



# Setting Up and Working with Multicurrency

## Support Notes

This support notes are suitable for:

- MYOB Premier
- MYOB Premier Plus

### Introduction

MYOB Premier and MYOB Premier Plus have a multicurrency feature which enables you to record sales, purchases and banking transactions in foreign currencies. To activate this feature, you need to follow certain steps. This support note explains how to do this.

### Summary

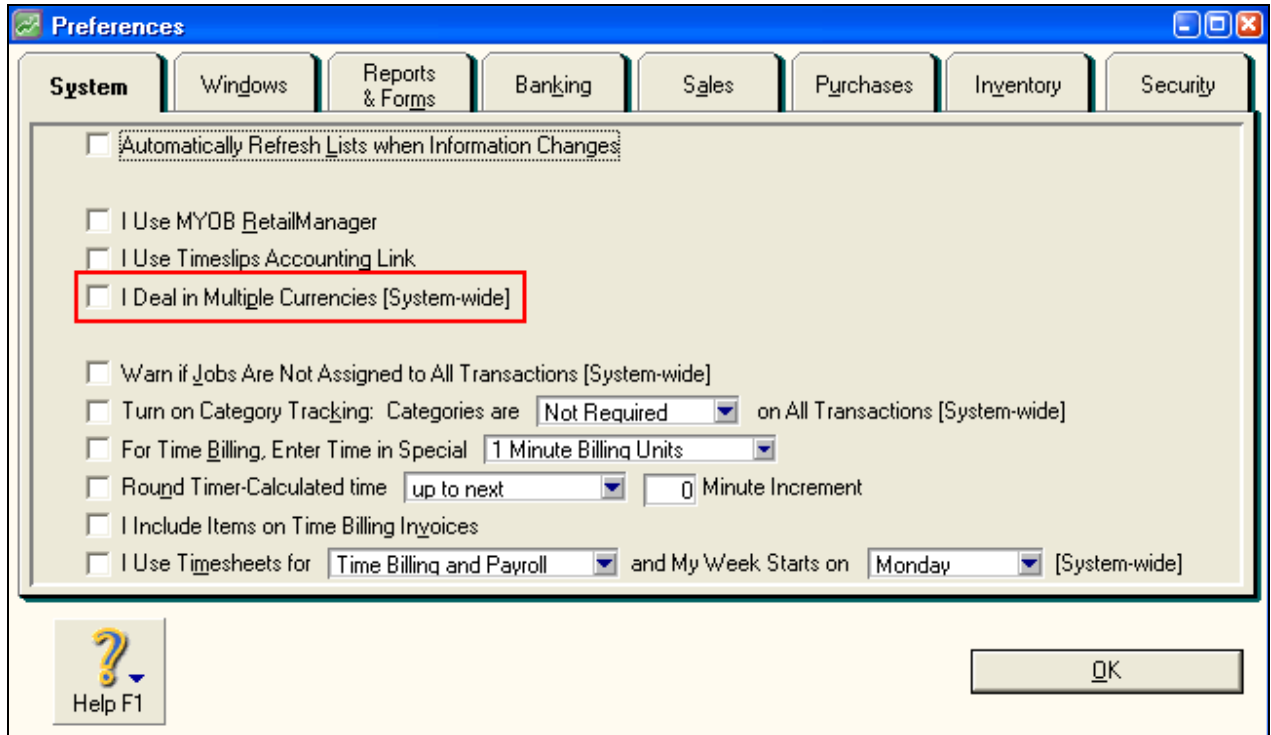
To record transactions in a foreign currency you must first:

- Activate the multicurrency preference.
- Create the foreign currency asset bank account.
- Create and link the foreign currency exchange account.
- Create and link accounts for tracking receivables in this foreign currency.
- Create and link the foreign currency receivables exchange account
- Create and link accounts for tracking payables in this foreign currency.
- Create and link the foreign currency payables exchange account
- Assign foreign currency to a customer or supplier card.
- Update exchange rate.

Please Note: You are given the option to automatically create and link the exchange accounts mentioned. The purpose of these exchange accounts is explained later in this support note.

## **How do I activate the multicurrency preference?**

1. Go to the Setup menu, choose Preferences and click the System tab.
2. Mark the option I Deal in Multiple Currencies [system-wide].



