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Adminsoft Accounts User Guide

Multi-Currency

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Adminsoft Accounts Basic User Guide – Multi-Currency

Introduction

Adminsoft Accounts is a multi-currency accounting system, in that it will allow you to maintain accounts in various currencies, and it will allow you to enter invoices and payments in various currencies. But it does have its limitations. The main one being that all three ledgers always operate in the ledger's base currency. You cannot, for example, produce a Statement of Income (Profit & Loss) report in a selection of currencies, like all the reports, it's only available in the ledger currency.

The ledger currency is automatically selected when you select your country during the creation of your business/organization. If for example you entered USA as your country, then of course the currency will be the US Dollar. This can be changed though. Select Setup → Miscellaneous → Currencies. Then select or create the new currency you require and click the '**Set to Base Currency**' button. However, please be aware if any transactions have already been posted, they will remain in whatever currency the base currency was set to at the time. This may cause a problem in the Nominal Ledger (General Ledger), as it expects all transactions to be in the base currency. So, it's far safer to select which currency you intend to be your base currency when setting up the ledgers for the first time.

Operating in multiple currencies is complicated by ever changing exchange rates. This means you will need to frequently update the exchange rate of each currency you trade with, and you will also be making adjustments in customer and supplier accounts almost every time you enter a payment. This is normal multi-currency operation, not something specific to Adminsoft Accounts.

When you enter an invoice in a foreign currency, the software will convert that into the ledger's currency. The problem comes when you enter the payment. If the invoice was for 100.00 Euro, then you have to enter a payment of 100.00 Euro. But, if the exchange rate has changed between the time of the invoice and the time of the payment, if your base currency is US Dollars, you may find the invoice was posted to the account as 95.00 Dollars, and the payment 92.00 Dollars. When allocating transactions, they are allocated according to the ledger's base currency. And so, in this case the payment of 92.00 Dollars is not enough to cover the invoice balance of 95.00 Dollars, even though the invoice has been paid in full. This is the kind of problem I will be addressing towards the end of this guide. Like most things, the solution is fairly straight forward, once you know how to do it.

Normally, when operating an accounting system you expect everything to balance perfectly. The balance on an account is the *precise* balance, no if's and but's. When operating with multiple currencies however, things are different. A customer or supplier account that has outstanding balances in a currency other than the ledger currency does not have a precise balance. That balance varies with the exchange rate – which literally changes from second to second. If you have a bank account that is not in the ledger currency, the value of that balance is just as vague. If you're not used to bookkeeping in multiple currencies, I'm afraid you may find this all a bit frustrating!

Anyway, first things first, we need to talk about the options for setting up for multiple currencies.

Setting Up Currencies

The software can maintain a list of available currencies that you intend to use. Click on '**Setup**' on the top menu bar, go down to '**Miscellaneous**' and select '**Currencies**'. If you're based in the United

Adminsoft Accounts Basic User Guide – Multi-Currency

Kingdom, the form will look something like this:

Whatever country you're in, initially your currency will be the only one listed, and will be the currency shown as '**The base currency for this ledger is**'. To keep things simple for the purpose of this guide, I'm going to assume you're based in the United Kingdom, and so are using GBP (Great Britain Pounds). If you're in another country, where ever you see GBP, just replace it with your own currency.

To add a new currency, click the '**New Currency**' button. A list of most the worlds currencies will appear:

All the currency codes are to ISO4217 standard. Select the required currency from this list simply by left clicking on it. The details will appear in the main form. I clicked on the US Dollar:

Adminsoft Accounts Basic User Guide – Multi-Currency

The screenshot shows the 'Setup - Currency Codes' window. On the left, a table lists currency codes and details:

Code	Currency	Ex. Rate	LastChge
GBP	Pound	1.0000000	07/02/20

Below the table, a message states: "Single left click on the currency code to select." On the right, the 'USD' code is entered in the 'Code' field, and 'Dollar' is entered in the 'Name' field. The 'Ex. Rate' is set to '1.0000000' with a note '(= 1 GBP)'. Below these fields, it says "The base currency for this ledger is GBP". At the bottom right, there are several buttons: 'Add None ISO 4217 Currency', 'Set to Base Currency', 'Copy From', 'History', 'Print List', 'Help', 'Clear', 'Save', 'Delete Currency', 'New Currency', and 'OK'.

You can see the details have automatically populated the input fields. But you will need to set the exchange rate. At the time of writing there are around 1.3 USD to 1.0 GBP. So, I'd enter 1.3 as the exchange rate. Note, there are a lot of decimal places available. This is to enable the software to be used in countries where the value of a unit of currency is low. For example, if you were in Iran your currency would be the Rial. At the time of writing 1 Rial = 0.000022 GBP. So, if you traded using GBP, 0.000022 would be your exchange rate.

