

Working with Currency Conversions

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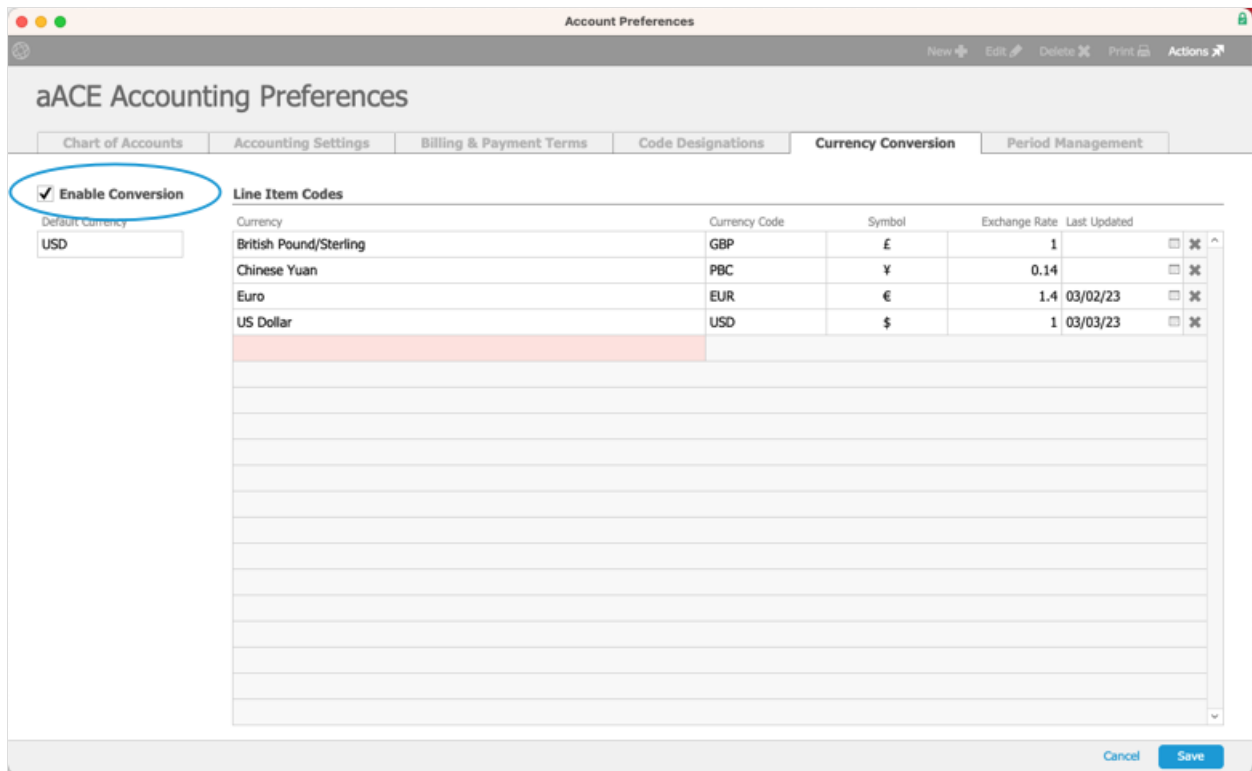
This guide explains how to configure currency conversions. It is intended for system administrators.

When dealing with international currencies, you should always coordinate with the customer or vendor to agree on the exchange rates for your transactions. Many international transactions are handled as wire transfers, with the banks involved handling the currency conversions. aACE also enables you to use various methods to account for currency conversions.

Because business transactions can proceed slowly, a currency exchange rate may fluctuate significantly between the start and finish of a transaction. Currency conversion exchange rates in aACE must be entered and updated manually. Before you enable Currency Conversions, you should implement company policies to standardize when your staff will update exchange rates in aACE.

Accounting Preferences for System-Wide Currency Conversions

Out-of-the-box, aACE supports basic currency conversion. You must enable this preference. Navigate from Main Menu > Accounting > Accounting Preferences > Currency Conversion tab. Then click Edit, mark the flag to Enable Conversion, and click Save.



When enabled, the Currency Conversion preference applies globally. The related fields will be included on *all* affected records (i.e. orders, invoices, customer receipts, purchase orders, purchases, disbursements, related printouts).

