

# F340 Multicurrency Accounting

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Implementation Consultant

# F340 Multicurrency Accounting - Introduction

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Instructor: **Jim Bartow** – Acumatica ERP Implementation Consultant

My Background:

- Over 25 Years ERP Business Consulting and Advisory Services experience
- Obtained CPA license while at Price Waterhouse Coopers (Coopers & Lybrand)
- Prior Financial Management/CFO experience in Distribution, Services and Entertainment industries

# Timing and Agenda

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**October 12, 2021 -10 AM -12 PM**

**Day 1**

**Lesson 1.1: Configuring the Multicurrency Functionality**

**Lesson 1.2: Configuring Rate Types and Rates**

**Lesson 2.1: Configuring Cash Accounts in Foreign Currencies**

**Lesson 2.2: Processing Multicurrency Funds Transfers**

**October 13, 2021 -10 AM -12 PM**

**Day 2**

**Lesson 3.1: Processing Invoices in Foreign Currencies**

**Lesson 3.2: Applying Credit Memos in Foreign Currencies to Invoices**

**Lesson 3.3: Paying Invoices in Foreign Currencies by Using Other Currencies**

**Lesson 3.4: Processing Bills in Foreign Currencies**

**Lesson 3.5: Applying Debit Adjustments in Foreign Currencies to Bills**

# Timing and Agenda

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**October 14, 2021 -10 AM -12 PM**

**Day 3**

**Lesson 3.6: Paying Bills in Foreign Currencies by  
Using Other Currencies**

**Lesson 4.1: Revaluing Open AP Documents**

**Lesson 4.2: Revaluing Open AR Documents**


**Lesson 4.3: Revaluing Bank Accounts**

**Lesson 5.1: Configuring Translation Definitions**

**Lesson 5.2: Translating Financial Statements**

## Day 1

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## Part 1: System Configuration for Multicurrency Operations

# Lesson 1.1: Configuring the Multicurrency Functionality

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## Learning Objectives

In this session, you will learn how to do the following:

- Enable the required system feature
- Review the base currency and configure foreign currencies
- Manually configure a foreign currency

# Multicurrency Functionality: Implementation Activity

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## Story

Suppose that the SweetLife Fruits & Jams company decided to enable the Multicurrency Accounting feature in its system after its customers from Canada and Europe requested invoices in their local currency instead of the U.S. dollar. The company has hired an implementation consultant to configure the system to support these capabilities. The consultant has already updated the chart of accounts with the needed accounts.

Acting as the implementation consultant, you now need to perform the following actions:

- Enable the feature
- Review the currency management preferences
- Review the base currency and configure the foreign currencies (the Canadian dollar and the euro, which are assigned the CAD and EUR codes, respectively, in the system)



# Lesson 1.2: Configuring Rate Types and Rates

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## Learning Objectives

In this session, you will learn how to do the following:

- Create currency rate types
- Configure rates for a foreign currency by using the rate synchronization functionality
- Manually configure currency rates for a foreign currency

# Configuration of Rate Types and Rates: To Configure Rates

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## Story

Suppose that now that the initial configuration of the multicurrency functionality has been completed, the implementation consultant has to configure exchange rates for one of the currencies that you set up in the system in Multicurrency Functionality: Implementation Activity—the Canadian dollar (CAD). The consultant has decided to manually create these rates.

Acting as the implementation consultant, you will manually create the exchange rates for the CAD currency.

# Configuration of Rate Types and Rates: To Configure Rates

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## Story

Suppose that now that the initial configuration of the multicurrency functionality has been completed, the implementation consultant has to configure exchange rates for one of the currencies that you set up in the system in Multicurrency Functionality: Implementation Activity—the euro (EUR). The consultant has decided to use the Open Exchange Rates API online service to refresh the rates for the euro.

Acting as the implementation consultant, you will automatically refresh the exchange rates for the EUR currency.

A photograph of two men in a construction setting. The man on the left has a beard and is wearing a green polo shirt with a 'Curran Young' logo and a white hard hat. He is pointing at a tablet held in his left hand. The man on the right is wearing a white shirt, a yellow safety vest with orange reflective stripes, and a white hard hat. He is looking down at the tablet. The background shows a construction site with scaffolding and rebar.

## Part 2: Multicurrency Processing in the General Ledger and Cash Management Subledger

## Lesson 2.1: Configuring Cash Accounts in Foreign Currencies

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### Learning Objectives

In this session, you will learn how to do the following:

- Create a GL account to which a cash account in a foreign currency will be linked
- Specify the cash account as the default cash account for a customer and a vendor
- Create a GL transaction in a foreign currency

# Multicurrency Cash Accounts: To Configure an Account

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## Story

Suppose that the SweetLife Fruits & Jams company has opened a bank account in Canadian dollars (the CAD currency defined in the system), because it has customers and a few big vendors in Canada and wants to use Canadian dollars for payments to these partners.

