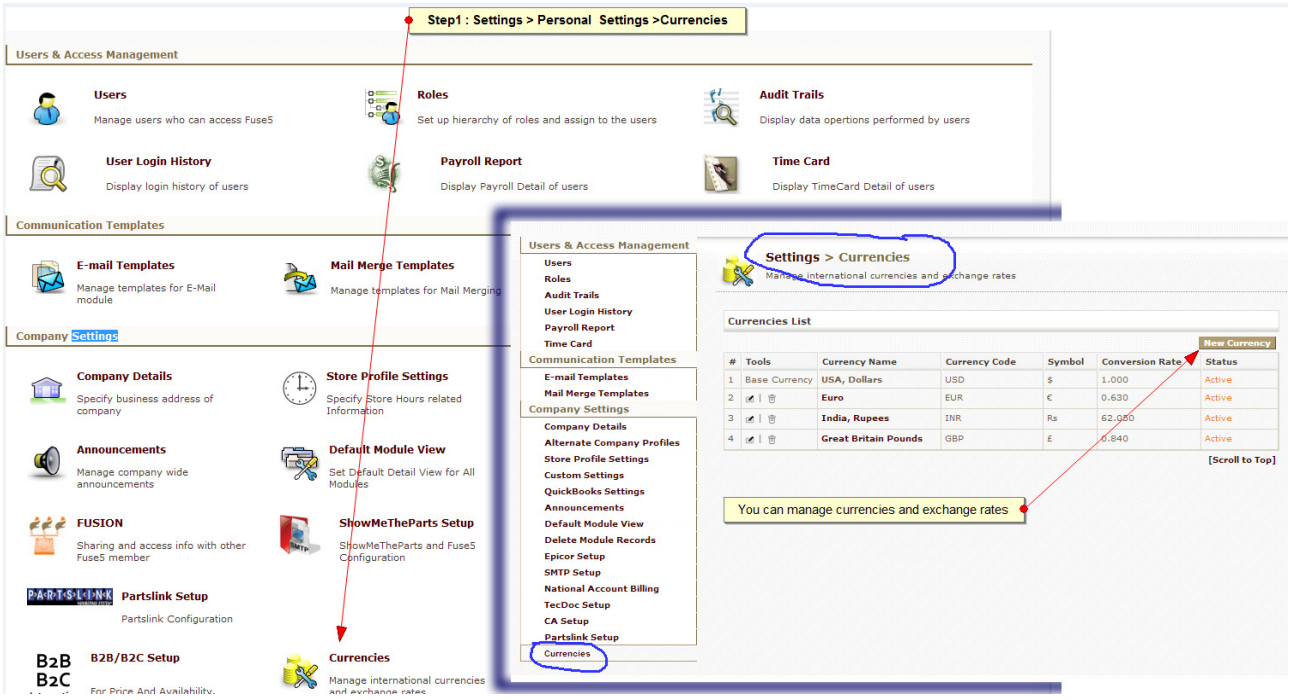
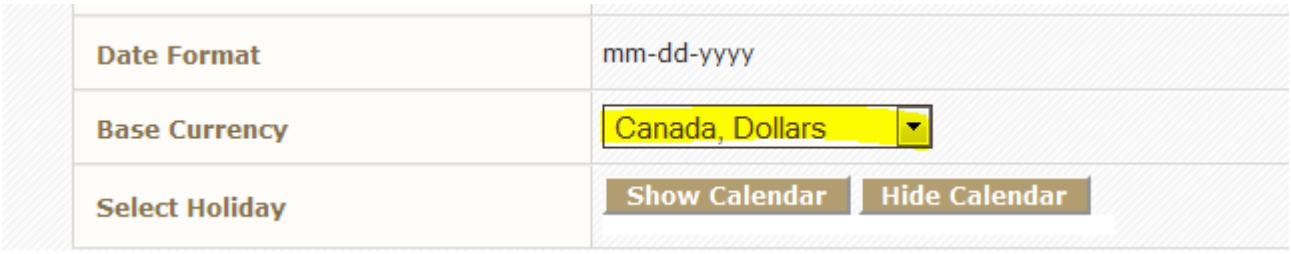
Currency Exchange Rate

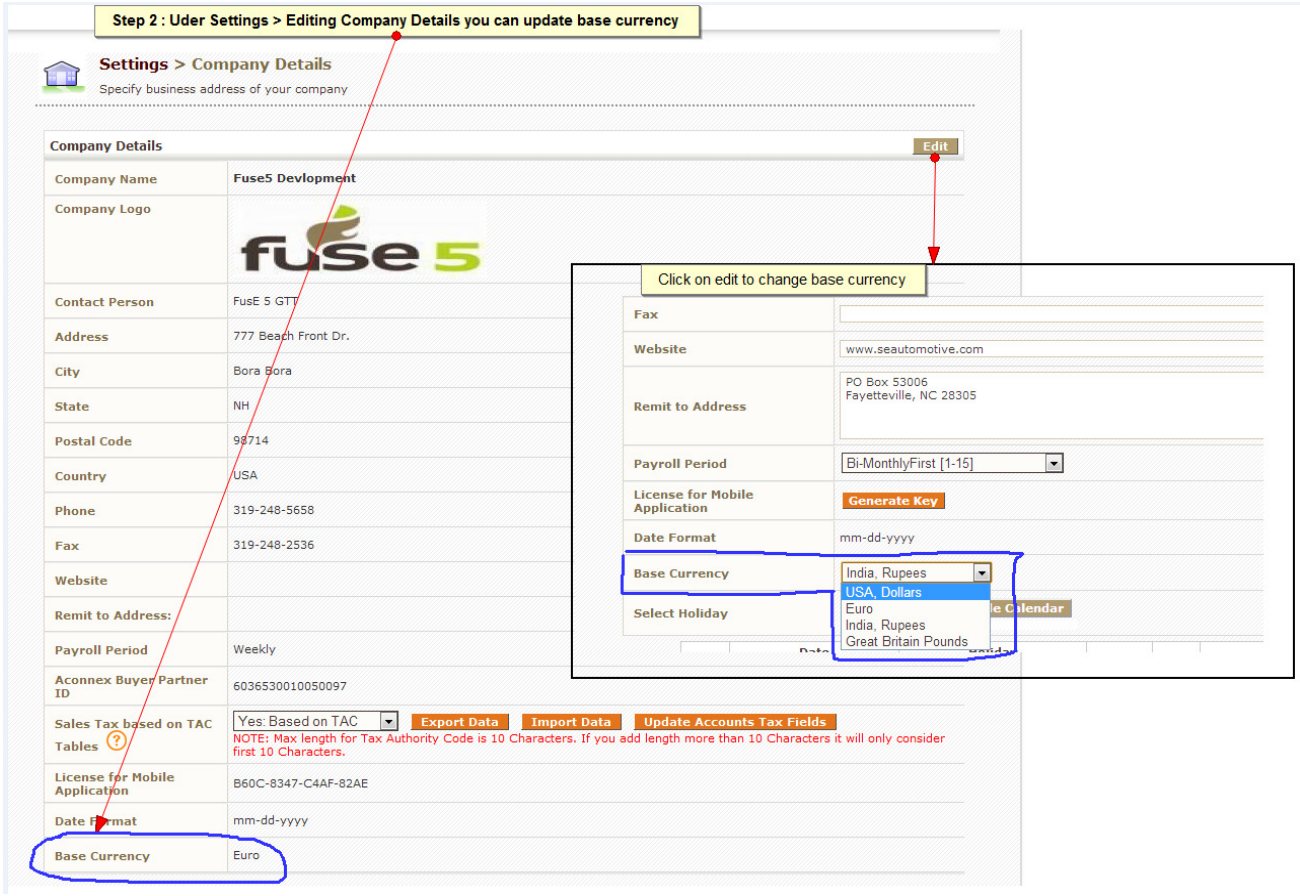
In order to use the currency exchange rate functionality in Fuse5 you must first ensure that you have set up the appropriate settings. There are four steps:

Step 1: SETTINGS > PERSONAL SETTINGS > CURRENCIES. The user will go to Currencies interface and establish the currencies that you need in Fuse5. You do this by clicking on the NEW CURRENCY button, choose the currency name, and conversion rate. The currency code and symbol should automatically populate. Once you have selected your currency, hit save.

