QUICKBOOKS DESKTOP 2017 STUDENT GUIDE

Lesson 16

Work with Multiple Currencies

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Lesson Objectives

- Set up a QuickBooks company file to use multiple currencies
- Perform a transaction using multiple currencies

Set Up Multiple Currencies

To use multiple currencies in QuickBooks, you select the multicurrency preference and load exchange rates either manually or automatically.

IMPORTANT: *Keep in mind that once your choose to use multiple currencies, you cannot go back; existing customers and vendors who have transactions linked to them can only be associated with the home currency. Only new customers and vendors will have the option to choose a foreign currency. Therefore, it is very important to back up your QuickBooks data before turning on Multiple Currencies.*

Step-by-Step: Use Multiple Currencies in QuickBooks

1. Make sure you are signed in to the QuickBooks company as the Admin user. (If other users have been set up on other computers to access the company in multi-user mode, ensure they are not signed in and you are in single-user mode.)
2. Go to the **Edit** menu and choose **Preferences**.
3. Click **Multiple Currencies** on the left side of the Preferences window.
4. Click the **Company Preferences** tab.
5. Click **Yes, I use more than one currency**.
6. Click **Yes** in the message informing you that you cannot turn this preference off.
7. Leave US Dollar selected for your home currency then click **OK**.

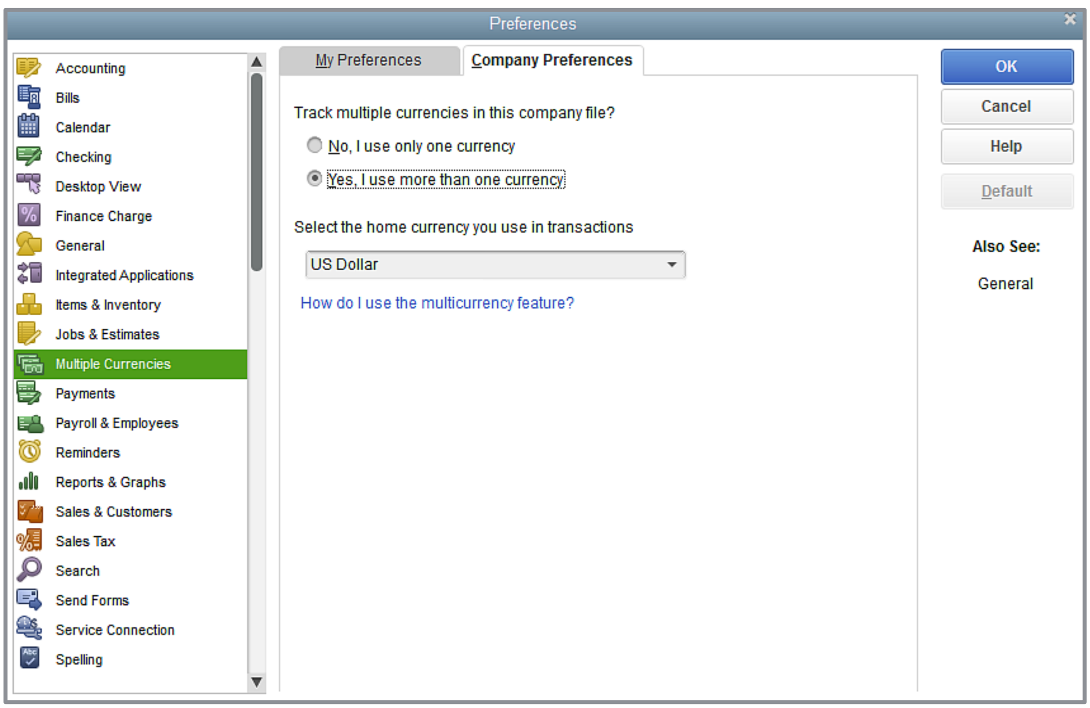
   In most cases, the home currency is the US dollar (USD). Your home currency is the currency of the country where your business is physically located.

   If you choose to set a home currency other than the US dollar, Intuit services such as payroll and online banking will not be available as these services are available only in US dollars.

After Multiple Currencies is turned on, you can assign a foreign currency to any new names that are:

- Bank Accounts
- Credit Card Accounts
- Accounts Receivable Accounts
- Accounts Payable Accounts
- Customers
- Vendors
- Price Levels

Some QuickBooks information – such as income and expense accounts, employee and other names – will always use your home currency.