Acting as a SweetLife accountant, you need to configure the following accounts:

- A GL account denominated in CAD to which the cash account will be linked
- The cash account denominated in CAD and an entry type for processing bank charges

# Multicurrency Cash Accounts: To Process a GL Transaction

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## Story

Suppose that SweetLife Fruits & Jams has just opened a bank account in Canadian dollars and needs to pay a monthly fee of C\$9 to the bank. Acting as a SweetLife accountant, you need to create a GL transaction with the bank fee, post the transaction, and review the account balance.

## Lesson 2.2: Processing Multicurrency Funds Transfers

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### Learning Objectives

In this session, you will learn how to record a funds transfer in a foreign currency between cash accounts.



## Table: Statuses of Funds Transfers

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Status	Description
<i>On Hold</i>	The transfer is being edited and cannot be released.
<i>Balanced</i>	The transfer is balanced and can be released.
<i>Released</i>	The transfer has been released.

# Multicurrency Funds Transfers: Generated Transactions

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**Table: Transactions for Source Account: Multicurrency Transfer**

Account	Debit	Credit
Source account	0.00	Transfer amount
Cash-in-Transit account	Transfer amount	0.00

**Table: Transactions for the Destination Account: Multicurrency Transfer**

Account	Debit	Credit
Destination account	Transfer amount	0.00
Cash-in-Transit account	0.00	Transfer amount

# Multicurrency Funds Transfers: Generated Transactions

**Table: Transactions for Destination Account: Multicurrency Transfer Producing a Gain**

Account	Debit	Credit
Destination account	Transfer amount	0.00
Cash-in-Transit account	0.00	Transfer amount
Realized Gain/Loss account	0.00	RGOL amount
Cash-in-Transit account	RGOL amount	0.00

**Table: Transactions for Destination Account: Multicurrency Transfer Producing a Loss**

Account	Debit	Credit
Destination account	Transfer amount	0.00
Cash-in-Transit account	0.00	Transfer amount
Realized Gain/Loss account	RGOL amount	0.00
Cash-in-Transit account	0.00	RGOL amount

# Multicurrency Funds Transfers: Process Activity

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## Story

Suppose that on January 30, 2021, SweetLife Fruits & Jams needs to transfer C\$484 to its new cash account to be able to make payments to vendors. The amount transferred from the 10200WH (Wholesale Checking) account is \$379 (in USD), and the amount received to the 10215WH (Checking Account CAD) is C\$484.21, as reported by the bank.

Acting as a SweetLife accountant, you need to process the cash transfer in the system.

## Day 2

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A technician wearing a green t-shirt with the 'xByte' logo is working on a server rack. He is using a power drill to work on a server unit. The rack is filled with various cables and server components. The background is slightly blurred, showing a server room environment.

## Part 3: AR and AP Documents in Foreign Currencies

## Lesson 3.1: Processing Invoices in Foreign Currencies (p 45)

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### Learning Objectives

In this session, you will learn how to do the following:

- Create and process **an invoice in a foreign currency**
- **Override** the default currency rate
- Pay the invoice with a **payment in the same foreign currency**

# Applicable Scenarios for Processing Invoices in Foreign Currencies

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- Foreign Customers require invoices in their own (Foreign) currency
- Receive payments for the invoices in Foreign Currency used by Customers



## Processing of an Invoice in a Foreign Currency (p 45)

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In AR documents, the system uses the currency settings of the Customer that is specified in the document.

The Currency Settings are the **Currency**, **Currency Rate Type**, **Currency Override** ability, and **Currency Rate Override** ability.

When you **create a Customer on the Customers** (AR303000) form, the system inserts the **Currency Settings of the Customer Class by default**. If needed, you can override the default Currency Settings.

To **recalculate the document amounts in the base currency**, the **system uses the effective currency exchange rate on the document date**, unless the rate is overridden in the document.

The **Document and GL transaction** can be **viewed in both Base and Document Currencies**.

# Formula to Calculate Realized Gains and Losses

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The RGOL amount is calculated when a payment or credit memo is applied to an invoice.

If a payment is issued in the **same foreign currency** as the document, the **realized gain or loss is calculated in the base currency** as the **difference in exchange rates multiplied by the payment amount**.

**$\text{RGOL Amount} = \text{Round}(\text{Payment Amount} * \text{Payment Rate}) - \text{Round}(\text{Payment Amount} * \text{DocumentRate})$**

If the calculated RGOL amount is positive (the application of the document produces a gain), the realized gain account of the invoice currency is credited.

If the calculated RGOL amount is negative (the application of the document produces a loss), the realized loss account of the invoice currency is debited in the amount of  $(-1) * \text{RGOL}$ .

# Changing of the Cross Rate

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**Example: An Invoice is issued in a foreign currency, and later the payment is received in this foreign currency.**

**Your company does not have a bank account in the foreign currency.**

The bank translated the payment amount into the currency of your bank account.

