

Kinxso Accounts

Double-entry accounting, from first invoice to signed-off year end.

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1. Getting started

What Kinxso Accounts is

Kinxso Accounts is double-entry accounting software. Every figure you see in a report — your profit, your bank balance, what customers owe you — is calculated from journal entries in a ledger, not stored as a loose number somewhere. That is what makes the reports trustworthy, and it is why a few things in this manual work the way they do rather than the way a spreadsheet would.

You do not need to understand double-entry to use it. Invoices, bills, payments and payroll all write their own ledger entries for you. The parts of this manual that talk about debits and credits are for when you want to post something by hand.

Starting your trial

Sign up at the Kinxso Accounts login page and choose **Start free trial**. You will be asked for:

- **Organisation name** — the business the books belong to. This is what prints on invoices.
- **Organisation email** — where billing and system notices go.
- **Your name, email and password** — this becomes the first administrator.
- **Functional currency** — the currency your books are kept in. Choose carefully; see below.

Your trial runs for **14 days** from the moment you sign up. No card is required to start it, and nothing is charged automatically when it ends.

Choosing your functional currency

The functional currency is the currency your ledger is kept in — the one your Profit & Loss and Balance Sheet are expressed in. Available currencies include Pakistani Rupee, US Dollar, Pound Sterling, Euro, UAE Dirham, Canadian Dollar and Australian Dollar.

You can still invoice customers and receive bills in other currencies; those are converted into your functional currency at the exchange rate on the transaction. What you should not do is change the functional currency once you have posted real transactions, because every historical figure was recorded in terms of it. Decide this on day one.

Your first sign-in

After signing up you land in the dashboard. Before entering real transactions, work through the next three chapters in order:

1. **Set up your chart of accounts** — the list of categories your money moves between.
2. **Enter your opening balances** — what the business already owns and owes on the day you start.
3. **Then** start recording day-to-day work.

Entering invoices before opening balances is the most common way to end up with books that have to be unpicked later.

Adding other people

Go to **Users** to invite colleagues. Each person gets a role, and the role decides what they can do:

Role	What it is for
Org Admin	Full access across every agency. Your CFO or controller.
Accountant	Day-to-day posting. Cannot approve their own journal entries.
Approver	Reviews and approves journal entries.
Auditor	Read-only, including the full audit trail.
Agency User	Limited to a single agency.

Give people the narrowest role that lets them do their job. You can change a role later without losing anything they have posted.

When the trial ends

At the end of 14 days you choose a plan to keep working. Your data is not deleted when a trial lapses — access is paused until a subscription is active, and everything is exactly where you left it when you come back. Billing is handled from **Settings** → **Subscription**.

2. The chart of accounts

What it is

The chart of accounts is the list of buckets your money moves between. Every transaction in the system moves an amount from one account to another: a sale moves money into *Sales income* and into *Bank*; paying rent moves it out of *Bank* and into *Rent expense*.

Get this right early. Changing it later is possible, but reports you have already shown to a bank or a tax authority were built on the old structure.

The six account types

Every account belongs to exactly one type, and the type decides which report it appears on and which direction increases it.

Type	What it holds	Appears on
Asset	What the business owns — bank, cash, stock, equipment, money owed to you	Balance Sheet
Liability	What the business owes — suppliers, loans, tax payable	Balance Sheet
Equity	The owners' stake — capital introduced, retained profit	Balance Sheet
Income	What you earn	Profit & Loss
COGS	The direct cost of what you sold	Profit & Loss
Expense	Running costs — rent, salaries, utilities	Profit & Loss

The split between **COGS** and **Expense** is what produces your gross profit as distinct from your net profit. Put the cost of the goods or services you actually sold into COGS, and the cost of running the business into Expense. If you sell 100 chairs, the chairs are COGS and the shop rent is Expense.

