Integrating iKentoo with Xero

1. Connecting to Xero

On your first attempt to export your accounting data to Xero, you will see the dialog shown on Figure 1 below. Click on « Proceed to configuration » to wrap up your Xero integration.
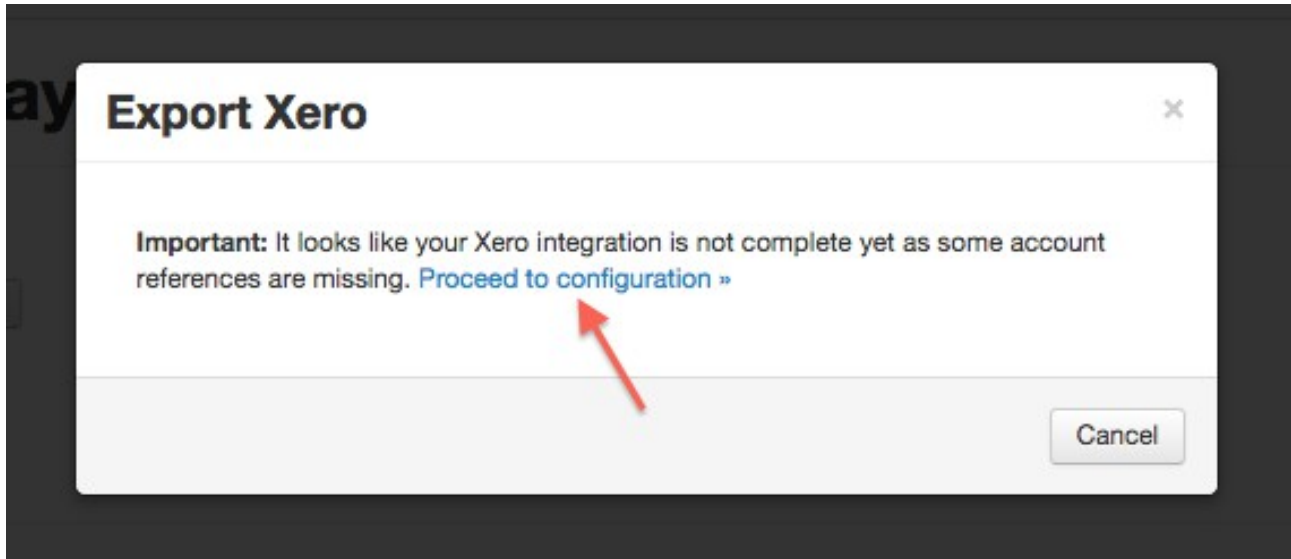

Figure 1: Message indicating that your Xero configuration is not complete.

On the Xero integration screen, you will need to connect to your Xero organization first so that iKentoo can retrieve your chart of accounts. When landing on that screen simply click on the Connect to Xero button as shown on Figure 2 below.
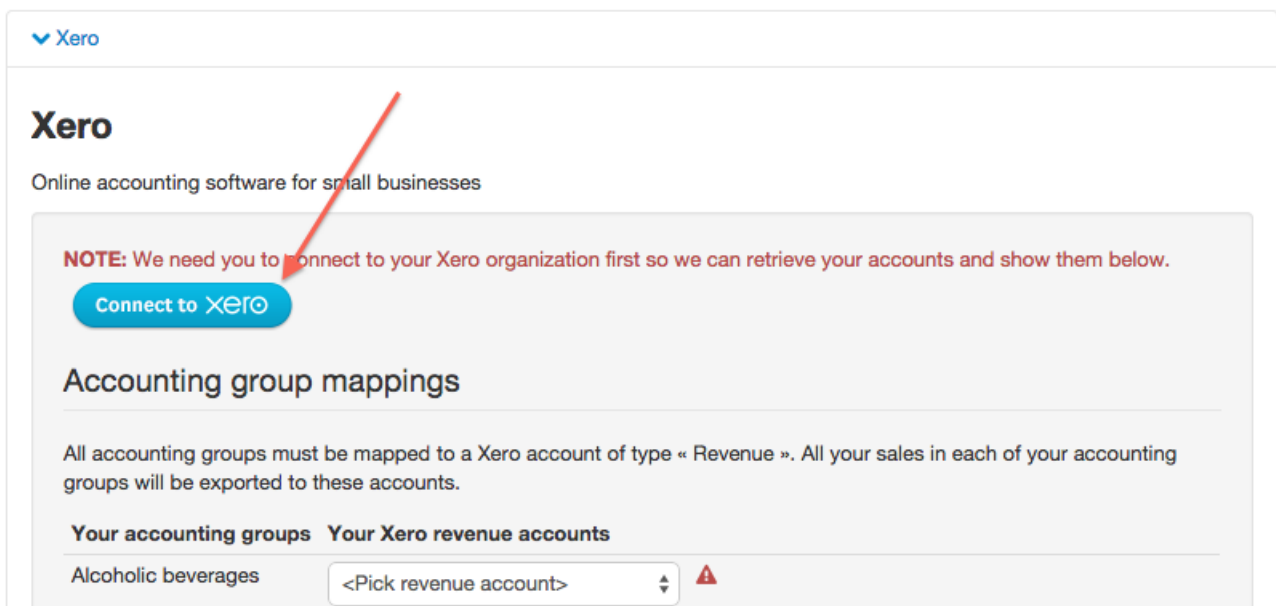