The **rate used by the bank may differ from the rate you used to record the invoice.**

**Record the payment to a cash account and apply it to the invoice.**

**Make the payment amount and the invoice amount equal** by adjusting the rate in the **Cross Rate column for the applied invoice.** When the payment and its applications are released, the balance of the realized gain or loss (RGOL) account is updated by the difference in the exchange rates used to record the invoice and the payment.

# Record Payment in Foreign Currency Cash Account

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**A cash account is denominated in the foreign currency**, record the payment in a foreign currency to this account.

When you release the payment and its applications, the balance of the RGOL account is updated by the amount resulting from the difference in the exchange rate on the invoice date and the payment application date.

## Transaction Generated for an AR Invoice (p 46)

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Account	Source of Account	Debit	Credit
Accounts Receivable	AR	Amount	0.00
Sales Revenue		0.00	Amount
Rounding Gain/Loss		Rounding loss amount	Rounding gain amount

## Transactions Generated for an Invoice Payment

Account	Source of Account	Debit	Credit
Cash		Amount + realized gain amount	0.00
Accounts Receivable	AR	0.00	Amount
Realized Gain		0.00	Realized gain amount

Account	Source of Account	Debit	Credit
Cash		Amount – realized loss amount	0.00
Accounts Receivable	AR	0.00	Amount
Realized Loss		Realized loss amount	0.00

# AR Invoices in Foreign Currencies: Process Activity (p 47)

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## Story

Suppose that on January 30, 2021, SweetLife Fruits & Jams provided juicer installation services to the Mint Store customer, whose currency is the Canadian dollar (CAD), and issued an invoice in CAD.

Acting as a SweetLife accountant, you need to create the invoice in the system and apply a payment in the same foreign currency to this invoice. Before you perform these actions, you will **make changes to the Mint Store customer's settings** so that invoice processing can be performed in line with the customer's currency-related preferences.

# Process Overview

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For this activity, we will perform these activities using the following forms:

[Customers](#) (AR303000) form - Update the customer's currency-related settings to prepare the customer for multicurrency invoice processing,

[Payment Methods](#) (CA204000) form - Update the settings of the payment method

[Invoices and Memos](#) (AR301000) form - Create an invoice in *CAD* and manually override the rate and Release the invoice.

[Journal Transactions](#) (GL301000) form - Review the generated GL.

[AR Balance by Customer MC](#) (AR633000) report – Review the customer's balance.

[Payments and Applications](#) (AR302000) form – Pay the invoice in the same currency (*CAD*).



## System Preparation – Process AR Invoices in Foreign Currencies (p 48)

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Before we start configuring the Currency Rates, we need to sign into the company with the **U100 dataset** preloaded. Sign in as the implementation consultant by using the following credentials:

Username: **johnson**

Password: **123**

Make sure the Business date is set to 1/30/2021 in the upper-right corner of the top pane of the Acumatica ERP screen.

Make sure that the *SweetLife Head Office and Wholesale Center* branch is selected.

**---- Let's Process Invoices! ----→**

## Lesson 3.2: Applying Credit Memos in Foreign Currencies to Invoices (p 53b)

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### Learning Objectives

In this session, you will learn how to do the following:

- Create a credit memo in a foreign currency
- Apply the credit memo to an invoice in a foreign currency

### Applicable Scenarios:

Create a credit memo in a foreign currency in the following cases:

- Need to adjust the balance of a released multicurrency invoice.
- Need to decrease the amount owed to you by a particular customer.

## Transaction Generated for a Credit Memo (p54)

Account	Debit	Credit
Accounts Receivable	0.00	Amount
Sales	Amount	0.00

## Transactions Generated for a Credit Memo Application Producing RGOL

Account	Debit	Credit
Accounts Receivable	Gain amount	0.00
Realized Gain/Loss	0.00	Gain amount

Account	Debit	Credit
Accounts Receivable	0.00	Loss amount
Realized Gain/Loss	Loss amount	0.00

# Credit Memos in Foreign Currencies: Process Activity

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## Story

Suppose that on **February 1, 2021**, SweetLife Fruits & Jams provided consulting services to the **EasyDiner** customer in the amount of **80 euros (€80)**.

On **February 15, 2021**, SweetLife gave a discount on these services and **issued a €5 credit memo** to the customer.

Acting as a SweetLife accountant, you need to **create this credit memo** and **apply it to the invoice**.

# Process Overview

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For this activity, we will perform these activities using the following forms:

[Customers](#) (AR303000) form - Update the EasyDiner customer settings – EUR currency

[Invoices and Memos](#) (AR301000) form –

Create an Invoice in *EUR* and Release the invoice.

Create Credit Memo in EUR and Release the Credit Memo

[Payment Methods](#) (CA204000) form – Apply the credit memo to the invoice and Release

[Journal Transactions](#) (GL301000) form - Review the generated GL transaction creating the currency Realized Loss.

