



QUICKBOOKS DESKTOP 2018 STUDENT GUIDE

Lesson 16

Work with Multiple Currencies

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About the Author



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Esther Friedberg Karp is an internationally-renowned trainer, writer, business consultant and speaker who was named one of the Top 10 QuickBooks ProAdvisors in the world, with the title Top International ProAdvisor.

Based in Toronto, Canada, Esther has the unique distinction of holding ProAdvisor certifications in the United States, Canada and the United Kingdom. She has authored materials and delivered educational and certification courses for Intuit in all those countries, as well as Australia where she conducted live QuickBooks Online training. She has spoken at Scaling New Heights, QuickBooks Connect and other conferences, as well as those of various accounting and professional organizations and written countless articles for Intuit Global.

Esther counts among her clients' companies from around the world, as well as accounting professionals who seek her out on behalf of their own clients for her expertise in various countries' editions of QuickBooks Desktop and Online, and for her talent in customizing QuickBooks usage for different industries.

Esther holds a BSc from the University of Toronto in Actuarial Science and Mathematics, and an MBA in Marketing and Finance from York University's Schulich School of Business.

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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 you choose to use multiple currencies, you cannot go back; multicurrency cannot be turned off in QuickBooks. Also, pre-existing customers and vendors (who were in existence prior to multicurrency being enabled) with 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**.

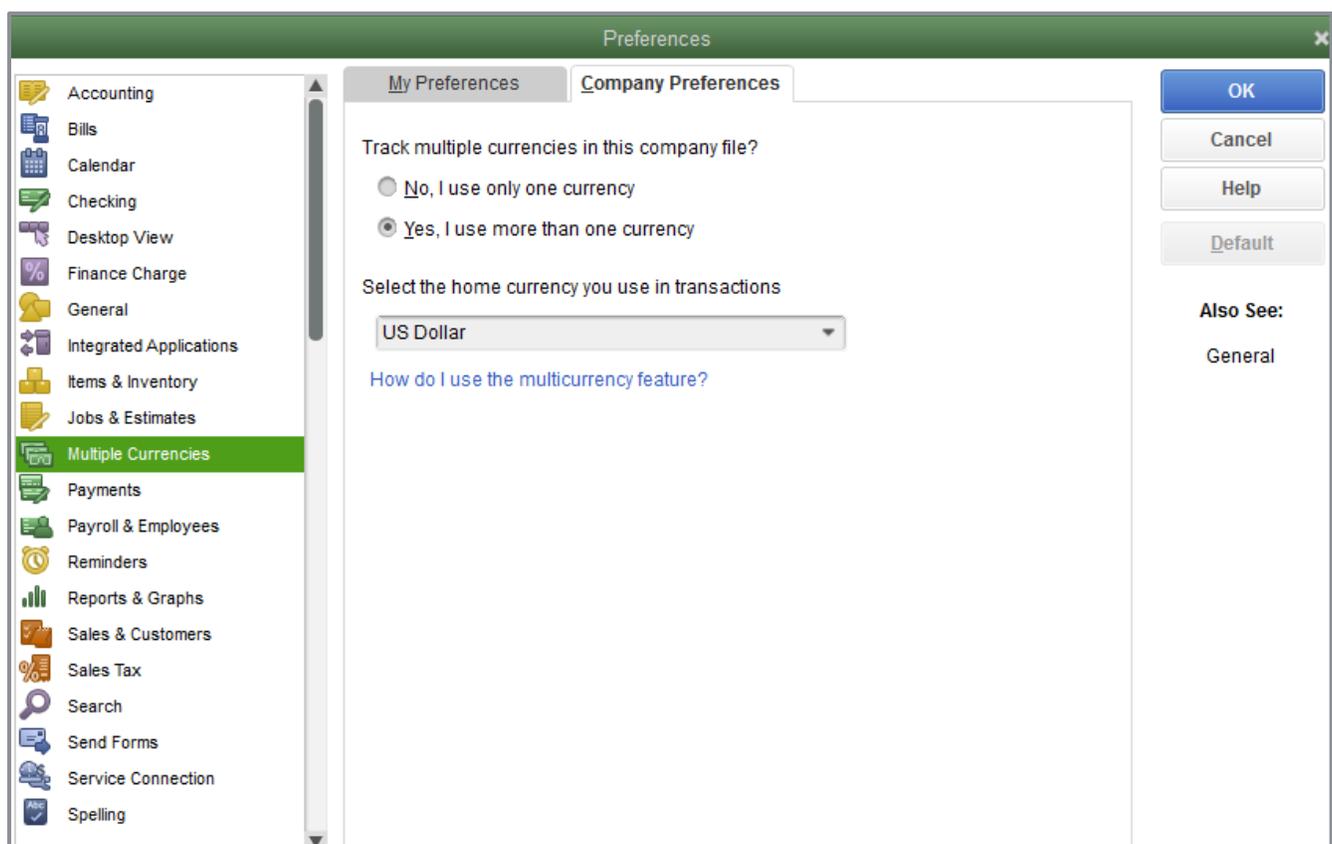
In most cases, the home currency is the US dollar (USD). Your home currency is the currency of the country where your business is physically located.