Figure 2: Connect to your Xero organization

You will then be redirected to the Xero website where you will need to authorize iKentoo to access your data as shown on Figure 3 below.

If you have many organizations in your Xero account, pick the one you would like to connect to and export your data to **(1)** and then click the « Authorize » button **(2)**.
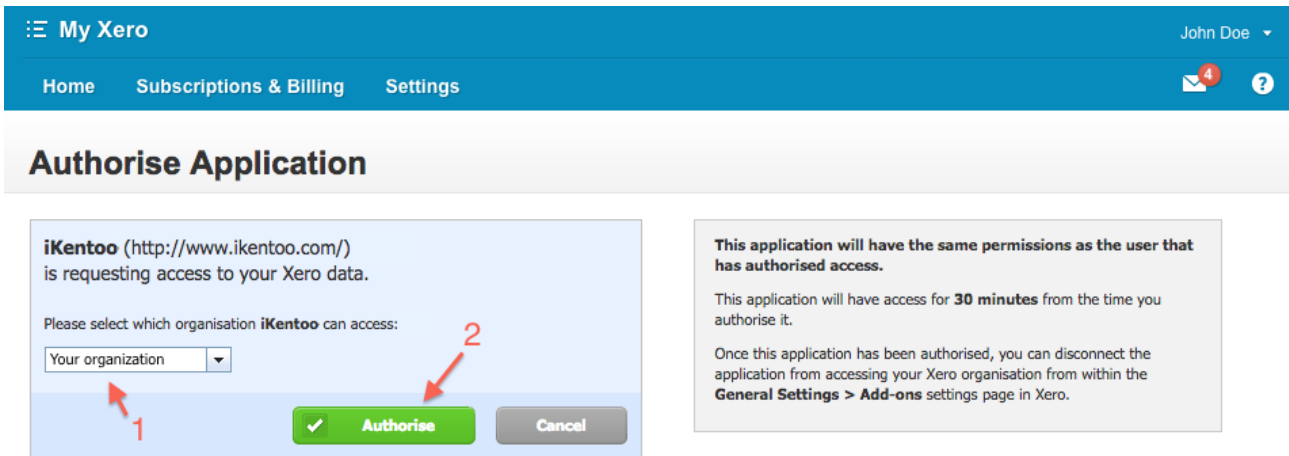