[Invoices and Memos](#) (AR301000) form – Review the invoice to confirm the credit memo decreased the balance.

## System Preparation – Process AR Credit Memo in Foreign Currencies (p 53)

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Before we start configuring the Currency Rates, we need to sign into the company with the **U100 dataset** preloaded. Sign in as the implementation consultant by using the following credentials:

Username: **johnson**

Password: **123**

Make sure the Business date is set to **2/1/2021** in the upper-right corner of the top pane of the Acumatica ERP screen.

Make sure that the *SweetLife Head Office and Wholesale Center* branch is selected.

**---- Let's Process the AR Credit Memo ! ---->**

## Lesson 3.3: Paying Invoices in Foreign Currencies by Using Other Currencies (p59)

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### Learning Objectives

In this session, you will learn how to do the following:

- Create an invoice in a foreign currency and a payment for it in the base currency
- Create an invoice in a foreign currency and a payment for it in another foreign currency
- Review and analyze how the system applies payments to invoices when the currency of the payment differs from the currency of the invoice
- Override the cross rate used in the payment

# Applicable Scenarios

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Process an invoice in a foreign currency by using the base currency in the following cases:

- Need to convert payment made in a foreign currency to bank account in the base currency to fully close the invoice.
- Received a payment in a foreign currency but do not have a bank account in this currency.



## Application of a Cross Rate (p59)

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The system uses a CROSS RATE to calculate the amount of the invoice to be paid

If the currency of the document differs from the currency of the payment when the payment is applied,

The cross rate determines how to convert the amount paid in the payment currency to the invoice currency.

By default, the cross rate is calculated as the effective rate of the invoice currency on the payment date divided by the payment rate. The default cross rate can be overridden in the payments that are applied to the invoices in the foreign currency.

You cannot override the cross rate of payment application to the documents in the base currency because realized gain or loss (RGOL) is not calculated for these documents.

## Calculation and Application of RGOL (p60)

The system calculates realized gain or loss (RGOL) in the base currency by using the following formula:

**RGOL Amount = Round (Payment Amount \* Payment Rate) – Round (Payment Amount Converted \* Invoice Rate)**

In this formula, **Payment Amount Converted = Round (Payment Amount / Cross Rate)**

That is, the realized gain or loss is calculated as the payment amount in the base currency minus the part of the invoice that is being paid (converted to the base currency)

When the payment is applied, the balance of the invoice is reduced by the payment amount converted into the invoice currency by using the cross rate.

If a payment is issued in a foreign currency other than the document foreign currency , the RGOL is calculated as the amount of the payment in the base currency (using the exchange rate specified for the payment) minus the original amount of the document in the base currency. The above formula is used. The cross rate formula:

**Cross Rate = Document Rate / Payment Rate (on the payment date)**

## Transaction Generated for an AR Invoice

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Account	Source of Account	Debit	Credit
Accounts Receivable	AR	Amount	0.00
Sales Revenue		0.00	Amount
Rounding Gain/Loss		Rounding loss amount	Rounding gain amount

## Transactions Generated for an Invoice Payment

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Account	Source of Account	Debit	Credit
Cash		Payment amount	0.00
Accounts Receivable	AR	0.00	Invoice amount
Realized Gain		0.00	Realized gain amount

Account	Source of Account	Debit	Credit
Cash		Payment amount	0.00
Accounts Receivable	AR	0.00	Invoice amount
Realized Loss		Realized loss amount	0.00

## Multicurrency Payment of Invoices: To Pay a Foreign Currency Invoice by Using the Base Currency (p62)

### Story

Suppose that on **January 30, 2021**, SweetLife Fruits & Jams provided services to the **Mint Store** customer in the amount of 200 Canadian dollars (C\$200). According to SweetLife's bank records, on **February 20, 2021**, the company **received C\$200** from **Mint Store**. This amount was **converted from CAD into USD by the bank by using the actual bank exchange (0.7913)** on the date when the bank received the payment **to \$158.26**.

Because SweetLife **received this amount to its USD bank account**, the **C\$200** sent by the customer to SweetLife **must be converted to the correct amount in USD** so that the **C\$200 invoice can be closed**.

Acting as a SweetLife accountant, you need to process the invoice and apply the payment to it.

**---- Let's Process the Invoice! ---->**

## TRANSACTION PROCESS SUMMARY – Part 3-3 (p62- 65)

**A.** January 30 - Sweetlife Generated, Released and sent a Services Invoice for C\$200 to Mint Store at exchange rate of 0.787176. This is the equivalent in BASE USD Currency of \$156.54

**B.** Feb 20 - Mint Store paid the full invoice of C\$200 for the services

**C.** Feb 20 – Sweetlife's Bank received C\$200 and converted to USD at the bank's exchange rate of 0.7913. It posted the USD equivalent into SweetLife's USD bank account - \$158.26.

