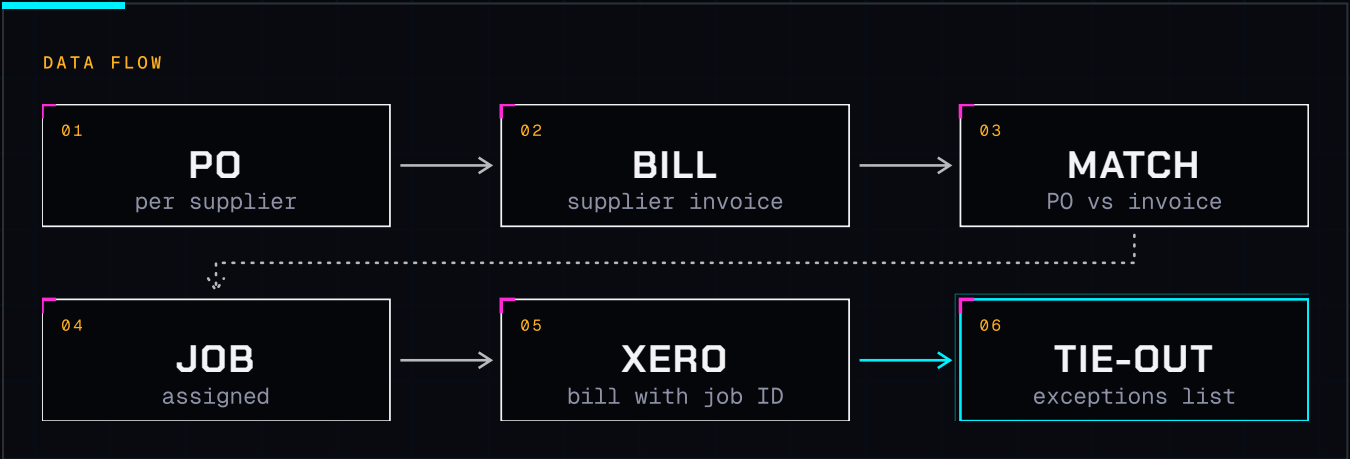


Fergus purchase orders and Xero bills for a plumbing and gas business

How I'd approach a Melbourne plumbing and gas business that buys from three main suppliers, so that every purchase has a purchase order, every supplier invoice lands on the right job, and the materials on a job match what Xero has been billed.

- Fergus
- Xero

AREA Purchase orders and supplier bills	TOOLS Fergus · Xero
TYPICAL SCOPE US\$1,500–3,000	TIMELINE About 5 weeks, 4 milestones



Work sample: realistic data, not a past client job. Amounts are in AUD and GST is 10%.

01 The problem

A plumbing and gas business with a handful of vans buys most of its materials from three suppliers. Some orders are phoned in from site, some are picked up at the counter, and the invoices turn up later by email. The office enters them in Xero, and the job in Fergus only learns about some of them.

Owners usually notice it like this:

- Materials are bought, the job is invoiced, and the supplier's invoice arrives a week later and never gets charged to anyone
- Nobody can say which purchase order an invoice belongs to, so the supplier statement is checked by eye at month-end
- Prices creep up on the supplier's side and the job quote does not move with them
- Xero shows what was spent, but not which job it was spent on

In this sample, over six months (March to August 2026) there were **1,850 purchase orders** and **1,920 supplier bills**. **260 bills (\$40,062 ex GST)** had no purchase order: **96** of them were never put on a job at all (\$15,482 ex GST), and **164** were put on a job after the customer invoice had already gone out (\$24,579 ex GST).