3. Click OK to the message.



4. Click OK to the Preferences window.

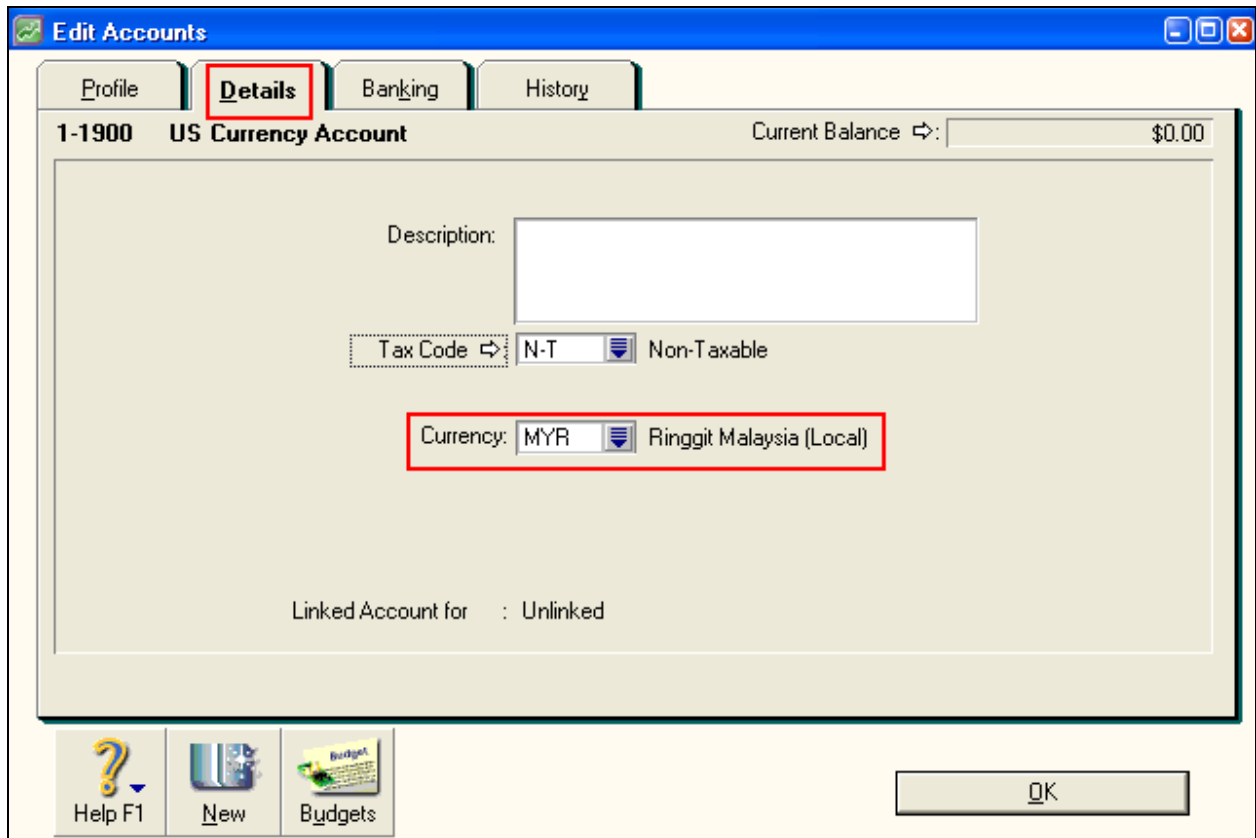
Please Note: Once this preference is enabled and a multicurrency transaction is recorded, it is not possible to disable it.

### **How do I create the foreign currency asset bank account?**

1. Go to the Accounts command centre and click Account List.
2. Select the Asset tab and click New.
3. Make sure you select Bank in the Account Type drop-down menu.
4. Give the account a unique number that suits your account list.
5. Give the account a name that indicates the type of currency it holds.

The screenshot shows the 'Edit Accounts' window with the 'Profile' tab selected. The account is identified as '1-1900 US Currency Account' with a 'Current Balance' of '\$0.00'. The account is set as a 'Detail Account' and is classified as an 'Asset'. The 'Account Type' is set to 'Bank', which is highlighted with a red box. Other fields include 'Account Number' (1 - 1900), 'Account Name' (US Currency Account), and 'Opening Balance' (\$0.00). There is an 'Inactive Account' checkbox which is unchecked. At the bottom, there are buttons for 'Help F1', 'New', 'Budgets', and 'OK'.