Sweetlife needs to post a Full invoice Payment in C\$ and post to the Cash Account in USD so there is zero balance in either the Invoice or the Payment entry.

**D.** Feb 20 - Sweetlife creates the Payment to the USD Cash Account (it doesn't have a CAD Cash Account) using the Bank's exchange rate of 0.7913 (Formula:  $C\$200 * 0.7913 = \$158.26$ ).

\$158.26 is posted in the Payment form Summary 'Payment Amount' field'

The Document Applied detailed line must be converted to the Bank Exchange Rate = 'CROSS RATE'

Manually entered \$0.7913 in the CROSS RATE field on the Document Details.

SAVE the Document to confirm the Detail Payment uses the CROSS RATE

The Payment Amount in the Summary = the Applied to Document (Amount Paid field in Details)

The Payment GL Batch posting includes a Realized Gain of \$1.72. (GL AR189) Checking debit \$158.26; AR Credit \$156.54

## Multicurrency Payment of Invoices: To Pay a Foreign Currency Invoice by Using Another Currency (p65)

### Story

Suppose that on **January 10, 2021**, SweetLife Fruits & Jams provided consulting services to the EasyDiner customer in the amount of **50 euros** (EUR in the system). By the end of January, the customer informed SweetLife that they were going to **pay the invoice in Canadian dollars (CAD)**; SweetLife agreed to use for the payment the following exchange rate: **1 EUR = 1.51 CAD**. On **January 31**, EasyDiner made the first partial payment in the amount of **20 euros**.

Acting as a SweetLife accountant, you need to process the invoice and apply the payment to it. Then you need to **print the multicurrency report** to review the outstanding balance of the customer.

**---- Let's Process and Pay the Invoice! ----→**

## Day 3

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## Lesson 3.4: Processing Bills in Foreign Currencies (p69)

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### Learning Objectives

In this session, you will learn how to do the following:

- Create and process a bill in a foreign currency
- Pay a bill in the same foreign currency

### Applicable Scenarios

Process bills in a foreign currency if vendors send bills in that currency and expect payment in the same currency.

# Processing of a Bill in a Foreign Currency

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When an **AP document** is created, the system uses the **currency settings of the vendor** that is selected in the document. These currency settings are: **currency**, **currency rate type**, **currency override ability**, and **currency rate override ability**.

the **AP document** and the **GL transaction posted to the general ledger on release** can be **reviewed in two currencies**: the **base currency** and the **document currency**.

The system uses the **currency exchange rate that was effective on the date of the document**, unless the rate is overridden in the document.

## Formula to Calculate Realized Gains and Losses

When a foreign currency payment or debit adjustment is applied to a bill in the same currency, the RGOL amount is calculated by converting the payment into the Base Currency.

The RGOL conversion calculation = (Payment \* Payment Rate) - (Payment \* Bill Rate).

It is a **REALIZED GAIN (Credit)** If the result is a Negative Value and a **REALIZED LOSS (Debit)** if the results a Positive Value.

## Transaction Generated for an AP Bill (p70)

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Account	Source of Account	Debit	Credit
Accounts Payable	AP	0.00	Amount
Expense		Amount	0.00

## Transactions Generated for a Bill Payment (p71)

Account	Source of Account	Debit	Credit
Cash		0.00	Amount
Accounts Payable	AP	Amount + realized gain amount	0.00
Realized Gain		0.00	Realized gain amount

Account	Source of Account	Debit	Credit
Cash		0.00	Amount + realized loss amount
Accounts Payable	AP	Amount	0.00
Realized Loss		Realized loss amount	0.00

# AP Bills in Foreign Currencies: Process Activity (p71)

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## Story

Suppose that on **January 13, 2021**, **MapleLeaf Ads Co.** provided services to the SweetLife Fruits & Jams company in the amount of **350 Canadian dollars** (defined as CAD in the system), for which MapleLeaf billed SweetLife. On **January 30, 2021**, SweetLife **paid this bill**.

Acting as a SweetLife accountant, you need to **create a bill** and **apply a payment in CAD** (that is, in the same foreign currency) to the bill. Before you perform these actions, you will **make changes to the MapleLeaf vendor's settings** so that bill processing can be performed in line with its currency-related preferences.