Once you've entered the exchange rate, click the '**Save**' button. You will be coming back to this option frequently, every time you need to change the exchange rate. Left click on the currency, and enter the new rate. You can click the '**History**' button to see what changes you have made to the exchange rate over time. After adding USD the form now looks like this:

The screenshot shows the 'Setup - Currency Codes' window after adding USD. The table on the left now has two entries:

Code	Currency	Ex. Rate	LastChge
GBP	Pound	1.0000000	07/02/20
USD	Dollar	1.3000000	20/02/21

The right-hand side of the window is identical to the previous screenshot, showing the 'USD' code selected, 'Dollar' as the name, and an exchange rate of '1.3000000' (though the text in the image says 0.0000000, which appears to be a typo in the original document). The buttons at the bottom remain the same.

Digital currencies are not listed under ISO4217. So, if you want to add a digital currency, click the '**Add None ISO 4217 Currency**' button. This allows you to enter your own code, perhaps 'BITCOIN' for example, along with an exchange rate. With digital coins especially, you will be updating the exchange rate on a very regular basis!

That's pretty much it for setting up actual currencies.

Adminsoft Accounts Basic User Guide – Multi-Currency

Foreign Currency Bank Accounts

You don't need to setup a foreign currency bank account in order to make or receive payments in a foreign currency. You can do it all from your normal current account (checking account), and your bank will do the exchange of currencies for you. However, each time your bank changes money from one currency to another, they skim a bit off the top. Sometimes by adding a set fee, and/or by using an unfavourable exchange rate. If you trade using a particular foreign currency quite often, you might find it's more economical to open an account in that currency.

Again, assuming we're based in the United Kingdom and so using GBP, let's set up a US Dollar foreign currency bank account in the Nominal Ledger (General Ledger). Go to 'Nominal Ledger' ('General Ledger') on the top menu bar, and select 'Account Details', and click the 'New' button.

In the image of the account details form below, I've filled in the necessary information:

Nominal Ledger - Account Details

Account Code: 1220 Find Prev Next Chge

Type of Account: Asset Account archived

Budget Group: ASSETS

Report Group: ASSETS

Cash Flow Group: ASSETS

Description: USD Bank Account

Cash Book A/c: Y (Y/N) Currency: Dollar Allow Direct Payments: Both

Year to Date: 1 Year Ago, 2 Years Ago, 3 Years Ago, 4 Years Ago, 5 Years Ago

Created: 20/09/2017 By: FIRST Updated: 20/09/2017

Print Journals

Transactions by Period for the Financial Year

Period	Debit	Credit	Debit Balance	Date	Src	Reference/Description	Value
--------	-------	--------	---------------	------	-----	-----------------------	-------

FYE: 31/08/2018 Prev Next

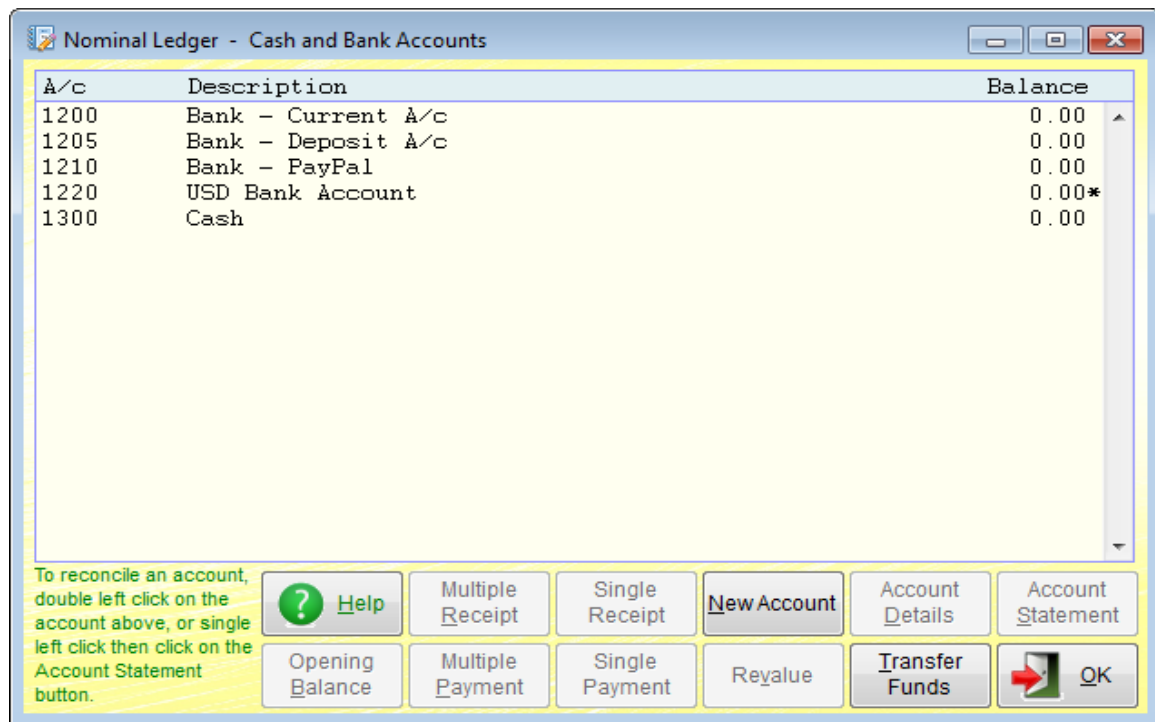
Display list of transactions for the selected account period. Single left click on a transaction to view full details.