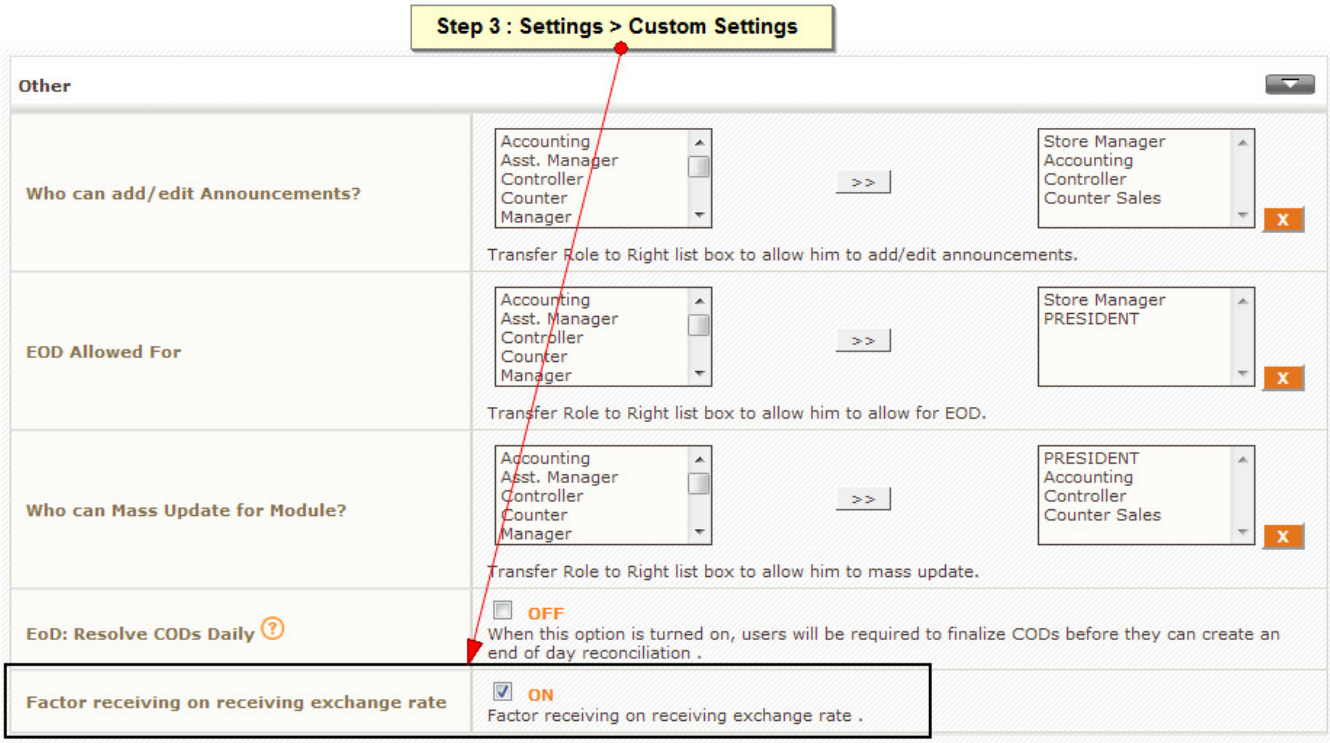


Step 2: Under PERSONAL & ADMIN > SETTINGS > COMPANY DETAILS > EDIT (at top right of screen). At this point you should choose your Base Currency. This is the currency that your company deals in on a day to day basis. Only the currencies set up in the CURRENCIES module will show as available here.

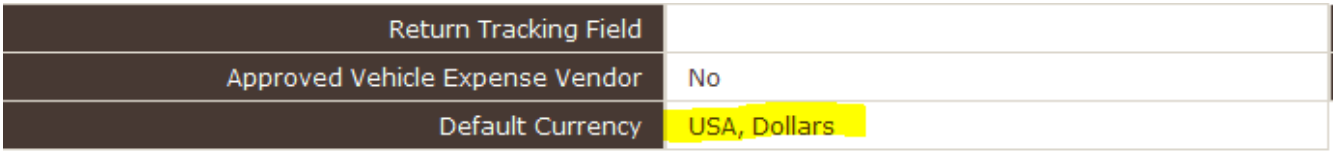




Step 3: PERSONAL & ADMIN > SETTINGS > CUSTOM SETTINGS > OTHER. You need to turn on the "Factor receiving on receiving exchange rate" button.

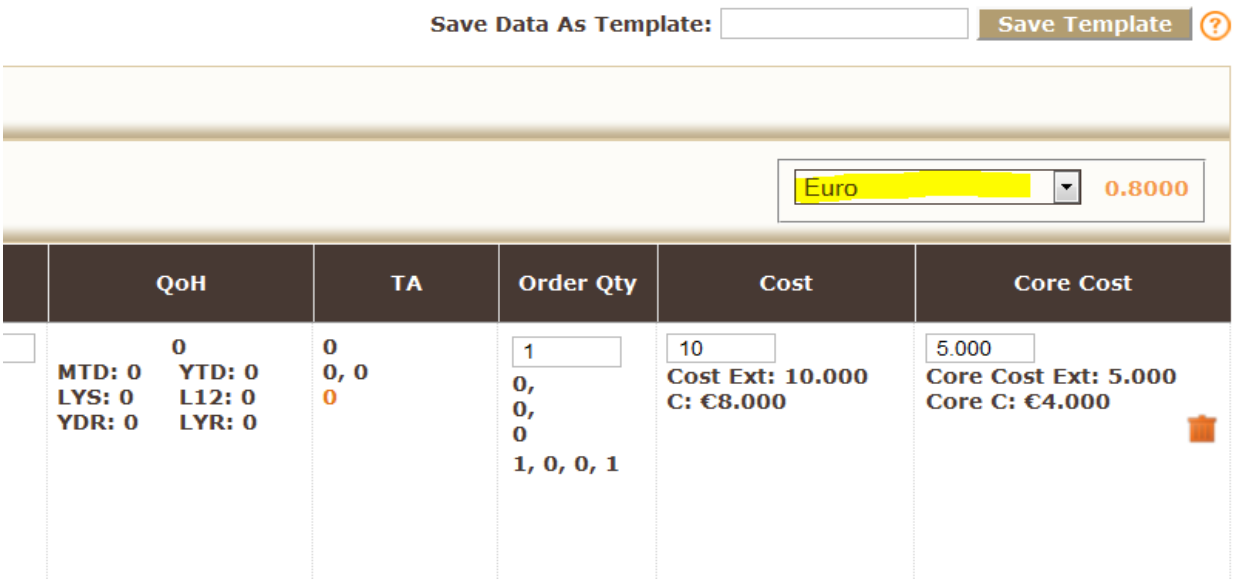


Step 4: PRODUCT MANAGEMENT > VENDORS > choose the vendor. Within a vendor record you can select the "Default Currency" for the vendor. Again, only the currency set up in the CURRENCIES module will be available. This can be done through an import or by individually updating the vendor records.



