
MYOB IMS Payroll

Integrating with Xero

July 2021

myob

Contents

Overview	1
Setup Requirements	1
Setting up Xero.....	1
Setting up MYOB IMS Payroll.....	2
Integrating with Xero	4
Xero Online Format.....	5
Logging in to Xero	8
Checking the Imported Invoice.....	9
Xero CSV Format	11
Importing the File Into Xero.....	12
Tracking Categories	15

Overview

MYOB IMS Payroll provides two methods of integrating payroll data into the Xero accounting system. Both options are available from the General Ledger Export utility, accessed at **Tools menu > General Ledger Export**.

- **Xero Online:** A direct API interface with Xero is available via an internet connection. If utilised, there will be no requirement to import the data as the data is 'pushed' into the company's Xero account directly from the payroll application.
- **Xero CSV:** This option generates an export file which can subsequently be imported into Xero if an internet connection is not available. Once this file is created you will then be required to import the generated file from within Xero.

Setup Requirements

All payments that go to Xero are coded (as held within the payroll General Ledger Code field). You can use one Xero code that represents the Gross Pay or each payment amount comprising of the Gross Pay can be assigned separate codes, e.g. Normal Hours, Allowances, Deductions, Superannuation Contributions (KiwiSaver etc) and PAYE related deductions.

Note: The reference to general ledger codes in this document are based on the standard default codes as set in Xero, e.g. code '477' for Gross Pay. If you use different general ledger codes in Xero, these will also need to be applied in IMS Payroll Partner.

Setting up Xero

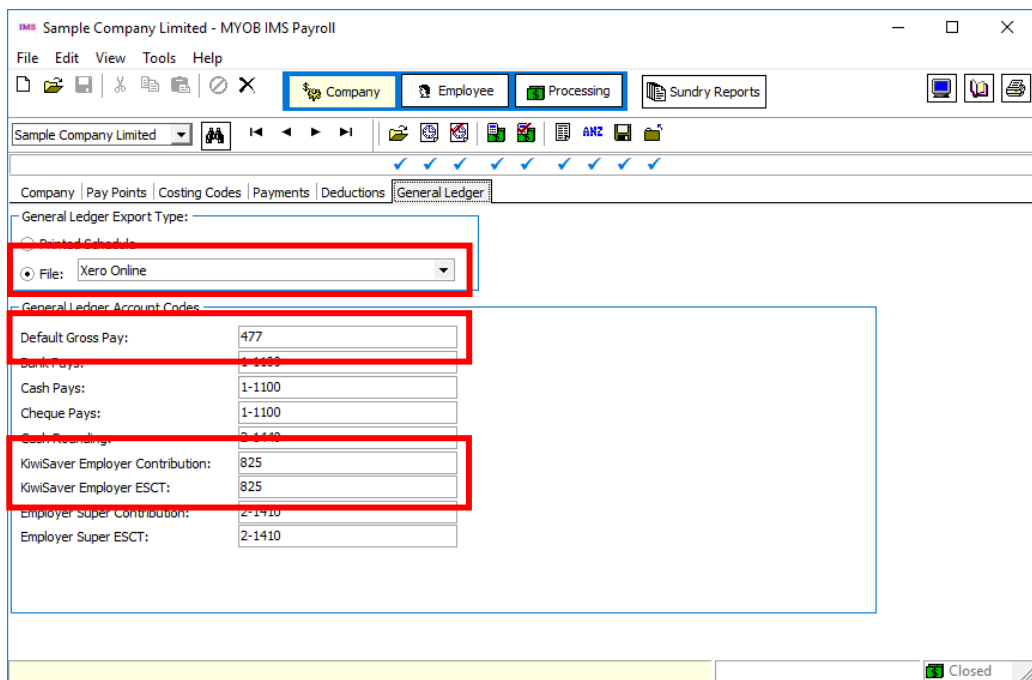
To check and/or maintain codes in Xero:

1. Log in to Xero, click the **Accounting** button and then select **Chart of Accounts**.
2. Browse to locate the correct codes or if required use the **Add Account** to setup new codes.
3. Take note of the codes now available within Xero and set up these codes in IMS Payroll.

Setting up MYOB IMS Payroll

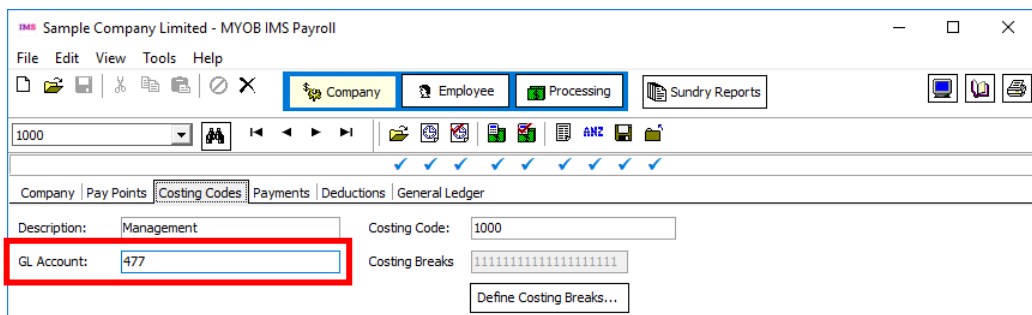
To set up MYOB IMS Payroll for integration with Xero:

1. Ensure that the **General Ledger?** option is ticked at Company Controls > Company tab > Company Options.
2. Ticking this option makes a General Ledger available. Go to this tab and perform the following set up:
 - For the **General Ledger Export Type**, select **File** and choose either 'Xero CSV' or 'Xero Online' from the drop down list.
 - The Default Gross Pay account code needs to be set to "477".
 - The KiwiSaver Employer Contribution and KiwiSaver Employer ESCT codes need to be set to "825".