Help New Delete Clear Save OK

I've given our new account an '**Account Code**' of 1220. It could be any number (including letters, so you could enter 1220-USD if you wanted), but existing bank accounts use numbers from 1200 and up, so I've used 1220 just to keep them bunched together. Set '**Cash Book A/c**' to 'Y' so that it shows up alongside lists of other bank/cash accounts. '**Currency**' I've selected '**Dollar**', and in '**Allow Direct Payments**' I've selected '**Both**'. This last input field relates to the 'Money Received' and 'Money Paid Out' options in the Nominal Ledger (General Ledger) menu, and in the background flow menu. It allows payments directly in/out of the account, which is useful for entering things like bank charges. When you're happy with the details click the '**Save**' button.

Now the USD bank account is created, we can view the balance in the same way as we'd view the balance in our other cash/bank accounts. The most common way is to select the 'Cash/Bank Accounts' option in the Nominal Ledger (General Ledger) menu. Our list now looks like the following screen image:

Adminsoft Accounts Basic User Guide – Multi-Currency



You can see the account listed in the screen image above. All balances will be in the ledger currency. In the case of the '**USD Bank Account**', you'll notice there is an asterisk (*) to the righthand side of the balance. This indicates the account is in a foreign currency, even though the balance is showing in the ledger currency in this option.

When you single left click on an account, most of the buttons along the bottom become enabled. Except the '**Revalue**' button. This only enables if the account is a foreign currency account. As currency valuations fluctuate, the value of balance in our '**USD Bank Account**' will vary. After a few transactions have been entered, and you run a 'Statement of Financial Position' report (what we used to call a 'Balance Sheet'), the value of the '**USD Bank Account**' will be reported in the ledger's base currency, ie. GBP in our case. But it will not be accurate. To correct this, you would use the '**Revalue**' option.

In the image below, I've entered a USD Dollar payment into the account, just to give us a balance. Then I've clicked the '**Revalue**' button:



As you can see, it displays the current USD balance, and the current GBP balance (it tries to maintain the GBP balance based on the exchange rate at the time each transaction is entered). The '**Correct Bal.**' input field already has a figure in it, this is just a helpful suggestion of what the balance should be, based on the current exchange rate (as setup in Adminsoft Accounts). In our case, the exchange rate has changed a bit since I entered the original transaction for 2,000.00 USD, and so you can see there's a difference in the GBP value of the account balance and what its current value is based on the USD balance and today's exchange rate. If you accept the value, or enter a new

Adminsoft Accounts Basic User Guide – Multi-Currency

value, and then click the 'OK' button, an adjustment will be posted into the USD Bank Account. A balancing posting will also be made to account 7930. This account is called '**Currency Revaluation Losses/Gains**' and is automatically created when the business/organization is created. If you want it to post to a different account, you can change the setting: Setup → Nominal Ledger (General Ledger) → Settings, click the 'Default Accounts' tab.

This new GBP balance of 1,478.20 is what you will now see in any lists of cash/bank account balances. However, the revaluation will not change the USD balance. If we look at a statement for this account, we will see this:

Date	Description	Out	In	Balance	Ref.	Recon.
	Opening balance			0.00		
20/09/17	Curr test 1		2,000.00	2,000.00	N1	

Un-reconcile Statement Reverse Out / In Reverse Date Order Details Payment - Single Receipt - Single Reconciled

Reconciled 0.00 Opening balance 0.00 Report Transfer Payment - Multiple Receipt - Multiple Un-reconcile

Total paid in 2,000.00 View (text) Help Payment to Supplier Receipt from Customer OK

Total paid out 0.00

I've reduced the height of this form, because it's only showing one transaction, so I didn't want to take up a load of space on this page showing empty screen. You can see the 2,000.00 USD transaction I originally created for this test, and that's it. You can't see the GBP revaluation. However, if we untick the '**Show as USD**', so it displays the balances in GBP, we see this:

Date	Description	Out	In	Balance	Ref.	Recon.
	Opening balance			0.00		
20/09/17	Curr test 1		1,538.46	1,538.46	N1	
21/09/17	USD Revaluation	60.26		1,478.20	N5	

Un-reconcile Statement Reverse Out / In Reverse Date Order Details Payment - Single Receipt - Single Reconciled

Reconciled 0.00 Opening balance 0.00 Report Transfer Payment - Multiple Receipt - Multiple Un-reconcile

Total paid in 1,538.46 View (text) Help Payment to Supplier Receipt from Customer OK

Total paid out 60.26

The revaluation transaction appears, showing the change it made to the GBP balance.

I recommend you keep these revaluations to a minimum. Only do it when you need to get an accurate Statement of Financial Position (what we used to call the 'Balance Sheet').

Having created our foreign currency bank account, we now need to create Payment Type Codes so that we can use it receive and make payments from customers and suppliers. Click on 'Setup' on the top menu bar, then go down to 'Miscellaneous' and select 'Payment Types'. The following form will appear:

Adminsoft Accounts Basic User Guide – Multi-Currency

Setup - Payment Type Codes

Payment types for Sales:

Code	Description	Fee	Comm%	Bank A/c.
BT	Bank Transfer	0.00	0.00	1200
CARD	Credit/Debit Card	0.00	0.00	1200
CHQ	Cheque	0.00	0.00	1200
CSH	Cash	0.00	0.00	1300
PAYPAL	Paypal	0.00	0.00	1210

Payment types for Purchases:

Code	Description	Comm%	Bank A/c.
BT	Bank Transfer	0.00	1200
CARD	Credit/Debit Card	0.00	1200
CHQ	Cheque	0.00	1200
CSH	Cash	0.00	1300
PAYPAL	Paypal	0.00	1210

Type:

Code:

Desc:

Cash: (till, petty cash, float, etc.)

N/L account code for bank account:

Bank:

Sales Payment Types Only:

N/L account code for commission charge:

Com.

N/L account code for commission liability:

Com.

Com. 0.00 % (commission charge, if any)

Fee 0.00 (fixed transaction fee, if any)

If no account codes are given for the commission charge and resulting liability, no postings will be made to nominal/general ledger in respect of commission charges. Regardless of whether a commission rate has been specified.

Left click on any payment type code to select.

These are the standard payments automatically created with the business/organization ledgers. As you can see, there are two sets, one for '**Sales**' for payments received, and one for '**Purchases**' for payments made.

It's beyond the scope of this guide to go into details about setting up commission and fees, which is a useful feature when accepting payments from Paypal. Click on the '**Help**' button for information on this.

Each payment type has an associated Nominal Ledger (General Ledger) cash/bank account. Most just use a/c 1200 which is the current/checking account, that will be in the ledger currency. We need to create two payment types for our new USD bank account, one for sales and one for purchases. Click the '**New**' button, and start entering the details. In the next image, I've already entered the details:

Adminsoft Accounts Basic User Guide – Multi-Currency

Setup - Payment Type Codes

Payment types for Sales:

Code	Description	Fee	Comm%	Bank A/c.
BT	Bank Transfer	0.00	0.00	1200
CARD	Credit/Debit Card	0.00	0.00	1200
CHQ	Cheque	0.00	0.00	1200
CSH	Cash	0.00	0.00	1300
PAYPAL	Paypal	0.00	0.00	1210

Payment types for Purchases:

Code	Description	Comm%	Bank A/c.
BT	Bank Transfer	0.00	1200
CARD	Credit/Debit Card	0.00	1200
CHQ	Cheque	0.00	1200
CSH	Cash	0.00	1300
PAYPAL	Paypal	0.00	1210

Type: Sales

Code: USBANK Change Code

Desc: USD Bank a/c

Cash: N (till, petty cash, float, etc.)

N/L account code for bank account:

Bank: 1220 USD Bank Account

Sales Payment Types Only:

N/L account code for commission charge:

Com: 0.00 (commission charge, if any)

N/L account code for commission liability:

Com: 0.00 (fixed transaction fee, if any)

Fee: 0.00

If no account codes are given for the commission charge and resulting liability, no postings will be made to nominal/general ledger in respect of commission charges. Regardless of whether a commission rate has been specified.

Help Clear Save Print Lists Delete New OK

Left click on any payment type code to select.