Once you have made the appropriate settings you will now be able to see the value of foreign currency when creating a purchase order or receiving from a vendor that you pay in currency other than your default currency.

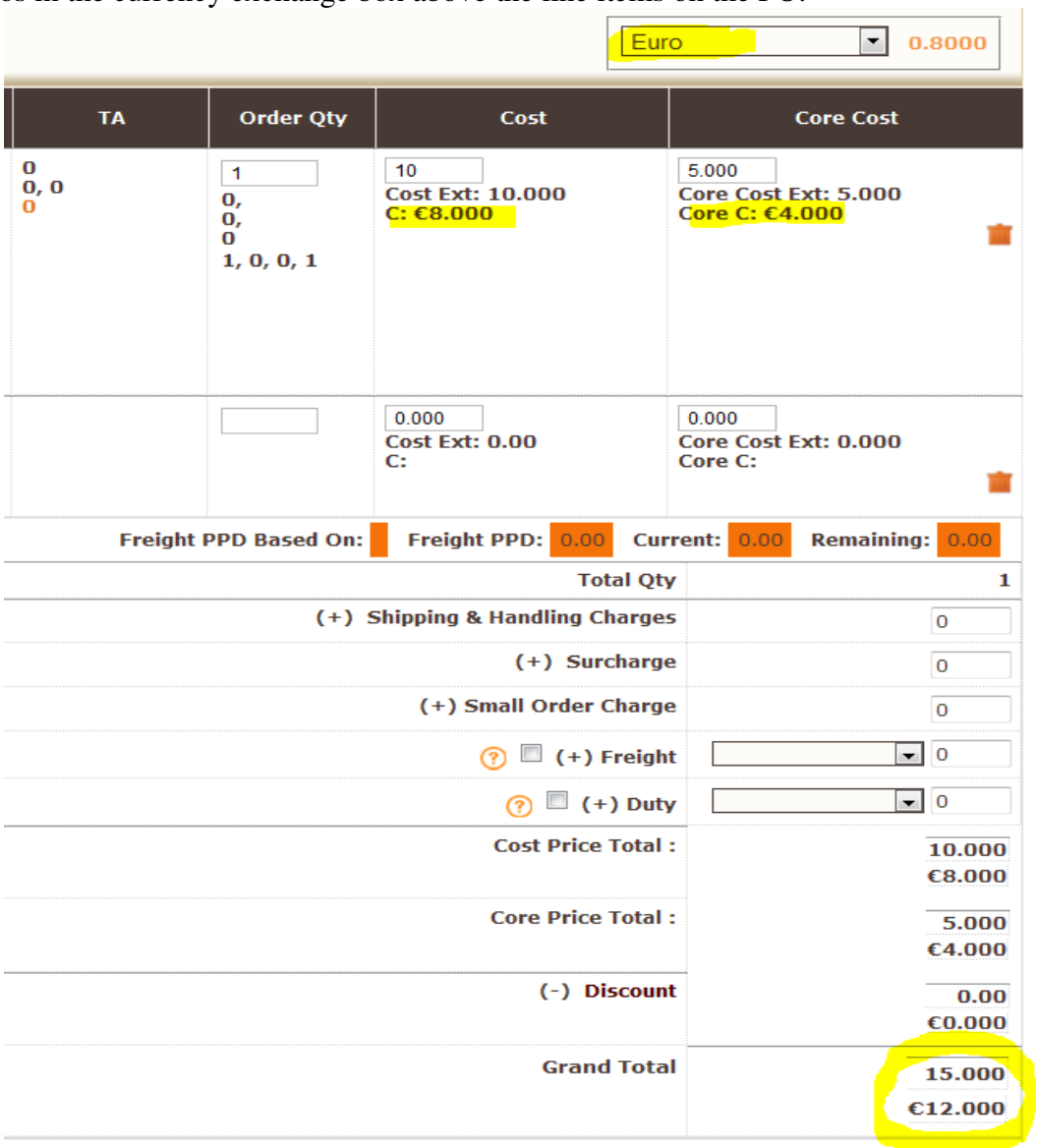
Once all of the above listed settings are in place, you can create purchase orders and receive parts and consider other currency valuations. Let's start with the Purchase Order. When you create a PO and you are ordering from a vendor that uses a different currency than your companies normal currency, you will see a box below where you save a template and above the parts on the PO. It looks like this.....



The exchange rate is coming from the CURRENCIES interface. As the user you can either leave the exchange rate (in this case .80), you can change it for the PO, or change it in the CURRENCIES interface from the PO. If you double click on the exchange rate (again, the .80 in this scenario), make a change and click off the box, you will get a pop up that asks if you want to update for Fuse5 as a whole. If you click OK, it will update the PO and the CURRENCIES interface. If you click CANCEL, it will update this PO, but not the CURRENCY interface.

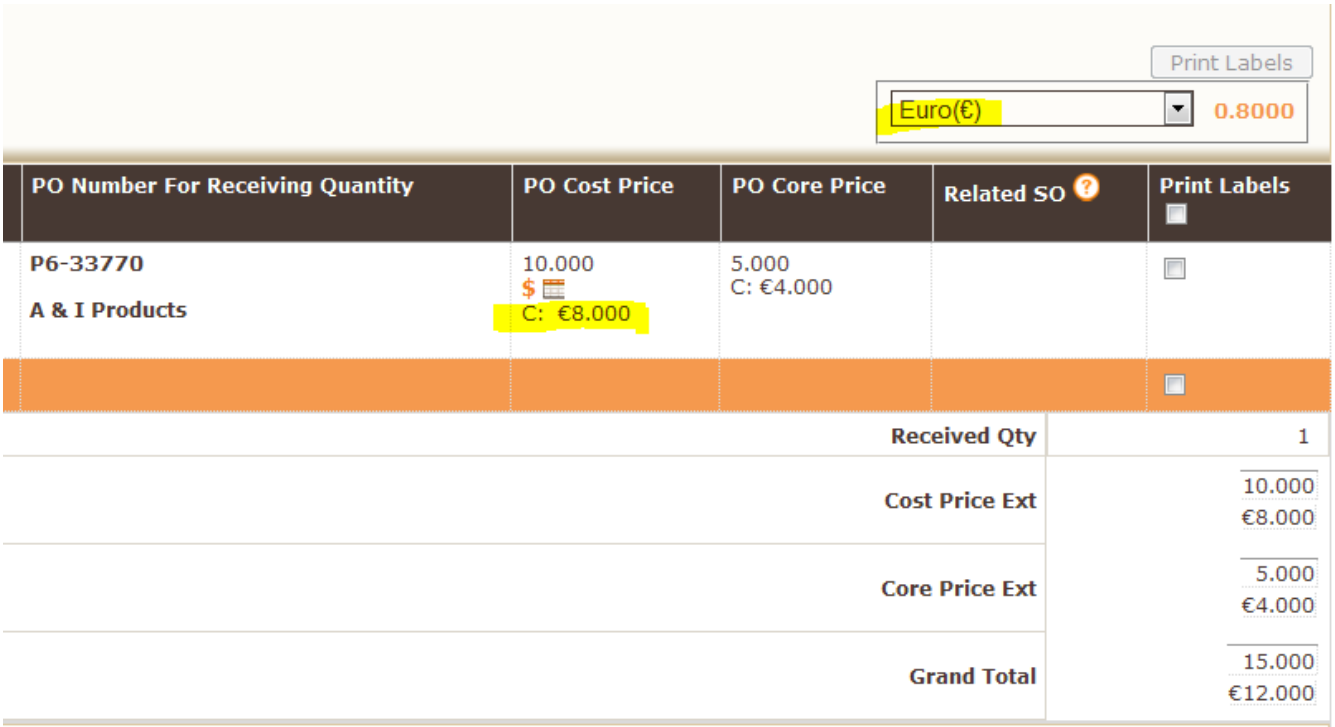
Sample of Data Flow:

In this scenario the vendor A & I Products has been set up with a Base Currency as the "Euro". A Special Buy purchase order has been created with a dollar cost of $15 which equates to 12 Euros. Notice that if the vendor record is set up with their default currency, the PO interface automatically shows Euros in the currency exchange box above the line items on the PO.



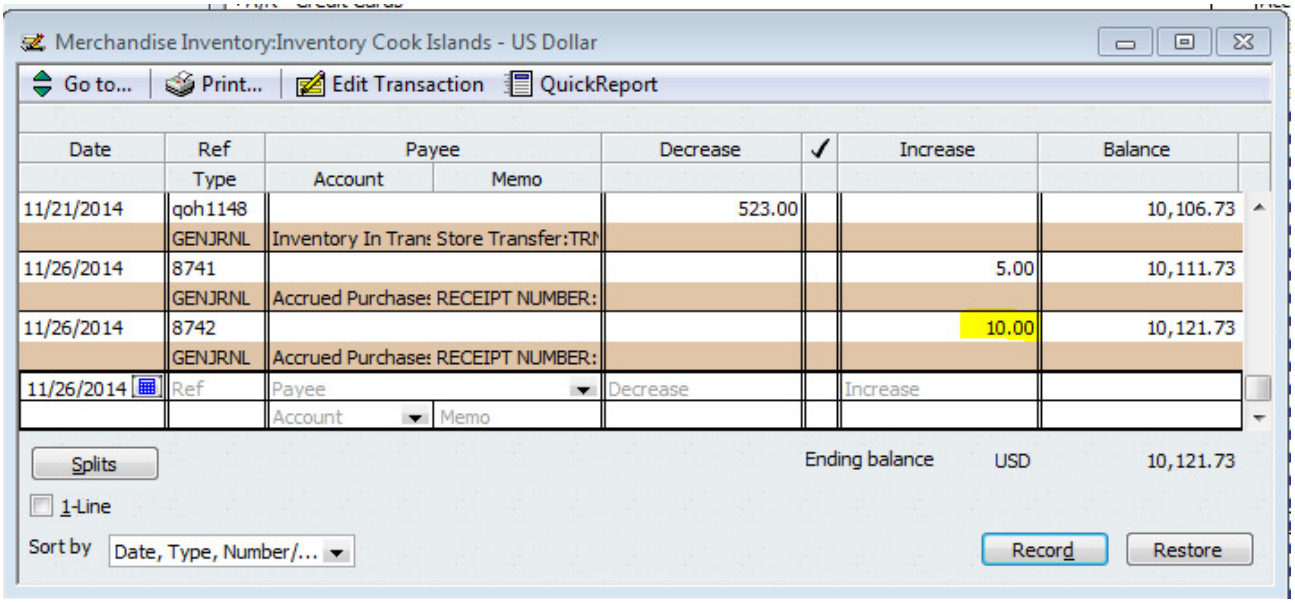
The next step in the process is the receive the purchase order. When the PO number is entered, Fuse5

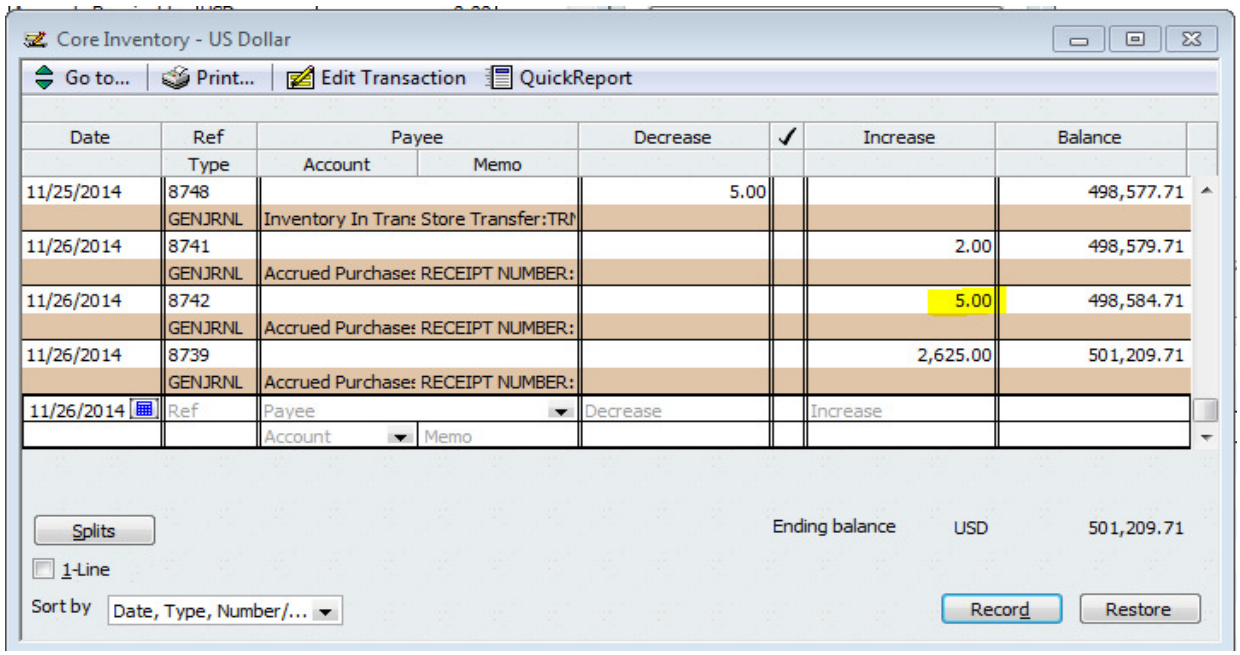
recognizes that this is from a vendor that has a default currency of “Euros”. The dollar and Euro values are both displayed in the receiving module. You can edit either of these costs by double clicking on them. At that point a text entry box becomes available. If you change either cost, the other will be updated based on the exchange rate.