6. Click the Details tab and select the relevant currency from the Currency selection field. By default it will have the local Australian Dollar currency selected as shown.



7. When the new currency is selected, the following prompt appears:



Click OK to automatically create and link the foreign currency exchange account. In this example, Canadian currency has been chosen and the lower portion of the window shown above now appears as follows:

Tax Code: N-T Not Reportable

Currency: USD United States Dollars

Currency Exchange Account: 1-1901 US Currency Account Exchange

Linked Account for : Unlinked

Click OK to complete the setup of the foreign currency asset bank account and the linked foreign exchange account.

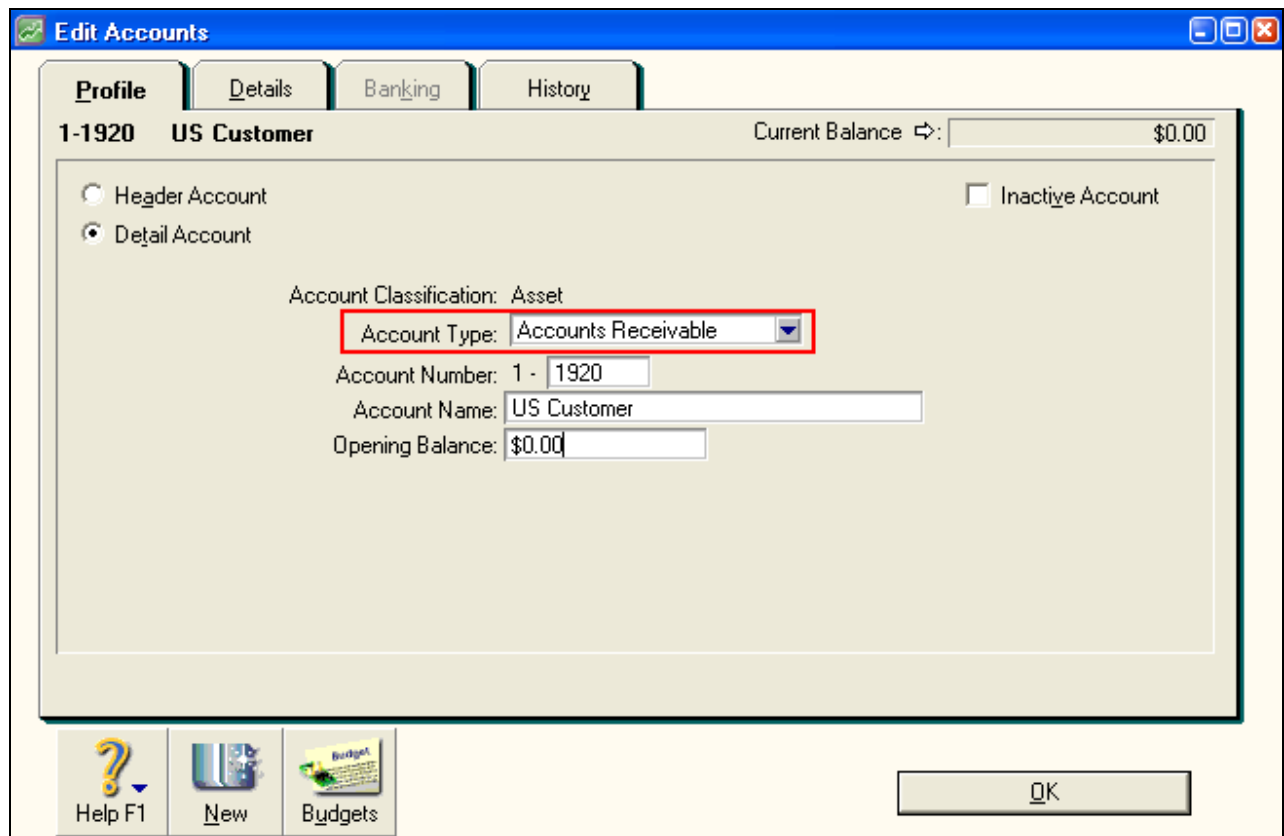
### **What is the purpose of the exchange accounts?**

For every foreign-currency account you create, there also must be a companion exchange account to track the effects that changes in the exchange rate have on the foreign-currency account. Each foreign-currency account must have its own exchange account. This is known as a dual-account approach to multicurrency.

