
Multicurrency

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Chapter 1

Multicurrency Overview

Multicurrency Overview

In MYOB Accounting Plus, you can enter transactions in a number of currencies, in addition to your *local currency*, if you like. The Accounting Plus multicurrency features make it easy to record transactions in dollars, pounds, yen or any other currency you use when buying and selling goods and services. Accounting Plus also makes it easy to track overseas bank accounts and foreign assets and liabilities.

If you deal in multiple currencies, it's also important to track the effects of currency exchange rates on your business. Accounting Plus provides detailed reports to help you manage both *unrealised gains and losses* (potential changes in the value of overseas transactions) and *realised gains and losses* (the actual changes in the value of your assets, liabilities and capital that occur when you exchange foreign currency for your local currency).

What is Multicurrency?

Simply stated, multicurrency transactions are those that involve any currency other than British pounds. If you import goods from Japan, for example, some of your transactions may be in yen, while others will be in British pounds. The MYOB Accounting Plus Multicurrency feature makes it easy for you to track these transactions and account for them properly, regardless of the currency used to complete them. Once you've set up Multicurrency, using it is as easy as selecting the currency you want for your foreign-currency transactions.

Getting started with Multicurrency

Multicurrency is optional; if all your business is conducted with customers and suppliers in U.K. using British pounds, there's no need for you to take advantage of this feature. If you *do* want to use Multicurrency, you'll need

to mark the I Deal in Multiple Currencies option in the System tab of the Preferences window. (Once you begin recording multicurrency transactions, you won't be able to unmark the I Deal in Multiple Currencies option. For more information about selecting the multicurrency feature, see "Selecting the Multicurrency option in the Preferences window" on page 775.)

You'll also have to perform a number of setup steps, which are described in "Setting up Multicurrency" on page 782. For example, you'll have to set up special accounts to track the transactions you make in each currency. If you plan to make sales in Canadian dollars, for instance, you'll need to create a separate Debtor Receivable account for your sales to customers in Canada. Every foreign-currency account you create will require a companion account known as an *exchange account* to track changes in the value of the transactions assigned to the account. (Exchange accounts are explained more fully in "Understanding exchange accounts" on page 771.)

Only balance sheet accounts -- asset, liability and capital accounts -- can be assigned a foreign currency. All other types of accounts are tracked using British pounds.

Your local currency is set up automatically for you. Because this currency is used to determine the value of all other currencies, it can't be deleted, and its exchange value is fixed at 1.

Before you begin entering transactions, you'll also need to specify the proper currency for all your overseas customers and suppliers. Only one currency can be used for each customer or supplier (unless you choose to set up multiple cards for them); this ensures that your records remain accurate, and it speeds transaction entry.

Understanding exchange accounts

For every foreign-currency account you create, there also must be a companion exchange account to track the effects that changes in the exchange rate have on the foreign-currency account. This is known as a "dual-account" approach to multicurrency. Each foreign-currency account must have its own exchange account -- the same exchange account can't be used for multiple foreign-currency accounts. MYOB Accounting Plus will create an exchange account for you each time you create a foreign-currency account, if you like, or you can specify an exchange account you've already created.

Although exchange accounts use the British pound as their currency, it may be helpful to think of the amounts in these accounts as generic units of money, rather than a specific currency.

For example, assume you've deposited 100 Canadian dollars in your Canadian bank account. If the exchange rate is .46, your 100 Canadian dollars are worth £46. Your "Canadian Bank" account in Accounting Plus will show a debit balance of 100 Canadian dollars, and your "Canadian Bank Exchange" account will show a balance of -£54. The number of monetary units in the two accounts is 46 -- which is the value of the account in pounds.

You'll seldom need to make entries in an exchange account—these accounts are updated automatically when you record sales and purchases and spend and receive money. You *will* need to enter a beginning balance for each of your exchange accounts if the foreign-currency accounts associated with them has a balance. You'll also update the exchange accounts each month when you record unrealised gains and losses. (These are the potential amounts by which the balances of your accounts have changed as a result of exchange rate fluctuations. For more information about unrealised gains and losses see "Recording unrealised gains and losses" on page 780.)

Entering multicurrency transactions

Once you've set up your currencies, you can begin entering transactions for them. Entering these transactions is easy -- they're just like standard transactions in British pounds.

Multicurrency transactions can be recorded in the following areas in Accounting Plus:

- Sales
- Purchases
- Spend Money
- Receive Money
- Receive Payments
- Pay Bills
- Settle Returns and Credits
- Settle Returns and Debits
- Historical Sales

- Historical Purchases
- Customer Reimbursable Expenses
- Record Journal Entry

Multicurrency transactions can be viewed throughout Accounting Plus. If you want to change the exchange rate for one transaction only, click the Exchange Rate button to display the Exchange Rate window.