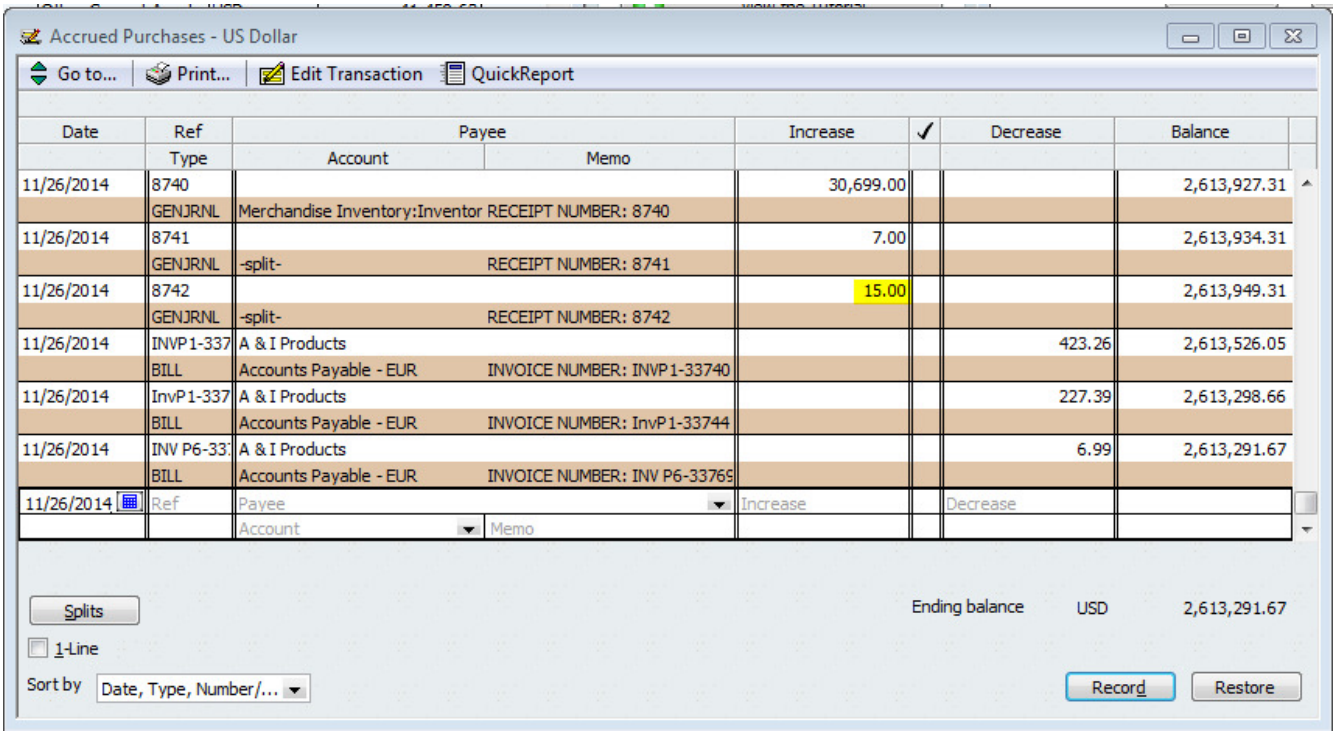
Once the PO is received you will see the following entries in QuickBooks.

The Merchandise Inventory CoA (Other Current Asset CoA) and Core Inventory CoA (if applicable) is increased based on the dollar amount of the current cost of the parts on the PO.

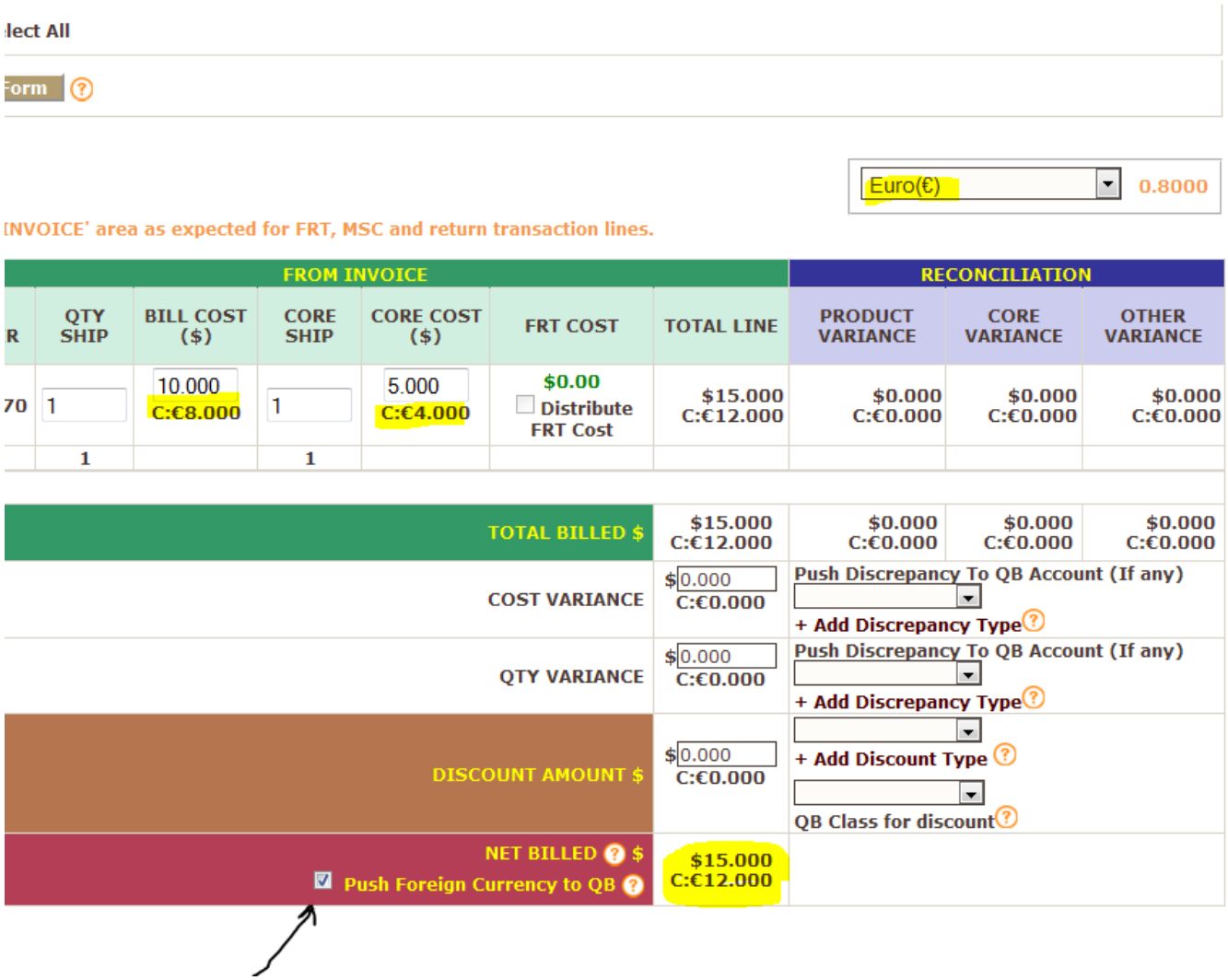




The Accrued Purchases (Other Current Liability CoA) is increased by the value of the parts in dollars.

