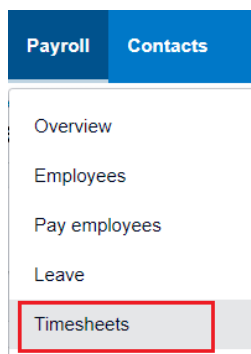# Processing Payroll in Xero (including Timesheets)

If your employee's use timesheets – start here

1. Log into Xero open the correct company file

2. Select the Payroll drop down menu and select Timesheet
3. This will display all timesheets and whether they have been processed, awaiting payment or awaiting approval.
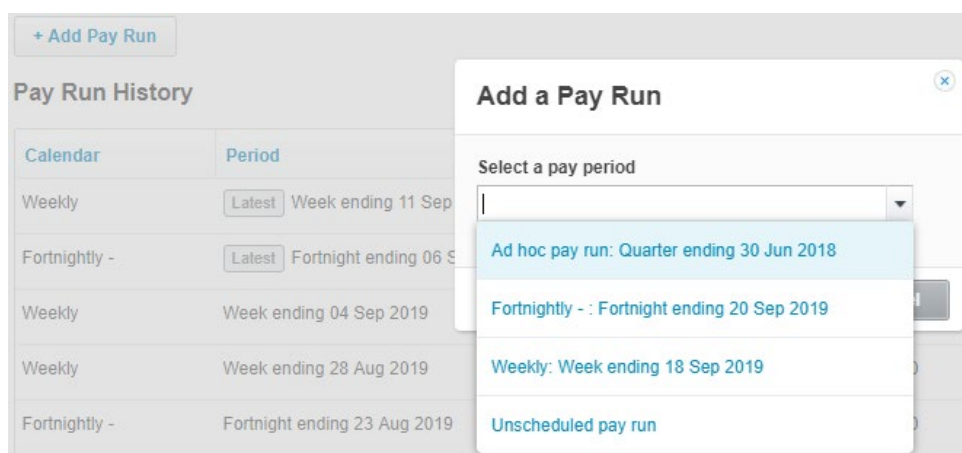

4. Select the employee's timesheets that you wish to approve (ensure they are correct before approving)
5. Select Approve
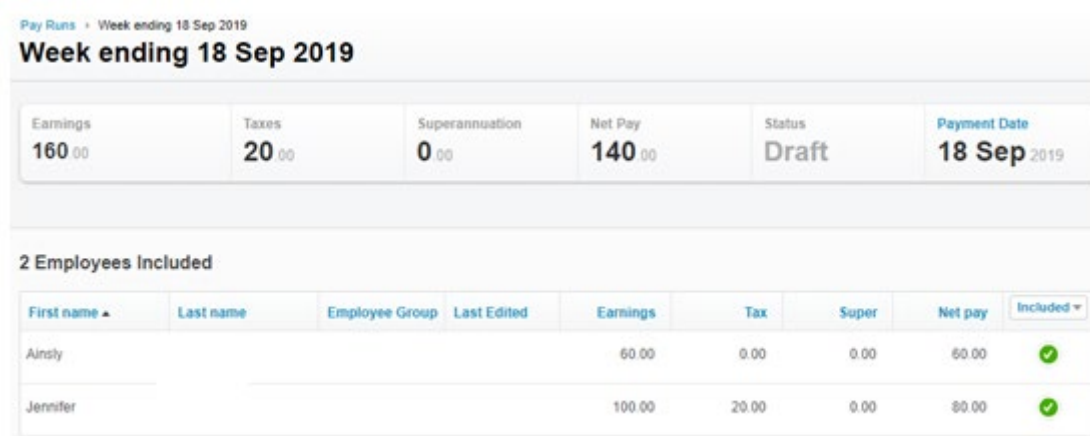
If not using timesheets --- start here

Once you have approved the timesheets – now you need to process payroll
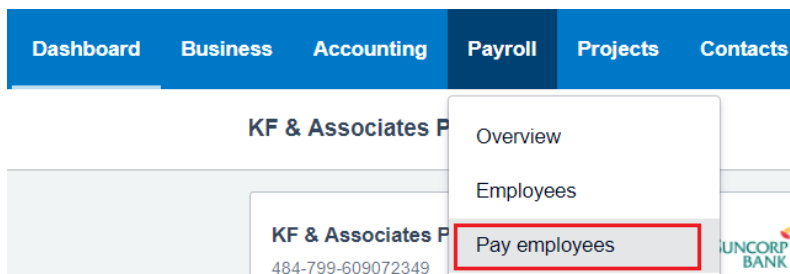
6. Select the Payroll drop down menu and select Pay Employees
7. Select the +Add Pay Run button

8. Select the required Pay frequency, this will be specific to the client. The client may have multiple payment runs (weekly, fortnightly etc).
9. Select Next

10. Remove any employees that aren't included in this particular payment run. This can be done by selecting the green tick against their name.