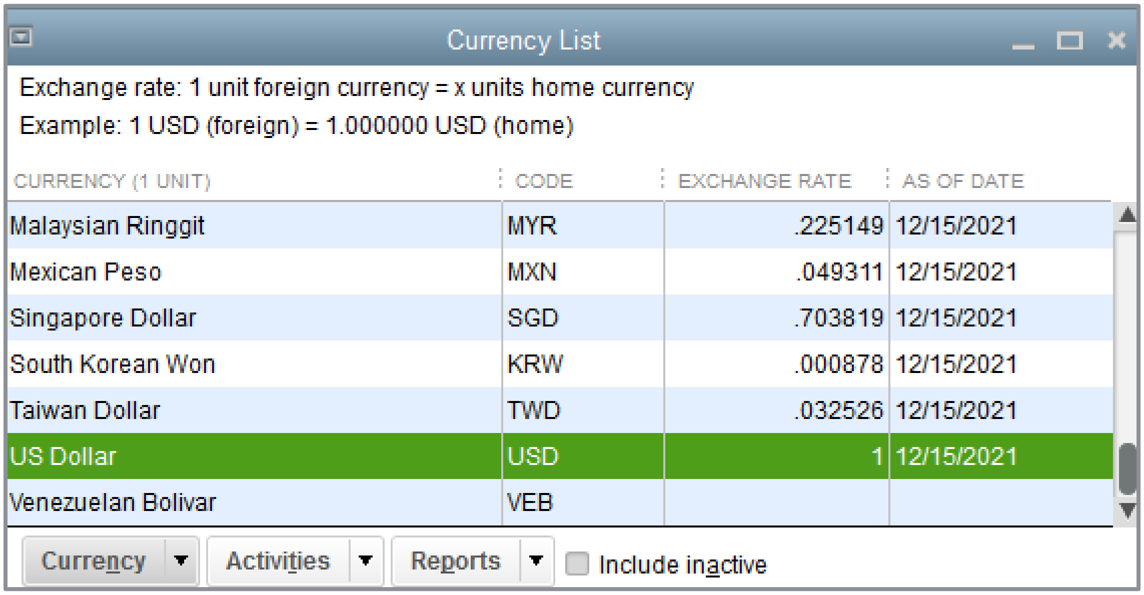


8. Click **OK** when you are notified the company file will close and be reopened.

9. From the Company menu, click **Manage Currency** then choose **Currency List**.

10. Click to uncheck the box next to **Include inactive** at the bottom of the window.

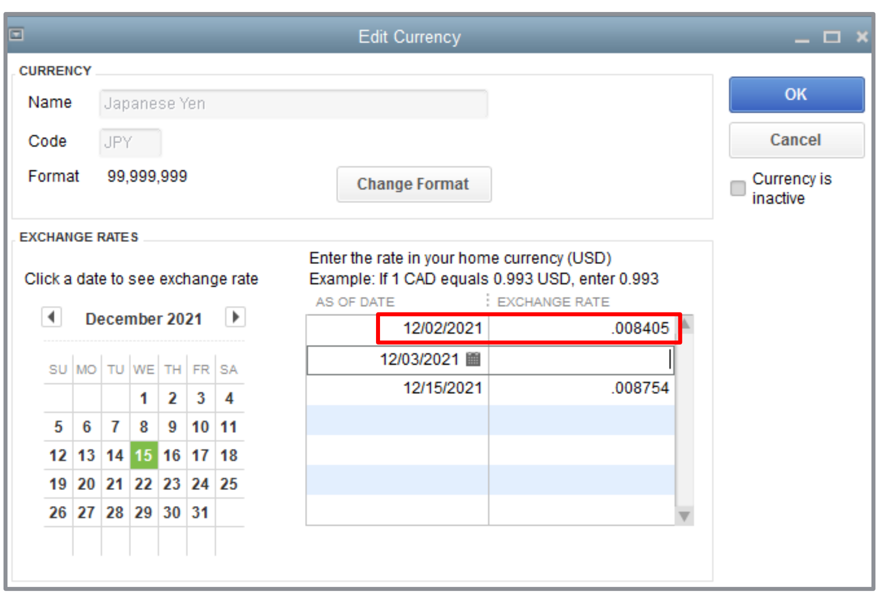
11. Click the **Activities** menu button and select **Download Latest Exchange Rates**.