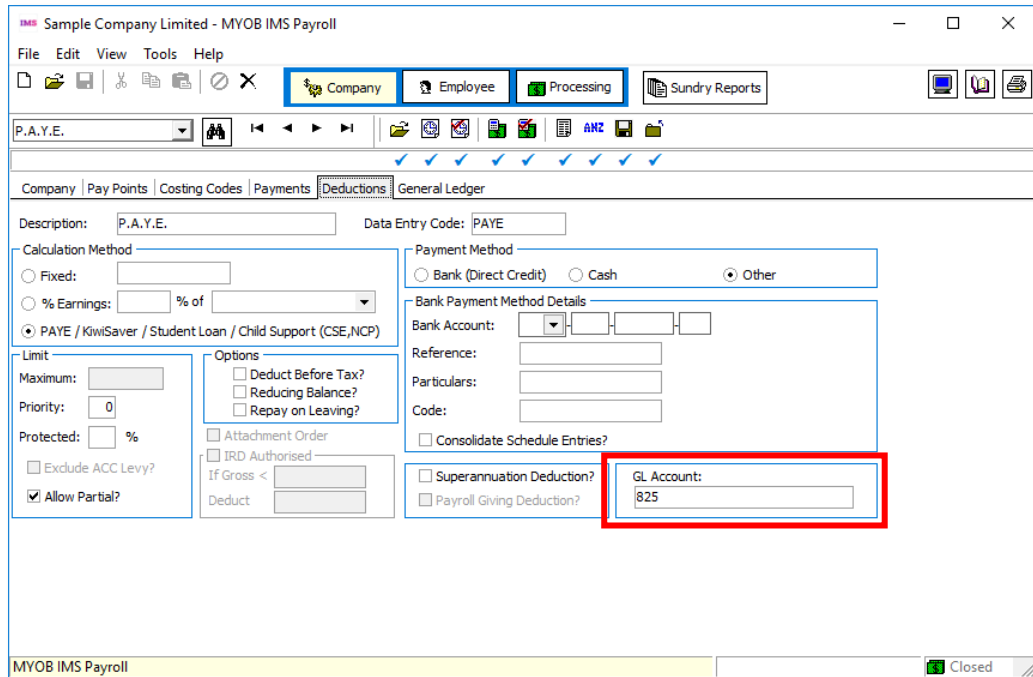
Note: The integration does not contain Bank Pays, Cash, Pays, Cheque Pays, and Cash Rounding, therefore anything can be put against these codes; however you must have a code entered for each of them.

3. If you are using Costing Codes in Payroll Partner, you will need to have the **GL Account** for each costing code set to "477" on the Company Controls > Costing Codes tab.

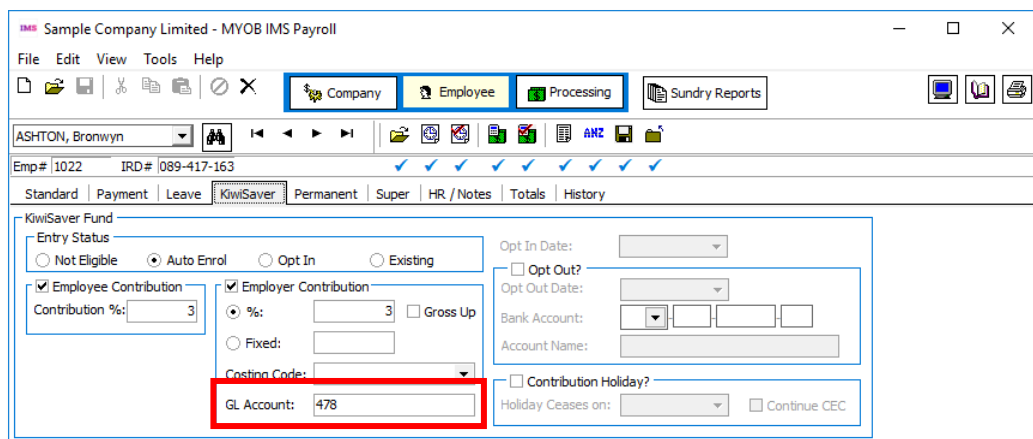


Note: Other General Ledger codes can be used, if you are using codes other than the default.

- On the Company Controls - Deductions tab, all deductions will need to be assigned a General Ledger Account code. The General Ledger account code for Student Loan Repayment (including SLBOR and SLCIR deductions), Child Support, KiwiSaver, KS Compliant Fund, and PAYE must be set to "825".



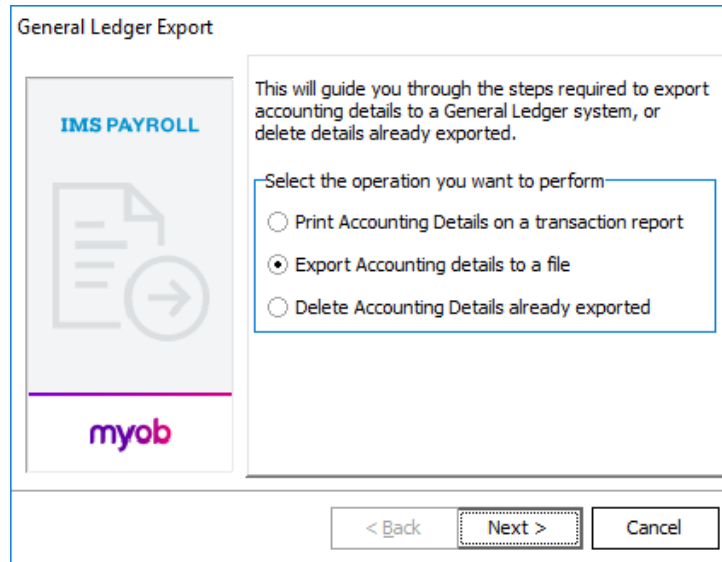
- On the Employee Information > KiwiSaver tab the KiwiSaver and/or Compliant Fund Employer Contribution General Ledger Account(s) will need to be assigned for each employer contribution to either fund. The default code is '478'. If you have a costing code requirement, you can select the costing code using the drop down option. The General Ledger will default to the Account Code that is assigned to the costing code selected. If you do not wish to use this function you will need to manually enter the GL Account Code.



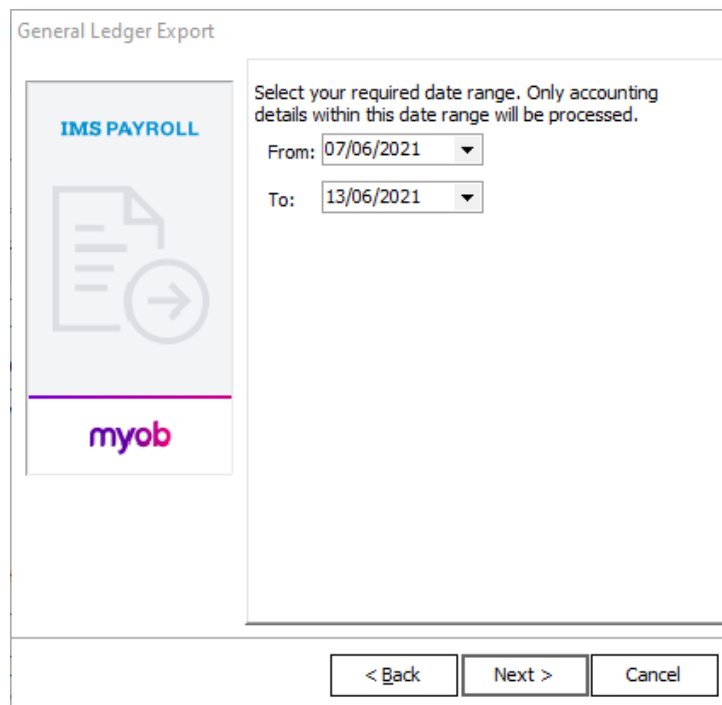
Your setup is now complete.