11. If the information displayed is correct, then continue to Post the Pay Run, however if the hours, salary sacrifice etc need to be adjusted for the employee, then select the required Employee to open.
    a. Please note, any changes to an Employee will only change this payment run, it will not update their Employee file and change future payment runs.

12. Adjust hours, hourly rate, additional tax etc. Once all changes have been made

13. If processing payroll by timesheets, this information will be pre-filled for the employee (as long as the timesheet has been approved for the correct period).
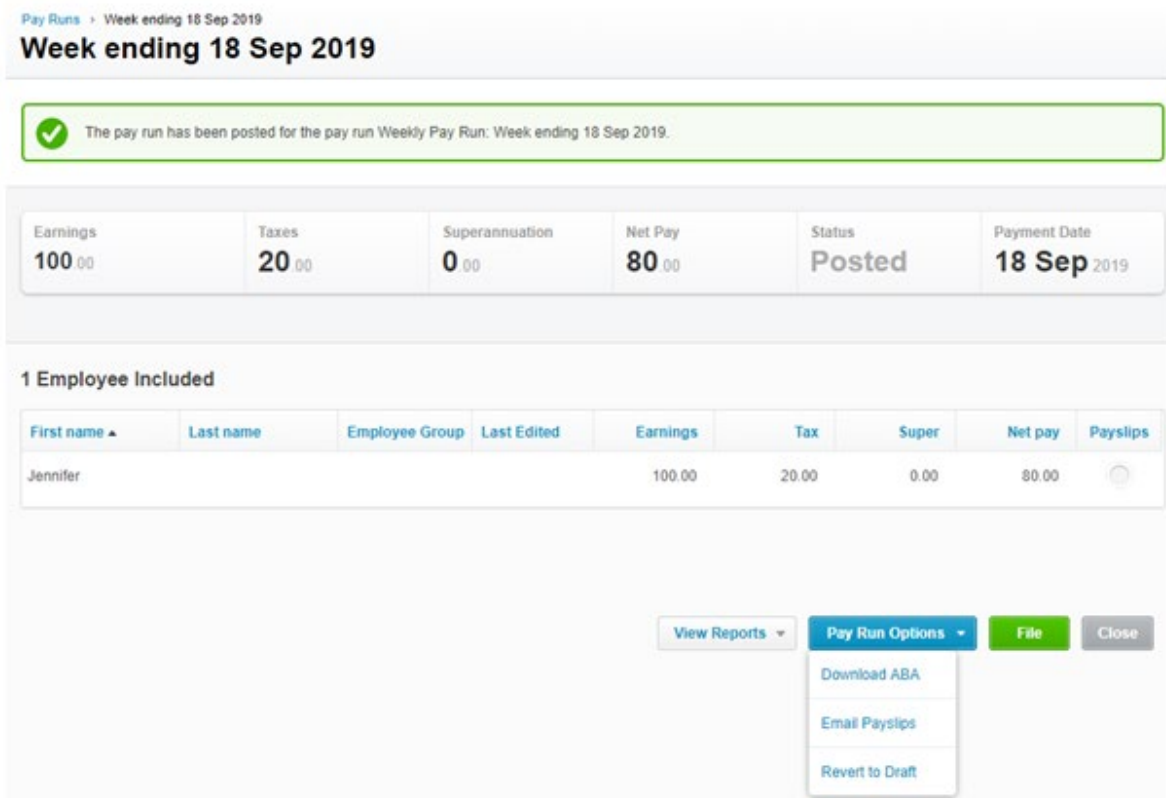
14. Select Save at the bottom of the screen.
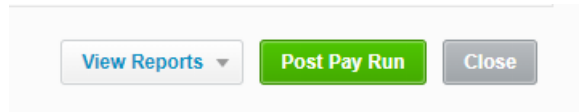
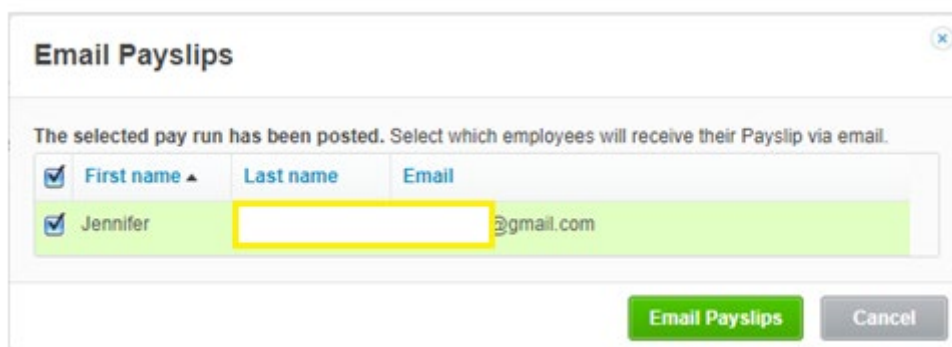15. This will return you to the main payroll processing screen. Select Post Pay Run
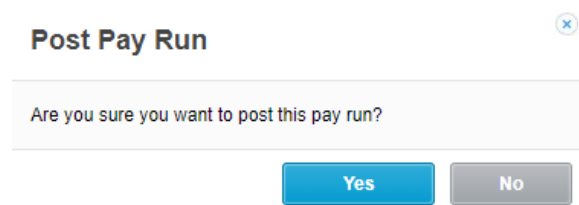
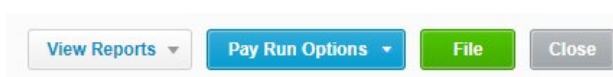16. Select Yes to confirm to Post the Pay Run