**---- Let's Process the Update the Vendor Settings, Create and Pay the Bill! ----→**

# Lesson 3.5: Applying Debit Adjustments in Foreign Currencies to Bills

(p76)

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## Learning Objectives

In this session, you will learn how to do the following:

- Create a debit adjustment in a foreign currency
- Apply a payment and the debit adjustment to a bill in a foreign currency

## Transaction Generated for a Debit Adjustment

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Account	Source of Account	Debit	Credit
Accounts Payable	AP	Amount	0.00
Expense		0.00	Amount

## Transactions Generated for a Debit Adjustment Application Producing RGOL

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Account	Debit	Credit
Accounts Payable	Gain amount	0.00
Realized Gain (currency)	0.00	Gain amount

Account	Debit	Credit
Accounts Payable	0.00	Loss amount
Realized Loss (currency)	Loss amount	0.00



# Debit Adjustments in Foreign Currencies: Process Activity (p78)

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## Story

Suppose that on **January 15, 2021**, SweetLife Fruits & Jams purchased additional services from the **MapleLeaf Co. vendor** in the amount of **100 Canadian dollars** (C\$100). On **January 30**, SweetLife **received a C\$5 credit memo** from MapleLeaf to reduce the cost of the purchased services. SweetLife agreed with the vendor to **pay half of the bill amount on February 10**.

Acting as a SweetLife accountant, you need to apply this payment and the debit adjustment to the bill.

***---- Let's Apply the Payment and the Debit Adjustment! ----→***

# Lesson 3.6: Paying Bills in Foreign Currencies by Using Other Currencies

(p82)

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## Learning Objectives

In this session, you will learn how to do the following:

- Create a bill in a foreign currency and a payment for it in the base currency
- Create a bill in a foreign currency and a payment for it in another foreign currency
- Review and analyze how the system applies payments to bills when the currency of the payment differs from the currency of the bill
- Override the cross rate used in the payment