In the 'Type' input field I've selected 'Sales' so this new payment type will be added to the 'Payment types for Sales' list. The 'Code' can be anything you like (it will always be in upper case), I entered 'USBANK' as it will be an easy code to remember. 'Desc' is again anything you like, whatever you feel is appropriate. 'Cash' I've set to 'N', as this is a bank account and not petty cash, or a till balance or anything like that. 'Bank' I have of course set to 1220 which is the Nominal Ledger (General Ledger) account code for our USD bank account. As it's not PayPal or similar, I've ignored the commission and fee input fields. So, at this point I can click the 'Save' button. The new payment type will appear in the top list.

I can then click on 'New' again, and enter the same details for purchase payments types. Don't forget this time to set 'Type' to 'Purchases'. You can use the same 'USBANK' code, which I'd recommend, as they are both for the same bank account. When done, the Payment Types Codes form will then look something like this:

Adminsoft Accounts Basic User Guide – Multi-Currency

Setup - Payment Type Codes

Payment types for Sales:

Code	Description	Fee	Comm%	Bank A/c.
BT	Bank Transfer	0.00	0.00	1200
CARD	Credit/Debit Card	0.00	0.00	1200
CHQ	Cheque	0.00	0.00	1200
CSH	Cash	0.00	0.00	1300
PAYPAL	Paypal	0.00	0.00	1210
USBANK	USD Bank a/c	0.00	0.00	1220

Payment types for Purchases:

Code	Description	Comm%	Bank A/c.
BT	Bank Transfer	0.00	1200
CARD	Credit/Debit Card	0.00	1200
CHQ	Cheque	0.00	1200
CSH	Cash	0.00	1300
PAYPAL	Paypal	0.00	1210
USBANK	USD Bank a/c	0.00	1220

Type

▼

Code

Change Code

Desc.

Cash

(till, petty cash, float, etc.)

N/L account code for bank account

Bank

Sales Payment Types Only:

N/L account code for commission charge

Com.

N/L account code for commission liability

Com.

Com.

0.00 %

(commission charge, if any)

Fee

0.00

(fixed transaction fee, if any)

If no account codes are given for the commission charge and resulting liability, no postings will be made to nominal/general ledger in respect of commission charges. Regardless of whether a commission rate has been specified.

?

Help

Clear

Save

Print Lists

Delete

New



OK

Left click on any payment type code to select.

That completes the setting up for a new foreign currency bank account.

Code	Description
BT	Bank Transfer
CARD	Credit/Debit Card
CHQ	Cheque
CSH	Cash
PAYPAL	Paypal
USBANK	USD Bank a/c

Click on the payment type to select.

 Help
  Setup
  Cancel

When you use a find button to locate a payment type, you'll now see something like the image on the left.

Note the US Dollar bank account listed at the bottom (currencies are always listed in alphabetical order).

Entering Foreign Currency Invoices

I'll discuss and show examples of entering sales invoices, and customer accounts. But exactly the same principles apply to purchase invoices and supplier accounts.

In keeping with the examples above, I'll assume we're based in the United Kingdom using GBP (Great Britain Pounds). Let's say we have a customer in the United States, who has placed an order worth 1,500.00 USD, and they expect to be invoiced in USD and pay in USD. First, we need to

Adminsoft Accounts Basic User Guide – Multi-Currency

create an account for them. I'll be using the accounts system in **Level 2: Advanced Level**, because if I use **Level 1**, not all of the currency options will be available. So, here's the account I've just created:

The screenshot shows the 'Sales Ledger - Customer Account Details' window. The 'A/c Code' is TES001. The 'Customer' is Test One Inc. The 'Invoice Address' is 26300 Little Road, Big City, TX, 374656. The 'Country' is USA. The 'Status' is Account OK. The 'Business Types' section shows 'Created On 21/09/2017 By FIRST Updated On By'. The 'Financial' tab is selected, and the 'Trn: Current' sub-tab is active. The 'Our Sales Rep.' field is empty. The 'Company reg. no.' field is empty. The 'VAT reg. no.' field is empty. The 'Default VAT Code' is 5. The 'Credit Terms' are Days from invoice date. The 'Credit Period' is 30 (days). The 'Credit Limit' is 5000. The 'Statements?' field is Y (Y/N). The 'Default Currency' is USD. The 'Default Dept.' field is empty. The 'Early Settlement Discount Rate' is 0.00 %. The 'Early Settlement Discount Period' is 0. The 'Sales Invoice Discount Rate' is 0.00 %. The 'Sales Discount/Markup Band' is empty. The 'Link to Supplier Account' field is empty. The 'Balances' table shows Current, Over 30 Days, Over 60 Days, Over 90 Days, Total Outstanding, and VAT Outstanding. The 'OverDue' table shows Year to Date, One Year Ago, Two Years Ago, Three Years Ago, Four Years Ago, and Five Years Ago. The 'Sales (excl. VAT)' table shows Year to Date, One Year Ago, Two Years Ago, Three Years Ago, Four Years Ago, and Five Years Ago. The 'Help' button is visible at the bottom.

