XERO AND QUICKBOOKS

SOFTWARE COMPARISON AND SUBSCRIPTION PLANS GUIDE

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1 CONSIDER XERO OR QUICKBOOKS – HOW DO THEY COMPARE ?

- Although there are a large number of online (or cloud) accountancy software systems for SMEs to choose from within their business, we have narrowed the selection down to two specific software packages i.e. Xero and QuickBooks Online.

- However when you are trying to decide between the two accountancy software options, what are the key areas required:

    - Provides a solution for HMRC's **'Making Tax Digital' (MTD)** requirements
    - Brings staff time and general administrative savings
    - Improves the ability to analyse your business activities
    - Provides easier access to your key figures and numbers
    - Provides opportunities to integrate (or link) your cloud accountancy software with other software being used in your business.

- In terms of key differences between selecting Xero in comparison to Quickbooks, the key variations are as follows:

KEY FEATURE COMPARISONS		QUICKBOOKS	XERO
GENERAL	**DETAILS**		
Mileage Tracker (**'Add on'** available in Xero)	Simply record business **'mileage'**	YES	NO
Receipt Capture (**'Add on'** available in Xero)	Use software to **'snap'** pictures of & record expenses	YES	NO
Construction Industry Scheme (CIS) (**'Add On'** available in Xero)	Manage CIS deductions & Subcontractor documentation	YES	NO
Smart Scan' for VAT	Basic review of VAT reports to identify potential errors	YES	NO
HubDoc 'Data Capture' Software **FREE** (**'Paid For'** with Quickbooks)	Software to auto capture information from invoices etc.	NO	YES
Batch Payments i.e. Supplier invoice payment run	Manage multiple invoice payment & export bank file	NO	YES
BANKING	**DETAILS**		
Export Unreconciled Bank Transaction Reports	Enable Clients to add information on unidentified transactions	NO	YES
Payment Run' Export files	Allow Supplier payments to be imported into online banking	NO	YES
Cash Coding' function	Auto 'grouping' of similar historical bank transactions	NO	YES
INVOICE CUSTOMISATION	**DETAILS**		
Upload 'Customised' Sales Invoice Template	Enable use of specific client invoice template	NO	YES
Greater Flexibility 'Customising' Standard Invoice Template	Additional flexibility in customisation of standard template	YES	NO
CUSTOMER PAYMENT OPTIONS	**DETAILS**		
Payments taken by Credit Card using Stripe	Additional payment option	NO	YES
INTEGRATION OPTIONS	**DETAILS**		
Cloud Depot	AutoTask MSP (IT Support) CRM software	NO	YES
Telleroo	Secure payment Approval software	NO	YES
IVY	Interior design project management software	YES	NO
Arthur Online	Property rental/management software	YES	YES
A2X	Ecommerce accounting (Shopify/Amazon/Ebay)	YES	YES
One Saas	Ecommerce accounting (WooCommerce/BigCommerce etc.)	YES	YES
SaaSAnt	Data Import	YES	YES

2 CONSIDER THE XERO SUBSCRIPTION PLANS – KEY COMPARISONS

- There are three different subscription plans available to Xero users

  - Starter Plan
  - Standard Plan
  - Premium Plan

SUBSCRIPTION PLANS		
STARTER	**STANDARD**	**PREMUM**
£10.00 PER MONTH	£24.00 PER MONTH	£30.00 PER MONTH
☑ Customer invoices and quotes [Max 20]	☑ Customer invoices and quotes	☑ Customer invoices and quotes
☑ Supplier invoices (or 'Bills') [Max 5]	☑ Supplier invoices (or 'Bills')	☑ Supplier invoices (or 'Bills')
☑ Reconcile bank transactions	☑ Reconcile bank transactions	☑ Reconcile bank transactions
☑ Submit (MTD) VAT returns online to HMRC	☑ Submit (MTD) VAT returns online to HMRC	☑ Submit (MTD) VAT returns online to HMRC
☑ Automatic CIS calculations and reports	☑ Automatic CIS calculations and reports	☑ Automatic CIS calculations and reports
☑ Capture 'Bills' & expense/receipts with Hubdoc software [Included]	☑ Capture 'Bills' & expense/receipts with Hubdoc software [Included]	☑ Capture 'Bills' & expense/receipts with Hubdoc software [Included]
☒ Multi currency options	☒ Multi currency options	☑ Multi currency options

- Xero also have some additional '**Add on**' features in addition to the 'basic' subscriptions for businesses that may prefer to use native functions (included within Xero), rather than third party software.