The sum of the balance of the foreign currency account and its corresponding exchange account equals the Australian dollar equivalent of the amount held in the foreign currency. So for example if one US dollar were worth RM3.66 and the US dollar account had a balance of US\$100, the US dollar exchange account would show a balance of \$266. Thus the \$100 plus the \$266 in the exchange account show that the US\$100 is equal to RM366.

### **How do I create the account for tracking foreign currency receivables?**

1. Go to the Accounts command centre and click Account List.
2. Select the Asset tab and click New.
3. Make sure you select Accounts Receivable in the Account Type drop-down menu.
4. Give the account a unique number that suits your account list.
5. Give the account a name that indicates its purpose.

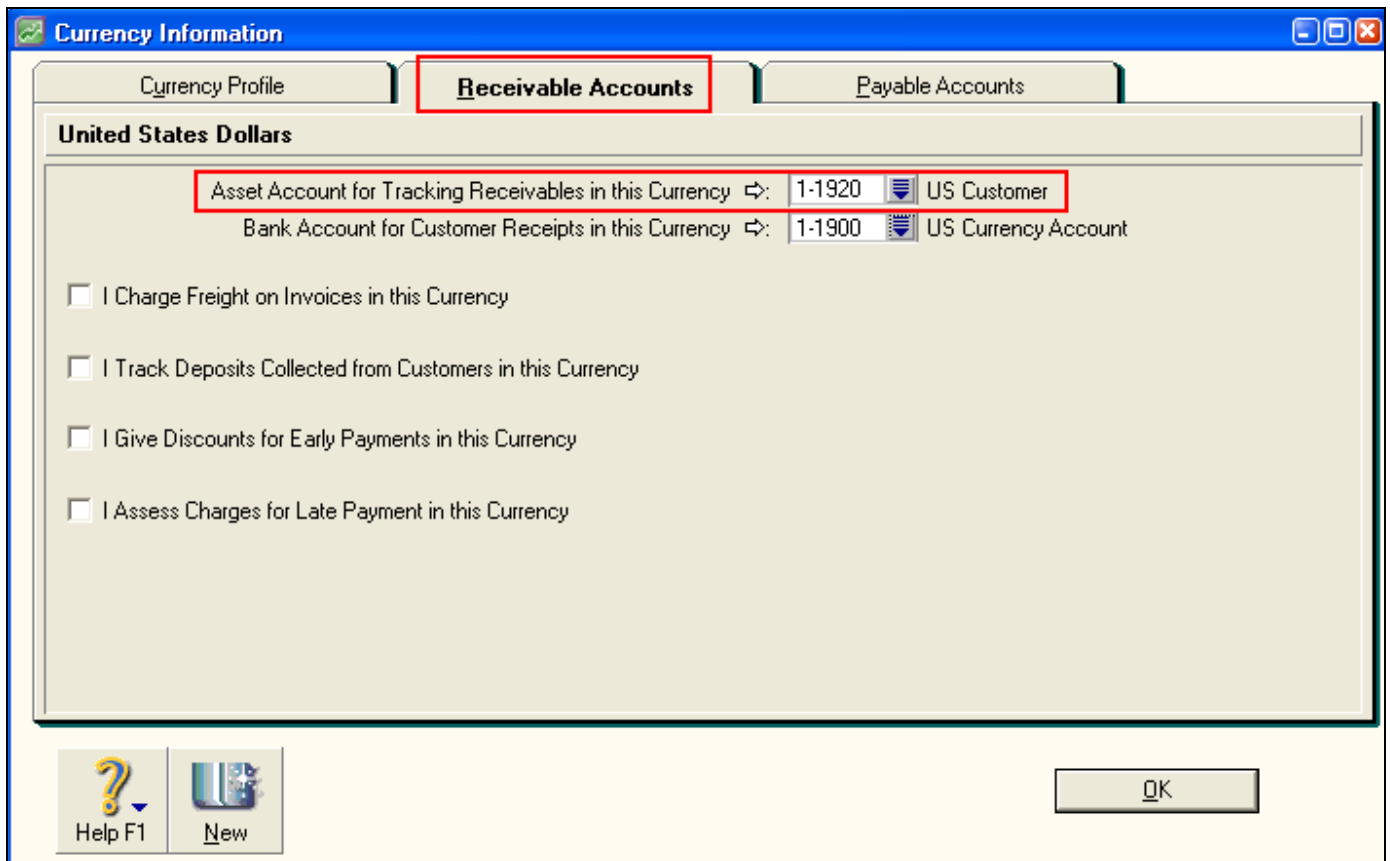


6. Click the Details tab and select the relevant currency from the Currency selection field.
7. Click OK to the prompt and automatically create and link the exchange account. Click OK to the Edit Accounts screen to complete.