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 for QuickBooks Desktop US.

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

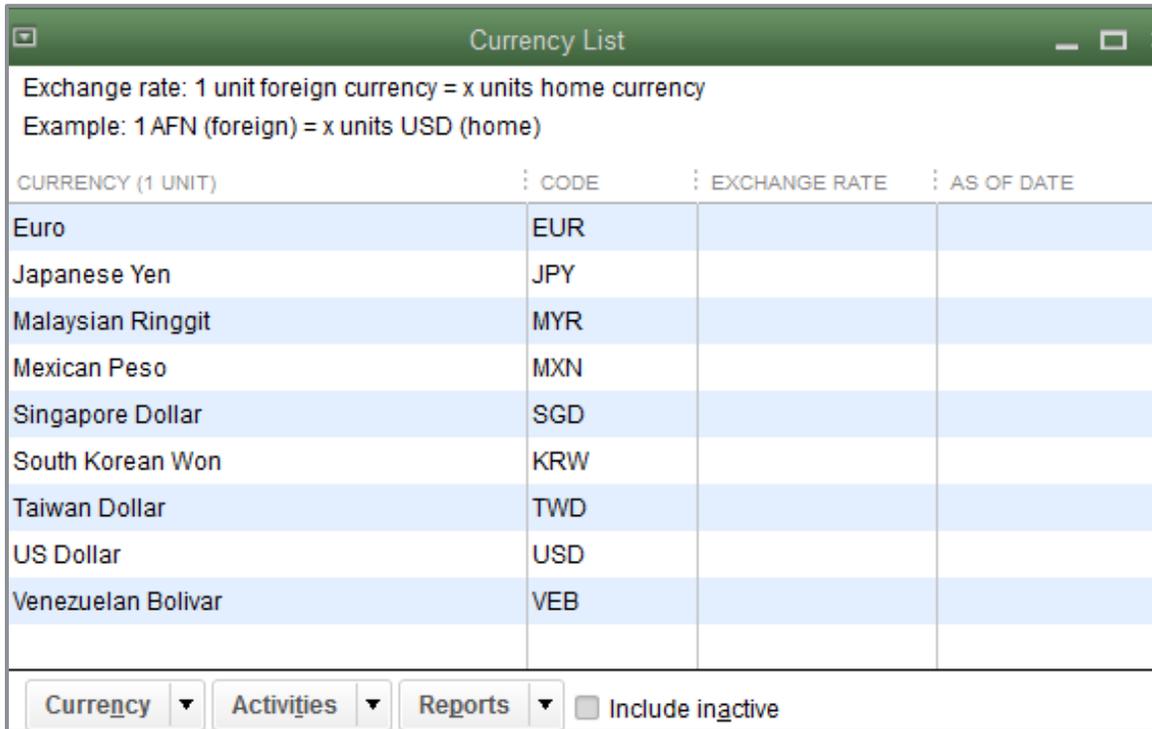
- Bank Accounts
- Credit Card Accounts
- Accounts Receivable Accounts
- Accounts Payable Accounts
- Customers
- Vendors
- Price Levels

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**.

- Click to uncheck the box next to **Include inactive** at the bottom of the window.
- Click the **Activities** menu button and select **Download Latest Exchange Rates**.