Integrating with Xero

Once you have processed and closed your pay period, you are ready to integrate with Xero. Go to the Tools menu, and select **General Ledger Export**. The following screen appears:



Select **Export Accounting details to a file** then click the **Next** button.



Select the date (or date range) of the pay period data you want to export into Xero. Note that dates refer to Pay Period Ending Dates, not the Reporting Date. Click **Next** once you have completed your date range selection.

Xero Online Format

On the next screen of the General Ledger Export utility, set the General Ledger File Format to “Xero Online”.

General Ledger Export

The Xero Online direct API interface will attempt a direct connection to the Xero web servers.

Select the name of your General Ledger File Format:
Xero Online

Setup Journal Configuration

Xero Organisation: Unknown

Contact Name: 1b

Due Date: 13/06/2021

Tracking Category 1: 1

Tracking Category 2: 1a

(leave Tracking Categories blank if not in use)

Category Option Delimiter: /

< Back Next > Cancel

Enter a **Contact Name**. This can be anything, e.g. “Wages” as this identifies what the payments are for on the invoice.

The **Due Date** will be the Payment Date of the wages processed.

With regards to the **Tracking Category 1**, **Tracking Category 2** and the **Category Option Delimiter** fields, see the “Tracking” section on page 15.

Click **Setup Journal Configuration** to log in to open the Xero Library Browser window. Click Connect to log in to your Xero account.

Xero Library Browser

Select an Organisation

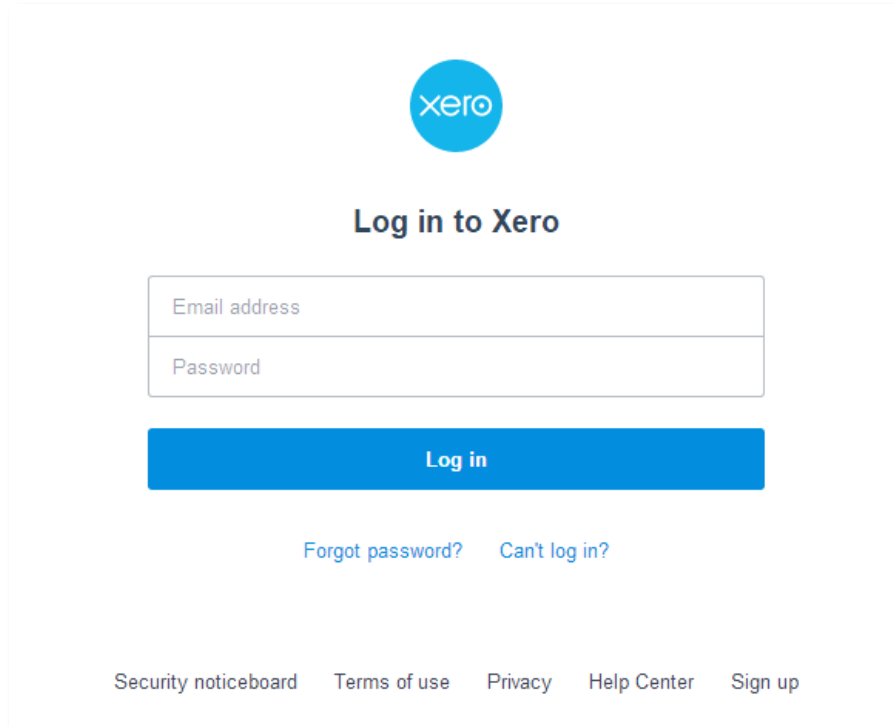
Click Connect to enter your Xero login details.

Connect Log Out

Organisation Name

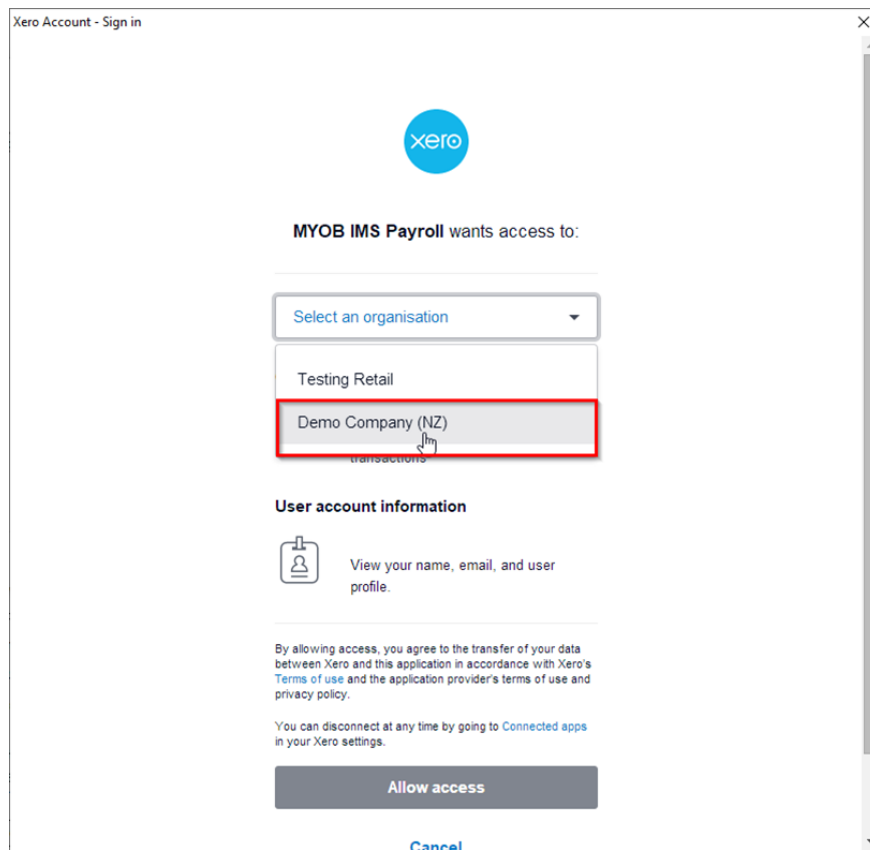
OK Cancel

A login screen appears. Enter your login details and click **Log in**.