Because currencies continually fluctuate in value, you'll want to update your currency records periodically. If you record many transactions in other currencies, you may want to update the exchange rates for your currency records often -- every week, or even more frequently, depending upon the volatility of the currency and your desire for precision. These exchange rates will appear as default entries on your Accounting Plus transactions. As with all default entries in Accounting Plus, you can change the exchange rate on individual transactions. Likewise, when you reconcile your bank accounts, you can update the exchange rates assigned to your cheques and deposits to reflect the rate used by your bank at the time the cheques were cleared or the deposits were made.

Determining the effects of exchange rates on your business

Periodically, you'll want to determine the effect changes in exchange rates are having on your business. Even if you make no changes to an unpaid foreign-currency transaction, its value will be affected when exchange rates change. For example, if the British pound is valued at a higher level at the end of the month than it was when you made your sale or purchase overseas, you'll lose some money on your sales, but make money on purchases. On the other hand, if the British pound is falling in value, sales made earlier in another currency will be worth more in British pounds, but your purchases will cost you more.

Businesspeople generally are concerned with both the potential effect of exchange rates on transactions that haven't been completed yet and the actual effect on them once they've been closed. Read the following sections to learn more about these issues.

Determining unrealised gains and losses

If you want to understand the *potential* effect the exchange rate has on a multicurrency transaction, you need to determine the *unrealised gain or loss* for the transaction. Unrealised gain or loss affects only open (unpaid)

transactions; it reflects the money you'd make or lose by either receiving payment for a sale or making payment on a debt using the current exchange rate.

Businesses typically calculate this amount for all their open transactions at the end of each accounting period and record a Nominal Journal transaction to account for this potential income or expense. Unrealised gains typically are recorded using an income account, such as "Unrealised Currency Gain/Loss," along with the exchange accounts for your foreign-currency accounts. We recommend that you consult your accountant to determine whether your business needs to track unrealised gains and losses, and if you do, the most appropriate way for you to do so.

To determine the unrealised gain or loss for a particular accounting period, print the MYOB Accounting Plus Currency – Unrealised Gain/Loss report. This report shows the original and current value of your open transactions in British pounds, along with the total gain or loss as of the date you've selected.

You can learn more about unrealised gains and losses by reading "Assigning accounts to foreign currencies" on page 778.

Realised gains and losses

Once a transaction is closed—meaning it's been paid in full—any unrealised gain or loss is considered *realised*. It now has an actual effect on your business's bottom line. Realised amounts are automatically recorded in an income account created specifically for tracking currency gains and losses, along with the exchange accounts associated with your foreign-currency accounts. In MYOB Accounting Plus, the income account used for realised gains and losses is created for you automatically when you set up Multicurrency. Its name, appropriately, is "Currency Gain/Loss."

Setting up Multicurrency

You must complete a number of steps before you begin recording multicurrency transactions in MYOB Accounting Plus. Once setup is complete, you'll enter multicurrency transactions the same way you enter transactions based on British pounds.

See the following step-by-step procedures:

"Setting up Multicurrency" on page 782

Selecting the Multicurrency option in the Preferences window

Multicurrency is an optional feature, since many companies using MYOB Accounting Plus deal only in British pounds. To begin using Multicurrency, you need to select the “I deal in multiple currencies” option in the Preferences window.

See the following step-by-step procedure:

“Setting up Multicurrency” on page 782

Creating records for the currencies you’ll use

MYOB Accounting Plus provides you with records for several commonly used foreign currencies, as well as your local currency. The following currencies have been set up for you already:

- Canadian dollar
- Australian dollar
- European Union Euro
- Great Britain pound
- Hong Kong dollar
- Japanese yen
- New Zealand dollar
- United States dollar

If you do business in any other currency, you’ll need to create a new record for the currency, enter its current exchange rate and indicate how you want amounts in that currency to be displayed. You’ll enter new records using the Currency List window found by choosing Currency List from the Lists menu.

See the following step-by-step procedure:

“Create records for the currencies you’ll use” on page 782

Creating accounts to track your foreign-currency transactions

In order to track transactions in a foreign currency properly, you must create a number of accounts that are set up to use that currency, rather than British pounds. Later in the setup process, you'll enter these accounts as the linked accounts for transactions recorded using this currency. You cannot simply use the same accounts you use for your local currency transactions, because the currencies rarely trade at par with one another. (That is, one unit rarely buys exactly one monetary unit in any other currency.)