# Calculation and Application of RGOL

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```
RGOL Amount = Round (Payment Amount * Payment Rate) - Round (Payment Amount Converted *  
Bill Rate)
```

## Transaction Generated for an AP Bill

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Account	Source of Account	Debit	Credit
Accounts Payable	AP	0.00	Amount
Expense		Amount	0.00

## Transactions Generated for a Bill Payment

Account	Source of Account	Debit	Credit
Cash		0.00	Amount
Accounts Payable	AP	Amount	0.00
Realized Gain/Loss (bill currency)		Realized loss amount	Realized gain amount

Account	Source of Account	Debit	Credit
Cash		0.00	Amount
Accounts Payable	AP	Amount	0.00
Realized Gain/Loss (payment currency)		Realized loss amount	Realized gain amount

# Multicurrency Payment of Bills: To Pay a Foreign Currency Bill by Using the Base Currency (p84)

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## Story

Suppose that on **January 16, 2021**, SweetLife Fruits & Jams purchased transport services from **Big Green Trucks Ltd.** in the amount of **450 in Canadian dollars (C\$450)**. The chief accountant of SweetLife decided to **pay the bill from the company's 10200WH account, which is in USD**, because there were not enough funds in the account in CAD (which is a foreign currency of the company). SweetLife **agreed with the vendor to pay the bill in USD at the 0.796 exchange rate (1 USD = 1.256 CAD)**, so that the **payment amount of \$358.20 would pay the bill in full**. On **January 30, 2021, SweetLife paid the bill in USD** (which is the company's base currency).

Acting as a SweetLife accountant, you need to **process the bill in CAD** and **pay it in USD**.

Before you perform these actions, you will **make changes to the Big Green Trucks Ltd. vendor's settings** so that bill processing can be performed in line with its currency-related preferences.

## Multicurrency Payment of Bills: To Pay a Foreign Currency Bill by Using Another Currency (p88)

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### Story

Suppose that on **January 17, 2021**, SweetLife Fruits & Jams purchased consulting services from **Big Green Trucks Ltd.** in the amount of **220 euros (€220)**. (EUR is a foreign currency of the company.) On **January 30**, SweetLife agreed with the vendor to **pay half of the bill in CAD** (which is the other foreign currency of the company) by **using the 1.50 exchange rate (1 EUR = 1.50 CAD)**, so that the **partial payment amount would be C\$165**.

Acting as a SweetLife accountant, you need to **process the bill in EUR**, **partially pay it with a payment in CAD**, and then **print a multicurrency report**. Before you perform these actions, you will **make changes to the Big Green Trucks Ltd. vendor's currency-related settings**, which you initially specified in Multicurrency Payment of Bills: To Pay a Foreign Currency Bill by Using the Base Currency, to allow the vendor's preferred currency to be overridden.

***---- Let's Pay Bills using another Currency! ---->***

A close-up photograph of a hand pouring beer from a metal tap into a glass. The glass features the Devil's Peak logo, which includes a spade symbol and the text "Devil's Peak". The background is blurred, showing a bar setting with other patrons and taps.

## Part 4: Revaluation of Account Balances



## Part 4: Revaluation of Account Balances (p93)

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### Key Points

Revaluation of Account Balances for:

- Open AP Documents
- Open AR Documents
- By Bank Account in a Foreign Currency

## Key Revaluation Considerations (pg93)

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**For Revaluations** - The system uses the Rate Type assigned to a particular Vendor or Customer in the Curr. Rate Type box on the Financial tab of the Vendors form or Customers form.

Otherwise, it will use the Default Rate Type specified on the Currency Management Preferences form.

**Note:** You will not be able to perform the revaluation if the default rate type is not specified on either of the above forms for the account selected for revaluation.

### Revaluation of Open Documents

If 'On Post' is selected in the Generate Reversing Entries box on the General Ledger Preferences (GL102000) form, before you start the revaluation, ensure that the next financial period is active on the Master Financial Calendar (GL201000) form. **The revaluation batch is an auto-reversing batch—**that is, the system will automatically generate a reversing batch using the first day of the next period as the date.

Subsequent revaluations in the same period adjust the results of the previous revaluation and each batch is a separate auto-reversing batch.

## Lesson 4.1: Revaluing Open AP Documents (p93)

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### Learning Objectives

In this session, you will learn how to do the following:

- Perform system setup for the revaluation of AP documents
- Revalue open AP documents

### Applicable Scenarios

You perform the revaluation of open AP documents in the following cases:

- You want to calculate unrealized gains or losses.
- For reporting purposes, you need to determine the current value of AP documents in a foreign currency at the end of a financial period.

# Transactions Generated for Revaluation Loss

---

**Table: Revaluation Batch if the Provisioning Account Has Not Been Specified**

Account	Debit	Credit
Accounts Payable	00.00	Amount
Unrealized Loss	Amount	00.00

**Table: Revaluation Batch if the Provisioning Account Has Been Specified**

Account	Debit	Credit
Accounts Payable Provisioning	00.00	Amount
Unrealized Loss	Amount	00.00

# Transactions Generated for Revaluation Gains

---

**Table: Revaluation Batch if the Provisioning Account Has Not Been Specified**

Account	Debit	Credit
Accounts Payable	Amount	00.00
Unrealized Loss	00.00	Amount

**Table: Revaluation Batch if the Provisioning Account Has Been Specified**

Account	Debit	Credit