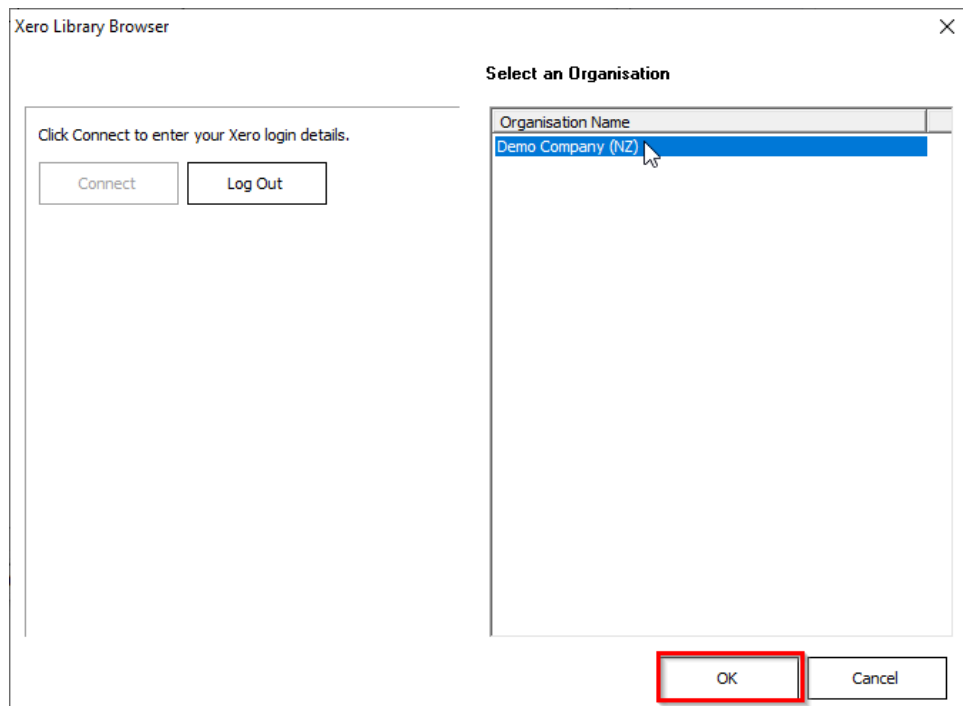
The image shows the Xero login interface. At the top center is the Xero logo. Below it is the heading "Log in to Xero". There are two input fields: "Email address" and "Password". A blue "Log in" button is positioned below the fields. Underneath the button are two links: "Forgot password?" and "Can't log in?". At the bottom of the page, there are several links: "Security noticeboard", "Terms of use", "Privacy", "Help Center", and "Sign up".

Select the Xero organisation you want to export data to and click **Allow access**.

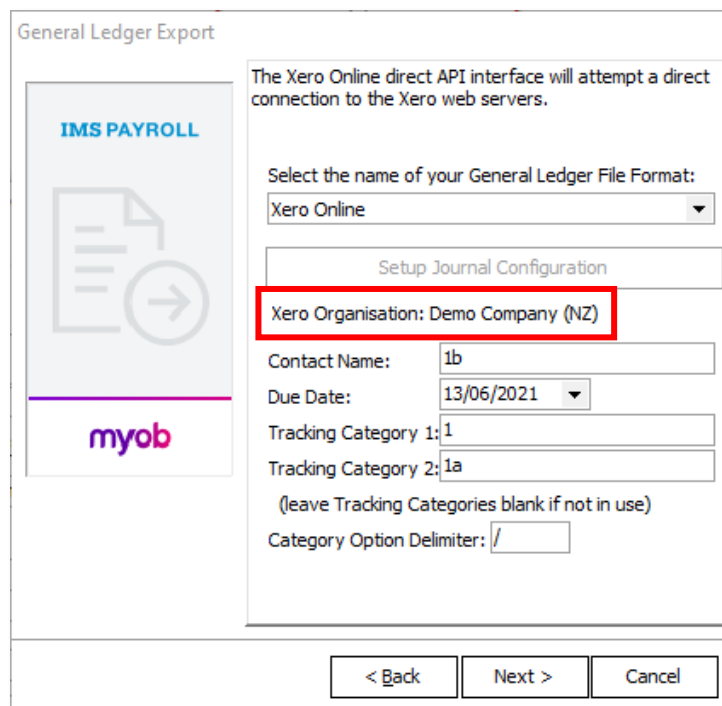


The image shows a "Xero Account - Sign in" dialog box. At the top is the Xero logo. Below it is the heading "MYOB IMS Payroll wants access to:". There is a dropdown menu labeled "Select an organisation" with a downward arrow. Below the dropdown, two options are listed: "Testing Retail" and "Demo Company (NZ)". The "Demo Company (NZ)" option is highlighted with a red border, and a mouse cursor is pointing at it. Below the list is the heading "User account information" with a person icon and the text "View your name, email, and user profile.". At the bottom, there is a paragraph of text: "By allowing access, you agree to the transfer of your data between Xero and this application in accordance with Xero's Terms of use and the application provider's terms of use and privacy policy." Below this is another paragraph: "You can disconnect at any time by going to Connected apps in your Xero settings." At the bottom of the dialog are two buttons: "Allow access" and "Cancel".

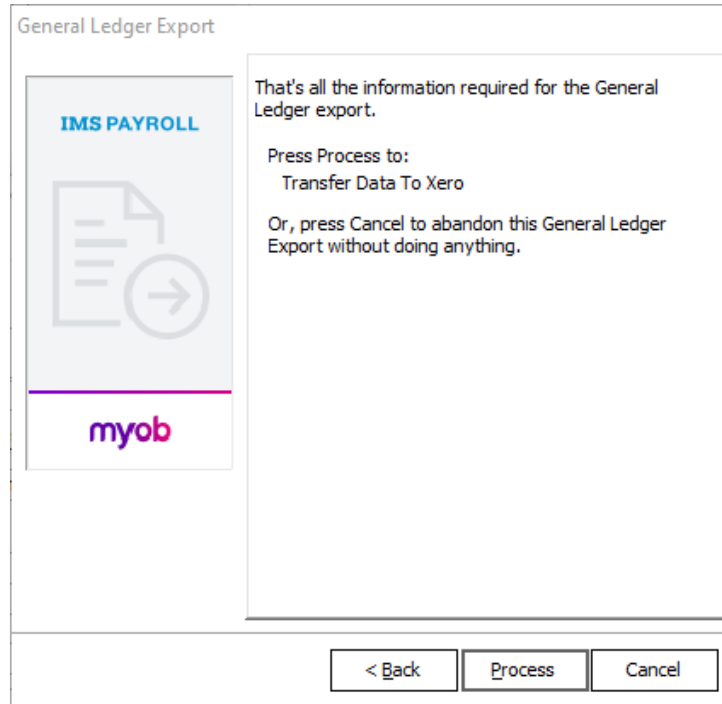
The company you selected now appears on the Xero Library Browser window. Click **OK**.



