

axis diplomat 2020 Modules

Multi-Currency

Allow both sales and purchases to be made in multiple currencies.

The Multi Currency module

A separate sales or purchase ledger is maintained for each currency. The standard sales and purchase ledgers are always in the base currency, matching the Nominal ledger (usually Sterling).

The Multi Currency module allows customers to be invoiced in a currency other than the base currency, and for the balances on their accounts to be maintained in that currency. These balances are transferred to the nominal ledger in the base currency and are adjusted from time to time to reflect the current exchange rate in accordance with Statement of Standard Accounting Practice, SSAP 20. Suppliers are handled in a similar manner.

Differences between the base currency equivalent of invoices at the time they are entered and the base currency equivalent of the matching payments when they are made or received are automatically posted to an Exchange Variance profit and loss account on the Nominal Ledger as part of the period end procedures. Each currency ledger can have its own Exchange Account if required.

For each ledger the currency description, currency symbol, and default exchange rate may be set up.

All values on the customer or supplier accounts are held in the currency of that ledger, but may be converted to the base currency for reports such as the 'Debtors Schedule', at either the current exchange rate or at the exchange rate of the original transaction.

Order Processing and Invoicing

All transactions associated with a currency customer or supplier are in the currency associated with that customer or supplier. For currency customers, this includes quotations, sales orders, invoices, credit notes and cash received.

The same exchange rate applies to every item on an invoice or credit note. Invoices and credit notes are always printed in currency. Where an order is partially released on several occasions to generate a number of invoices from a single sales order, each invoice may have a different exchange rate.

Stock Ledger

Prices and costs held on stock records are always in the base currency, being converted to the required currency at quotation/order/invoice entry time.

However, Currency Price Lists allow stock item prices to be maintained at an appropriate currency value, which does not fluctuate with the exchange rate. Using this mechanism, an item, for example, can be priced at £14.99, \$19.99 and €21, irrespective of the prevailing exchange rates. As product discounts may also be set for a particular currency, the parameter **Use currency price list discount when zero** (Currency Price List group on the **Customer Stock Pricing** tab in **Maintain Stock Ledger Parameters**) is used to control whether or not a discount of 0% on the currency price record should be enforced in place of any discount set on the master stock record.

Values on stock transactions are always in the base currency; goods received from non base currency suppliers are revalued in the base currency to provide Current and Actual costs using the exchange rate in force at the time that the actual cost is confirmed.

In addition, customer-specific and supplier-specific pricing options are supported in currency - Customer/Stock price list entries for currency customers are in that currency and, similarly, supplier price list entries for currency suppliers are also held in those supplier's currencies.

Nominal Ledger

All transactions to be posted to the nominal ledger are created in the base currency, the exchange rate entered for the transaction being used where appropriate. The control account for the currency ledger in the nominal ledger is therefore held in the base ledger: each time a currency ledger transaction is posted, a transaction for the sterling equivalent of the total amount posted is created.

When the sales or purchase ledger is period-ended, the current balance on the currency ledger is converted to sterling at the current default exchange rate for the ledger. This value is compared with that of the control account for the ledger and a transaction raised against the exchange variance account for the difference if necessary. A similar calculation is carried out and reported whenever the draft accounts are printed, but no transaction is actually raised.

Within the Cash Book module, currency bank accounts and petty cash accounts may be created. A function is also provided to re-value currency Cash Book accounts - it will calculate the base currency account balance of each nominal currency bank and petty cash account in use based on the current exchange rate and, if required, generate a pair of journals between the account and the exchange variance account for the corresponding ledger.



Please call us on **0800 668 1934** for further details



01278 421020



sales@axisfirst.co.uk



www.axisfirst.co.uk