Setting yours up

Go to **Accounting** → **Chart of Accounts**. You have three options:

Apply an industry template. The fastest route. Choose the template closest to your business and it creates a complete chart ready to use. You can then rename, add and remove accounts to taste.

Seed a basic chart. Creates a minimal set of top-level accounts, one per type. Useful if you want to build your own structure from a clean base — but be aware it really is minimal, and you will want to add accounts before you start posting, or everything lands in the same few buckets and your reports tell you nothing useful.

Add accounts one at a time. Click **New account** and give each one a code and a name.

Account codes

The code controls the order accounts appear in, and conventionally also groups them. A common scheme:

1000–1999	Assets
2000–2999	Liabilities
3000–3999	Equity
4000–4999	Income
5000–5999	Cost of goods sold
6000–9999	Expenses

Leave gaps. Numbering your expenses 6000, 6001, 6002 means the next account you add has to go on the end; numbering them 6000, 6100, 6200 means you can slot one in where it belongs.

Accounts you will want

Whatever template you start from, check you have:

- A **bank account** for each real bank account, named the same as the real one.
- **Accounts Receivable** — money customers owe you. Invoices post here automatically.
- **Accounts Payable** — money you owe suppliers. Bills post here automatically.
- A **tax account** for sales tax collected and paid.
- **Retained earnings** — where last year's profit ends up when a year closes.

Deactivating rather than deleting

An account that has transactions against it cannot simply disappear, because the history that references it would stop making sense. Mark it inactive instead: it stops appearing when you post new transactions, but old reports still work.

3. Journal entries and approval

When you need a journal entry

Most of your bookkeeping should come from invoices, bills, payments and payroll — they write their own ledger entries, and they keep the paperwork attached. Post a manual journal when there is no document behind the movement:

- Depreciation for the month
- Correcting a posting that went to the wrong account
- Accruals and prepayments at period end
- Introducing opening balances
- Moving money between your own accounts where no payment record exists

Posting one

Go to **Accounting** → **Journal** → **New entry**.

Give the entry a **date**, a **memo** saying why it exists, and optionally a **reference number**. Then add at least two lines. Each line names an account and an amount, on either the debit or the credit side.

The entry must balance: total debits must equal total credits. The system refuses to save an entry that does not, because an unbalanced entry would break every report that reads the ledger.

A few rules the form enforces, all for the same reason:

- **No negative amounts.** In double-entry, direction is expressed by which side the amount is on, not

by its sign. If you want to reduce something, put the amount on the other side.

- **A line is a debit or a credit, never both.**
- **Every line needs an amount.** Blank lines are not saved.

Which side is which

If you are not used to debits and credits, this is the whole rule:

	Debit	Credit
Asset (bank, stock, owed to you)	increases	decreases
Liability (owed by you)	decreases	increases
Equity	decreases	increases
Income	decreases	increases
Expense / COGS	increases	decreases

So recording PKR 50,000 of cash sales is: **debit** Bank 50,000, **credit** Sales income 50,000. Paying PKR 20,000 rent is: **debit** Rent expense 20,000, **credit** Bank 20,000.

Approval — why your entry says "Pending"

A manual journal does not hit the ledger the moment you save it. It is created **Pending approval** and only affects your reports once it is approved. This is deliberate: manual journals are the one place someone can move money between any two accounts with no document behind it, so they get a second pair of eyes.

If your organisation has another approver — anyone with the Org Admin or Approver role — then the person who created an entry cannot approve it themselves. They will be notified that it is waiting, and they approve it from **Accounting** → **Journal**.

If you are the only person who can approve — a sole trader, or a business with one bookkeeper — you can approve your own entry, because otherwise it could never be posted at all. The entry is marked **[self-approved: sole approver]** so that anyone auditing the books later can see that one person both created and approved it, rather than it appearing as though a second person signed off.

As soon as you add a second Org Admin or Approver, the normal rule takes over again.

