MYOB Support Note

Setting Up Multicurrency

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This support notes are suitable for:
- **MYOB Premier**
- **MYOB AccountEdge**

> **MYOB Premier, MYOB Premier Enterprise and AccountEdge 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]**.
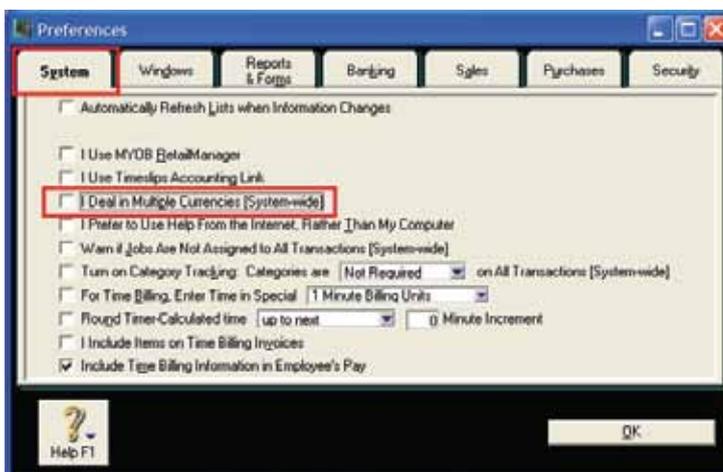
3. Click **OK** to the message


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.
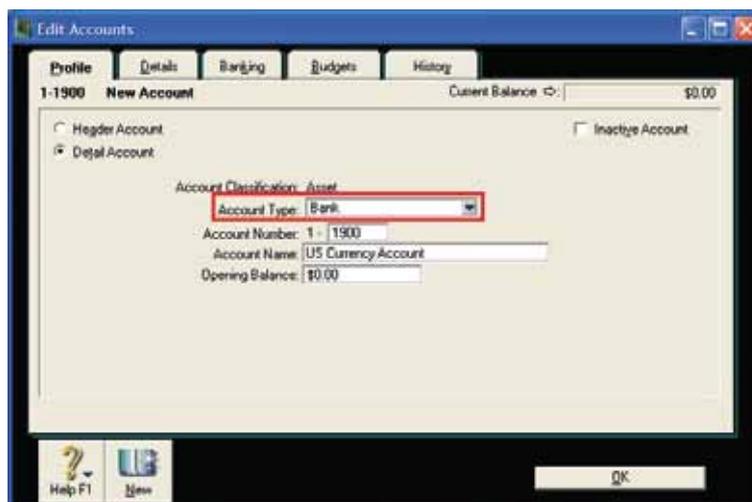
6. Click the **Details** tab and select the relevant currency from the **Currency** selection field. By default it will have the local Australian Dollar currency selected as shown.
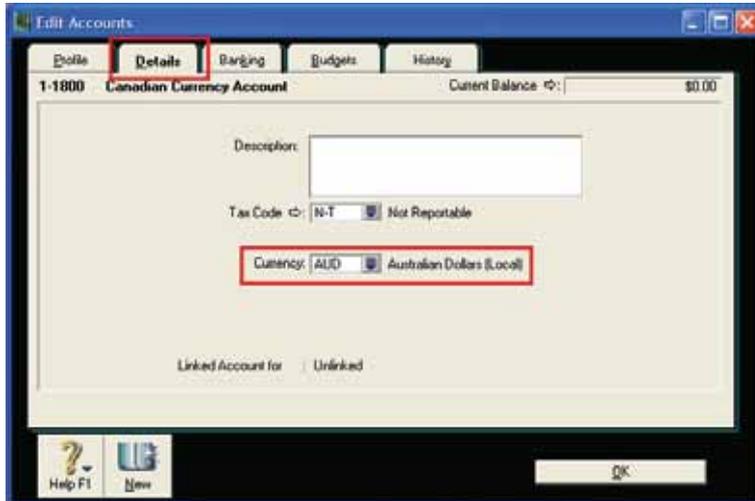
7. When the new currency is selected, the following prompt appears:

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:

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 AUD$1.50 and the US dollar account had a balance of US$100, the US dollar exchange account would show a balance of $50. Thus the $100 plus the $50 in the exchange account show that the US$100 is equal to AUD$150.

