

Bank Reconciliation

Under the Dashboard tab, find the bank account you want to reconcile and click Reconcile Lines. The bank transactions are shown down the left-hand side and the right is where you allocate the information on what the transaction is.

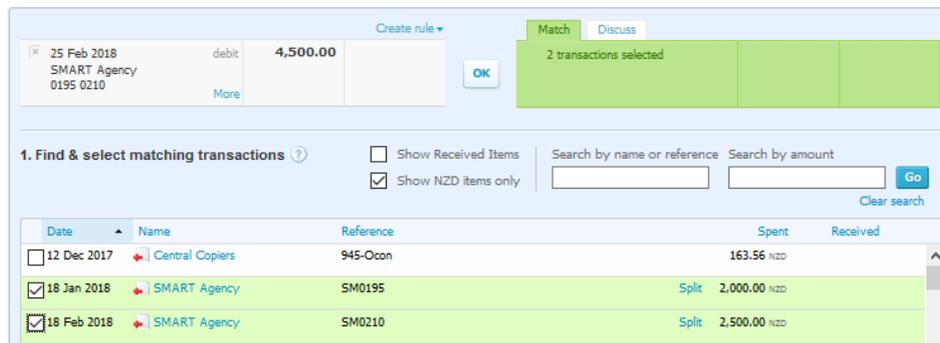
1. **Match** - When the amount of a transaction EXACTLY matches an invoice/bill that has been entered, Xero will automatically recognise this and the item will be displayed in green. Check that the payee/payer, date or invoice numbers match before clicking OK.



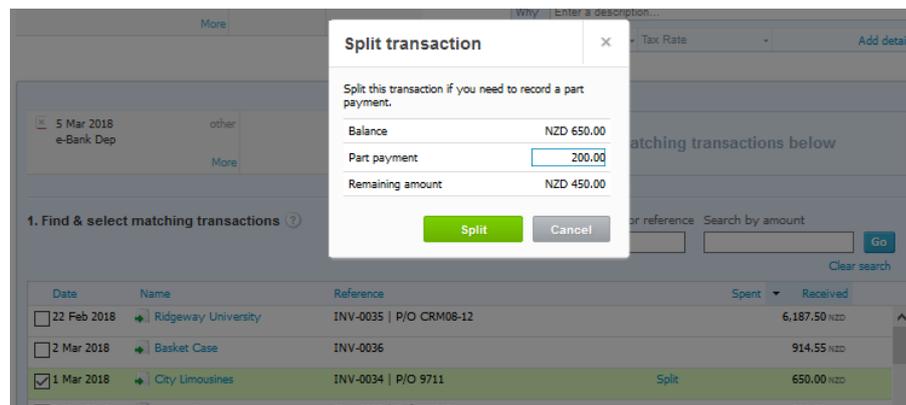
Use **Find and Match** (circled) to do the following:

Search: Search the full list of invoices/bills that have been entered.

Combine: Combine multiple invoices/bills to match with a payment by ticking the box on the left-hand side of each item until it equals the total.



Split payments: If the payment is only part of a larger invoice/bill you can split the bill by ticking it then selecting split. This will allocate the amount you specify to that invoice/bill and leave the remainder outstanding.



- 2. Create** - Use this tab if there is no invoice/bill to match the transaction to. You must enter who the payer/payee is and the account code. A description is handy for future referencing but is not required. Ensure the GST is correct and allocate a tracking code if these are being used. Click OK when finished.
Add Details: Use this option on the lower right-hand corner to be able to input further information, for example splitting a payment to multiple account codes or tracking codes.

Review your bank statement lines...

	Spent	Received
<input checked="" type="checkbox"/> 4 Dec 2017 Transaction narration ENT	18.87	

[Create rule](#)

...then match with your transactions in Xero

Match Create Transfer Discuss [Find & Match](#)

Who: Name of the contact... What: Choose the account...
 Why: Enter a description...
 Region: Tax Rate: [Add details](#)

- 3. Transfer** - Use when transferring between bank accounts in Xero. Both accounts must be feeding into Xero for this to work. Once a transfer has been done from one account, the other account should recognise it and go green automatically. If it's not showing green you will need to check the transfer was to the correct bank account.

Review your bank statement lines...

	Spent	Received
<input checked="" type="checkbox"/> 4 Dec 2017 Transaction narration ENT	18.87	

[Create rule](#)

...then match with your transactions in Xero

Match Create Transfer Discuss [Find & Match](#)

Select a bank account: Business Savings Account Reference: ENT

[OK](#)

- 4. Discuss** - If you are unsure of what a transaction is/where to code it you can save a note under the **Discuss** tab. You can then come back to this at a later date. Alternatively, you can contact your accountant who can log on and answer your question or code the item for you.

Review your bank statement lines...

	Spent	Received
<input checked="" type="checkbox"/> 4 Dec 2017 Transaction narration ENT	18.87	

[Create rule](#)

...then match with your transactions in Xero

Match Create Transfer Discuss [Find & Match](#)

[SAVE](#)

Ctrl+S at any time to save

Memorisation - Xero will automatically memorise transactions that show up regularly. This is based on past transactions with the same payee/payer. If this happens, make sure the details are correct before clicking OK. If they are not correct, simply override the information before hitting OK.