Two things I need to point out here. In the '**Default VAT Code**' input field I've entered '5'. In the United Kingdom set up, this is the VAT code for transactions that are outside the scope of VAT. ie. VAT is not applicable. Other countries may have similar arrangements. It means when I enter an invoice, the VAT code will always default to 5, even if I'm invoicing from stock. This can be very useful, as it's easy to forget which VAT code needs to be used, particularly when you're in a hurry. The other input field of note is '**Default Currency**'. I've set this to 'USD', so whenever I enter an invoice, credit note, or payment transaction, they will automatically use this currency.

I'll now enter a sales invoice. I'll do it simply by clicking on the '**Trn: Current**' tab in the customer account details, and clicking the '**Create Invoice**' button. Next is an image of the invoice, including one line I've already entered into it:

Adminsoft Accounts Basic User Guide – Multi-Currency

Sales Ledger - Invoice

Customer Account: TES001 Find **Test One Inc.** **INVOICE New**

Line	Quantity	Stock Code or Description of Item/Service (sort by Stock Desc)	S/A	VAT	Each	Amount	Line
1	1.00	F This is a test	MISC	5	100.0000	100.00	Ins Del
2	0.00	F					Ins Del
3		F					Ins Del
4		F					Ins Del
5		F					Ins Del
6		F					Ins Del
7		F					Ins Del
8		F					Ins Del
9		F					Ins Del
10		F					Ins Del
11		F					Ins Del
12		F					Ins Del

Disc 0.00% 0.00 Disc
Sub Total 100.00 Tax Calc
Total VAT 0.00
Total Value 100.00 USD

Tax Date: 21/09/2017 Description:

Insert a blank invoice line, pushing this line and any lines below it down one line.

Buttons: ? Help, Prev, Next, New, Edit, Delete, Cancel, OK

As you can see, it's in USD. It says '**USD**' to the right of the '**Total Value**'. It's also picked up the default VAT code '5'. Every value you see above is in USD. If I click the '**Details**' tab, everything on that page will also be in USD. As below:

Sales Ledger - Invoice

Customer Account: TES001 Find **Test One Inc.** **INVOICE New**

Text - Quantity & Prices **Details** Costs

Delivery Date: 21/09/2017 Currency: USD Dollar (Exch. Rate 1.353)
Payment Due: 21/10/2017 Delivery Address: Test One Inc., 26300 Little Road, Big City, TX, 374656
P/O Ref.: Department: ANY
Our sales rep.: Rep. Sales Com.: 0.00 C H
E/S Payment Due: 21/09/2017
E/S Discount: 0.00 %
E/S Amount: 0.00
Outstanding: 100.00
Total Profit: 100.00
VAT Prd End: //
First Printed On: //
Disputed?: No

Notes: (do not get printed out)

Tax Details:

Code	Rate%	Description	Goods	Tax
5	0.0000	Outside scope	100.00	0.00
Totals:			100.00	0.00

Transaction created on: 21/09/2017 / FIRST

A number is not provided until the invoice has been posted to the customers account.

Buttons: ? Help, Prev, Next, New, Edit, Delete, Cancel, OK

Note the '**Currency**' input field, which is set to 'USD'. If I had not set the customer account to default to USD, it would of course be in the ledger currency (GBP in our case). I could then set '**Currency**' to 'USD' and enter the invoice in USD. It does not matter whether the customer's account defaults to USD or not, it's simply a matter of convenience.

If I set the '**Currency**' to 'GBP', the invoice would revert to GBP. But the values displayed would NOT change, there would be no exchange rate conversion. 100.00 USD would simply become

Adminsoft Accounts Basic User Guide – Multi-Currency

100.00 GBP. This is true even if you're editing an existing invoice.

There is a third section to this invoice, and that's the '**Costs**' tab. When invoicing from stock, costs will automatically build up in here. You can also manually enter costs if you wish. However, regardless of what currency the invoice is in, the costs will **ALWAYS** be in the ledger currency. This is because Stock Control always works in ledger currency (even though Purchase Orders can be raised in foreign currencies).

In the image below, I've posted the invoice to the customer's account:

The screenshot displays the 'Sales Ledger - Customer Account Details' window. The 'Financial' tab is selected, showing a list of transactions. The first transaction is an invoice dated 21/09/2017, with a value of 73.91 and a balance outstanding of 73.91 c. The 'c' indicates the transaction is in a foreign currency (USD in this case). The window also includes sections for 'Main Contact Information', 'Additional Contact Information', and 'Business Types'. At the bottom, there are buttons for various actions such as 'Create Invoice', 'Payment Received', 'Early Settlement', 'Refund Given', 'Debit Note Received', 'Write Off', 'Adjustment', 'Create Contra', 'Help', 'New', 'Delete', 'Clear', 'Save', and 'OK'.