Rejecting

An approver who does not agree with an entry can reject it with a reason. The entry is not deleted; it stays visible with the rejection recorded, so the conversation is on the record.

Reversing a posted entry

Posted entries are never edited or deleted. If one is wrong, **reverse** it: the system creates a mirror-image entry that cancels it exactly, and both remain visible. Your ledger then tells the truth about what happened — that an entry was made and later undone — rather than quietly pretending the mistake never occurred. That is what makes the books auditable.

The reversal is itself a journal entry, so it goes through the same approval step.

Recurring journals

For an entry that repeats unchanged every month — depreciation, a fixed accrual — set up a template under **Accounting** → **Recurring**. It will be raised automatically on schedule, and still goes through approval, so nothing posts without someone looking at it.

4. Opening balances

Why this comes first

Unless you are starting a brand-new business on day one, your books did not begin empty. You already have money in the bank, customers who owe you, suppliers you owe, and equipment you own. Opening balances tell Kinxso Accounts what was true the moment before you started using it.

Skip this and your Balance Sheet will be wrong from the first day — it will show only what has happened since you started, which is not what your business is worth.

Pick your start date

Choose the first day of an accounting period: the start of a month, a quarter, or ideally your financial year. Everything before that date lives in your old system or your accountant's files; everything on or after it lives here.

What you need

From your previous system, your accountant, or your last set of accounts, as at the day before your start date:

- Bank and cash balances
- A list of unpaid customer invoices (who, how much, what date, what invoice number)
- A list of unpaid supplier bills
- Stock value
- Fixed assets and the depreciation taken on them so far
- Loans outstanding
- Tax owed or reclaimable
- The owners' capital and accumulated profit

Entering them

Go to **Accounting** → **Opening Balances**. Enter the closing balance for each account as at the day before your start date.

Opening balances must balance, exactly as any other entry must: total assets must equal liabilities plus equity. If they do not, something is missing from your list — most often accumulated profit, or an unpaid invoice nobody wrote down.

Unpaid invoices and bills

Do not enter only the Accounts Receivable total. Enter each outstanding invoice individually, as a real invoice dated before your start date. The same for unpaid supplier bills.

This takes longer, and it is worth it. It is what makes your **AR Aging** and **AP Aging** reports work, so you can see who owes you what and for how long, and it is what lets you match a payment to the right invoice when it arrives.

Check before you continue

Once entered, run the **Trial Balance** and the **Balance Sheet**:

- The Trial Balance should total the same on both sides.
- The Balance Sheet should balance, and the figures should match your previous accounts exactly.

If the two do not agree with where you came from, fix it now. Every transaction you post from here builds on these numbers, and a discrepancy only gets harder to find as the months pass.

Locking the past

When you are satisfied, close the periods before your start date (see *Period close and year end*). That stops anyone accidentally posting into a period your opening balances already account for, which would double-count it.

5. Sales and purchases

Sales

Customers

Sales → **Customers** holds everyone you invoice: name, billing details, tax registration, payment terms and currency. Set the payment terms here and every invoice you raise for that customer inherits the right due date.

Estimates (quotes)

Sales → **Estimates** is for a price you have offered but not yet earned. An estimate posts nothing to the ledger — nothing has happened financially until the customer accepts. When they do, convert the estimate to an invoice rather than retyping it, so the numbers cannot drift apart.

Invoices

Sales → **Invoices** → **New** raises an invoice. Choose the customer, the date, the due date, and add lines with a description, quantity, price and tax.

When you approve it, the invoice writes its own ledger entry: **debit Accounts Receivable**, **credit** the income account on each line, and **credit** the tax account for any tax charged. You do not post this yourself.

Your customer can be emailed the invoice with a payment link.

Receipts

Sales → **Receipts** records money arriving. Match the receipt against the invoices it pays — this is the step that clears those invoices from your AR Aging and stops you chasing someone who has already paid.

A receipt posts: **debit Bank**, **credit Accounts Receivable**.