Figure 3: Authorize iKentoo to access your Xero organization

You are now connected to Xero and iKentoo can access your chart of accounts as configured in the chosen Xero organization. You will then be redirected back to iKentoo on the Xero integration screen which now shows as depicted on Figure 4 below.
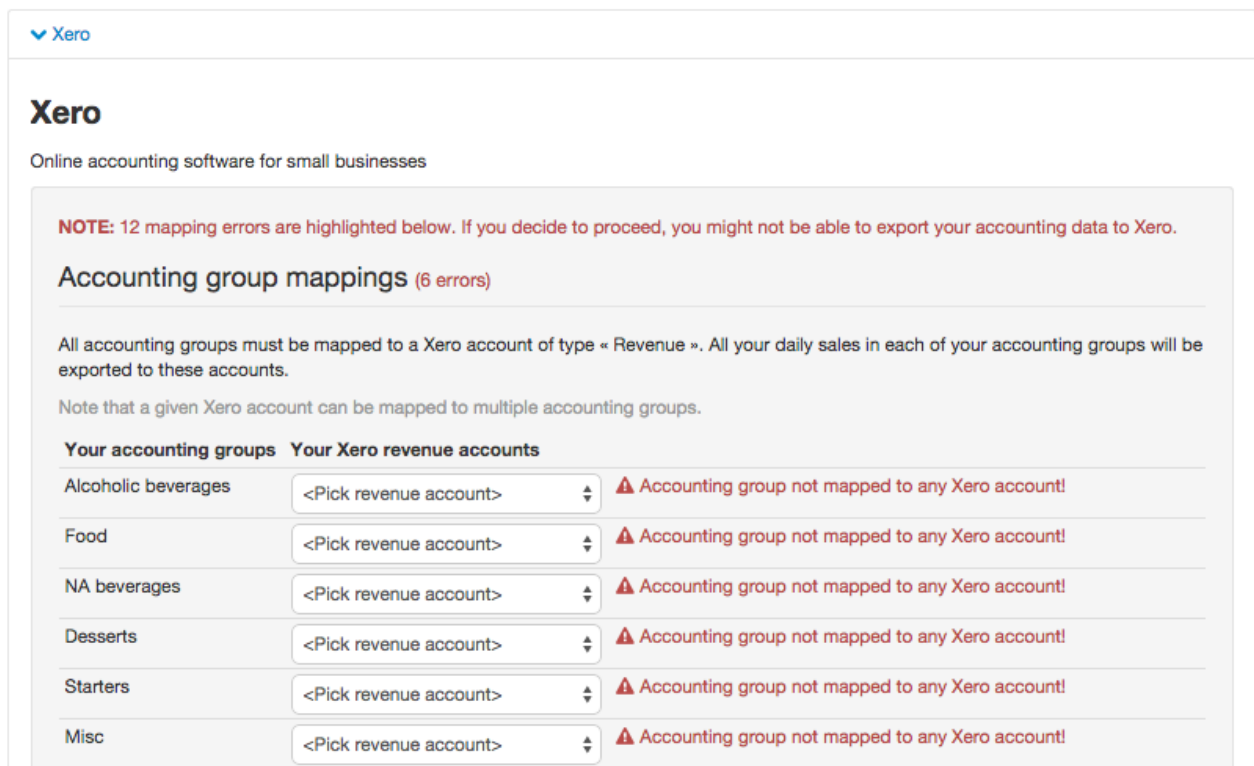

Figure 4: Integration screen after connecting to Xero

2. Configuring accounting groups

Let's now configure your Xero integration to get rid of all these errors.

As shown on Figure 5 below, pick one « Revenue » account for each of your accounting groups. The select lists next to each accounting group contain only the relevant Xero accounts that you are allowed to choose from. You may choose the same « Revenue » account for multiple accounting groups, which means that your daily sales for these accounting groups will all be exported to the same « Revenue » account in Xero.

Also note that if the select lists are empty, it probably means that you don't have any « Revenue » accounts defined in Xero. In this case, you should go back to your Xero account and configure some « Revenue » accounts first. **Note:** Also make sure that all your revenue accounts have a valid code set in Xero (e.g. 200, 201, etc). When done, come back to iKentoo and reload the integration page to populate the select lists.

Figure 5: Mapping accounting groups to Revenue accounts

When you're done mapping your accounting groups to your Xero « Revenue » accounts, click « Save » and the screen will show as depicted on Figure 6 below.

Figure 6: All accounting groups have been mapped

3. Configuring payment methods

The exact same process applies to your payment methods (See Figure 7). For each of them, pick the relevant « Bank » account you would like your daily takings to be exported to. Note that it is definitely allowed to pick the same « Bank » account for several and/or all your payment methods, which means that all your daily takings will be exported to the same « Bank » account regardless of the payment method.

As mentioned earlier, if your select lists are empty, you may need to go back to your Xero account, configure one or more « Bank » accounts and refresh the integration page in order to populate the select lists. **Note:** Also make sure that all your bank accounts have a valid code set in Xero (e.g. 001, 002, etc).