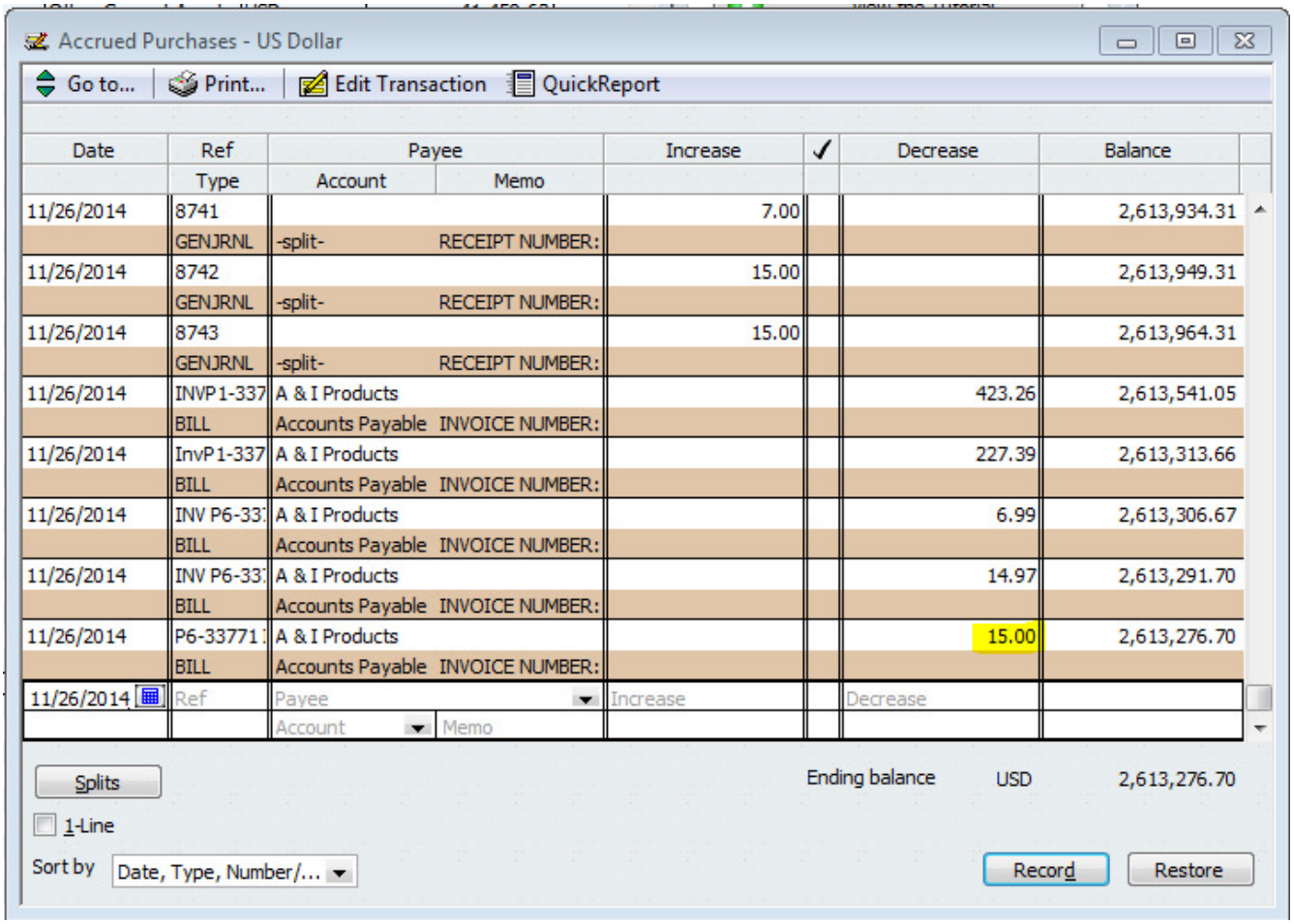


The next step is to do Vendor Invoice Reconciliation (VIR) for the Purchase Order. Notice that the currency defaults to Euro as this vendor is recognized as having that default currency. Additionally, you can change either your base currency or foreign currency cost if there are discrepancies. Finally, because this vendors default currency is different than your base currency the "Push Foreign Currency to QB" button is defaulted as checked. This is what causes the bill in QuickBooks to be created with the foreign currency.



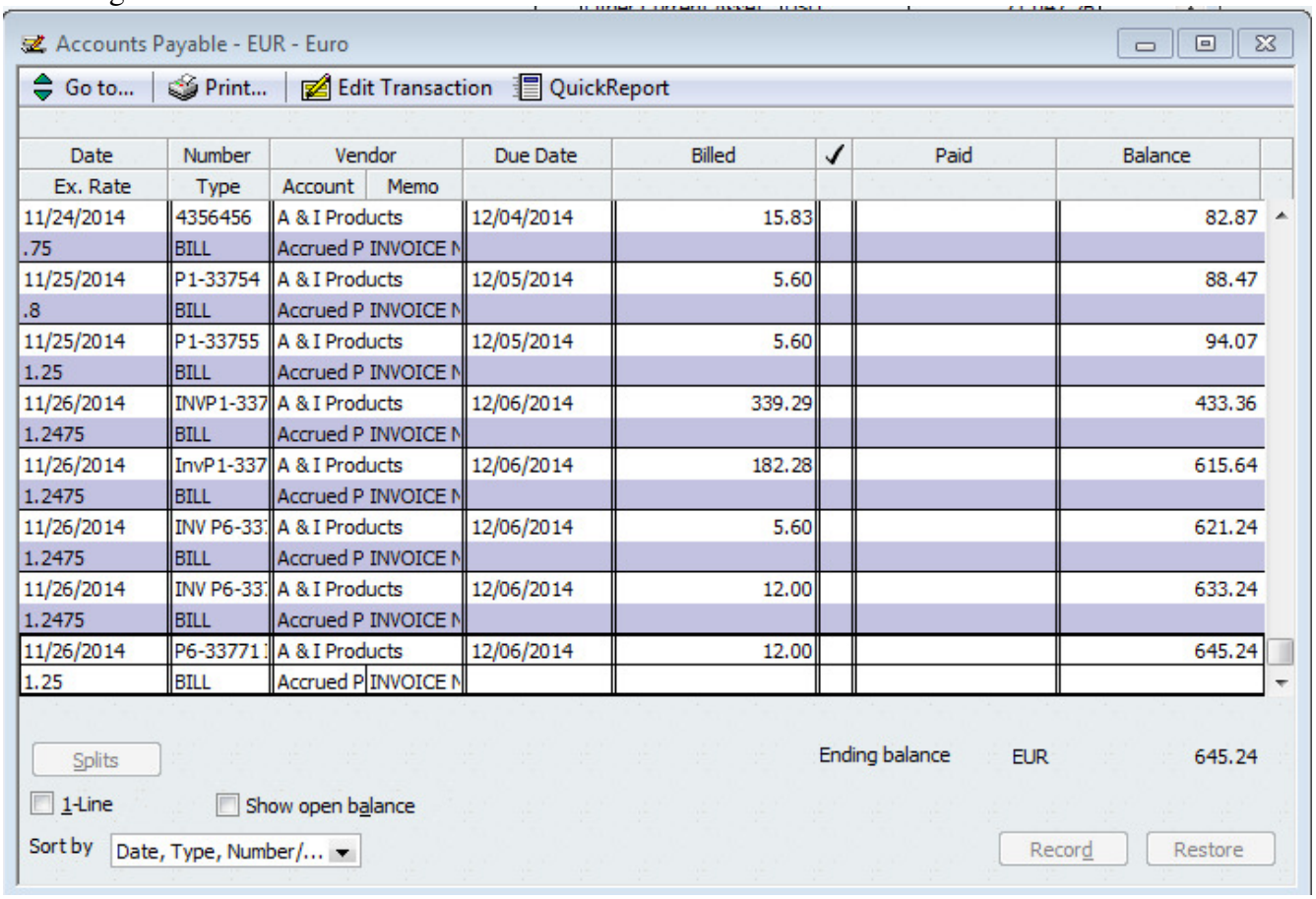
Once the reconciliation is done you will see the following entries in QuickBooks.