02 The outcome

This is what the setup does and delivers:

- A short purchase order rule for each supplier: when a PO is required, who raises it, how it is sent, and what the supplier must quote on the invoice
- The supplier price books loaded into Fergus, so the cost on a PO is the supplier's current price
- Every PO raised from a job, so the materials are always tied to a job from the moment they are ordered
- Supplier invoices matched to their PO (or "invoice to come") in Fergus, then assigned to the job and sent to Xero with the job ID in the reference
- A weekly list of exceptions: invoices with no PO, price differences over 3%, and POs still waiting on an invoice
- An unbilled materials report that shows job costs not yet on a customer invoice
- A one-page routine for the vans and one for the office

03 Scope

EXHIBIT A Scope

DELIVERABLE	WHAT'S INCLUDED	NOTES
Health check of ordering and bills	Review of a month of POs, supplier invoices, Xero bills and supplier statements; findings, risk list and a fixed quote	US\$300, and the findings are yours to keep. If the findings change the plan, I re-quote before M2

DELIVERABLE	WHAT'S INCLUDED	NOTES
PO rules per supplier	One page per supplier: who orders, when a PO is required, approval limit, how it is sent, what the invoice must show	Agreed with the owner and the office in M1
Price books	Supplier price files cleaned and loaded into Fergus as price books, with a repeatable monthly or quarterly refresh	Fergus imports price books from CSV and shows the columns to map. Suppliers connected through a Fergus integration can supply their own price book
PO to invoice matching	Weekly routine in Fergus: POs and "invoices to come" reconciled against supplier invoices, with an exceptions list	Matching is done in Fergus. POs themselves stay in Fergus and are not sent to Xero
Xero bill settings	Purchase account, job ID in the bill reference, and a send-to-Xero routine for approved supplier invoices	Xero bills are checked against Fergus each month by supplier, reference and amount, in a workbook
Unbilled materials report	Fergus Cost Report exported to CSV and filtered to jobs with costs but no customer invoice	Built as a Google Sheet or Excel workbook, so the office can run it weekly
SOPs and handover	One-page routines for the vans and for the office; recorded walkthrough	Written to match the way the business already works
Not included	Replacing Xero, supplier contract negotiation, and anything beyond purchase orders and supplier invoices	Quoted separately if wanted

Not included: payroll, STP or BAS lodgement.

EXHIBIT B Sample data

ITEM	VOLUME
Period	March to August 2026, plus a test month (September 2026)
Suppliers	3 (named generically)
Jobs	260 in the six months, 46 in the test month
Purchase orders	1,850 (1,590 invoiced, 140 price only, 70 cancelled, 50 open)
Supplier bills	1,920 (\$648,050 ex GST)
Bills with no PO	260
Test month bills	318 (\$103,712 ex GST)

04 Walkthrough

4.1 PO RULES PER SUPPLIER

The rules are short and written per supplier, because each one supplies and invoices differently. The exact route for each supplier is settled in the health check, depending on what each supplier offers and what Fergus supports on the business's plan.

	PLUMBING SUPPLIER A	GAS AND HYDRONIC SUPPLIER B	PIPE AND DRAINAGE SUPPLIER C
Typical purchases	Copper, valves, fittings, hot water units	Gas fittings, regulators, hydronic, flues	DWV and stormwater pipe, drains
Share of POs	about 50%	about 30%	about 20%
When a PO is needed	Every purchase, including counter pickups	Every purchase	Every purchase
Who raises it	Plumber from the job, or the office on a call or text from the van	Office	Plumber or office
How it is sent	Through the Fergus supplier link if the supplier offers one, otherwise emailed from Fergus	Emailed from Fergus	Emailed from Fergus

	PLUMBING SUPPLIER A	GAS AND HYDRONIC SUPPLIER B	PIPE AND DRAINAGE SUPPLIER C
Approval	Office approves any PO over \$1,500 ex GST	Office approves any PO over \$1,500 ex GST	Office approves any PO over \$1,500 ex GST
Invoice arrives	Direct to Fergus if connected, otherwise PDF into the supplier invoices area	Emailed PDF	Emailed PDF
Must show on invoice	PO number and job name	PO number and job name	PO number and job name
Price book	Supplier file, refreshed monthly	Supplier file, refreshed quarterly	Supplier file, refreshed quarterly

4.2 PRICE BOOK IMPORT

Each supplier's file is cleaned in a spreadsheet first (one row per product code, cost price ex GST, a sell price from a markup rule agreed in M1), then imported into Fergus as a price book from CSV, mapping each column when you upload it. A small example of the import file:

PRODUCT CODE	DESCRIPTION	COST PRICE	SELL PRICE
PB-1001	Copper pipe 15mm Type B, 5m length	58.40	75.92
PB-1002	Copper pipe 20mm Type B, 5m length	84.10	109.33
PB-1003	Brass ball valve 15mm	11.85	15.41
PB-1004	Brass ball valve 20mm	16.30	21.19
PB-1005	Flexible tap connector 450mm	6.20	8.06
PB-1006	Toilet suite connector kit	13.75	17.88
PB-1007	Pressure limiting valve 20mm	48.90	63.57
PB-1008	PVC pressure pipe 50mm, 6m	42.60	55.38

The full example, 22 rows across the three suppliers, is in price_book_import_sample.csv (sell price here is cost plus 30%).

4.3 ONE JOB FROM PO TO XERO

Take **Blocked drain, Moonee Ponds** (job J6050). Every purchase is ordered from the job, so the PO, the packing slip or "invoice to come", and the supplier invoice all end up on the same job.

PO	PO DATE	SUPPLIER	TYPE	PO EX GST	SUPPLIER BILL	BILL EX GST	GST	BILL INC GST	POSITION
PO-5344	21 Apr 2026	Plumbing supplier A	Delivery	\$164.05	A-71059	\$165.17	\$16.52	\$181.69	Matched to PO
PO-5379	24 Apr 2026	Gas and hydronic supplier B	Pickup	\$922.06	B-70602	\$495.00	\$49.50	\$544.50	Matched, split delivery
PO-5379	24 Apr 2026	Gas and hydronic supplier B	Pickup	\$922.06	B-70609	\$472.98	\$47.30	\$520.28	Matched, split delivery
PO-5404	26 Apr 2026	Plumbing supplier A	Delivery	\$94.35	A-71228	\$94.67	\$9.47	\$104.14	Matched to PO
PO-5411	27 Apr 2026	Pipe and drainage supplier C	Pickup	\$727.18	C-70631	\$733.50	\$73.35	\$806.85	Matched to PO
PO-5413	27 Apr 2026	Plumbing supplier A	Delivery	\$369.10	A-71246	\$372.58	\$37.26	\$409.84	Matched to PO
No PO	15 Apr 2026	Pipe and drainage supplier C	Counter		C-72906	\$71.47	\$7.15	\$78.62	Before: on job after invoice sent
No PO	17 Apr 2026	Pipe and drainage supplier C	Counter		C-72870	\$45.97	\$4.60	\$50.57	Before: on job after invoice sent

Materials on this job: \$2,451.34 ex GST. The counter purchases at the bottom of the table are the kind of bill that, in the old process, was entered in Xero without a PO and put on a job late or not at all. Under the new rules they get a PO

at the time of the sale, or are linked to one the same day and logged on the exceptions list.

The weekly routine for the office has five steps:

- 1
- Open the reconciliation area in Fergus and match each new supplier invoice to its PO, or to the "invoice to come" created when the goods arrived
- 2
- Check the invoice price against the PO and flag anything more than 3% different
- 3
- Assign the invoice to the job and approve it
- 4
- Send approved invoices to Xero (this is a deliberate step, so unchecked invoices do not reach Xero)
- 5
- Update the exceptions list and the unbilled materials report

4.4 SIX MONTHS, BEFORE THE NEW RULES

Purchase orders and bills by month:

MONTH	POS	BILLS	BILLS WITH A PO	BILLS WITH NO PO	EX GST	GST	INC GST
Mar 2026	177	158	135	23	\$49,267.08	\$4,926.74	\$54,193.82
Apr 2026	273	286	236	50	\$92,469.80	\$9,247.11	\$101,716.91
May 2026	292	323	290	33	\$117,265.01	\$11,726.57	\$128,991.58
Jun 2026	300	310	266	44	\$96,581.73	\$9,658.38	\$106,240.11
Jul 2026	465	498	426	72	\$174,546.04	\$17,454.73	\$192,000.77
Aug 2026	343	345	307	38	\$117,920.27	\$11,792.29	\$129,712.56
Total	1,850	1,920	1,660	260	\$648,049.93	\$64,805.82	\$712,855.75

By supplier:

SUPPLIER	POS	BILLS	BILLS WITH NO PO	BILLS EX GST	NO-PO	BILLS EX GST
Plumbing supplier A	888	915	122	\$297,347.66		\$19,714.69
Gas and hydronic supplier B	556	590	88	\$201,370.13		\$12,372.87
Pipe and drainage supplier C	406	415	50	\$149,332.14		\$7,974.13
Total	1,850	1,920	260	\$648,049.93		\$40,061.69

What the 1,850 purchase orders were:

PO STATUS	COUNT
Invoiced	1,590
Price only, not ordered	140
Cancelled	70
Open, invoice to come	50
Total	1,850

Of the 1,590 invoiced POs, 70 were delivered in two parts and have two bills, which is why 1,660 bills sit against 1,590 POs. 103 invoiced POs had a bill more than 3% away from the PO value, and in the old process nobody looked.

4.5 XERO SETTINGS AND THE TIE-OUT

SETTING	WHAT I SET	WHY
Purchase invoice account	One default purchases account for materials, agreed with the bookkeeper	Bills land in the right place without being recoded

SETTING	WHAT I SET	WHY
Job ID in the reference	On	The Xero bill carries the job number, so a bill can be traced back to a job
Send to Xero	Manual, from the reconciled supplier invoice	Only checked invoices reach Xero
Tax rate	GST on expenses for taxable purchases	Matches the supplier invoice
Contacts	Suppliers named the same in Fergus and Xero	Avoids duplicate suppliers

Example Xero bill from the test month: bill A-90020 from Plumbing supplier A, reference **J6303**, \$864.81 ex GST, \$86.48 GST, \$951.29 total, matched to PO-7155.

4.6 A TEST MONTH UNDER THE NEW RULES (SEPTEMBER 2026)

One month is run through the new routine before handover. The Fergus and Xero totals are compared by supplier:

SUPPLIER	BILLS	EX GST	GST	FERGUS TOTAL	XERO TOTAL	DIFFERENCE
Plumbing supplier A	167	\$50,908.97	\$5,091.01	\$55,999.98	\$55,999.98	\$0.00
Gas and hydronic supplier B	92	\$31,524.91	\$3,152.57	\$34,677.48	\$34,677.48	\$0.00
Pipe and drainage supplier C	59	\$21,278.10	\$2,127.86	\$23,405.96	\$23,405.96	\$0.00
Total	318	\$103,711.98	\$10,371.44	\$114,083.42	\$114,083.42	\$0.00

All 318 bills carry a PO number. 6 were exceptions: bills where the PO had to be linked after the sale or the invoice. They are on the exceptions list with a reason, for example "counter purchase, PO raised after the sale and linked the same day". 18 bills were more than 3% away from the PO value and were reviewed. The six largest differences are shown first, then the rest as one line:

PO	JOB	SUPPLIER	PO EX GST	BILL EX GST	DIFFERENCE	%	REVIEW NOTE
PO-7247	J6263	Gas and hydronic supplier B	\$1,464.53	\$1,357.56	(\$106.97)	-7.3%	Supplier discount applied, price book updated
PO-7234	J6275	Plumbing supplier A	\$980.59	\$1,078.51	\$97.92	+10.0%	Extra fittings added at the counter, PO amended
PO-7218	J6273	Gas and hydronic supplier B	\$753.29	\$706.36	(\$46.93)	-6.2%	Part of the order not supplied, credit applied
PO-7150	J6302	Plumbing supplier A	\$358.95	\$323.20	(\$35.75)	-10.0%	Part of the order not supplied, credit applied
PO-7249	J6296	Plumbing supplier A	\$260.40	\$237.89	(\$22.51)	-8.6%	Part of the order not supplied, credit applied
PO-7046	J6262	Plumbing supplier A	\$279.87	\$301.06	\$21.19	+7.6%	Freight added by supplier, accepted
Other 12 bills reviewed			\$2,006.55	\$2,076.90	\$70.35		
All 18 bills reviewed			\$6,104.18	\$6,081.48	(\$22.70)		

The full month, with every bill, PO number and Xero reference, is in test_month_sep_2026.csv.