If you also make purchases from overseas, you would also create a liability account for tracking payables from overseas suppliers. The steps to create this account and its exchange account are the same as those for creating the foreign currency receivable account except that the account should be a liability account and the account type selection would be Accounts Payable.

### **How do I link the foreign currency receivables account to the foreign currency?**

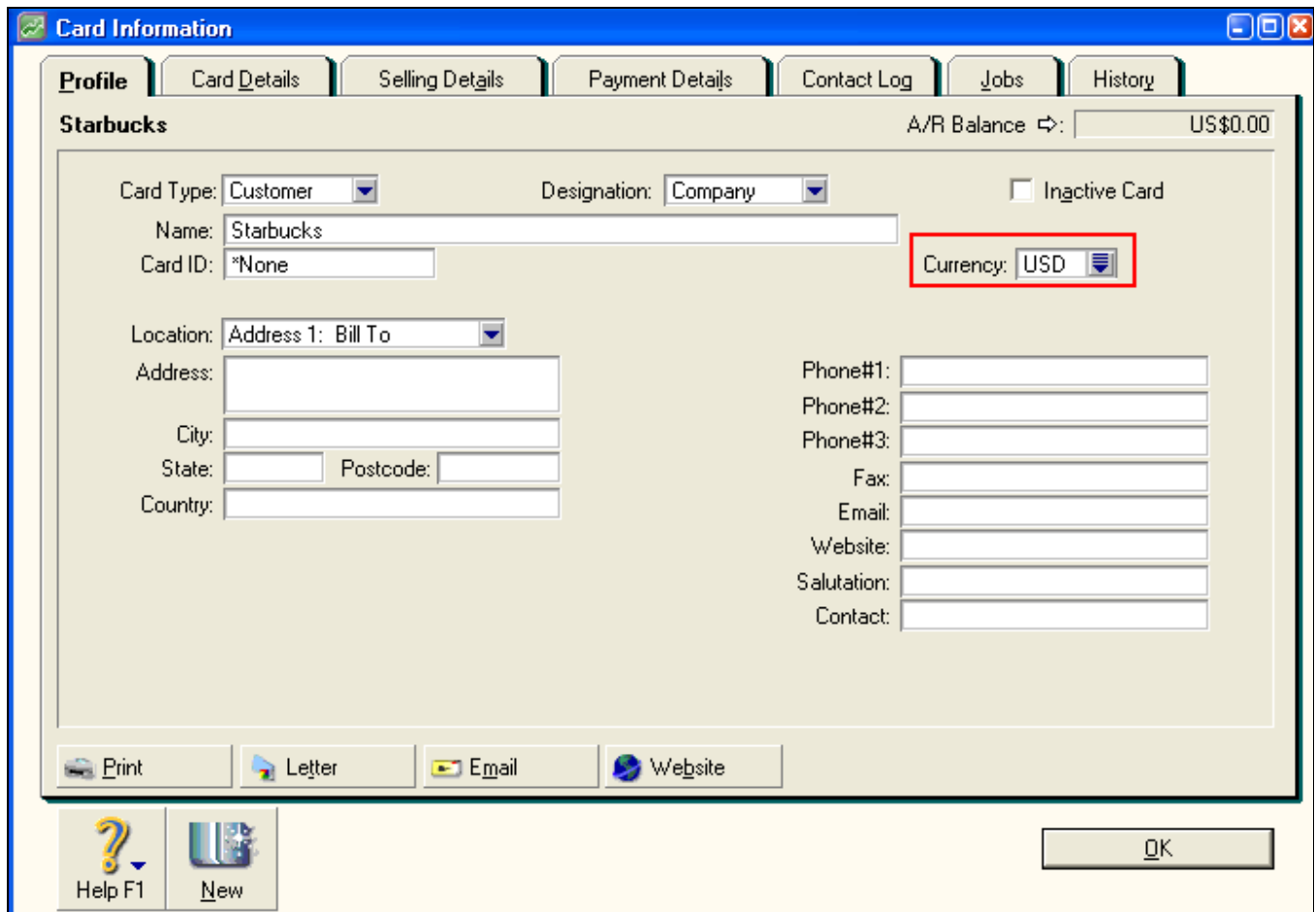
1. Go to the List menu and choose Currencies.
2. Click the white arrow next to the currency in question.
3. Click the Receivables Accounts tab and select the account created in the previous step in the Asset Account for Tracking Receivables in this Currency field.
4. Click OK.