The Accrued Purchases (Other Current Liability CoA) is decreased by the value of the parts in dollars.



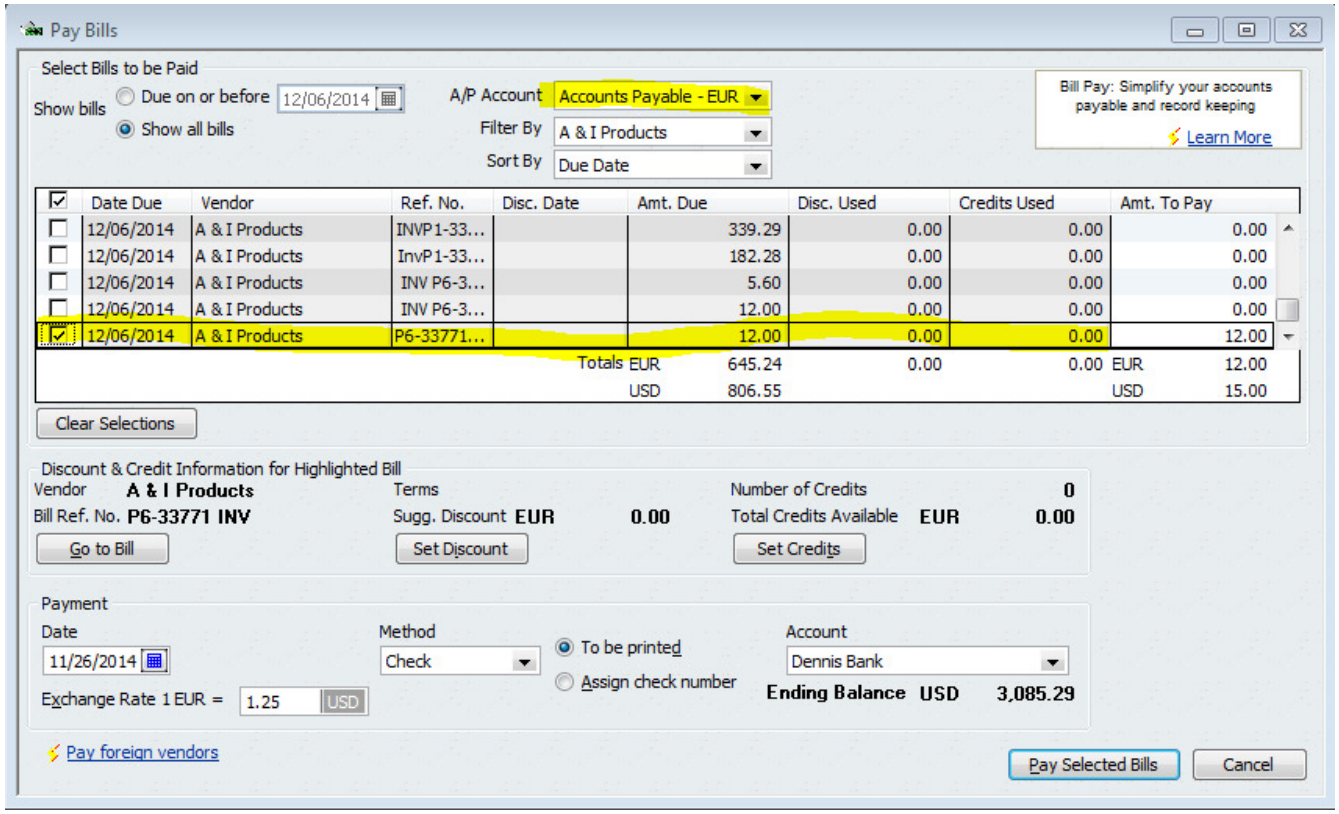
Date	Ref / Type	Payee / Account	Memo	Increase	✓	Decrease	Balance
11/26/2014	8741			7.00			2,613,934.31
	GENJRNL	-split-	RECEIPT NUMBER:				
11/26/2014	8742			15.00			2,613,949.31
	GENJRNL	-split-	RECEIPT NUMBER:				
11/26/2014	8743			15.00			2,613,964.31
	GENJRNL	-split-	RECEIPT NUMBER:				
11/26/2014	INVP1-337	A & I Products				423.26	2,613,541.05
	BILL	Accounts Payable	INVOICE NUMBER:				
11/26/2014	InvP1-337	A & I Products				227.39	2,613,313.66
	BILL	Accounts Payable	INVOICE NUMBER:				
11/26/2014	INV P6-33	A & I Products				6.99	2,613,306.67
	BILL	Accounts Payable	INVOICE NUMBER:				
11/26/2014	INV P6-33	A & I Products				14.97	2,613,291.70
	BILL	Accounts Payable	INVOICE NUMBER:				
11/26/2014	P6-33771	A & I Products				15.00	2,613,276.70
	BILL	Accounts Payable	INVOICE NUMBER:				
11/26/2014	Ref	Payee		Increase		Decrease	
		Account	Memo				

The Accounts Payable CoA for the appropriate foreign currency is increased by the value of the parts in the foreign valuation.