4.7 UNBILLED MATERIALS REPORT

The report starts from the Fergus Cost Report exported to CSV, filtered to jobs with materials costs and no customer invoice. At 30 September 2026, 46 jobs had materials costs in the test month, and 18 of them had not yet been invoiced to the customer. The eight with the largest materials cost are shown, then the rest as one line:

JOB	NAME	STARTED	MATERIALS EX GST	CUSTOMER INVOICE
J6261	Roof plumbing and gutters, Brunswick	15 Sep 2026	\$4,878.00	Not yet invoiced
J6275	Gas cooktop connection, St Kilda	19 Sep 2026	\$3,946.29	Not yet invoiced
J6293	Stormwater drainage, Malvern	14 Sep 2026	\$3,891.45	Not yet invoiced
J6263	Hot water replacement, Northcote	16 Sep 2026	\$3,283.20	Not yet invoiced
J6290	Toilet suite replacement, Yarraville	16 Sep 2026	\$2,943.88	Not yet invoiced
J6295	Roof plumbing and gutters, Fitzroy	10 Sep 2026	\$2,925.19	Not yet invoiced

JOB	NAME	STARTED	MATERIALS EX GST	CUSTOMER INVOICE
J6306	Blocked drain, Coburg	04 Sep 2026	\$2,134.11	Not yet invoiced
J6292	Gas cooktop connection, Bentleigh	19 Sep 2026	\$2,062.21	Not yet invoiced
Other 10 jobs			\$13,792.62	Not yet invoiced
All 18 jobs			\$39,856.95	

The office reviews this list every Friday. Anything on it older than 14 days is chased.

05 Checks

EXHIBIT C Checks on the sample data

CHECK	BEFORE (MAR TO AUG)	AFTER (TEST MONTH, SEP)	STATUS
Every supplier bill has a PO	1,660 of 1,920 bills	318 of 318 bills (6 on the exceptions list)	PASS
Every PO is on a job	1,850 of 1,850 POs	318 of 318 POs	PASS
Every supplier bill is on a job	1,824 of 1,920 bills	318 of 318 bills	PASS
Materials on jobs = matched bills	Not compared	\$103,711.98 on 46 jobs = \$103,711.98 of bills	PASS
Fergus supplier invoices = Xero bills	Not compared	3 of 3 suppliers, difference \$0.00	PASS
POs with a bill more than 3% away from the PO	103 unreviewed	18 reviewed	PASS

06 Milestones

EXHIBIT D Milestones

MILESTONE	WHAT HAPPENS	ROUGH DURATION	WHAT IS SIGNED OFF	SHARE
M1 · Health check and rules	Health check (US\$300), a month of POs, invoices and Xero bills reviewed, PO rules agreed per supplier	About 1 week	Findings, rules and fixed quote	25%
M2 · Fergus and Xero set up	Price books loaded, PO settings, Xero bill settings, exceptions list and the unbilled materials report built	About 2 weeks	A test PO taken through to a Xero bill	40%
M3 · Month of bills matched	A month of live POs and bills run through the new routine, tie-out and exceptions reviewed	About 1.5 weeks, plus the month running	Fergus and Xero tie-out at \$0.00 and the exceptions list reviewed	25%
M4 · Handover	SOPs for the vans and the office, walkthrough recording and a short review	About 0.5 week	Office confirms they can run it	10%

The fixed quote follows the US\$300 health check, so the price is based on what is actually in your files. If the health check changes the plan, I re-quote before M2.

Typical scope for this kind of project: US\$1,500–3,000.

07 Handover

- A one-page PO rule for each supplier

- Supplier price books in Fergus, with a repeatable refresh routine
- The weekly matching routine and exceptions list
- The unbilled materials report workbook
- A monthly Fergus and Xero tie-out workbook
- One-page routines for the vans and for the office
- A recorded walkthrough
- Prepared by Manaz Afzal

08 Files

FILE	WHAT IT IS
purchase_orders.csv	1,850 POs with job, type, value, status and billed amount
supplier_bills.csv	1,920 supplier bills with GST, job, PO number and the position before the new rules
test_month_sep_2026.csv	318 bills in the test month with PO value, variance and Xero reference
price_book_import_sample.csv	Example price book import file