12. Click **OK** when notified that the exchange rates were updated successfully.

    You can also enter exchange rates manually if you wish to enter your own rates, or if you wish to enter historical rates. (Download Latest Exchange Rates does not bring in historical rates.) To enter exchange rates manually, right-click on the currency you're interested in updating and choose **Edit Currency**. Enter the date(s) and the exchange rate for each date. Click **OK**.

13. Close the Currency List.



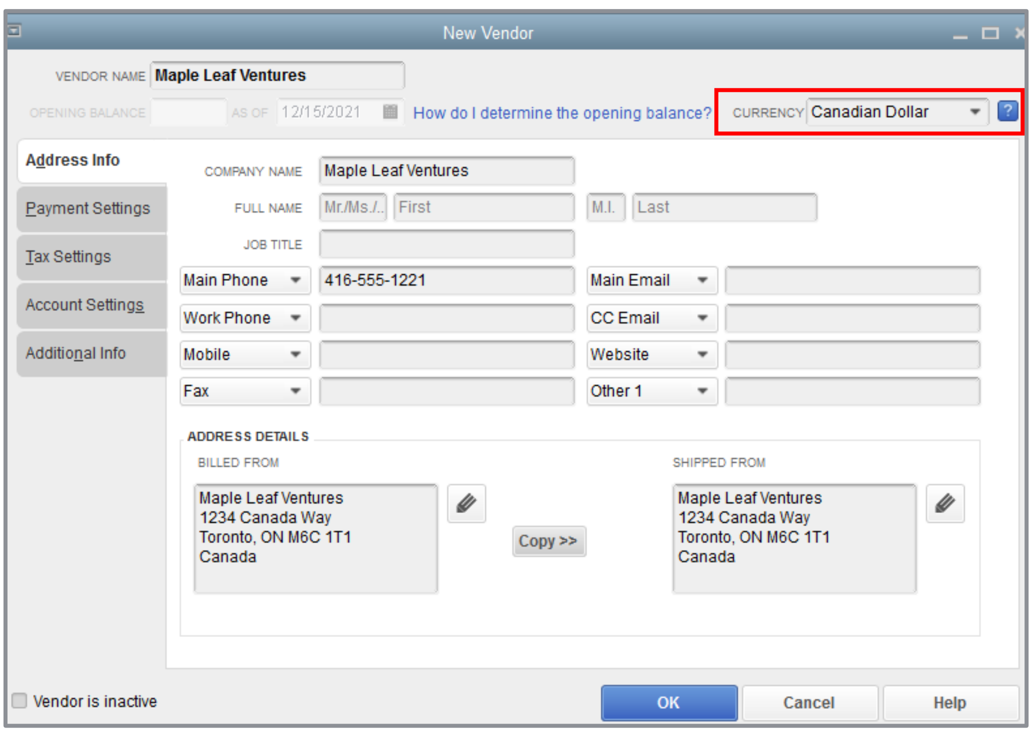
Buy and Sell Items in Multiple Currencies

You can assign one currency to each of your customers and vendors.

If you have an existing customer or vendor with transactions associated with them, you cannot change their currency. You should create a new customer or vendor name instead.

Step-by-Step: Create a New Vendor and Assign a Currency to Them

1. Click **Vendor Center** in the icon bar.
2. Click **New Vendor**.
3. In the Currency field, select the currency you wish to use for the vendor.
4. Enter the remaining information for the vendor. Your screen should resemble the following.



5. Click **OK**.

In the Vendor Center, right-click on the column headers for the list of vendors on the left and choose **Customize Columns**. Click **Currency** in the Available Columns listing, then click **Add** to add it to the Chosen Columns that display. Click **OK**. Notice the currency code (CAD in this case) is listed next to the vendor.