17. Some clients may require you to Download the ABA file (which can then be uploaded into banking software for payment) – if so, then select Download ABA. This will save to your Downloads
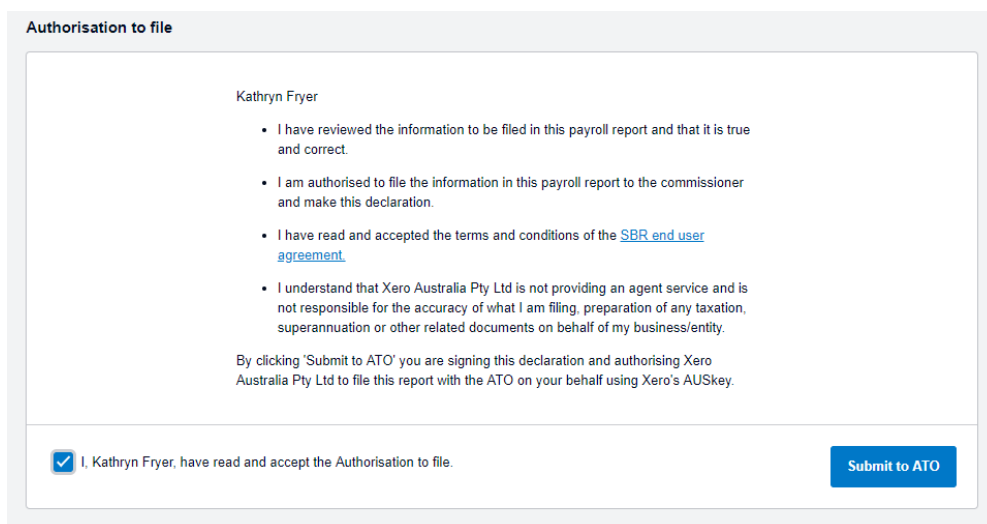18. Otherwise select Email Payslips

19. Select Email Payslips to confirm for PaySlips to be sent.

20. Select File – this will lodge the payment run with the ATO.

21. Tick that you have authorisation to lodge and select Submit to ATO.

22. You will be returned to the main payroll dashboard and can see the payment run listed. The payment run may be listed as Pending (orange) and will later change to green Filed.
23. Reports can be downloaded and saved if required.