If you are making purchases in this foreign currency, you would link the foreign currency payable account under the Payable Accounts tab.

## **How do I assign a currency to a customer or supplier card?**

Once you have created the new overseas customer or supplier card, select the appropriate currency from the Currency selection field.



The screenshot shows a software window titled "Card Information" with a blue header bar. Below the header are several tabs: "Profile", "Card Details", "Selling Details", "Payment Details", "Contact Log", "Jobs", and "History". The "Profile" tab is selected. The main content area is titled "Starbucks" and shows the "A/R Balance" as "US\$0.00". The form contains the following fields:

- Card Type: Customer (dropdown)
- Designation: Company (dropdown)
- Inactive Card
- Name: Starbucks (text box)
- Card ID: \*None (text box)
- Currency: USD (dropdown, highlighted with a red box)
- Location: Address 1: Bill To (dropdown)
- Address: (text box)
- City: (text box)
- State: (text box) Postcode: (text box)
- Country: (text box)
- Phone#1: (text box)
- Phone#2: (text box)
- Phone#3: (text box)
- Fax: (text box)
- Email: (text box)
- Website: (text box)
- Salutation: (text box)
- Contact: (text box)

At the bottom of the window are buttons for "Print", "Letter", "Email", and "Website". Below these are "Help F1" and "New" buttons, and an "OK" button on the right.

Please Note: If you have been using an existing card that represents an overseas customer or supplier that has transactions against it in Australian dollars, you will need to create a new card linked to the foreign currency.

Once you have linked a card to a foreign currency, you are ready to record transactions in that currency.

## How do I enter a sale?

When you select the foreign currency customer in the sales entry screen, notice the highlighted screen elements:

The screenshot shows the 'Sales - New Service' window. At the top, the 'INVOICE' tab is selected. The 'Customer' is 'Starbucks' and 'Terms' are 'Net 30th after EOM'. The 'Ship to' is also 'Starbucks'. The 'Invoice #' is '00000001', 'Date' is '09/12/2008', and 'Customer PO #' is empty. A table lists 'Consulting services' with 'Acct#' '4-1000' and 'Amount' 'US\$1,000.00'. Below the table, 'Salesperson', 'Comment', and 'Ship Via' are empty, while 'Promised Date' is also empty. Summary fields show 'Subtotal: US\$1,000.00', 'Freight: US\$0.00', 'Tax: US\$0.00', and 'Total Amount: US\$1,000.00'. At the bottom, 'Journal Memo' is 'Sale; Starbucks', 'Referral Source' is empty, and 'Invoice Delivery Status' is 'To be Printed'. 'Paid Today' is 'US\$0.00', 'Payment Method' is 'Cash', and 'Balance Due' is 'US\$1,000.00'. A row of buttons includes 'Save as Recurring', 'Use Recurring', 'Reimburse', 'Rate: USD', and 'Spell'. The 'Rate: USD' button is highlighted with a red box. A toolbar at the bottom contains icons for 'Help F1', 'Print', 'Send To', 'Journal', 'Layout', and 'Register', along with 'Record' and 'Cancel' buttons.

## How do I update the exchange rate?

The exchange rate can be set at the currency level or on a transaction by transaction basis. To change the exchange rate on the currency:

1. Go to the Lists menu and click Currencies.
2. Click the white arrow next to the currency in question and enter the exchange rate into the Exchange Rate field.

The exchange rate that is entered here is used by default on foreign currency transactions that recorded using this currency. To change the exchange rate on particular transaction:

1. Click the Rate: button along the bottom of the transaction window. It will appear along the bottom of Sale, Purchase, Pay Bills, Receive Payments, Spend Money and Receive Money windows. It is highlighted in the previous image.

2. Enter the updated exchange rate into the Transaction Exchange Rate field. You have the option of updating the currency exchange rate with the value entered here. If you want to do this, mark the Update Current Exchange Rate in the Currency List with Transaction Exchange Rate option.