Date	Type	Ref	Description/Job	Value	Ostdg
21/09/2017	Invoice	1	This is a test	73.91	73.91 c

You can see the invoice transaction listed. The value is showing in GBP, based on the exchange rate set at the time the transaction is entered. Note: the transaction date has no bearing on the exchange rate used. The small 'c' to the right of the balance outstanding indicates the transaction is in a foreign currency (USD in this case). By default, the transactions are listed in the ledger currency.

If I click the '**Financial**' tab, various information such as credit terms, and some defaults appear. But, as this account has '**USD**' set up as the default currency, there is also a button '**Show/Print in Default Currency**'. When this is clicked, all amounts will show in USD (for this particular account). See the image below:

Adminsoft Accounts Basic User Guide – Multi-Currency

The screenshot displays the 'Sales Ledger - Customer Account Details' window. The top section contains customer information: A/c Code (TES001), Customer (Test One Inc.), Invoice Address (26300 Little Road, Big City, TX, 374656), and Country (USA). The 'Main Contact Information' tab is active, showing Status (Account OK) and a list of contact details. The 'Business Types' tab shows creation and update dates (21/09/2017) by 'FIRST'. Below this is a navigation bar with tabs for Financial, Trn: Current, Trn: History, Stock, Prices, Diary, Delivery Addr, Contacts, General, and Proforma/Adv/Est/Saved. The 'Trn: Current' tab is selected, showing a table of transactions. The table has columns: Date, Type, Ref, Description/Job, USD Value, and USD Ostdg. A single transaction is listed: 21/09/2017, Invoice, 1, This is a test, 100.00, 100.00. To the right of the table is a vertical list of buttons: Details, Allocation, Dispute, Postings, Delete, Print List, and Show Profit. At the bottom is a row of buttons for various transactions: Create Invoice, Create Credit Note, Payment Received, Payment Bounced, Early Settlement, Refund Given, Debit Note Received, Write Off, Adjustment, and Create Contra. A status bar at the very bottom indicates 'Go to next customer, in account code order.' and includes buttons for Help, New, Delete, Clear, Save, and OK.

Date	Type	Ref	Description/Job	USD Value	USD Ostdg
21/09/2017	Invoice	1	This is a test	100.00	100.00

You can see now, the invoice transaction is showing as 100.00 USD, just as I had entered it. The 'Value' and 'Ostdg' column titles have 'USD' next to them, to leave you in no doubt you're looking at values in USD.

Even though the account defaults to USD, you can still enter transactions in other currencies, including, of course, the ledger currency. If you do so, then any transaction not in USD that might appear in the current transactions list in the above image would indicate in brackets after the outstanding balance what currency the transaction is in (the value would NOT display as USD, but in the ledger currency value). Unlike some accounting systems, in Adminsoft Accounts, you can mix currencies in an account. Not sure if this is an advantage or not! Things can get complicated very quickly. So, I'd advise you avoid mixing currencies if at all possible. If the customer trades using USD, then stick to USD.

Having clicked the 'Show/Print in Default Currency' button, the caption on the button changes to 'Show/Print in Ledger Currency'. So if you click it again, all transaction values will again appear in the ledger currency, GBP in our case. This will happen anyway as soon as you leave the customer's account. When you return to it, you'll find it's reverted to displaying in ledger currency. This action is deliberate, to try and keep things as consistent as possible. So, whatever account you're looking at, it will show in ledger currency, unless you select otherwise.

Entering a Payment

At some point we need to enter a payment. I'll enter just one payment to cover the invoice we created in the previous section. Just to keep the example as simple as possible.

Adminsoft Accounts Basic User Guide – Multi-Currency

As the account has been set to default to USD, when we select the payment option, it will automatically be in USD. See the image below:

The screenshot shows the 'Sales Ledger - Payment Received' window. It contains the following fields and values:

A/c Code	TES001	Find
Customer	Test One Inc.	
Date Received	21/09/2017	Thursday
Payment Type	Required	
Currency	USD	Dollar
Cheque No or Ref.	Inv 1	
Amount Received	100.00	USD
Amount Received	76.34	GBP
Posted by	FIRST	Posting Ref n/a
Posted on	21/09/2017	

Buttons at the bottom: Help, Print Receipt, Print, Edit, Delete, Cancel, OK.

As the cursor was on the invoice when I clicked the '**Payment Received**' button, it's already brought a few details over, including the value in USD and GBP. Note, the value in GDP is the value of the invoice, which is NOT necessarily the value given the current exchange rate. More about this later.