6. Close the Vendor Center.

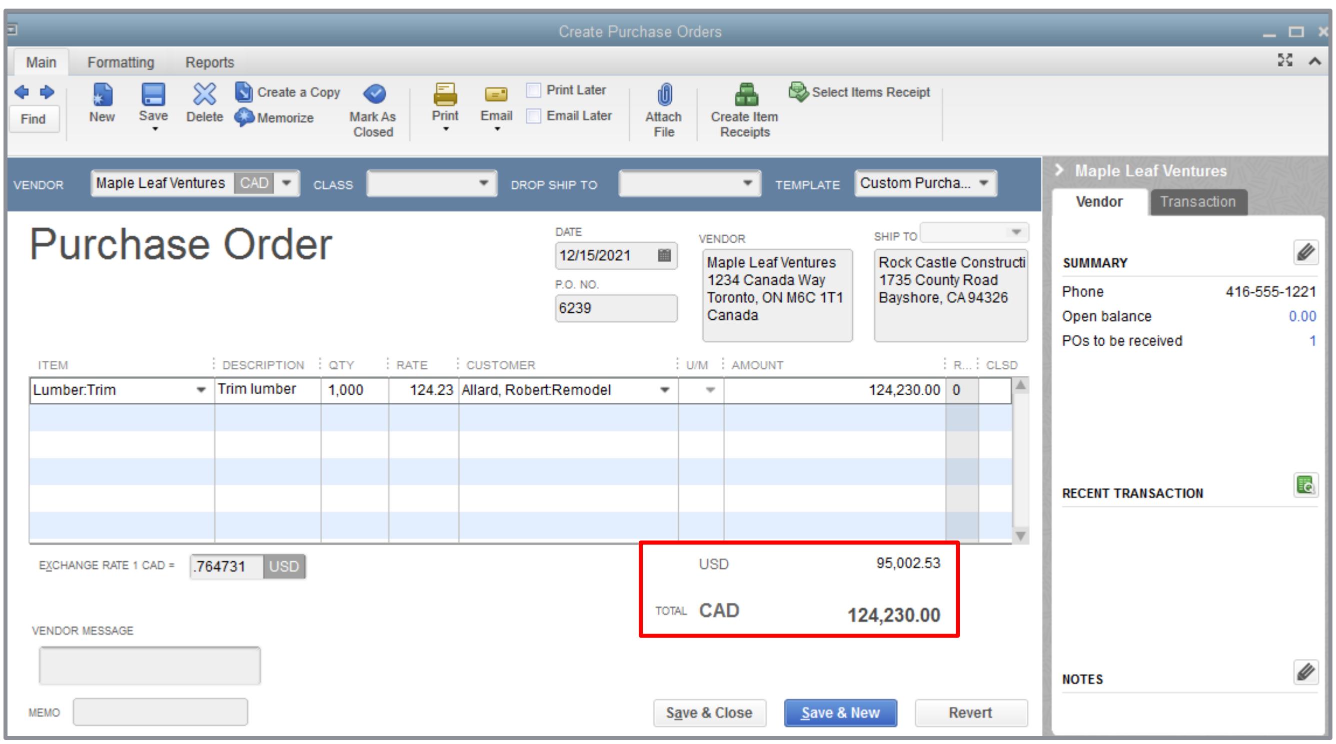
NOTES

Create a Purchase Order in a Foreign Currency

Step-by-Step: Create a Purchase Order

1. On the Home page, click **Purchase Orders**.
2. Choose the appropriate vendor from the drop-down list.
3. Enter the items you wish to add to the purchase order, including the customer, if applicable.

   Notice the value of the purchase order appears in both the foreign currency (CAD in this case) and the home currency (USD in this case).