You are returned to the General Ledger Export window, where the selected company is now displayed next to **Xero Organisation**:



Click the **Next** button and a confirmation screen will be displayed:

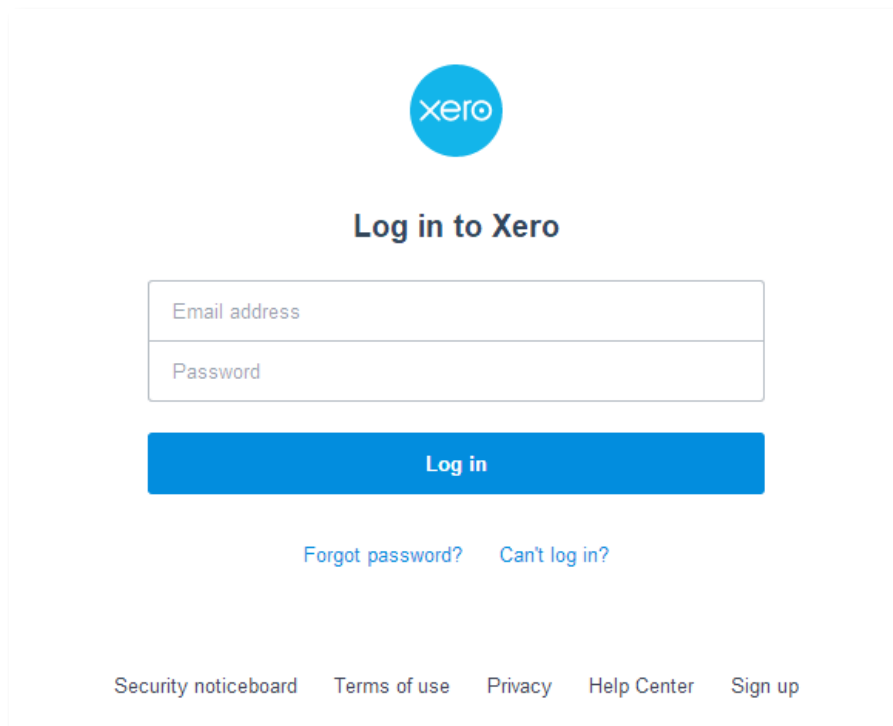


Click **Process** to proceed with the integration. IMS Payroll will attempt to access the Xero website with a message displayed stating “Connecting to Xero ... Please Wait”.

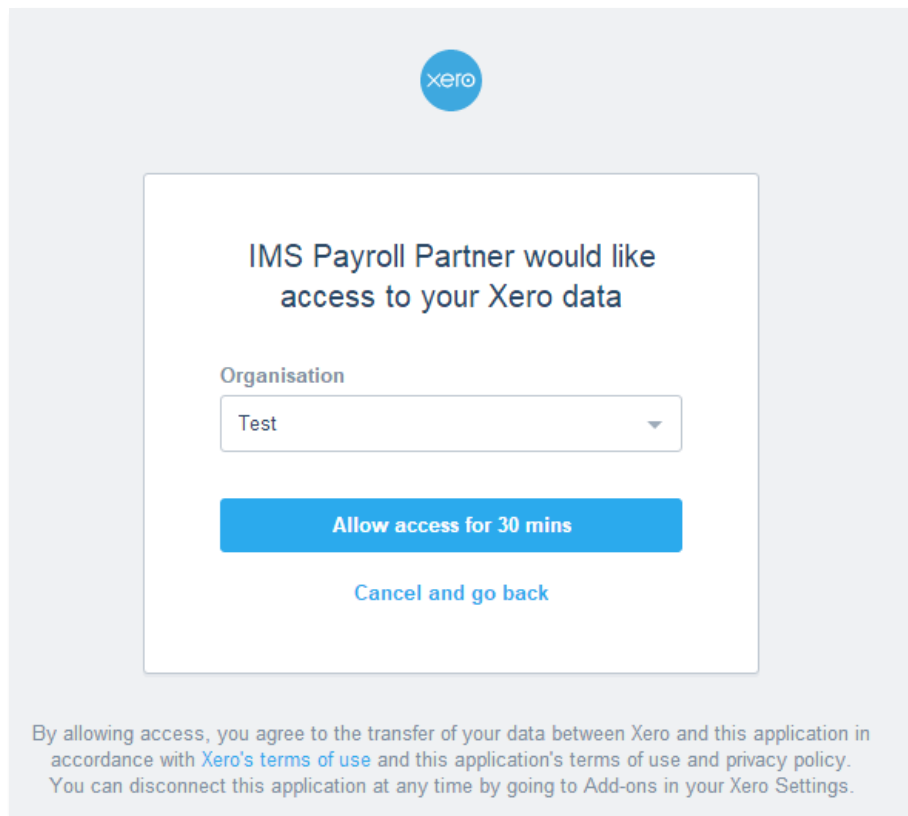
Note: Make sure that the browser you are using does not block popups.

Logging in to Xero

When successfully connected to Xero, a Welcome screen will be displayed in your default web browser. Enter your Email and Password to log in.



Once you have successfully logged in, an Authorise Application screen will be displayed:



Click the **Allow access for 30 mins** button to confirm and authorise access to the organisation displayed or click **Cancel and go back** to abort.

Xero will then display an Authorisation code, which is used by both the cloud and desktop versions of IMS Payroll. Make a note of this code, then return to MYOB IMS Payroll Partner. Enter the code into the window that appears, then click **OK**.

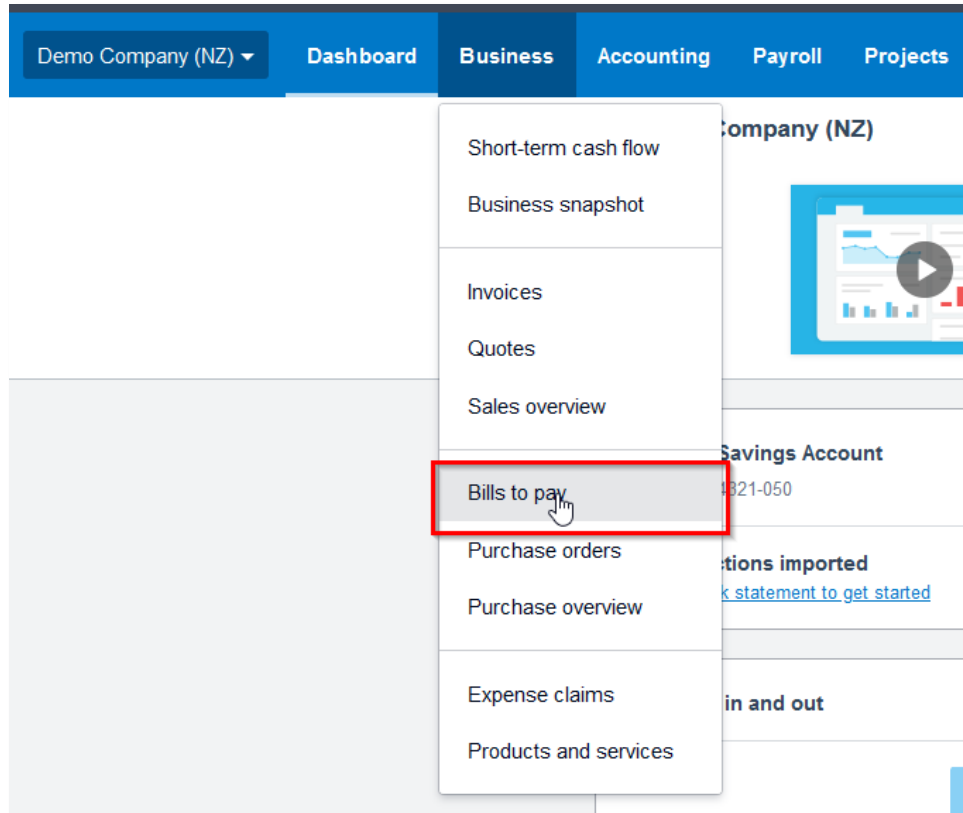
Checking the Imported Invoice

A confirmation message will appear once the integration has been completed.