Figure 7: Mapping payment methods to Bank accounts

Once you have mapped all your payment methods to a valid « Bank » account, you may click « Save » and the integration screen will now look as shown on Figure 8.
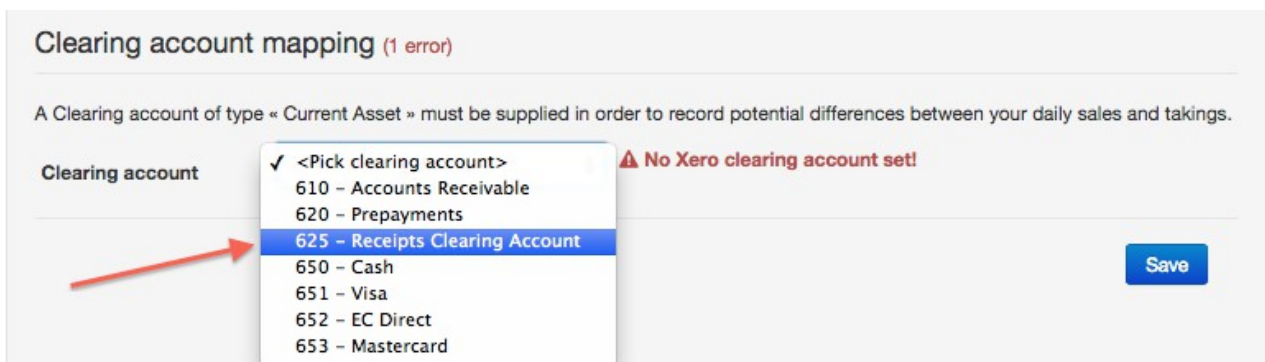
Figure 8: All payment methods have been mapped

3. Configuring the clearing account

Next, you need to configure a clearing account (see Figure 9 below). The role of this clearing account is to record potential rounding errors but also, and more importantly, differences between your daily sales and takings. This situation may happen if you have tables and/or rooms in iKentoo that are not closed at the end of the day and/or span multiple days (e.g. a customer staying two days or more in an hotel room).
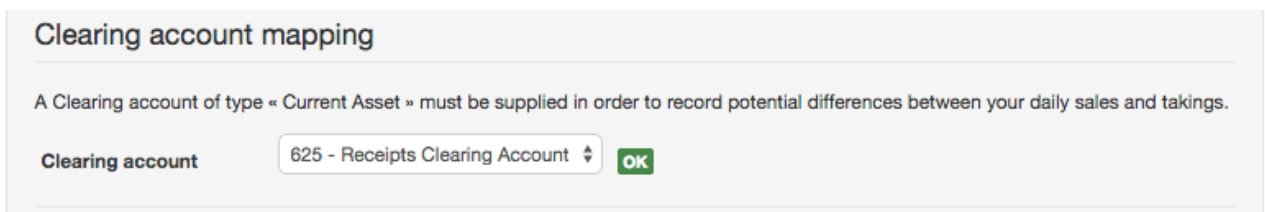
From the list of your « Current Asset » Xero accounts, pick the one you would like to act as the clearing account. As usual, if your select list is empty and/or if you don't have any clearing accounts defined yet, you need to go back to Xero, define one and refresh the integration page to fill the select list. **Note:** Again, make sure that the chosen clearing account has a valid code set in Xero (e.g. 625).

Figure 9: Choosing a clearing account

When you are done, click « Save » and the integration screen will now look as shown on Figure 10.