Exchange rate: 1 unit foreign currency = x units home currency
Example: 1 AFN (foreign) = x units USD (home)

CURRENCY (1 UNIT)	CODE	EXCHANGE RATE	AS OF DATE
Euro	EUR		
Japanese Yen	JPY		
Malaysian Ringgit	MYR		
Mexican Peso	MXN		
Singapore Dollar	SGD		
South Korean Won	KRW		
Taiwan Dollar	TWD		
US Dollar	USD		
Venezuelan Bolivar	VEB		

Currency ▾ Activities ▾ Reports ▾ Include inactive

- 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.

CURRENCY

Name: Japanese Yen

Code: JPY

Format: 99,999,999

Change Format

OK

Cancel

Currency is inactive

EXCHANGE RATES

Enter the rate in your home currency (USD)
Example: If 1 CAD equals 0.993 USD, enter 0.993

Click a date to see exchange rate

December 2022

SU	MO	TU	WE	TH	FR	SA
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

AS OF DATE	EXCHANGE RATE
12/02/2022	.008405
12/03/2022	
12/15/2022	.008828

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.

The screenshot shows the 'New Vendor' dialog box with the following details:

- VENDOR NAME:** Maple Leaf Ventures
- OPENING BALANCE:** (empty)
- AS OF:** 12/15/2022
- How do I determine the opening balance?:** (help icon)
- CURRENCY:** Canadian Dollar (highlighted with a red box)
- Address Info:**
 - COMPANY NAME:** Maple Leaf Ventures
 - FULL NAME:** Mr./Ms./... First M.I. Last
 - JOB TITLE:** (empty)
 - Main Phone:** 416-555-1221
 - Main Email:** (empty)
 - Work Phone:** (empty)
 - CC Email:** (empty)
 - Mobile:** (empty)
 - Website:** (empty)
 - Fax:** (empty)
 - Other 1:** (empty)
- ADDRESS DETAILS:**
 - BILLED FROM:** Maple Leaf Ventures, 1234 Canada Way, Toronto, ON M6C 1T1, Canada
 - SHIPPED FROM:** Maple Leaf Ventures, 1234 Canada Way, Toronto, ON M6C 1T1, Canada
- Vendor is inactive:**
- Buttons:** OK, Cancel, Help

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).

The screenshot displays the 'Create Purchase Orders' interface. At the top, there is a menu bar with 'Main', 'Formatting', and 'Reports'. Below the menu is a toolbar with various actions like 'Find', 'New', 'Save', 'Delete', 'Memorize', 'Mark As Closed', 'Print', 'Email', 'Email Later', 'Attach File', 'Create Item Receipts', and 'Select Items Receipt'. The main area is titled 'Purchase Order' and includes fields for 'VENDOR' (Maple Leaf Ventures), 'CLASS', 'DROP SHIP TO', and 'TEMPLATE' (Custom Purchase...). A table lists the items, with one row for 'Lumber:Trim' (Trim lumber) with a quantity of 1,000 and a rate of 124.23. The total amount is shown as 124,230.00 CAD. An exchange rate of 0.790451 USD per CAD is displayed, resulting in a total of 98,197.73 USD. The 'TOTAL CAD' value is highlighted with a red box. The right sidebar shows a 'Maple Leaf Ventures' vendor summary with fields for 'Phone' (416-555-1221), 'Open balance' (0.00), and 'POs to be received' (1). There are also sections for 'RECENT TRANSACTION' and 'NOTES'.

ITEM	DESCRIPTION	QTY	RATE	CUSTOMER	U/M	AMOUNT
Lumber:Trim	Trim lumber	1,000	124.23	Allard, RobertRemo...		124,230.00

EXCHANGE RATE 1 CAD = .790451 USD

USD 98,197.73

TOTAL CAD 124,230.00

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 the inventory and enter the bill, 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).