Record part-payments as they arrive rather than waiting for the balance. The invoice stays open for the remainder.

Credit notes

Sales → Credit Notes reverses an invoice in whole or in part — a return, an overcharge, a goodwill discount. Never delete an invoice the customer has already received; issue a credit note, so both documents exist and the history explains itself.

Recurring invoices

For customers billed the same amount on a schedule, set up a template under **Sales → Recurring**. Invoices are raised automatically on the due date.

Purchases

The purchase side mirrors the sales side.

Suppliers

Purchases → Suppliers holds everyone who bills you, with their terms and currency.

Purchase orders

Purchases → Orders records what you have committed to buy. Like an estimate, a purchase order posts nothing to the ledger — it is a commitment, not a cost. Convert it to a bill when the goods or the invoice arrive.

Bills

Purchases → Bills → New records a supplier invoice. On approval it posts: **debit** the expense, COGS or asset account on each line, **debit** any reclaimable tax, and **credit Accounts Payable**.

Enter bills when they arrive, not when you pay them. That is what makes your AP Aging tell you what you actually owe, and what makes your Profit & Loss show costs in the month they belong to.

Payments

Purchases → Payments records money leaving, matched against the bills it settles: **debit Accounts Payable, credit Bank**.

Debit notes

Purchases → Debit Notes is the supplier-side equivalent of a credit note — for goods returned or an amount over-billed.

The habit that keeps the books right

Record the document when it happens, and match the payment when it arrives. Invoices and bills establish what is owed; receipts and payments clear it. Skipping the matching step is the single most common reason an AR Aging report stops being believable.

6. Banking and reconciliation

Why reconciliation matters more than anything else in this manual

Reconciliation is where you compare what your books say about a bank account with what the bank says. When the two agree, you have strong evidence that nothing has been missed, duplicated or invented. When they disagree, you have found a problem while it is still small.

A business that reconciles every month always knows what it is worth. A business that does not is guessing, however neat its invoices look.

Bank accounts

Banking → **Accounts** lists each real bank or cash account, mapped to an account in your chart of accounts. Name them the same as the real accounts so nobody has to guess which is which.

Reconciling

Banking → **Reconciliation**. Pick the account and the statement period, and enter the closing balance from your bank statement.

Work down the statement and tick off each line against the transaction in your books. You will meet three situations:

It matches. Tick it and move on.

It is on the statement but not in your books. Something happened that you did not record — bank charges, interest, a direct debit, a customer who paid without telling you. Record it now, then tick it off.

It is in your books but not on the statement. Usually timing: a cheque you have written that has not been presented, or a payment made after the statement date. Leave it unticked; it will clear next month. If it is still outstanding months later, investigate — it may be a payment that never happened.

When every line is accounted for, the difference should be zero and you can complete the reconciliation.

When it will not balance

Work through these in order, because they cover most differences:

1. **A transposed figure.** If the difference divides exactly by 9, you have almost certainly typed two digits the wrong way round somewhere — 5,940 instead of 5,490.

1. **A doubled entry.** If the difference is exactly twice a transaction on the statement, something has been entered twice, or entered once on the wrong side.

1. **A missing bank charge or interest line.**

2. **A payment matched to the wrong invoice,** so the bank total is right but the detail is not.

3. **An amount entered with the right figure but the wrong date,** falling outside the period.

Resist the temptation to post a balancing figure to make it agree. A reconciliation that balances because you forced it proves nothing, and the real error is still there.

Cheques

Banking → **Cheques** tracks cheques written but not yet cleared. Those are exactly the items that legitimately appear in your books but not yet on the statement, so keeping them here makes reconciliation faster and explains the difference without guesswork.

How often

Monthly, as soon as the statement is available, is the right rhythm for most businesses. If you handle a lot of cash or a high volume of transactions, weekly is better. The longer you leave it, the more transactions you have to search through to find a difference of a few hundred.