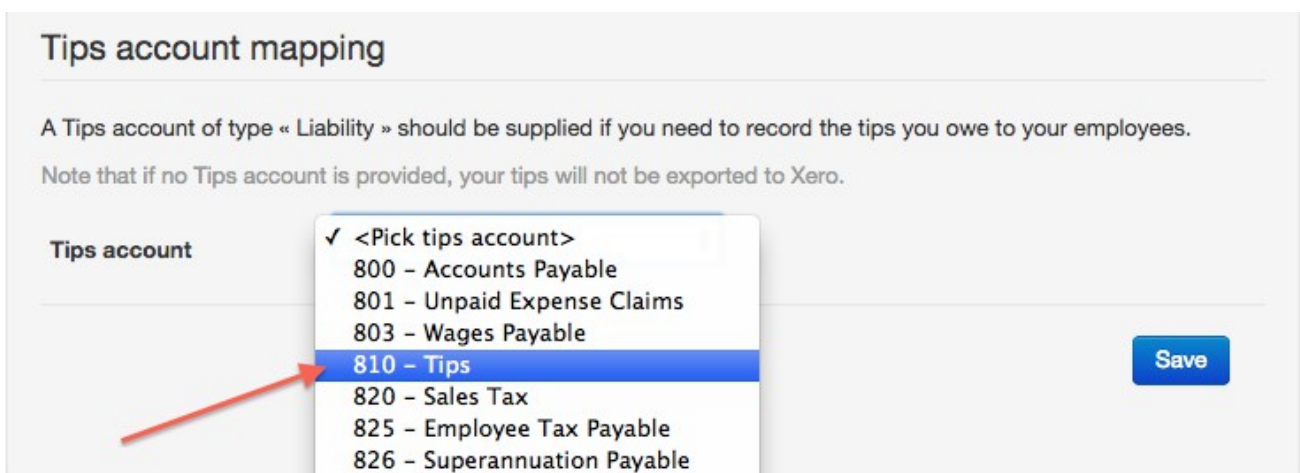*Figure 10: A clearing account has been chosen*

4. Configuring the tips account

Last but not least, an optional tips account can be selected (see Figure 11 below). The role of this account is to properly record the gratuities amount that have been cashed in and that you ultimately owe to your employees. Note that it is perfectly valid to not select any tips account, in which case your gratuities will not be exported to Xero.
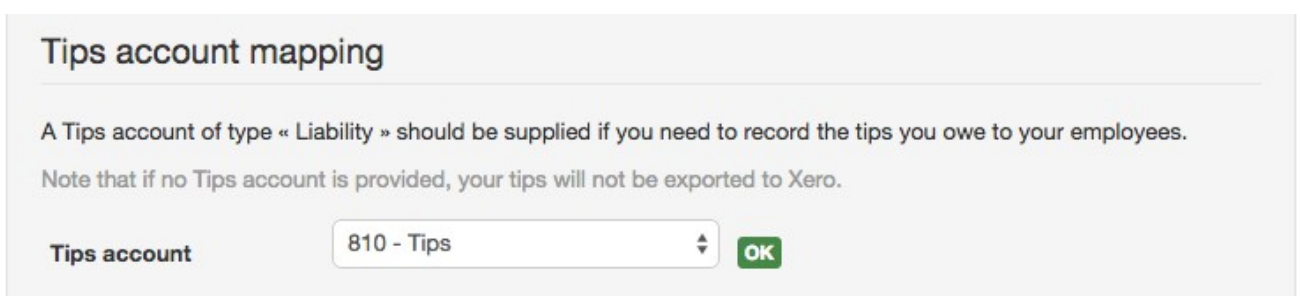
From the list of your « Liability » Xero accounts, pick the one you would like to record the tips into. As earlier, if your select list is empty and/or if you don't have any tips accounts defined yet, you need to go back to Xero, define one and refresh the integration page to fill the select list. **Note:** make sure that the chosen tips account has a valid code set in Xero (e.g. 810).

Figure 11: Choosing a tips account

When you are done, click « Save » and the integration screen will now look as shown on Figure 12.

Figure 12: A tips account has been chosen

You're all set! Your iKentoo business is now configured to properly export your accounting data to your Xero organization. The fully configured integration screen is shown on Figure 13 on the next page.

Xero

Online accounting software for small businesses

Accounting group mappings

All accounting groups must be mapped to a Xero account of type « Revenue ». All your daily sales in each of your accounting groups will be exported to these accounts.

Note that a given Xero account can be mapped to multiple accounting groups.

Your accounting groups	Your Xero revenue accounts	
Alcoholic beverages	209 - Liquor Sales ⬍	OK
Food	205 - Food sales ⬍	OK
NA beverages	201 - Beverage Sales ⬍	OK
Desserts	207 - Desserts Sales ⬍	OK
Starters	205 - Food sales ⬍	OK
Misc	200 - Sales ⬍	OK

Payment method mappings

All payment methods must be mapped to a Xero account of type « Bank ». All your daily takings will be exported to these accounts.