- The **'Add on'** features include the following:

  - Expense claims and mileage
  - Payroll
  - Project management
  - CIS
  - '**Transferwise'** Supplier payment runs

ADD ON' FEATURES - AVAILABLE FOR ALL PLANS		
TYPE	**DESCRIPTION**	**SUBSCRIPTION COSTS**
Expense Claims	Unlimited expenses per month	£2.50 per user per month
Payroll	Unlimited payroll periods per month	£5.00 per month for 5 employees
Project Management	Unlimited projects per month	£5.00 per user per month
CIS	Online submission of CIS returns & Issue of unlimited Subcontractor statements	£5.00 per month
Transferwise' Payments	Ability to pay directly through Xero for 10 / 40 / 100 'Bills'	£3.00 per month per 10 transactions [+35p per transaction]

3 CONSIDER THE QUICKBOOKS SUBSCRIPTION PLANS – KEY COMPARISONS

- There are three different subscription plans available to Quickbooks Online users

    - Simple Start Plan
    - Essentials Plan
    - Plus Plan

SUBSCRIPTION PLANS		
SIMPLE START	**ESSENTIALS**	**PLUS**
£12.00 PER MONTH	£20.00 PER MONTH	£30.00 PER MONTH
☑ 1 user	☑ Up to 3 users	☑ Up to 5 users
☑ Customer invoices and estimates	☑ Customer invoices and quotes	☑ Customer invoices and quotes
☑ Import and connect bank transactions	☑ Import and connect bank transactions	☑ Import and connect bank transactions
☑ Submit (MTD) VAT returns online to HMRC	☑ Submit (MTD) VAT returns online to HMRC	☑ Submit (MTD) VAT returns online to HMRC
☑ CIS calculations and Subcontractor reports	☑ CIS calculations and Subcontractor reports	☑ CIS calculations and Subcontractor reports
☑ Income tax & Self assessment estimates	☑ Income tax & Self assessment estimates	☑ Income tax & Self assessment estimates
☑ Receipt snap and capture	☑ Receipt snap and capture	☑ Receipt snap and capture
☑ Mileage tracker	☑ Mileage tracker	☑ Mileage tracker
☑ FREE UK telephone support	☑ FREE UK telephone support	☑ FREE UK telephone support
☒ Supplier invoices (or 'Bills')	☑ Supplier invoices (or 'Bills')	☑ Supplier invoices (or 'Bills')
☒ Multi currency options	☑ Multi currency options	☑ Multi currency options
☒ Purchase order availability	☒ Purchase order availability	☑ Purchase order availability
☒ Project/location analysis	☒ Project/location analysis	☑ Project/location analysis
☒ Stock management	☒ Stock management	☑ Stock management
☒ Track employee time	☒ Track employee time	☑ Track employee time

- Quickbooks also have an additional Payroll **'Add on'** feature, which is aimed at being able to manage payroll as well within the accountancy software.

- There are two levels of plan based on pension flexibility, reporting and integration options

    - Standard **[£4.00 per month** excl pension schemes, report options, Payroll run flexibility]
    - Advanced **[£8.00 per month**]

4 CONSIDER THE QUICKBOOKS SELF EMPLOYMENT Vs STANDARD PLANS – KEY COMPARISONS

• There is also a Quickbooks Self Employed version of the accountancy software which is specially focused on Self employed business owners (or Sole Traders).

• However our view is that it is less flexible accountancy software without the ability to allow for the growth of most small businesses on that platform e.g. once a business owner requires the assistance of an accountant, registers for VAT and/or has further complexity in Customer invoicing a migration to the 'standard' software will be required.

• The reasons for moving straight to Quickbooks Simple Start or Essentials included the following:

   - No ability to invite in an accountant in the Self Employed version
   - Additional functionality in the '**standard'** versions means that there is some Self Employment/Self assessment functionality
   - Lack of 'Bills', Purchase orders, 'Open Banking options etc
   - Lack of VAT and MTD VAT