First thing we need to do is enter a '**Payment Type**', I can type in the Payment Type Code if I know it, or click on the find button to the righthand side of the input field. I'll enter '**USBANK**', the USD bank account created earlier on in this guide. While this is a USD bank account, the following procedures are similar for any bank/cash account, regardless of currency (though not exactly the same).

The ledger currency value (GBP in this case) of the invoice when it was entered was 73.91 GBP. But the exchange rate has changed a bit since then. So, the payment option has calculated that 100.00 USD is now worth 76.34 GBP. If the payment is being received into a bank account in the ledger currency, we would need to edit this figure to reflect the actual amount received. As your bank will use its own, usually less favourable, exchange rate. As we are using a USD bank account, we could edit the GBP figure to exactly match that of the invoice, which was 73.91 GBP. As allocation of transactions is always done in the ledger currency, it would make allocation quick and simple. Of course, the GBP balance of the USD bank account would be wrong, but you can use the revaluation option (discussed earlier in this guide) to correct it when necessary.

For the sake of the guide, I'm going to leave the GBP balance as it is, so I can talk you through what to do when the GBP value of the payment does not match the GBP value of the invoice.

When we're happy the payment details are correct, click the '**OK**' button. The software will ask if we want to allocate the payment to the invoice, click the '**Yes**' button. As I had already selected the invoice prior to entering the payment, the allocation will be automatic. If you hadn't selected the invoice, but entered all details manually, then so you'll have to allocate the payment to the invoice manually. Either way, in this case with the GBP value of the payment being greater than the invoice, the outstanding value of the invoice will be zero, putting it into the transaction history, while the payment will remain in current transactions with an outstanding value of -2.43 GBP.

To get the customer's account to balance, we need to enter an adjustment. If you click the '**Adjustment**' button, you'll get something like this:

Adminsoft Accounts Basic User Guide – Multi-Currency

First thing we need to do is edit the '**N/L Account**' input field. When the ledgers are created, expense account 7930 ('Currency Revaluation Losses/Gains') is created, select this. Then in '**Amount (+/-)**' enter 2.43 (note, as the balance outstanding on the account is a negative number, we enter a positive number here). **NOTE:** The '**VAT Code**' can be ignored, as we're adjusting the customer's account balance, not the sales or purchase figure. However in Adminsoft Accounts v4.165 and earlier, you had to enter a '**VAT Code**', in which case it should be left as '5' (or a similar code that does not expect a Sales Tax/VAT amount to be entered), and leave the '**VAT Amount**' as zero (as per the image below).

I've filled in the few required details below (including the VAT code, which you can probably ignore, as few people will still be using Adminsoft Accounts v4.165 or earlier):

If I click the '**OK**' button, it will ask if I want to allocate the adjustment, so I click '**Yes**'. As the cursor was over the payment transaction when I clicked on the '**Adjustment**' button, the allocation is handled automatically, and both the payment and adjustment have an outstanding balance of 0.00, which puts them in the transaction history.

The next screen image of the customer account shows their transaction history (this is transactions with no outstanding balance):

Adminsoft Accounts Basic User Guide – Multi-Currency

Date	Type	Ref	Description/Job	Value	Profit
21/09/2017	Adjustment	FIRST	Pay USBANK	2.43	
21/09/2017	Payment Rcvd	USBANK	Inv 1	-76.34	
21/09/2017	Invoice	1	This is a test	73.91	

This successfully completes a foreign currency transaction. If you use a bank account in the ledger currency to handle foreign currency transactions, you will end up having to enter an adjustment virtually every time after you have allocated a payment to an invoice. Using a bank account in the currency used by your customer, can avoid this extra transaction. But it does mean you will have to occasionally use the revaluation option to correct the ledger currency balance in the account.

The image below, shows the same transactions as above, but the '**Show/Print in Default Currency**' button has been clicked:

Date	Type	Ref	Description/Job	USD Value	USD Profit
21/09/2017	Adjustment	FIRST	Pay USBANK	2.43	GBP
21/09/2017	Payment Rcvd	USBANK	Inv 1	-100.00	
21/09/2017	Invoice	1	This is a test	100.00	100.00

One last thing to note, all totals and balances are kept in the ledger currency. So, in the '**Financial**' section, when you look at '**Sales (excl. VAT)**' the figures show are in the ledger currency. If you click the '**Show/Print in Default Currency**' button, they will show in USD (in the case of this example). The invoice we entered was for 100.00 USD, so you might expect the sales figure for this year to show 100.00. But it won't, it'll show a slightly different figure. This is because it's taking the sales total for the year in the ledger currency and covering it to USD using today's exchange rate.

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