

# Top tips for Xero users

June 2017

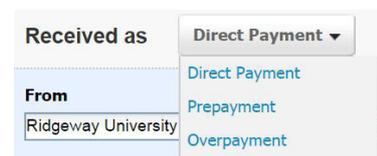
In Top tips this month we look at how to deal with overpayments, part payments and payment of multiple invoices. We also look at the App Stripe, making online payments easy.

## Overpayments

Overpayments are transactions where a customer accidentally pays you too much, or you mistakenly overpay a supplier. Let's take a look at a few ways we can record an overpayment and apply this to an invoice or bill, or arrange a refund.

### To record an overpayment

- Simply enter the amount paid directly onto the invoice, and if the amount exceeds your invoice total, Xero will automatically calculate an overpayment. Xero will then be able to match the amount against the invoice in the bank reconciliation screen.
- Create an overpayment Receive Money/Spend Money transaction from the Manage Account drop down menu in your bank account to reconcile the overpayment to.
- During reconciliation create an overpayment Receive Money/Spend Money transaction. To do this, go to Find & Match > Click New Transaction > select Overpayment from the drop down > enter the details.



The image shows a screenshot of the 'Received as' dropdown menu in Xero. The menu is open, showing three options: 'Direct Payment', 'Prepayment', and 'Overpayment'. The 'From' field is set to 'Ridgeway University'.

### Allocate or Refund an overpayment

Once the overpayment transaction has been entered into Xero, a cash refund can be recorded or you can allocate the overpaid amount to an invoice for the same Contact in Xero. You will find the overpayment transaction in either the Sales or Purchases Awaiting Payment screen.



The image shows a screenshot of the 'Allocate balance on Overpayment' screen in Xero. It displays a table with columns for Invoice, Date, Invoked, Amount Due, and Amount to Credit. There are two rows of data. Below the table, there are buttons for 'Allocate Credit' and 'Cancel'.

Invoice	Date	Invoked	Amount Due	Amount to Credit
INV-0035	13 Aug 2016	6,187.50	6,187.50	187.50
INV-0049	30 Aug 2016	2,175.00	2,175.00	

Cash refund

Outstanding Credit Balance 187.50  
Total Amount to Credit 187.50  
**Remaining Credit 0.00**

- While viewing the transaction you can go to the Options drop down in the top right hand corner and choose Allocate. When you click this a box will appear that allows you to choose which invoice you would like to allocate the credit to.
- If a contact has overpaid you and a new invoice is created after the overpayment has been recorded, Xero will ask if you wish to allocate the overpayment against the new invoice.
- You can also record Cash Refunds on the overpayment directly which will then reconcile with the bank statement line. To enter the refund; open the overpayment transaction > fill in the information at the bottom of the screen under 'Make a cash refund > click Add Refund.



The image shows a screenshot of the 'Make a cash refund' form in Xero. It has fields for Amount, Date, Paid From, and Reference. The Amount field is filled with '187.50'. There is an 'Add Refund' button.

Make a cash refund

Amount: 187.50 | Date: [dropdown] | Paid From: [dropdown] | Reference: [text field]

## Part payments

A part payment would be recorded when a customer either partially pays an invoice or for bills that are partially paid.

### To record a part payment

1. In the bank reconciliation screen, choose Find & Match
2. Search for the invoice that you wish to apply the deposit against
3. Click the blue 'Split' hyperlink that appears
4. You can then choose how much of the deposit you would like to apply to this invoice
5. Once you have clicked Split, you will then be able to apply the part payment to the invoice

### Split transaction

Split this transaction if you need to record a part payment.

Balance	GBP 6,187.50
Part payment	<input type="text" value="2000.00"/>
Remaining amount	GBP 4,187.50

## Payment of multiple invoices

Sometimes a customer may pay an amount that covers multiple invoices or you may make one payment that relates to multiple bills.

### Reconcile multiple invoices to one transaction

1. In the bank reconciliation screen, choose Find & Match
2. Search for the invoices you wish to apply the payment against
3. Select the checkboxes next to the transactions that you want to match the bank statement line to
4. Click Reconcile

### Search by name or reference

**Top tip**– it is now possible to search for multiple invoices when you go to Find & Match. In the 'search by name or reference' field, enter invoice number or full reference, divided by a vertical bar for each query. The search will return matches for each item. The vertical bar can be found on your keyboard by holding down Shift and the backslash key (left of Z).

## App review

Stripe makes it simple for businesses using Xero to accept credit or debit card payments from their customers. Stripe processes all transactions for you, once your Stripe account is integrated with Xero, you can accept payments immediately.

- An easier way for your customers to pay your invoices by offering a way to pay directly from your invoices
- A quick and secure way to enable credit and debit card payments online and on Xero invoices
- Integration with Xero – you can integrate your Stripe account to Xero's invoicing product and easily process payments



Any user can try Stripe in test mode. When you go live, you'll just pay per successful transaction. There are no monthly fees, setup fees or hidden fees.

## Coming soon...

- Separate shipping address on invoices
- Stripe reconciliation

## Need more info?

Contact us at [xero@krestonreeves.com](mailto:xero@krestonreeves.com) or visit our online accounting page at <http://www.krestonreeves.com/services/online-accounting>.

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