Exchange Rate

Currency: USD United States Dollars

Transaction Exchange Rate: 3.660000

Current Exchange Rate: 3.799998

Update Current Exchange Rate in the Currency List with Transaction Exchange Rate

USD US\$1.00 equals: \$3.66 MYR (Local) \$1.00 equals: US\$0.27

Help F1 Cancel OK

3. Click OK to return to the transaction window.


If a US customer is invoiced US\$1000 with the above exchange rate, the Ringgit Malaysia equivalent would be RM3660. Having entered a line item of US\$1000 with a tax code of N-T, go to the Edit menu and choose Recap Transaction to see the debit and credit postings recorded to reflect the value of this multicurrency transaction.

**Recap Transaction** [Close]

Recap Transaction in Sales - New Service

Src	Date	ID#	Account	Debit	Credit	Job
SJ	09/12/2008		Sale; Starbucks			
		Auto #	1-1920 US Customer	\$1,000.00		
		Auto #	1-1921 US Customer Exchange	\$2,660.00		
		Auto #	4-1000 Fee Income		\$1,000.00	
		Auto #	4-1000 Fee Income		\$2,660.00	

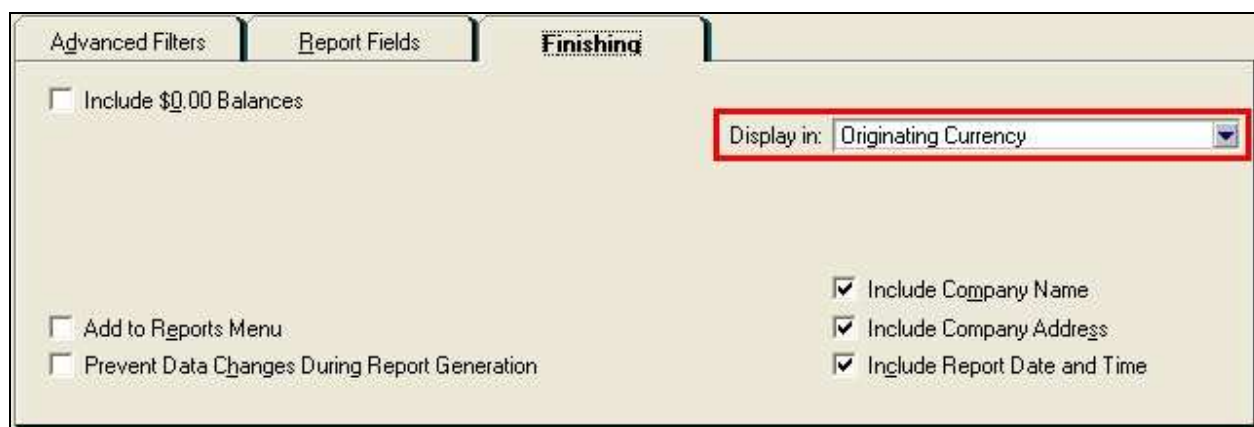
Display in Local Currency  
 Display in Originating Currency

 Help F1

## **Is there anything else I should be aware of if I have activated multicurrency?**

Certain sales reports such as the Receivables Reconciliation provide a grand total of the selected records. When multicurrency is activated, if you select to filter for a given currency, to display the total you must:

1. Click the Customise button.
2. Select the Finishing tab.
3. Choose Originating Currency in the Display in selection field.
4. Click Display.



The screenshot shows a software interface with three tabs: 'Advanced Filters', 'Report Fields', and 'Finishing'. The 'Finishing' tab is active. In the 'Display in:' dropdown menu, 'Originating Currency' is selected and highlighted with a red box. Other options in the dropdown include 'Local Currency' and 'Reporting Currency'. Below the dropdown, there are several checkboxes: 'Include \$0.00 Balances' (unchecked), 'Add to Reports Menu' (unchecked), 'Prevent Data Changes During Report Generation' (unchecked), 'Include Company Name' (checked), 'Include Company Address' (checked), and 'Include Report Date and Time' (checked).

If you inventory items

Please note that item values are always stored and displayed in Ringgit Malaysia. When you select a previously traded item in a sale or purchase screen, the value in the amount column which appears by default will be the Ringgit Malaysia equivalent of the foreign currency amount.