



# Xero Guide: Bank Rules

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Bank rules are used to help speed up and automate many of the repetitive payments that occur in your business. A bank rule allows Xero to automatically interpret a particular type of payment which reduces the requirement from the user.

To set up bank rules for simple recurring payments: click on the Options drop down button at the top right of each bank transaction.

Click Create Bank Rule.

Within the rule do the following (the numbering matches those within the Xero Bank Rule):

1) Select "ANY" in most straight forward cases where you want the rule to work in ANY of the set conditions you are about to apply.

Or select "ALL" for specific rules, such as wages where two or more criteria need to apply to make the rule work. Such as "Any text field CONTAINS Joe Bloggs" AND "Amount is greater than £50". In this example you may want any payments made to a particular employee below £50 to be treated as expenses rather than wages.

Delete irrelevant bank statement lines, leaving just the line including the main bank statement line text specific to the transaction.

Change to "Any text field" and "Contains" where appropriate.

2) Type name of contact (supplier, customer, staff member or HMRC as appropriate).

4) Leave description blank, enter Account Category and check that the correct VAT tax rate has been applied.

5) Change the drop down option to "The reference will be set from the description".

8) Give rule a title.

Click "Save".

Back in the Reconcile tab your rule should have been applied to the relevant transactions.

If you are happy that the correct rule has been applied, click the OK button which should now appear in the middle of the screen.

Deal with the remaining items by either setting up new Bank Rules for those transactions you are likely to have again or simply fill in the Who, What and Tax Rate boxes for one off transactions. Then click the OK button to reconcile them.

If you need any assistance please contact a member of our team.

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