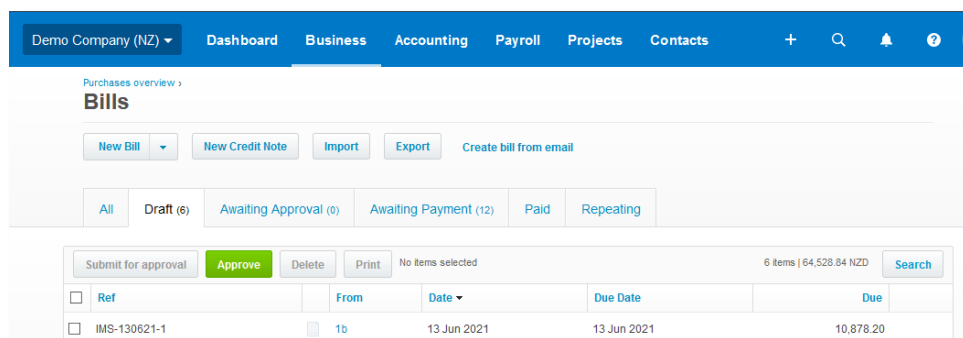
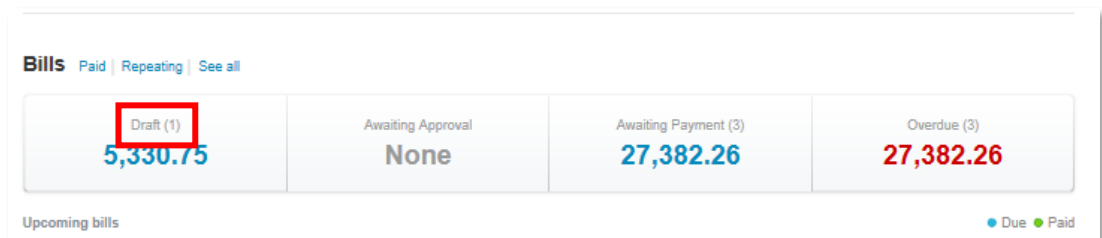


The payroll data will be sent to your Xero account as an **Accounts Payable, Draft Bills**.

To see the draft bill, from the **Business** menu, select **Bills to pay**:

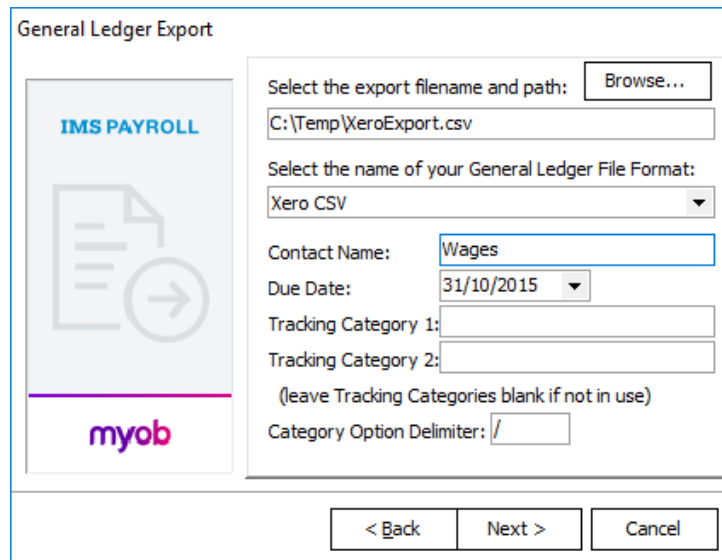


This will display the **Bills** section. Double-click on **Draft** to display the wages file you just imported.



Xero CSV Format

On the next screen of the General Ledger Export utility, the General Ledger File Format will automatically be set to “Xero CSV” if this format was selected on the General Ledger tab of the Company Controls.

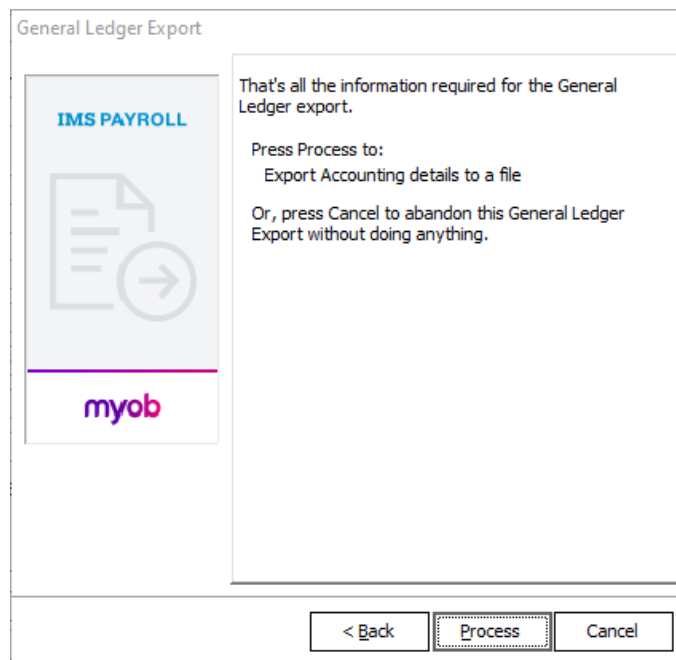


Enter a **Contact Name**. This can be anything, e.g. “Wages” as this identifies what the payments are for on the invoice.

The **Due Date** will be the Payment Date of the wages processed.

With regards to the **Tracking Category 1**, **Tracking Category 2** and the **Category Option Delimiter** fields, see the “Tracking” section on page 15.

Click the **Next** button and a confirmation screen will be displayed:



Click **Process** to proceed with the integration.