For information about creating accounts, see "Choose the type of account you want" on page 101. Before you begin, though, review "If you make foreign sales" on page 776 and "If you make foreign purchases" on page 777 to gain a better understanding of the accounts you'll need to add.

If you make foreign sales

Here's a list of the accounts you're likely to need if you accept payment from customers in a foreign currency.

The account you use to track payments from customers *must* use the currency of the transactions it will be tracking. The account(s) you use to track VAT collected and paid *must* use the local currency. Other accounts used to track foreign-currency sales transactions can be assigned either the foreign currency or British pounds. In fact, with the exception of the account for payments from customers, you can use the same accounts that you use to track sales transactions to U.K. customers.

Using separate accounts for each currency will allow you to see more quickly where deposits and the like originated, but if that's not important to you, you may want to use the same accounts for all your sales.

- Asset account for tracking payments from customers (for instance, "Trade Debtors - Mexico") This account must be assigned the foreign currency, not British pounds.
- Bank account where customer receipts in the foreign currency will be deposited. This can be a U.K. funds account if your bank accepts deposits in other currencies.
- Liability account for deposits received (if you allow customers to make deposits on orders). This account can be assigned the currency code for either the foreign currency or British pounds.
- Liability account for VAT collected (if you're required to collect VAT on foreign sales). This account must be assigned the local currency.

Note: Only receipt transactions which are local currency may be grouped as a deposit of undeposited funds

Only receipt transactions which are U.K. currency may be grouped as a deposit of undeposited funds. Also, you may only use a U.K. currency account as the linked account for undeposited funds.

If you make foreign purchases

Here's a list of the accounts you're likely to need if you make payments to suppliers in a foreign currency:

The account you use to track creditors balances *must* use the currency of the transactions it will be tracking. The account(s) you use to track VAT collected and paid *must* use the local currency. Other accounts used to track foreign-currency purchase transactions can be assigned either the foreign currency or British pounds. In fact, with the exception of the trade creditors account, you can use the same accounts that you use to track purchases from U.K. suppliers.

Using separate accounts for each currency will allow you to see more quickly where deposits and the like originated, but if that's not important to you, you may want to use the same accounts for all your purchases.

- Liability account for tracking trade creditors (for instance, "Trade Creditors – Canada"). This account must be assigned the foreign currency, not British pounds.
- Bank account that will be used to pay debts in a foreign currency. This can be a U.K. funds account if your bank writes cheques for you in other currencies.
- Asset account for deposits paid (if you make deposits on orders). This account can be assigned the currency code for either the foreign currency or British pounds.
- Liability account for import duties collected (if you're required to pay duty on goods you import). This account can be assigned the currency code for either the foreign currency or British pounds.

If you track unrealised gains and losses

If you plan to track unrealised gains and losses, you need to create an income account for this purpose. You may want to name it “Unrealised Currency Gain/Loss,” or something similar. We recommend that you consult your accountant to determine whether your business needs to track unrealised gains and losses, and if you do, the most appropriate way for you to do so.

Depending upon your business, you may need to create additional accounts to track foreign cheque accounts, assets held overseas and the like. If you’re unsure about the accounts you’ll need, your accountant or an MYOB Certified Consultant can assist you with this task.

Assigning accounts to foreign currencies

Once you’ve created accounts to track your foreign currency transactions, you must link them to the currency record they’re associated with. This ensures that transactions are recorded properly and that the balances in your accounts list accurately reflect your business activities.

Assign the appropriate currency to foreign customers, suppliers and salespeople

Once your currencies are set up, you must begin assigning them to new customers and suppliers who will use them. The selection you make is important, since it determines the currency in which all future transactions for each customer or supplier will be conducted.

You can assign a currency other than your home currency to an employee if you like -- but **only** if you don’t plan to write paycheques for the employee using MYOB Accounting Plus. If you plan to write paycheques for the employee using Accounting Plus, you must select your home currency for the individual.

Selecting a foreign currency may be useful if the employee is a salesperson who makes all of his or her sales in another currency -- French francs, for example -- and you don’t plan to use Accounting Plus to pay the employee. When you print reports that show individual salespeople’s sales amounts, the amount will be displayed in whatever currency has been assigned to the salespeople.

Only one currency can be assigned to each customer, supplier and salesperson in Accounting Plus. If you do business with a customer or supplier in more than one currency, you’ll have to create an additional customer card or supplier card for each additional currency in which you do business.