Accounts Payable Provisioning	Amount	00.00
Unrealized Loss	00.00	Amount

# Revaluation of AP Documents: Process Activity (p95)

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## Story

Suppose that for reporting purposes, the accounting department of SweetLife Fruits & Jams has to revalue the open balances of vendors several times within each financial period. Acting as a SweetLife accountant, you need to revalue open AP documents and post the generated GL transactions for the 01-2021 financial period.

## Lesson 4.2: Revaluing Open AR Documents (p100)

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### Learning Objectives

In this session, you will learn how to do the following:

- Perform system setup for the revaluation of AR documents
- Revalue open AR documents

# Transactions Generated for Revaluation Loss

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**Table: Revaluation Batch if the Provisioning Account Has Not Been Specified**

Account	Debit	Credit
Accounts Receivable	00.00	Amount
Unrealized Loss	Amount	00.00

**Table: Revaluation Batch if the Provisioning Account Has Been Specified**

Account	Debit	Credit
Accounts Receivable Provisioning	00.00	Amount
Unrealized Loss	Amount	00.00



# Transactions Generated for Revaluation Gains

---

**Table: Revaluation Batch if the Provisioning Account Has Not Been Specified**

Account	Debit	Credit
Accounts Receivable	Amount	00.00
Unrealized Gain	00.00	Amount

**Table: Revaluation Batch if the Provisioning Account Has Been Specified**

Account	Debit	Credit
Accounts Receivable Provisioning	Amount	00.00
Unrealized Gain	00.00	Amount

# Revaluation of AR Documents: Process Activity (p103)

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## Story

Suppose that for reporting purposes, the accounting department of SweetLife Fruits & Jams has to revalue the open balances of customers several times within each financial period. Acting as a SweetLife accountant, you need to revalue open AR documents and post the generated GL transactions for the 01-2021 financial period.

## Lesson 4.3: Revaluing Bank Accounts (p109)

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### Learning Objectives

In this session, you will learn how to revalue a bank account denominated in a foreign currency.

## Transaction Generated for Revaluation Gain

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Account	Debit	Credit
Denominated account	Amount	00.00
Revaluation Gain	00.00	Amount

## Transaction Generated for Revaluation Loss

Account	Debit	Credit
Denominated account	00.00	Amount
Revaluation Loss	Amount	00.00

# Revaluation of Bank Accounts: Process Activity (p109)

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## Story

Suppose that the accounting department of SweetLife Fruits & Jams company has to revalue the company's bank account in CAD several times within each financial period. Acting as a SweetLife accountant, on January 24, 2021, you need to revalue the cash account for the 01-2021 financial period and post the generated GL transactions.

A woman with blonde hair in a ponytail, wearing glasses and a grey t-shirt with an American flag patch, is working at a jewelry-making machine. She is using pliers to work on a piece of metal. The machine has a "DANGER" warning label that says "KEEP FINGERS CLEAR OF MACHINE WHILE IN MOTION". There are several trays of small metal pieces on the machine. The background shows a workshop setting with various tools and materials.

## Part 5: Translation of Financial Statements

## Lesson 5.1: Configuring Translation Definitions (p113)

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### Learning Objectives

In this session, you will learn how to do the following:

- Configure the system for translating financial statements
- Configure a translation definition

## Translation Definitions: Implementation Activity (p115)

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### Story

Suppose that in December 2019, SweetLife Fruits & Jams, which operates in the United States, became a subsidiary of a larger company that operates in Europe. Thus, the accountants of SweetLife need to prepare the company's financial statements in the functional currency of the head company (that is, in the euro), so that these statements can be included in the consolidated statements of the head company.

Further suppose that SweetLife's chief accountant has decided that balances have to be translated based on the following rules:

- Assets and liabilities should be translated by using the current exchange rate.
- The Capital account should be translated by using the historical rate.
- Revenues, expenses, gains, and losses should be translated by using the average exchange rate for the period that is used for translation.

Acting as a SweetLife accountant, you need to **perform the needed configuration steps in the system and create a translation definition.**



## Lesson 5.2: Translating Financial Statements (p121)

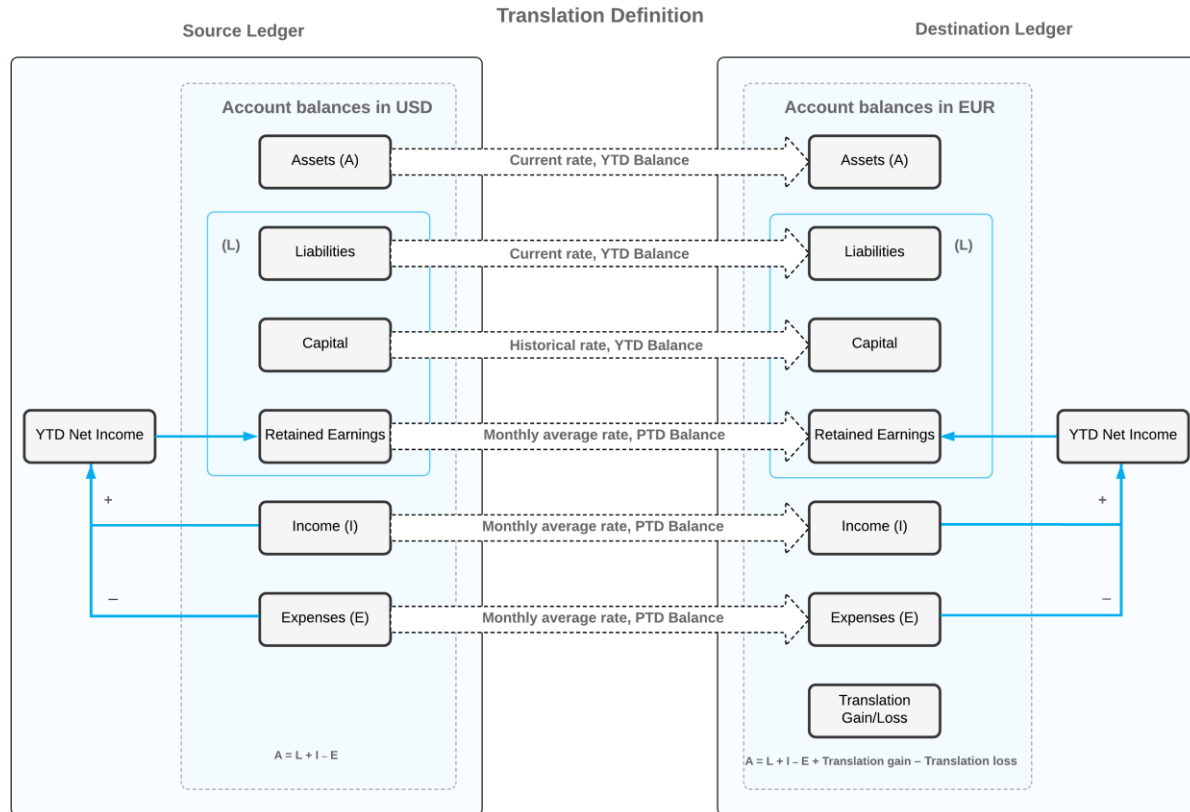
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### Learning Objectives

In this session, you will learn how to do the following:

- Prepare a translation in the system
- Edit the prepared translation worksheet
- Release the translation

## Figure: Translation process (p125)



# Translation of Financial Statements: Process Activity (p125)

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## Story

Suppose that after the configuration of a translation definition, the chief accountant of SweetLife Fruits & Jams has decided to translate account balances from the base currency (USD) into a foreign currency (EUR) by using the configured translation definition. Acting as a SweetLife accountant, you have to **translate the account balances for December 2020 and January 2021.**

Your feedback is appreciated

<https://www.surveymonkey.com/r/OnlineTraining2021>



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# Thank you

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**Jim Bartow**