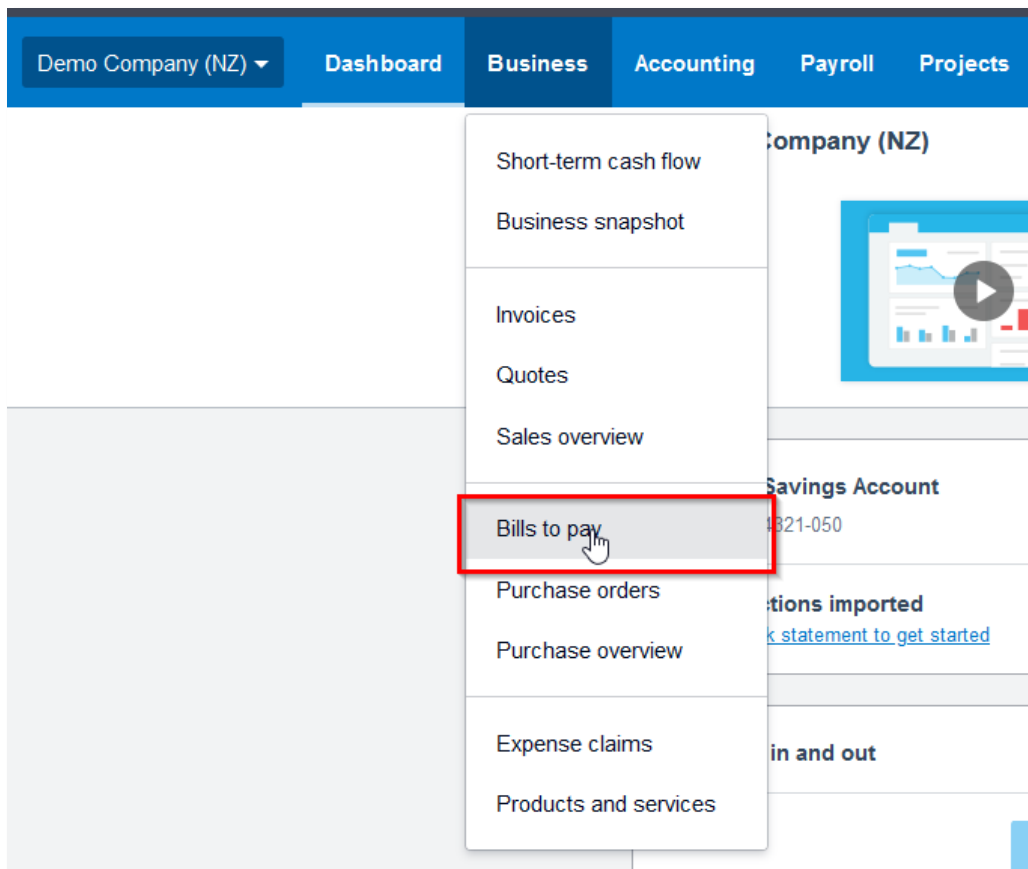
A confirmation will be displayed once the file has been generated successfully.

Once the file is created, it will look similar to this:

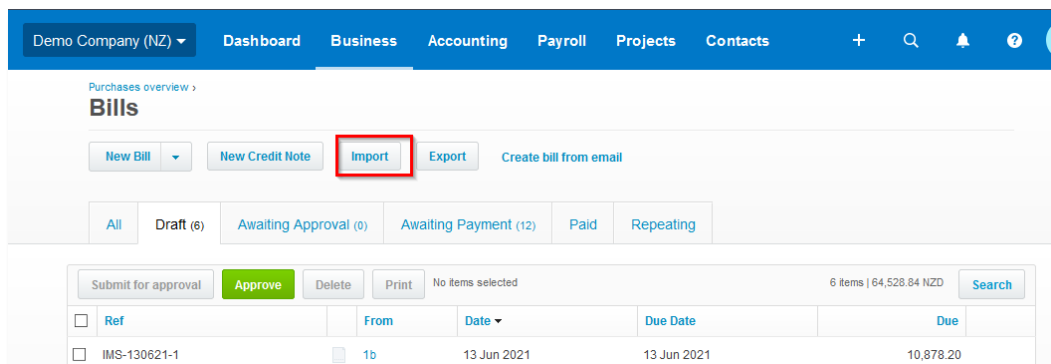
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V		
1	ContactName	EmailAddress	POAdd	POAdd	POAdd	POAdd	POAdd	POAdd	POAdd	POAdd	POAdd	POAdd	POAdd	POAdd	POAdd	POAdd	Description	Quantity	Unit	Amount	AccountCode	TaxType	TaxRate
2	Wages																Car Allowance for	1		20	477	No GST	
3	Wages																Casual Holiday Pa	1		25.28	477	No GST	
4	Wages																Clothing Allowanc	1		22	477	No GST	
5	Wages																Meal Allowance fo	1		8.5	477	No GST	
6	Wages																Ordinary Time for	1		3190	477	No GST	
7	Wages																Salary for week en	1		2695	477	No GST	
8	Wages																Time & One Half fo	1		105	477	No GST	
9	Wages																KiwiSaver Employ	1		78.1	478	No GST	
10	Wages																less Child Support	1		-56	825	No GST	
11	Wages																less KiwiSaver for	1		-131	825	No GST	
12	Wages																less P.A.Y.E. for v	1		-1234.31	825	No GST	
13	Wages																less Student Loan	1		-28.3	825	No GST	
14	Wages																less KiwiSaver Em	1		-78.1	825	No GST	

Importing the File Into Xero

To import the generated file into Xero, log in to Xero and at the standard screen, open the appropriate company. From the **Business** menu select **Bills to pay**:



Click **Import** on the screen that appears.



This will bring up the Import your Account Payable Invoices option. **Xero** should always be selected under **What system are you importing from?**

Import bills to Xero

Where are you importing from?

Xero - The provided template MYOB - Services purchases format MYOB - Item purchases format

Step 1: Download our bills template file
Start by downloading our bills CSV (Comma Separated Values) template file. This file has the correct column headings Xero needs to import your bill data.

Under **Step 3. Import the update template file**, click the **Select File** button and locate the .CSV file that you created previously.

Step 3: Import the updated template file

File import

Drag and drop file or select manually

[Select File](#)

The file you import must be a CSV (Comma Separated Values) file. The name of the file should end with either .csv or .txt.

Would you like to update contact address details?

No, ignore all address details

Yes, update contacts with imported address details

Is the UnitAmount field tax inclusive or exclusive

Tax exclusive

Tax inclusive

Click the **Confirm** button.

A message confirming the import of the file will be displayed.