7. Reports — and how to read them

The three that matter most

Trial Balance

Reports → **Trial Balance** lists every account with its total debits and credits.

Its one job is to prove the ledger is internally consistent: the two columns must total the same. If they do not, something is wrong at a level that makes every other report unreliable, and it should be fixed before you read anything else.

A balanced trial balance does **not** mean your books are correct. It means they are arithmetically consistent. An amount posted to the wrong account still balances perfectly.

Profit & Loss

Reports → **Profit & Loss** covers a period of time and answers "did we make money?"

```
Income
- Cost of goods sold
= Gross profit
- Expenses
= Net profit
```

Gross profit tells you whether what you sell is sold at a sensible margin. **Net profit** tells you whether the business as a whole is viable. A healthy gross margin with a loss at the bottom means your overheads are the problem, not your pricing.

The report also shows gross and net margin as percentages, which are more useful than the raw figures when comparing one month with another.

Balance Sheet

Reports → **Balance Sheet** is a snapshot on one date and answers "what is the business worth?"

```
Assets = Liabilities + Equity
```

That equation always holds — the report tells you whether it balances. Equity includes the profit for the current period, which is why the Balance Sheet and the Profit & Loss always agree with each other.

The rest

Report	Use it to
Cash Flow	See where cash actually moved. Profit is not cash — you can be profitable and unable to pay wages.
AR Aging	See who owes you, grouped by how overdue they are. Your collections list.
AP Aging	See what you owe and when. Your payment planning list.
Tax	Prepare a tax return from what was actually charged and paid.
Ratios	Track margins, liquidity and the shape of the business over time.
Consolidated	Combine several agencies into one set of figures.
Custom	Build a report on the rows and columns you care about.

Checking your own books

Four checks, in order. If all four pass, your books are in good shape.

1. **Does the Trial Balance balance?** If not, stop and fix it.
2. **Does the Balance Sheet balance?** Assets should equal liabilities plus equity.
3. **Does every bank account reconcile to its statement?** This is the real proof.
4. **Does AR Aging total agree with the Accounts Receivable balance on the Balance Sheet?**
If not, a

payment has been recorded against the bank without being matched to an invoice.

A warning about profit and cash

The most common misreading of accounts is treating profit as money in the bank. They are different questions. You can show a strong profit while your bank account empties, because your customers

have not paid yet — that profit is sitting in Accounts Receivable, not in cash.

Read the Profit & Loss to understand whether the business model works. Read the Cash Flow and your bank balance to understand whether you can pay people next week.

8. Closing a period and a year

What closing a period does

Closing a period locks it. Once a month is closed, no new entry can be posted into it and nothing already in it can be changed.

This matters because a report is only meaningful if it still says the same thing tomorrow. If March stays open, someone can post a March transaction in July, and the March accounts you gave your bank in April are quietly no longer true.

Before you close a month

Work through this list. Each step closes off a category of error.

1. **Every bank account reconciled** to its statement for the month.
2. **All supplier bills entered**, including ones that arrived after month end but relate to the

month's costs.

1. **All customer invoices raised** for work done in the month.
2. **Payments and receipts matched** to the invoices and bills they settle.
3. **Depreciation posted** for the month.
4. **Accruals and prepayments posted** — costs incurred but not yet billed, and payments covering

future months.

1. **Journal entries approved**. Anything still pending is not in your numbers.
2. **Trial Balance balances**, and the Balance Sheet balances.
3. **Profit & Loss reviewed** against the previous month. Investigate anything that moved sharply —

it is usually a misposting rather than a real change.

Closing it

Accounting → Periods, choose the year and month, and close. The system will refuse new postings into that period from then on.

If you genuinely need to post into a closed period — an adjustment your accountant asks for — reopen it, post, and close it again. Do that deliberately and rarely; it is a decision, not a routine.