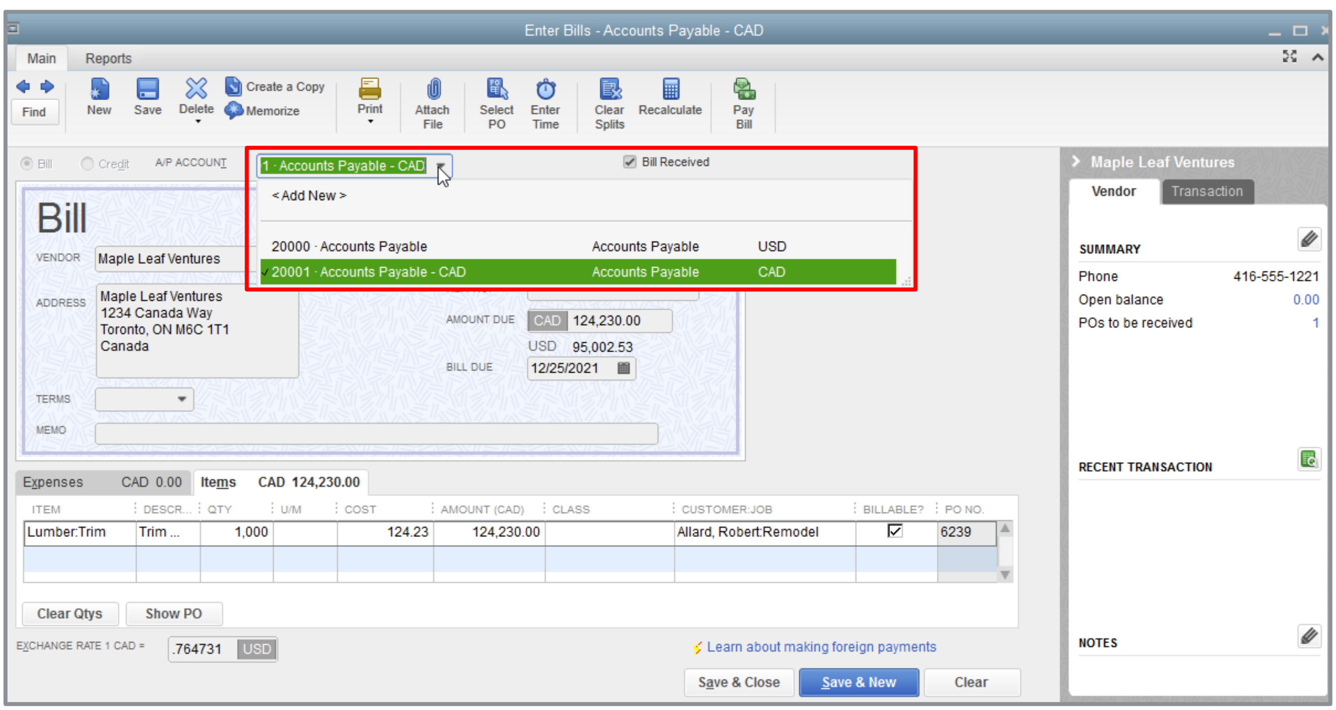
4. Click **Save & Close**.

Notes

Receive Inventory and Enter a Bill from a Foreign Vendor

Step-by-Step: Receive Inventory and Enter a Bill

1. On the Home page, click **Receive Inventory** then select **Receive Inventory with Bill**.
2. On the Enter Bills screen, choose the appropriate vendor name from the Purchase Order exercise above.
3. Click **Yes** when asked if you want to receive against an open purchase order (or click **Select PO** from the Main tab of the ribbon of the bill if you accidentally choose **No** from the pop-up).
4. Place a checkmark next to the PO against which you wish to receive and click **OK**.
5. Review the Enter Bills window. Notice the bill is in the foreign currency and is affecting the foreign Accounts Payable account (created automatically by QuickBooks).



6. Add a bill number, terms and a memo as necessary. Note that the Customer:Job comes across to the Bill from the Purchase Order. Unless you uncheck the box in the **Billable?** column, this charge will be available to add to an invoice to this customer.

7. Click **Save & Close**. If you added a term, you will be asked to confirm that you wish to associate this vendor with this term. Click **Yes**.

