

XERO ONLINE CLOUD BASED ACCOUNTING SOFTWARE

5 Key Benefits of Choosing Xero Cloud Based Accounting Software

By Noel B. Lorenzana, CPA

This post was made possible by Xero. I started using Xero in early 2016 and have been recommending it ever since. I think it's a great tool and personally recommend it.

Since becoming a Xero Certified Advisor, I have received many inquiries about Xero Accounting Software. As a Xero affiliate and advisor, I thought it would be useful to put together this review for my readers.

Xero is an easy-to-use, but powerful cloud-based accounting software designed for small & medium sized businesses. Xero was designed for the non-technical person and helps users derive useful information from their data. In 2006 the developers at Xero launched their service with three things in mind; up to date financial information for the user, Quality advice – Real time collaboration with one's accountants or bookkeepers, and a single ledger that allows collaboration on the same set of financial records at the same time.

Is Xero Right for you?

Xero is a complete accounting software solution, comparable to Quickbooks Online. Xero has a full suite of features that make it a great choice for any business. Maybe the best part is they did away with the accounting jargon and use simple terms to help uncomplicated things for the user without a financial background.

5 key benefits of choosing Xero

Invoicing & Payments

Xero's online invoicing and payments function make it possible for you to get paid sooner and spend less time chasing unpaid invoices. Xero allows you to shift from paper to online PDF invoices, offering more security and transparency. You simply email customers a link to a live invoice, which shows the most up-to-date details including payment status, history and a Pay Now button for taking online payments by credit or debit card – or PayPal. Xero lets you see when the invoice was received and opened, and sends automatic invoice payment reminders on outstanding invoices.

Innovation

Xero is constantly innovating with more than 1,400 product updates in the last year. The constant innovation is what sets Xero apart, and is just part of their successful business model. In 2014 and 2015, Forbes named Xero the World's Most Innovative Growth Company. And in 2016, the platform recorded more than \$1 trillion across 450 million incoming and outgoing transactions.

Cloud Design

Xero was built in the cloud, from the ground up, and has grown into a powerful and innovative accounting platform. This means your accounting ledger can be accessed from anywhere and anyone you choose can be invited to collaborate. Your information is secure with the highest security standards and updates are seamless and automatic. No more worrying if you have the latest software version, or if you have the most recent updated file, and no need for emailing files. With Xero, both client and accountant have the most accurate information.

Unlimited Support

Software that lacks support is eventually worthless. Xero understands this and offers unlimited email-based support from their experienced team, video tutorials, an online help center, phone call-backs upon request, certified Xero advisors, and a free online community of engaged users. If you have a question or need help, an answer can be found generally within minutes.

Real-Time Automation



Xero disrupts the accountant-client relationship by presenting a live view of the business' financial information, on one easy-to-use platform. By automating key business functions, extracting insights and displaying them on elegant dashboards a business can derive useful information and your advisor can deliver timely advice and services. Xero takes mundane tasks that require hours to complete – and turns them into a seamless experience that are completed for you in seconds.

Xero is a fully developed accounting software solution that would serve any business, large or small. Xero helps clients build a trusted relationship with their accountants or bookkeepers through online collaboration. Instead of waiting months for

useful financial information, you can get it real-time and have a deeper understanding of how your financial transactions impact your bottom line.

Noel B. Lorenzana is an Illinois Registered Certified Public Accountant with over 20 years of experience, dedicated to providing outstanding tax and accounting services to individuals and small businesses in the Chicago area.

The information presented in the above article is general in nature, and not warranted or guaranteed. If you have questions on accounting software for managing your business, be sure to speak with a Certified Public Accountant or a trusted business advisor.

Disclaimer: Any accounting, business or tax advice contained in this article, is not intended as a thorough, in-depth analysis of specific issues, nor a substitute for a formal opinion, nor is it sufficient to avoid tax-related penalties. If desired, I would be pleased to perform the requisite research and provide you with a detailed written analysis. Such an engagement may be the subject of a separate engagement letter that would define the scope and limits of the desired consultation services.