Year end

A year end is a month close with more care. In addition to everything above:

1. **Count your stock** and adjust inventory to the real figure.
2. **Review fixed assets.** Is everything on the register still owned and in use? Dispose of what is

not.

1. **Review receivables.** Anything genuinely uncollectable should be written off rather than left inflating your assets and your profit.

1. **Review accruals** for anything missed.
2. **Check the tax position** and provide for tax owed.
3. **Send your accountant** the Trial Balance, Profit & Loss and Balance Sheet.
4. **Post their adjustments** when they come back, then close the final period.

Retained profit for the year moves into equity, and the new year starts with the Profit & Loss back at zero while the Balance Sheet carries forward.

Keep the evidence

Attach documents as you go — supplier invoices, bank statements, contracts — rather than hunting for them a year later when somebody asks a question about a figure. **Documents** keeps them with the transactions, and the **Audit** trail records who did what and when, which is the other half of being able to answer that question.

9. Troubleshooting

"My journal entry says Pending and nothing has changed in my reports"

That is working as designed. A manual journal only reaches the ledger once it is approved — until then it affects nothing.

Go to **Accounting** → **Journal** and approve it. If the entry was created by someone else, you can approve it yourself if you hold the Org Admin or Approver role. If you created it and your organisation has another approver, they must approve it — you cannot approve your own.

If you are the only person in the organisation who can approve, you *can* approve your own entry. It will be marked `[self-approved: sole approver]` so the audit trail is honest about it.

"It will not let me approve my own entry"

Your organisation has at least one other Org Admin or Approver, so segregation of duties applies: the person who writes an entry is not the person who signs it off. Ask them to approve it.

If that person has left, change their user to inactive, or add the approver role to whoever has taken over.

"My entry will not save"

The form refuses entries that would corrupt the ledger:

- **"Journal entry is not balanced"** — total debits do not equal total credits. Check for a typo in one amount.

- **"A journal line cannot carry a negative amount"** — move the amount to the other side instead of

making it negative.

- **"A journal line is either a debit or a credit, not both"** — clear one of the two boxes.
- **"Every journal line needs an amount"** — remove the empty line.
- **"A journal entry needs at least two lines"** — every entry moves money between at least two places.

- **The period is closed** — reopen it under **Accounting** → **Periods**, or date the entry in an open

period if that is actually where it belongs.

"My Balance Sheet does not balance"

Run the Trial Balance first. If that does not balance either, the problem is in the ledger and support should see it — that should not be possible through normal use.

If the Trial Balance balances but the Balance Sheet looks wrong, the usual cause is an account given the wrong **type** when it was created — an asset set up as an expense, for instance, so it lands on the wrong report. Check the chart of accounts.

"AR Aging does not match Accounts Receivable on my Balance Sheet"

Almost always a payment recorded straight to the bank without being matched to the invoice it paid. The bank balance is right, the customer balance is not. Find the receipt and match it.

"A customer says they paid but the invoice is still open"

Look for the money in the bank account first. If it arrived, the receipt was either never recorded or recorded without matching. If it did not arrive, the customer may have paid into an account you have not set up in **Banking** → **Accounts**.

"My profit looks right but there is no money in the bank"

Profit is not cash. Work earned and invoiced counts as profit the moment the invoice is raised, even if nobody has paid. Look at **AR Aging** — your profit is probably sitting there — and at the Cash Flow report.

"The figures changed since I printed the report"

Someone posted into a period you had already reported on. Close periods once you are finished with them; that is exactly what closing prevents.

"I cannot change my functional currency"

The functional currency is the currency the whole ledger is expressed in, so changing it after transactions exist would silently restate your history. Set it when you create the organisation. If it is genuinely wrong and you have only just started, the clean fix is a fresh organisation.

Getting help

Before contacting support, note the exact wording of any message, what you were doing, and the date and reference of the transaction involved. The **Audit** trail shows who did what and when, and is usually the fastest way to find out how a figure got the way it is.