Enter Bills - Accounts Payable - CAD

Main Reports

Find New Save Delete Create a Copy Memorize Print Attach File Select PO Enter Time Clear Splits Recalculate Pay Bill

Bill Credit A/P ACCOUNT 20001 - Accounts Payable - CAD Bill Received Maple Leaf Ventures

< Add New >

20000 - Accounts Payable Accounts Payable USD

20001 - Accounts Payable - CAD Accounts Payable CAD

VENDOR: Maple Leaf Ventures

ADDRESS: Maple Leaf Ventures
1234 Canada Way
Toronto, ON M6C 1T1
Canada

TERMS: [Dropdown]

MEMO: [Text Box]

AMOUNT DUE CAD 124,230.00

USD 98,197.73

BILL DUE 12/25/2022

Expenses CAD 0.00 Items CAD 124,230.00

ITEM	DES...	QTY	U/M	COST	AMOUNT (...)	CUSTOMER:JOB	BILLABL...	CLA...	PO NO.
Lumber.T...	Trim ...	1,000		124.23	124,230.00	Allard, Robert...	<input checked="" type="checkbox"/>		6238

Clear Qtys Show PO

EXCHANGE RATE 1 CAD = .790451 USD

Learn about making foreign payments

Save & Close Save & New Clear

RECENT TRANSACTION

Open balance 0.00

POs to be received 1

NOTES

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

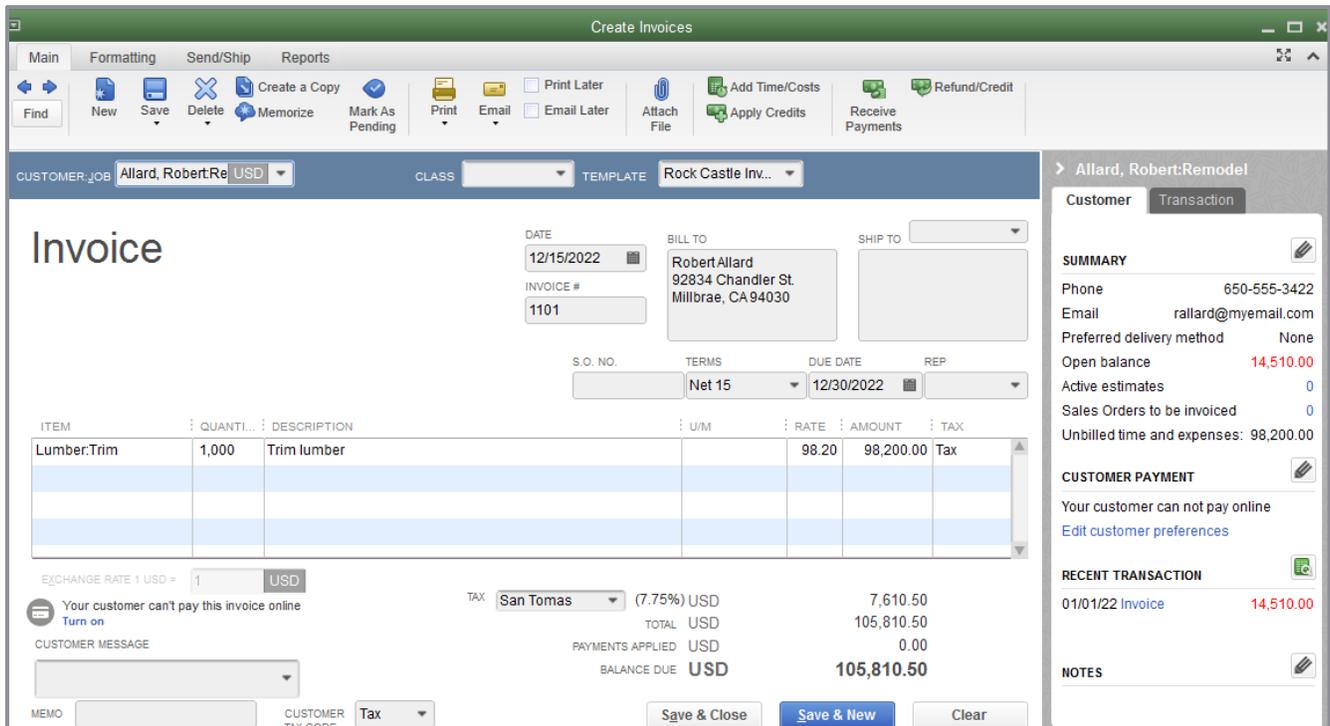
Creating an invoice for a customer that includes an item from a foreign vendor is the same as creating a standard invoice. When you create an invoice for your customer, all information appears in the currency you have assigned to them.



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**.

Notice the invoice displays in the currency assigned to the customer, not the currency assigned to the vendor.



7. 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*