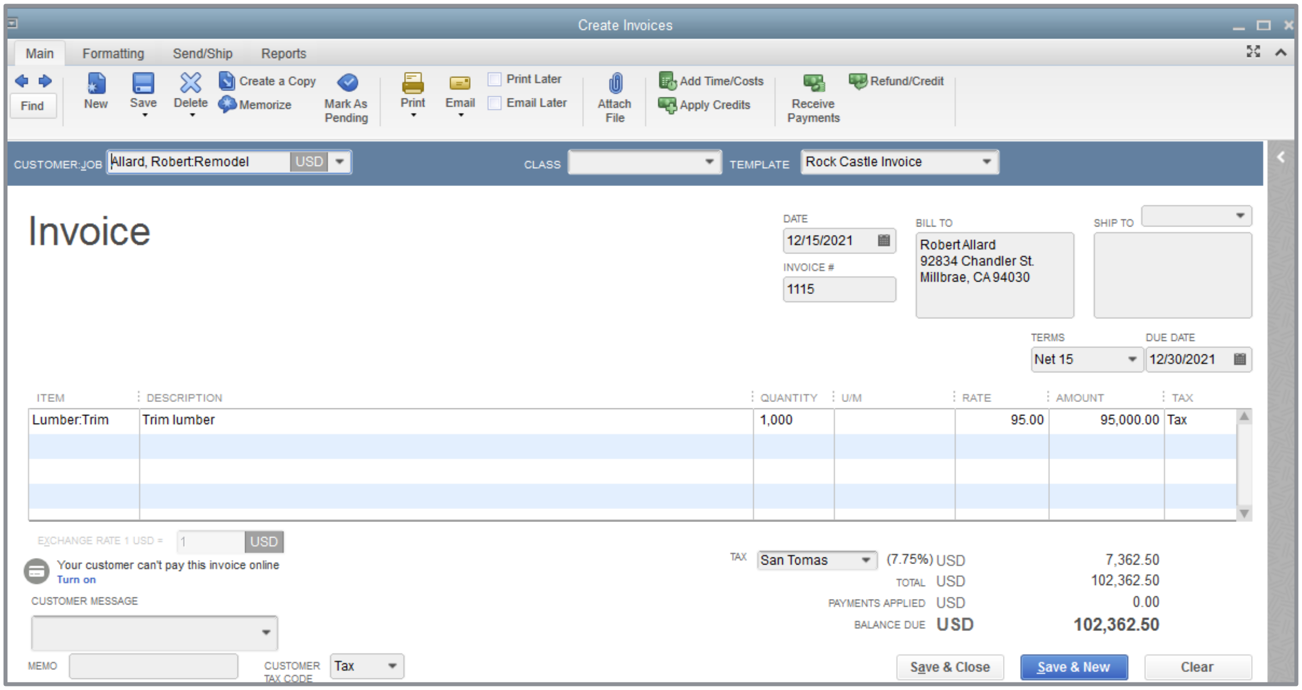
Notes

Create an Invoice for a Multicurrency Transaction

Creating an invoice for a customer that includes an item from a foreign vendor is the same as creating a standard invoice. When you create an invoice for your customer, all information appears in the currency you have assigned to them.

Step-by-Step: **Create an Invoice for a Billable Item from a Foreign Vendor**

1. From the Home page, click **Create Invoices**.
2. Select the appropriate customer/job from the drop-down.
3. From the Billable Time/Costs window that appears, choose **Select the outstanding billable time and costs to add to this invoice?**
4. Click **OK**. (If you've dismissed the Billable Time/Costs window, select **Add Time/Costs** from the Main tab in the ribbon at the top of the invoice.)
5. Click on the **Items** tab of the Choose Billable Time and Costs window and place a checkmark next to the purchase from the foreign currency bill you created related to this customer.
6. Click **OK**.
7. Notice the invoice displays in the currency assigned to the customer, not the currency assigned to the vendor.



8. Click **Save & Close**.

NOTES

Work with Multiple Currencies – Review Questions

1. List five QuickBooks elements to which you can assign a foreign currency:
   a. ______________________________
   b. ______________________________
   c. ______________________________
   d. ______________________________
   e. ______________________________
2. True or false: You should back up your company file before you enable the multicurrency preference.
   a. True
   b. False
3. If you have an existing customer or vendor with transactions associated with them and want to assign them a different currency, you should:
   a. Change the currency to update any historical transactions to the new currency.
   b. Create a new customer or vendor name.

Review Activities

1. Create a new customer with the following information:
   - Name: Alexander Thomas
   - Address: 101 Main Street, Spruce Grove, Alberta, Canada
   - Currency: Canadian Dollars
2. Make sure you have the latest exchange rate information.
3. Create an estimate for 30 hours of removal labor.
4. Create a progress invoice for half of the removal labor from the estimate.

Answers to Review Questions

1. List five QuickBooks elements to which you can assign a foreign currency:
   a. ✓ *Customers*
   b. ✓ *Vendors*
   c. ✓ *Price levels*
   d. ✓ *Bank accounts*
   e. ✓ *Credit card accounts*
   f. ✓ *Accounts receivable accounts*
   g. ✓ *Accounts payable accounts*
2. True or false: You should back up your company file before you enable the multicurrency preference.
   a. ✓ *True*
   b. False
3. If you have an existing customer or vendor with transactions associated with them and want to assign them a different currency, you should:
   a. Change the currency to update any historical transactions to the new currency
   b. ✓ *Create a new customer or vendor name*