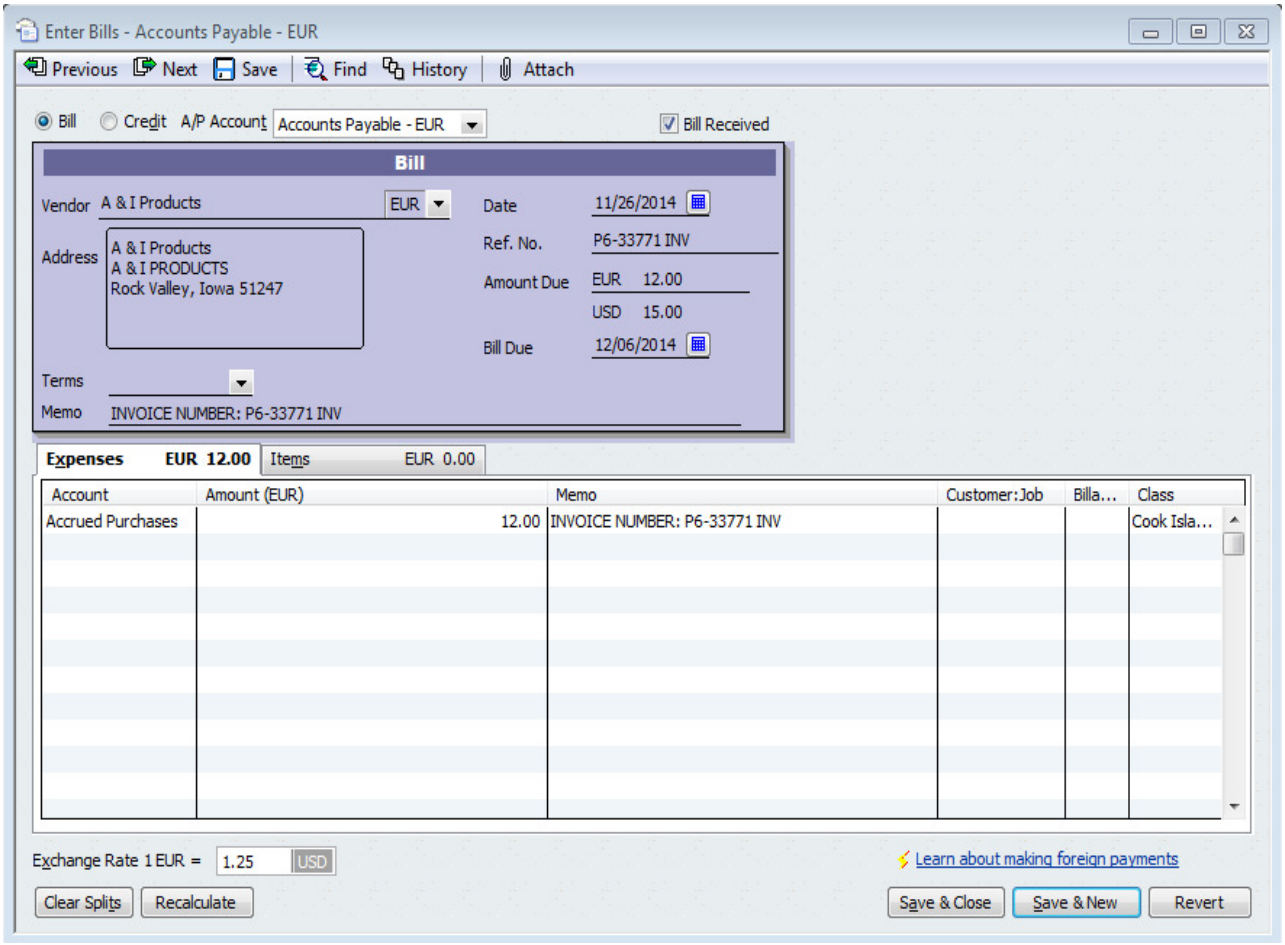


Date	Number	Vendor	Due Date	Billed	✓	Paid	Balance
Ex. Rate	Type	Account / Memo					
11/24/2014	4356456	A & I Products	12/04/2014	15.83			82.87
.75	BILL	Accrued P INVOICE N					
11/25/2014	P1-33754	A & I Products	12/05/2014	5.60			88.47
.8	BILL	Accrued P INVOICE N					
11/25/2014	P1-33755	A & I Products	12/05/2014	5.60			94.07
1.25	BILL	Accrued P INVOICE N					
11/26/2014	INVP1-337	A & I Products	12/06/2014	339.29			433.36
1.2475	BILL	Accrued P INVOICE N					
11/26/2014	InvP1-337	A & I Products	12/06/2014	182.28			615.64
1.2475	BILL	Accrued P INVOICE N					
11/26/2014	INV P6-33	A & I Products	12/06/2014	5.60			621.24
1.2475	BILL	Accrued P INVOICE N					
11/26/2014	INV P6-33	A & I Products	12/06/2014	12.00			633.24
1.2475	BILL	Accrued P INVOICE N					
11/26/2014	P6-33771	A & I Products	12/06/2014	12.00			645.24
1.25	BILL	Accrued P INVOICE N					

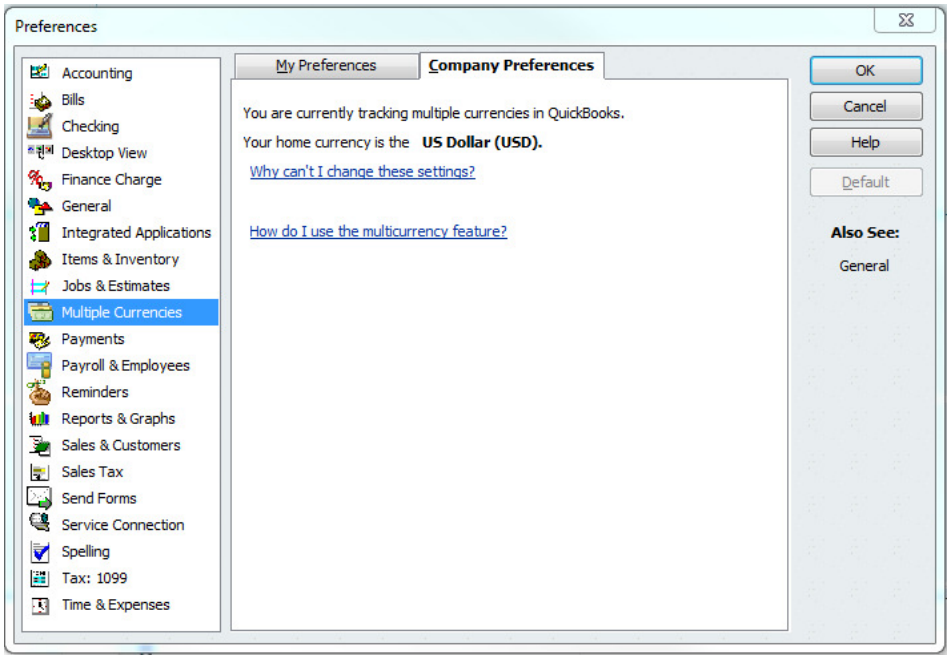
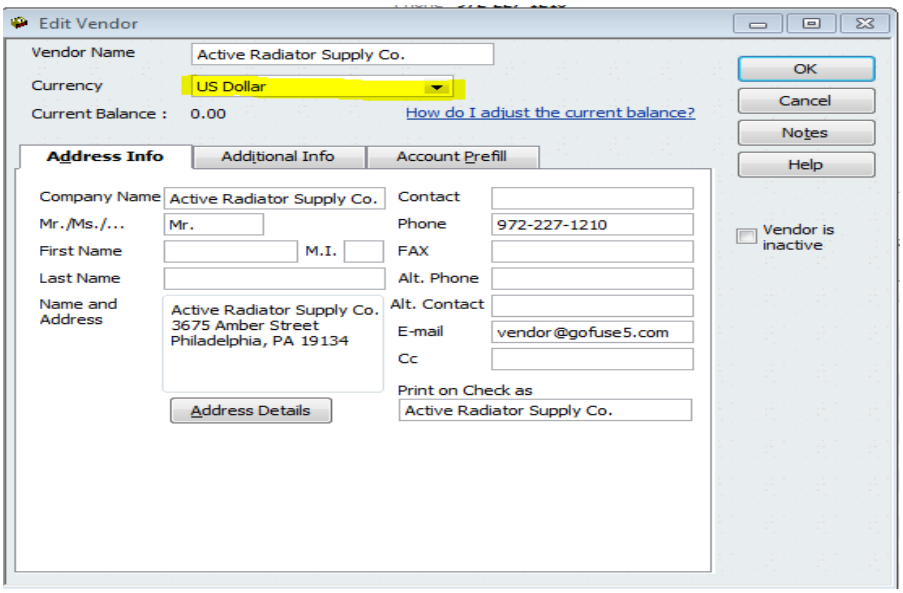
If you go to the Vendor Center in QuickBooks you will see that the vendor has a bill created for 12 Euros. Make sure that you choose the correct Accounts Payable CoA when looking for the bill.



The bill will look like this.



In order to ensure you QuickBooks is set up to handle foreign currency in this way you will have to go to EDIT > PREFERENCES > MULTIPLE CURRENCIES



Once you have set your QuickBooks up to accept foreing currencies, go to VENDORS > select the vendor. Change the vendors base currency using the "Currency" drop down.