Note that a given Xero account can be mapped to multiple payment methods.

Your payment methods	Your Xero bank accounts	
Credit card	001 - Main Bank Account ⬍	OK
Cash	001 - Main Bank Account ⬍	OK
Invoice	001 - Main Bank Account ⬍	OK
Voucher	001 - Main Bank Account ⬍	OK
Gift Card	001 - Main Bank Account ⬍	OK

Clearing account mapping

A Clearing account of type « Current Asset » must be supplied in order to record potential differences between your daily sales and takings.

Clearing account	625 - Receipts Clearing Account ⬍	OK

Tips account mapping

A Tips account of type « Liability » should be supplied if you need to record the tips you owe to your employees.

Note that if no Tips account is provided, your tips will not be exported to Xero.

Tips account	810 - Tips ⬍	OK

Save

Figure 13: The Xero integration is completed.

You may now go back to the accounting report screen and export your data to Xero. Note that you may have to reconnect to Xero at some point as the connection to Xero may have timed out in the meantime.

4. Exporting to Xero

On the accounting report screen, you can now export your data to Xero by choosing the « Export Xero » menu option to the right of the screen (see Figure 14). Your gratuities as well as your gross (sales) and net (takings) results highlighted in red on the Figure will be sent to Xero.

Figure 14: Exporting sales and takings to Xero

Before clicking on the export button, let's quickly dive into what will happen during the export process. Basically, two sets of data are going to be exported to Xero. The first set of data is your daily sales. These sales will be exported as a Xero « Invoice » (one per exported day in the period) containing one entry per accounting group. Each invoice will also contain the amount of gratuities for the period.

As can be seen on the Figure 15 below, the total amount per accounting group matches the figures in the section *« A. Gross result »* of the accounting report. Those amounts will be recorded in the respective Xero « Revenue » accounts we had previously configured in Section 2 (see Figure 6).

Similarly, the total gratuity amount matching the *« Gratuity »* column in the section *« B. Net result »* will be exported to the Tips account we've configured in section 4 (see Figure 12).

Figure 15: A Xero invoice containing gross sales and tips for a given day

The second set of data that is going to be exported is your daily takings (cash, credit card, etc). The takings will be exported as Xero « Receive money » transactions into the « Bank » accounts we had previously configured in Section 3 (see Figure 8). The gratuities will be exported as Xero « Spend money » transactions into the same Bank account. Figure 16 shows how your « Bank » account will look like after the export process. Note that the amounts match the figures in the section *« B. Net result »* of the accounting report on Figure 14. You will then need to reconcile those transactions with your bank statements as you receive them.

Figure 16: The Bank account after exporting

Finally, Figure 17 below shows how the clearing account records the total sales in the debit column (to the left) and the total takings (incl. gratuities) in the credit column (to the right) for each exported day. Note that debits and credits might not be balanced on every single day

(e.g. in case you have open accounts in iKentoo), but they will eventually match over a larger period, say a week or a month.