KEY DELIVERABLES

- ❖ Online Accounting and bookkeeping software.
- ❖ No installation required – access from any Internet accessible device.
- ❖ Free upgrades whenever necessary seamlessly done.
- ❖ Automatic encrypted backups with Security Level Access 24/7.
- ❖ Multiple users from different locations across the globe simultaneously accessing the same ledger (single ledger).
- ❖ Affordable monthly subscription fee.
- ❖ Monthly Management Accounts and Variance reporting.
- ❖ Preparation of Financial Statements required for Audit & Assurance and Advisory Services.



OUTSOURCING

OCAS selected Belina Payroll which boasts:

- A proven track record since 1993;
- Healthy market share in Zimbabwe's payroll offering
- Easy to use with telephone support;
- Compliance with Tax legislation and other statutory obligations

Belina is focused on helping you to bring efficiency and full control into your payroll and workforce management functions. With every Payroll an HR feature is included in the package – no need to pay extra for optional features.

Eliminate errors and delays in processing your Payroll and HR requirements. Belina Payroll includes all of the necessary reports required by statutory bodies and pension funds for submission on a periodic basis – all you need to do is print or email the report:

- PAYE Report
- Pension Reports
- Zimbabwe Development Levy Report
- Standards Development Levy Report

In addition to Client's internal reports as required.

Belina has comprehensive tax display with full breakdown of the PAYE and FDS (Final Deduction System) calculations. In fact, more than 50% market share with healthy market share in Zimbabwe.

Final Deduction System: Year End Procedures

All employers are on Final Deduction System (FDS), which means that they calculate and remit the correct Pay As You Earn (PAYE) to Zimra. There are procedures that should be completed and returns submitted as detailed below:

End of Year Adjustment

Employers are expected to reconcile their payrolls and ensure that the correct tax is collected per employee by end of the year. At the end of the year.

At the end of the year, the employer must make final adjustments to PAYE calculations, taking into account the total income, deductions and credits to which the employee is entitled.

In the case of shortfalls, the employer is obliged to make good the shortfalls and remit the tax and recover the shortfalls from employees on the final payroll. Where there are refunds, employers should also refund the employees on the final payroll for the year.

The employer should then extract the ITF 16 Return and submit to ZIMRA by 30th January 2018.

Issue of Tax Certificates

All employees whose remuneration was subject to PAYE are entitled to be issued with tax certificates (Forms P6) for their records. The employer is required to issue forms P6 within 30 days from the end of the relevant year, or within 30 days of terminating employment services as the case may be. Forms P6 for the employees who are employed by the same employer for the full tax year should be marked FDS on the face.

Submission of Returns (Forms ITF 1)

This is for all those employees who:-

- Terminate employment during the year of assessment;
- Change employment during the year;
- Work part time at the same time being fully employed by another employer;
- Start employment during the course of the year;
- Receive pensions;
- Are executors/ executrix of deceased estates;
- Are in receipt of income which is not subject to PAYE

All those employees who are required to submit a return will be notified by the Commissioner General by notice in the press. This notice is usually published in first quarter of each year.

Who should not submit returns of income?

All those employees whose income consists of employment income only and whose employer was directed to administer PAYE under the FDS system and did so during the year concerned, and the employee was in continuous employment with the same employer for the whole year.

Disclaimer

This article was compiled by the Zimbabwe Revenue Authority for information purposes only. ZIMRA shall not accept responsibility for loss or damage arising from use of material in this article and no liability will attach to the Zimbabwe Revenue Authority.



ONLINE CLOUD ACCOUNTING SERVICES



To find out more contact Pearson Chitando, Managing Partner, OCAS, nosreap@ocas.co.zw. Address: 14 Argyle Road, Avondale, Harare. P.O. Box 3341, Harare, Zimbabwe.

Disclaimer:

The information contained herein is of a general nature and notification given without any warranties notwithstanding the due care taken in its compilation which is generic. OCAS does not accept responsibility for any loss or damage you or any third party may suffer as a result of using the information provided.