Note: You may need to update your [order layout settings](https://aace6.knowledgeowl.com/help/order-entry-preferences) to display fields related to international transactions.

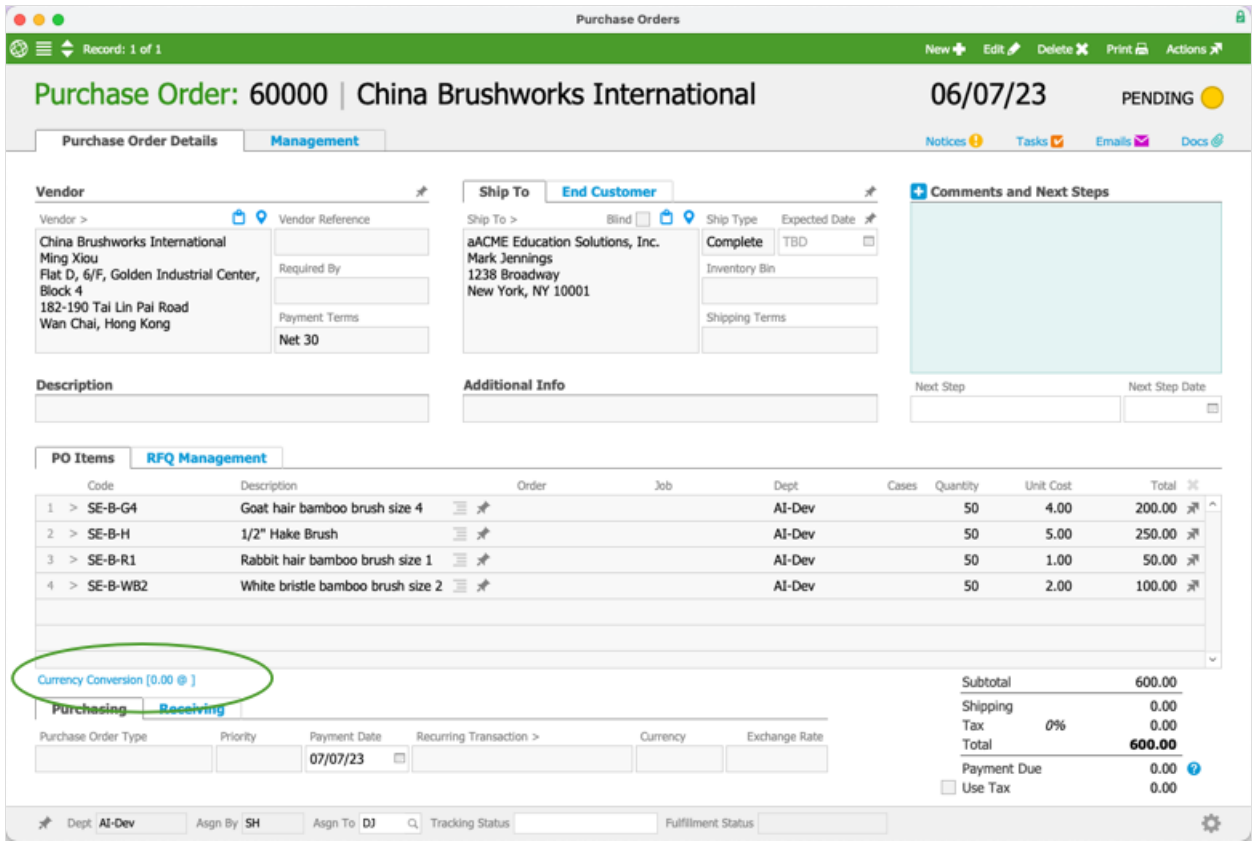
Calculating Currency Conversions

Currency conversions are typically calculated from the Purchase Orders and Orders modules. However, you can calculate and apply a currency conversion rate at any of the affected records listed above.