Figure 17: Clearing account recording sales and takings

To wrap up this section, Figure 18 provides a general overview of all account operations occuring during a Xero export based on the sample numbers depicted in Figures 14 through 17.
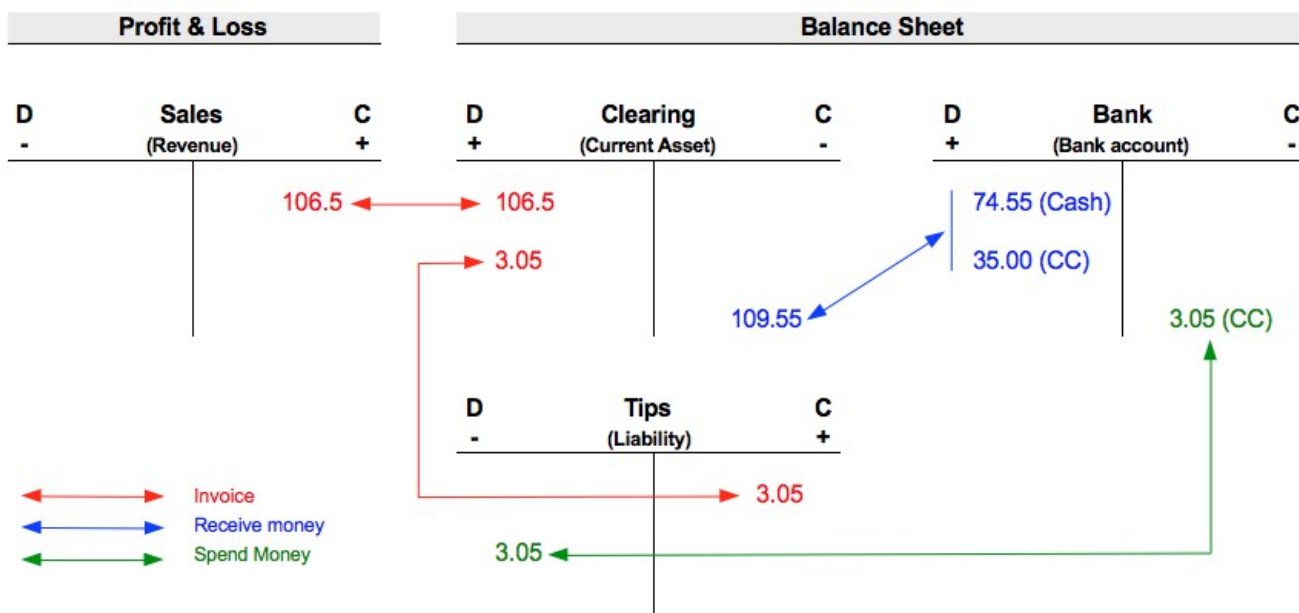

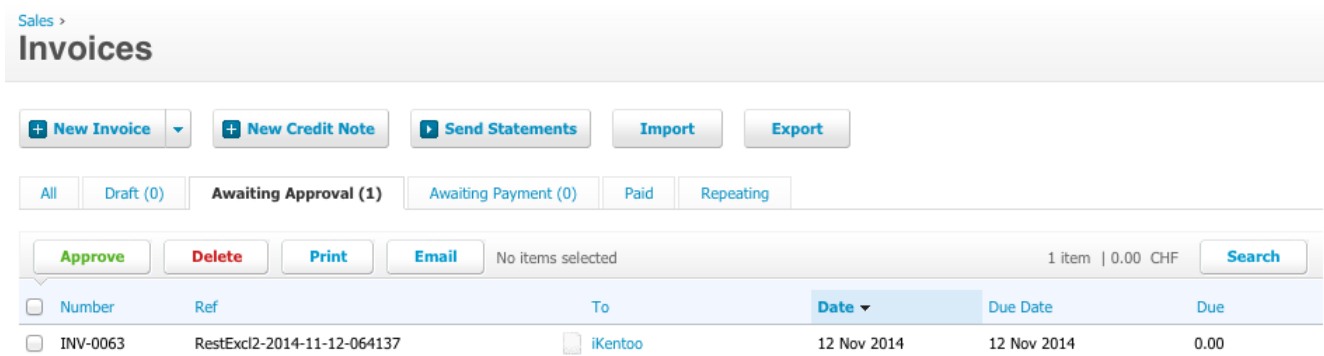Figure 18: General overview of Xero account operations

Now that we know what happens under the hood when exporting to Xero, we can finally click on the « Export Xero » menu option. In case you are not connected to Xero, you will be redirected to the Xero website as we saw on Figure 3 earlier. Once you have authorized iKentoo to send data to your Xero account, you will be redirected to the accounting report page on iKentoo. And if all went well, a success message will be shown as depicted on Figure 19.

Figure 19: The export was successful

The above message states how many Xero « Invoices » have been created, which

corresponds to the number of days for which data has been exported. Those invoices will need to be approved in Xero. To do so, simply click on the « Approve now » link appearing in the message and you will be redirected to your Xero account on a screen showing all the new invoices awaiting your approval (Figure 20).

Figure 20: New invoices to be approved

Finally, there's one last catch worth noting : If you export the same period multiple times, new invoices and bank transactions will be created in Xero in addition to the existing ones. If you do so, it's up to you to curate your data in Xero, iKentoo will never delete or modify anything in your Xero account.

That's it. You're all set!