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.
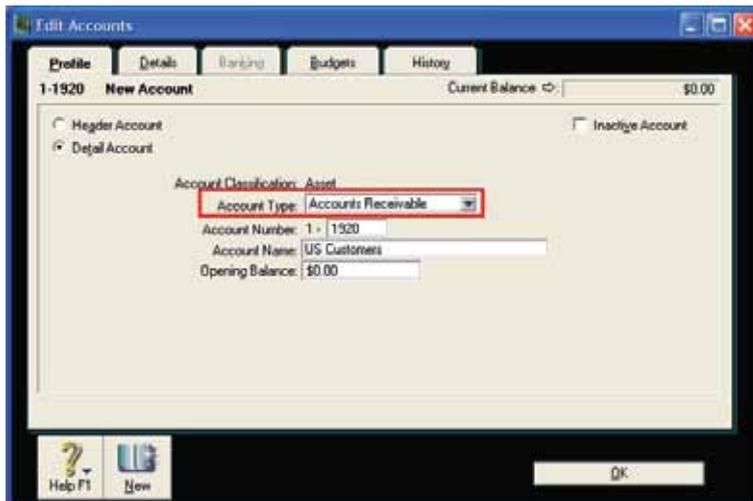
6. Click the **Details** tab and select the relevant currency from the **Currency** selection field.

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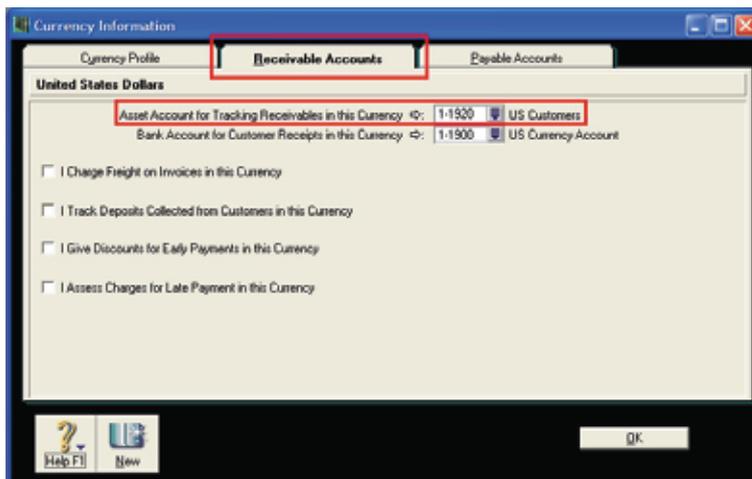
If you are making purchases in this foreign currency, you would link the foreign currency payable account under the **Payable Accounts** tab.

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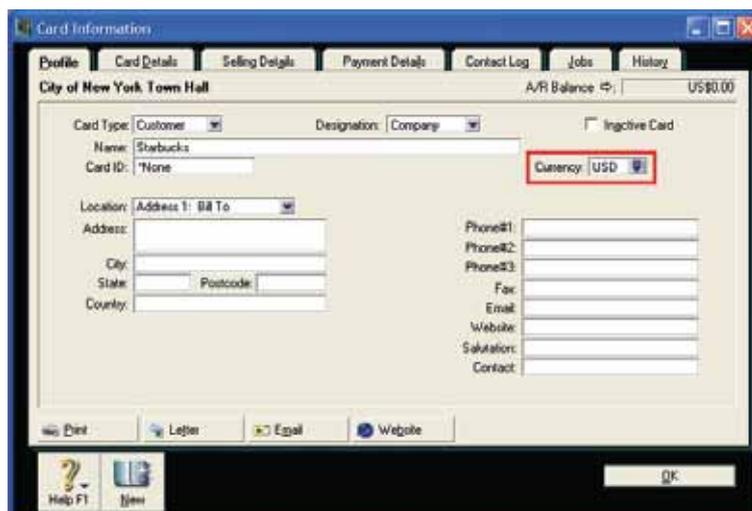
Please Note: If you have been using an existing card that represents an overseas customer or supplier that has transactions against it in Australian dollars, you will need to create a new card linked to the foreign currency.

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:

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.

3. Click **OK** to return to the transaction window.

If a US customer is invoiced US$1000 with the above exchange rate, the Australian dollar equivalent would be AUD$1250. 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.

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**.

If you inventory items

Please note that item values are always stored and displayed in Australian dollars. 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 Australian dollar equivalent of the foreign currency amount.