The imported **xero1.csv** contained 1 bill(s), the following will be imported into Xero:

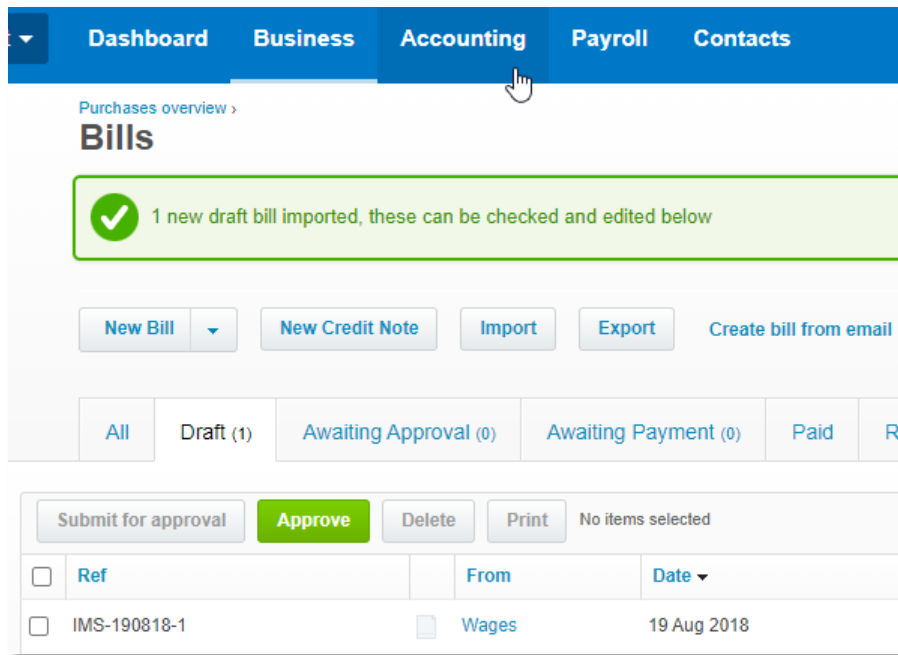
✓ 1 new draft bill will be imported.

Bills will be imported as drafts and can be edited or deleted afterwards.

[Go back](#) [Complete import](#)

Click the **Complete Import** button.

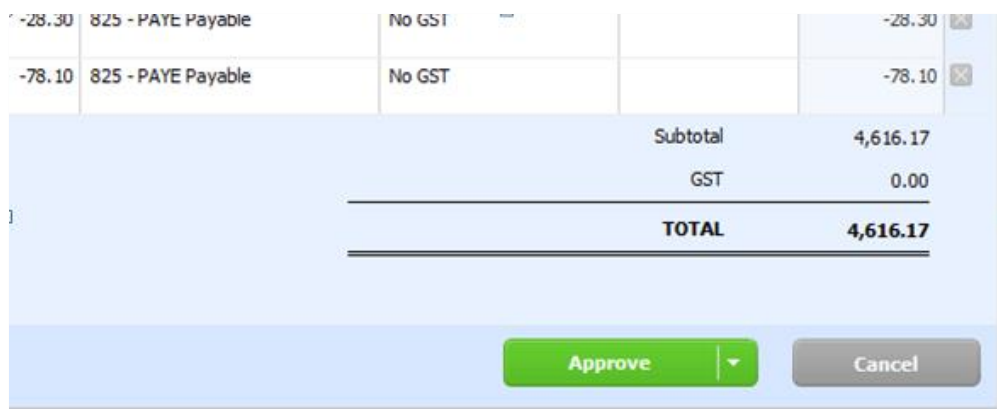
The system will advise you that an invoice has been added:



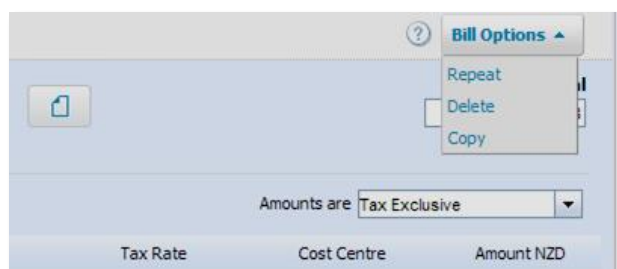
Click on the invoice to open it and see its contents in Draft mode.

The invoice shows gross wages itemised by each payment, and then shows the IRD deductions being subtracted off, to give you the Net sum of the wages.

If you are happy the invoice is correct, click the **Approve** button.



If the invoice is incorrect, at the top of the screen, click the Bill Options dropdown at the top of the screen. Click the **Delete** option and you will be prompted to confirm the deletion of the invoice.



Tracking Categories

You can set up tracking categories to enable you to use Xero's reports to track the performance of specific areas in your business.

Refer to the Xero website, www.xero.co.nz. Log in, then select **Accounting > Advanced > Tracking categories** for comprehensive documentation on the benefits of tracking, and online help in setting up your Tracking Categories and Options.

In MYOB IMS Payroll Partner, if tracking is to be used, you will need to follow the steps below.

The Xero General Ledger extract can apply tracking to the export file. In the following example, it is assumed that Tracking Categories and their associated Options have been set up in Xero: Category 1 as "Region" and Category 2 as "Department". Within each Category, the associated Options have also been set up:

Category	Options
Region	North, South
Department	Admin, Sales

In this example, with Tracking Categories 1 and 2 activated in Xero, you will need to edit your Costing Code Descriptions to contain the Category Options so that these can be included in the export file. This example uses the comma character as a delimiter of the category options.

Costing Code	Costing Code Description (Region, Department)
1001	North,Admin
1002	North,Sales
1003	South,Admin
1004	South,Sales

Whatever tracking options you enter, they must match the options set up in Xero.

Enter the Tracking Categories and your selected delimiter character when exporting the General Ledger to Xero:

General Ledger Export

The Xero Online direct API interface will attempt a direct connection to the Xero web servers.

Select the name of your General Ledger File Format:
Xero Online

Setup Journal Configuration

Xero Organisation: Unknown

Contact Name: 1b

Due Date: 13/06/2021

Tracking Category 1: 1

Tracking Category 2: 1a

(leave Tracking Categories blank if not in use)

Category Option Delimiter: /

< Back Next > Cancel

If you want to use all of the available 30 characters in the Costing Code Description, ensure that both option fields are separated by the chosen delimiter character, e.g. “North,Admin,Office temp” will insert only the value of “North” into Category Option 1 and “Admin” into Category Option 2, as both are contained within the “,” delimiter. If for example only Tracking Category 1 is activated then the Costing Code Description could be set up as “North, Office temp” and only ‘North’ would populate the Tracking Category Option 1 field.

Note: One or two Categories may be activated within Xero. If tracking is not implemented, ensure that the two Tracking Category fields are blank.

If only Tracking Category 1 or Tracking Category 2 is active, all characters prior to first nominated delimiter will go into the appropriate Option field.

The extract process will populate the appropriate fields (Tracking Option 1 and Tracking Option 2) within the extract file by extracting the options within the Costing Code Description based on the delimiter nominated.

If both Tracking Categories are active:

- All characters prior to the first nominated delimiter will populate the 'TrackingOption1' field.
- All characters after the first nominated delimiter and prior to the next delimiter (or the end of the Costing Code Description field) will populate the 'TrackingOption2' field.

If the 'Category Option Delimiter' is not entered, the Costing Code description will populate either the selected TrackingOption1 or TrackingOption2 fields depending on whether Tracking Category 1 or 2 has been entered.

If you have any issues with integrating the Payroll data file into Xero, contact MYOB IMS Payroll Support.