Set up Xero Journal Tracking Categories

Journals · https://paiyroll.com/kb/set-up-xero-journal-tracking-categories/

Follow this guide to set up a Xero journal report definition to automatically post **Debits**, **Credits** and **Tracking Categories** when you approve a pay run.

Departments and Employees

Generally, you will want to split costs by department. Ensure you have set up appropriate departments and assigned the relevant employees to their departments.

In **Company Setup > Departments > Add..** create the following departments usually with the parent set as Office of the CEO:

- Admin
- Finance
- HR
- Sales
- Marketing
- Advisory
- PMO
- Office of the CEO

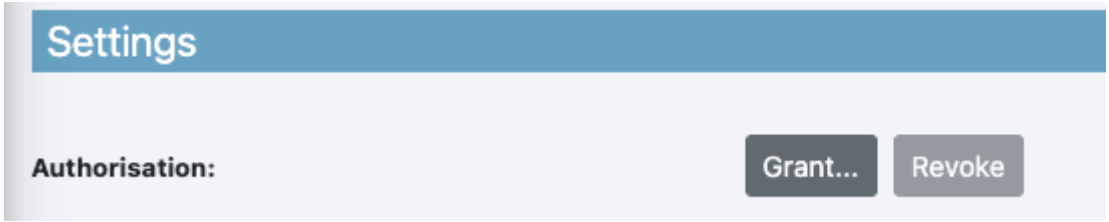
Employee Setup > **Update** each employee and assign them to the relevant department

Grant...

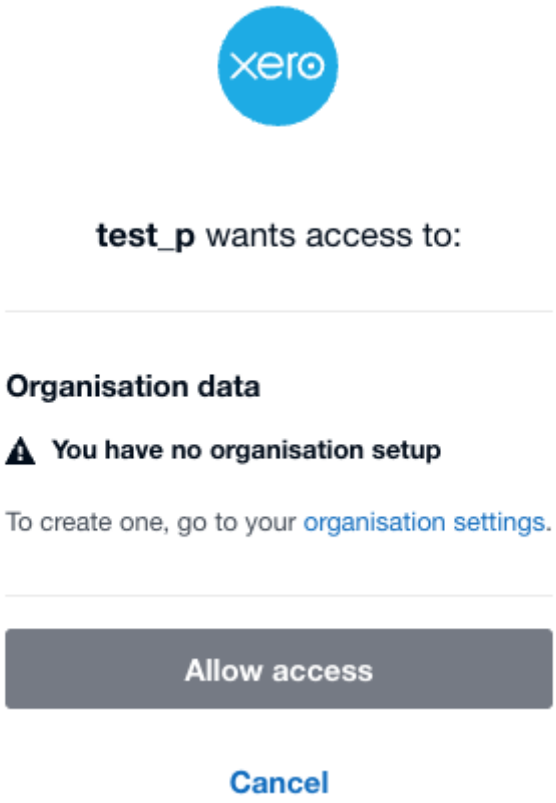
If you have added or changed any accounts, then you will need to retrieve these. Otherwise, you can slip this step.

Company Setup > Report Definitions and **Update** the saved Xero journal report definition

Click **Grant...**



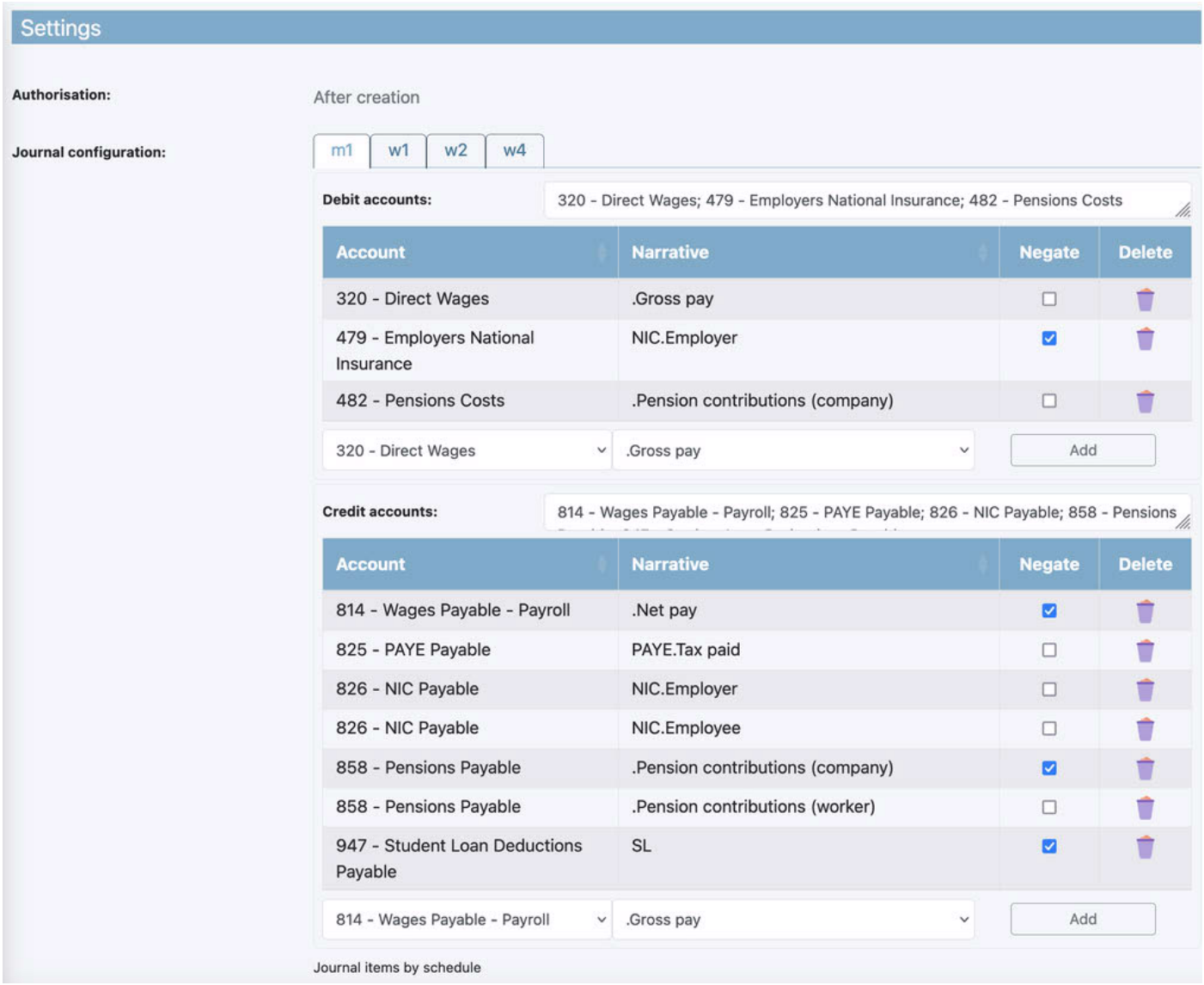
You will now be able to log into Xero in the usual way. On the next screen click **Allow access** to the relevant organisation:



Your accounts, account codes and **tracking** categories will be retrieved. You can now proceed to configure the journal.

Configure Debits and Credits

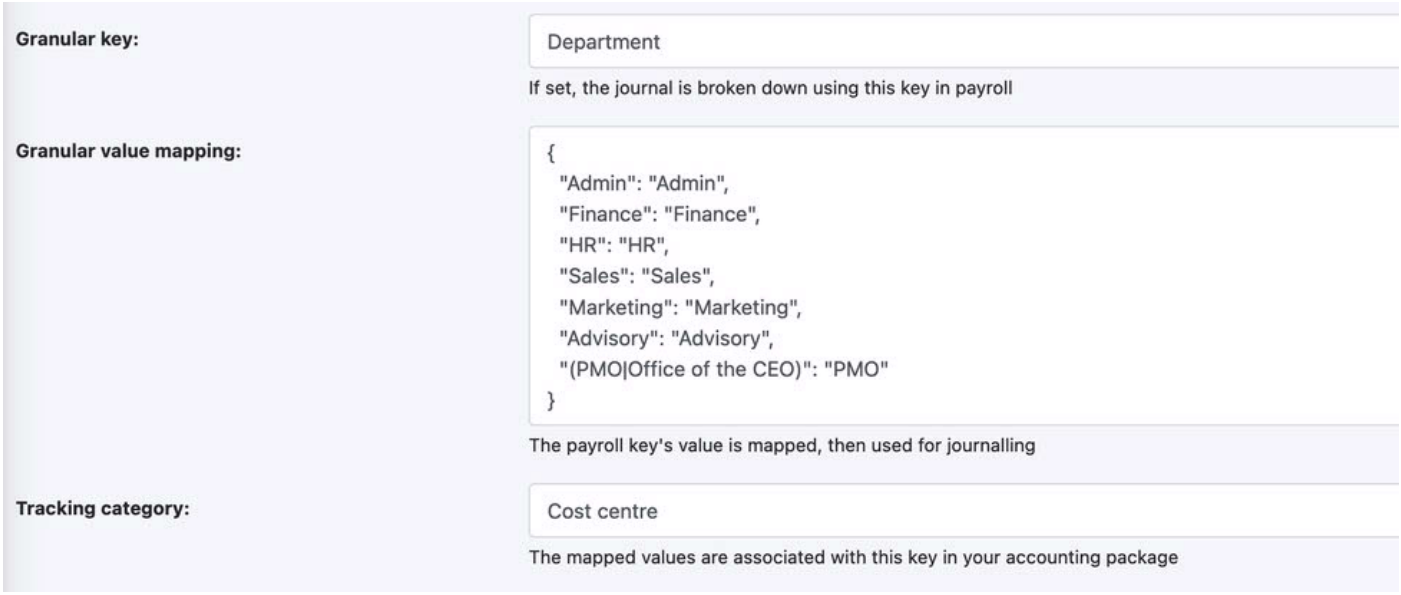
The Journal **configuration** for Debits and Credits has a default, but you may wish to modify this. Note that you can have a different mapping for each schedule (Weekly **w1**, Monthly **m1**) etc.



Configure Tracking categories

Each named tracking category will have several **Category Options**. You can use the power of regular expressions to map any **departments** to any Tracking category **options**.

Below is an example where the **Granular key** is set to **Department** level.



The **Granular value mapping** has **Department** names on the **left** and the Tracking category **options** on the **right**. Most of the mappings are one-to-one, however the **PMO** and **Office of the CEO** departments both map to the **PMO** tracking category (the vertical bar **|** means 'or').

Note: by default, department names will map to tracking category options e.g. "**Sales**" department will map to "**Sales**" tracking category options. So in reality the above example will only need the PMO line.

The **Tracking category i**n Xero is called **Cost centre**.

Once the journal report definition is configured, click **Update** save it.

Pay Run

Each time you click pay run **Redo**, the journal values will be re-generated. If the journal does not balance, you will see an error. If the mapping above specifies tracking category options that do not exist in your Xero configuration, you will see an error.

You can see the values that will be posted to Xero in **Pay runs** > **View** > Reports > View [on the Xero Journal] and the values will display below.

When the pay run is approved, your journal will be automatically posted to Xero.

You can revoke access **at** any time using the **Revoke** button