<” and “>” options at the top.

5. When the report is ready, click either **Publish** or **Export** to save a copy of the report.



Congrats - you did it! You can now use this report to create the Schedule C filing for your client.

Note: Currently, you cannot file the report directly with the IRS, but you may transfer the data manually to the corresponding boxes on the Schedule C form.

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