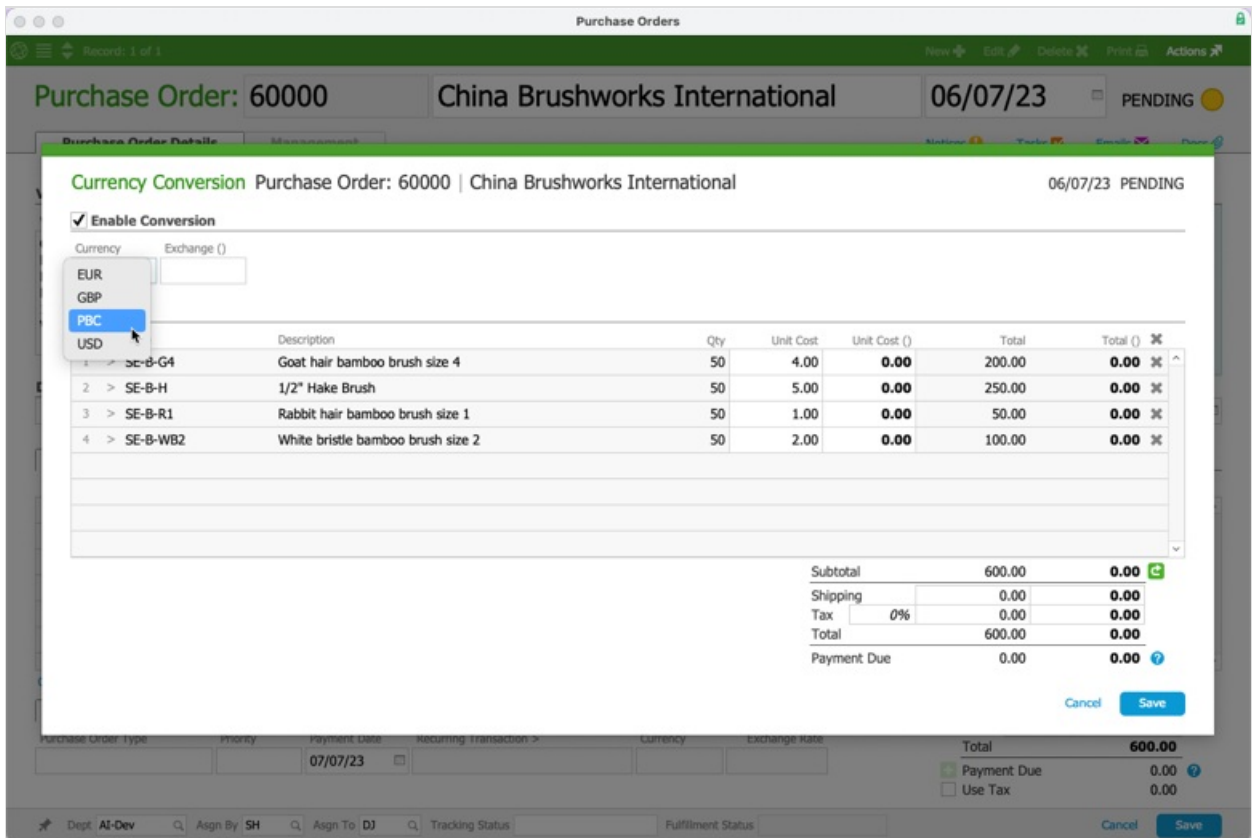
This guide follows a PO to an international vendor as an example.

Currency Conversion Selector for POs

POs drive the currency exchange rate for their related purchase records. When you create and save a PO from an international vendor, aACE will display a blue Currency Conversion link under the PO Items list:



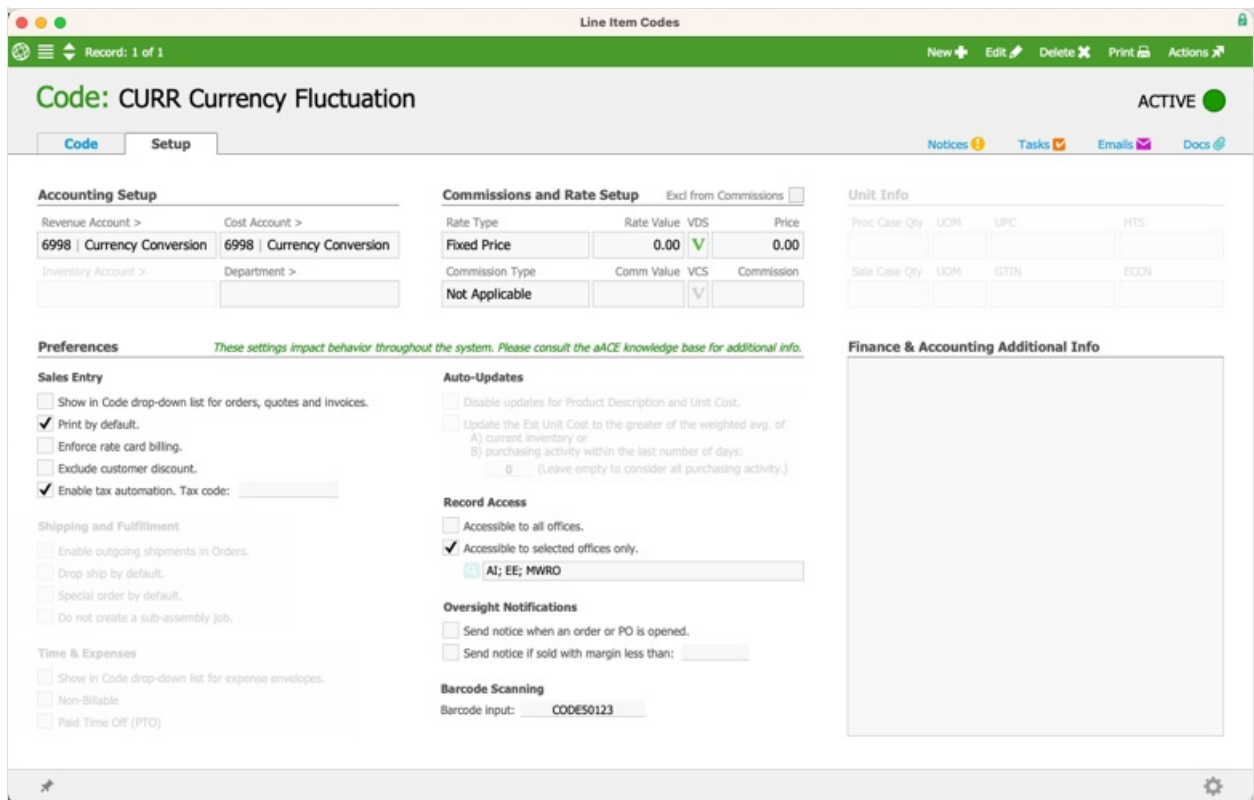
To update the exchange rate, click Edit and then click the Currency Conversion link. At the selector, select the desired currency:



Transaction-Specific Currency Conversions

If you do not want the full currency conversion features implemented, you can instead create an Other-type line item code (LIC) and use it for currency fluctuation expenses on individual transactions.

On your currency fluctuation LIC, fill out the general information on the Code tab, including any custom prices, vendors, offices, or additional info. On the Setup tab, specify the relevant GL accounts:



If a transaction is affected significantly by exchange rates, you can use this LIC to account for the currency conversion.

Example of Using a Currency Conversion LIC

You can apply the currency conversion LIC at a purchase record for an international vendor.

1. At the purchase's detail view, click **Actions > Credit/Adjust Purchase**.
2. Remove the initial LICs, then **add** the currency conversion LIC as a purchase item.

Purchase: 60017 **Credit/Adjust Pur #50420** **05/09/23** **PENDING**

Adjustment Details Notices Tasks Emails Docs

Vendor

Vendor > China Brushworks International
Ming Xiou
Flat D, 6/F, Golden Industrial Center,
Block 4
182-190 Tai Lin Pai Road
Wan Chai, Hong Kong

Vendor Inv # 12395 Inv Date 05/05/23

Payment Terms Net 30 Pur Order > 50412

Payment Due 06/04/23 Pmnt. Expected 06/04/23

Description

Payment Comments

Purchase Items

| Code | GL Acct | Description | Purchase Order | Job | Department | Quantity | Unit Cost | Total | Freight |
|------|---------|-------------|----------------------|-----|------------|----------|-----------|-------|---------|
| 1 > | CURR | 6998 | Currency Fluctuation | | AI-A/P | 1 | 0.00 | 0.00 | 0.00 |

Subtotal 0.00 0.00

Freight 0.00

Shipping Exp 0.00

Tax 0% 0.00

Total **0.00**

Use Tax 0.00

Dept: AI-A/P Assign To: DJ Tracking Status Recur Transaction > Adj Purchase > 50420 Cancel Save

3. Enter the amount to cover the currency change as the **Unit Cost**.

4. Click **Save**.

aACE applies the currency conversion adjustment to the purchase's initial balance.