

Getting started with bank rules



Bank rules can save you a lot of time, as well as reducing errors and improving consistency, but a lot of practices aren't utilising them as much as they could be. Otto loves bank rules, so making more use of them also means that Otto will be able to do more work for you.

Key things to remember

- Rules run in the order they appear in Xero. You can use this to your advantage to create some logic to your rules.
- Be specific. You want to make sure that only the transactions you want are caught by the rule.
- You can set rules for receive money, spend money, and transfers between bank accounts.
- The payee can be set from the bank details, particularly useful for Stripe/PayPal income.
- Apply a rule to specific bank accounts, or all.
- Use a naming convention to make it easy to see which rules you have set up and what bank accounts they apply to.
- Don't require anything to be set at reconciliation, such as description or account.

You can learn more about bank rules at <https://central.xero.com/s/article/About-bank-rules>

Suggested bank rule naming guidelines

Having a structured way of naming your bank rules can help you keep track of which bank rules are set up, and make it easier to confirm the correct one is being matched to the transaction.

Consider including:

1. Bank account name for rules that apply to a single bank account or "All" if they apply to all accounts. E.g. "Stripe ThriveCart: Stripe fee" or "All: Stripe fee"
2. Supplier/client name/type where you have multiple rules that are related. E.g. Salaries might be "Monzo: Salaries: Jane Smith" and "Monzo: Salaries: Brian Jones"
3. Product names if you have different descriptions, tax rates, or accounting codes across the different rules. E.g. "Stripe ThriveCart: Child Hobby Pack GB card" and "Stripe ThriveCart: Child Book Pack non-GB card"

Bank rule ideas

Receive money

- Bank interest
 - Sales from Stripe/PayPal
 - Daily takings
- Bank interest
 - Sales from Stripe/PayPal
 - Daily takings

Spend money

- Stripe fees
 - Dividend payments
 - Drawings
 - Rates payments
 - Bank charges
 - Insurance payments
- Pension payments
 - Salary and wages payments
 - Parking
 - Utilities
 - Regular travel costs
 - HMRC payments

Transfers

- Payouts from Stripe, PayPal, etc.
- Monthly transfer to savings account