Customers, suppliers and salespeople for whom you've already recorded transactions are automatically assigned the currency in which they conduct business with you. This selection can't be changed. If you wish to begin using a different currency for these individuals, you'll need to create a new customer, supplier or employee card for them. This is necessary to ensure that historical amounts for these individuals aren't misstated.

See the following step-by-step procedures:

"Creating cards" on page 654

"Assign the accounts you've created to foreign currencies" on page 783

Updating foreign currencies

Once you've set up Multicurrency, in MYOB Accounting Plus, you should rarely need to make changes to your currency records, except to update the exchange rate. If you decide, however, that you'd like to see currency amounts in a different format, or if you'd like to change the linked accounts you've assigned to a currency, you can do that. Use the following procedure to make these changes.

See the following step-by-step procedure:

"To update foreign currencies" on page 786

Removing foreign currencies

If you wish to remove currency records you never use, you can quickly do so with MYOB Accounting Plus.

There are some instances in which you're not allowed to remove a currency record:

- You can't remove the currency record for your local currency.
- You can't remove a currency that's assigned to any account in your accounts list.
- You can't remove a currency that's assigned to a customer or supplier in the Card File Entry window.
- You can't remove a currency that's assigned to a cash transaction (a deposit or cheque).

See the following step-by-step procedure:

“To remove a foreign currency” on page 787

Recording unrealised gains and losses

Even before you make or take payment on overseas transactions or withdraw money from a foreign bank account, there is the *potential* for changes in the exchange rate to affect the value of your transactions and accounts. This potential is referred to as an unrealised gain or loss. For example, if you have a bank account in Paris and the value of your local currency drops compared to the French franc, the value of your Paris bank account goes up; you have the same number of francs, but those francs are worth more in your local currency than they used to be. Since those francs still are in your bank account, however, you haven't taken advantage of, or realised, their increased value.

Some -- but not all -- companies need to account for unrealised gains and losses; consult your accountant if you're unsure whether you need to track this information for your business.

To keep track of your unrealised gains and losses, you'll print a report and then use information from the report to create a Nominal Journal entry.

In order to accurately calculate unrealised gains and losses for the current month, you must first update the currency's exchange rate so it reflects the current rate of exchange. If you don't perform this step, your unrealised gains and losses will be misstated. You can change the currency's exchange rate to its previous rate after you've recorded your unrealised gains and losses. To learn how to update the currency's exchange rate, see “To update foreign currencies” on page 786.

When you track unrealised gains and losses, you make an entry for the current month, then reverse the entry you made in the previous month. It's important that you remember to reverse the previous month's entry; if you don't, gain and loss amounts for future months will be inaccurate.

See the following step-by-step procedures:

“To print the Currency – Unrealised Gain/Loss Report” on page 788

“To record unrealised gains and losses” on page 788

“To automatically reverse journal entries from the previous month” on page 790

“To manually reverse journal entries from the previous month” on page 790

Transferring funds between accounts

From time to time, you may want to transfer funds from a local bank account to a foreign bank account, or from the foreign account to your local account. The quickest way to do this is to make a deposit into the account that will be receiving the funds.

When transferring funds between local and foreign accounts, you must use the foreign currency value of the money, rather than its value in British pounds. This may require you to convert the amount from British pounds to the foreign currency. If this is the case, you can use the Currency Calculator window to quickly figure out the money's value in the foreign currency. To display the Currency Calculator window, choose Currency Calculator from the Accounting Plus Help menu.

See the following step-by-step procedures:

“To transfer funds from a local account into a foreign account” on page 792

“To transfer funds from a foreign account into a local account” on page 793

Chapter 2

Setting up Multicurrency

Step 1: Select the Multicurrency option in the Preferences window

If you haven't already read the Multicurrency Overview, see "Selecting the Multicurrency option in the Preferences window" on page 775 for more information.

The Preferences window should be displayed.

1. Select the System tab if it isn't already selected.
2. Mark the I Deal in Multiple Currencies option.
3. Click OK.

Step 2: Create records for the currencies you'll use

If you haven't already read the Multicurrency Overview, see "Creating records for the currencies you'll use" on page 775 for more information.

The Currency List window should be displayed.

1. Click New.
2. In the Currency Code field, enter a three-letter code to describe the currency you're adding. We recommend that you use codes you'll find easy to remember in the future.

3. Enter the currency's name ("Costa Rican colones," for example) and its current exchange rate. Keep in mind that your entry here should reflect the amount that one unit of this currency—one colón, for example—will buy, and the amount of colones one unit of your local currency will buy. Verify these amounts in the fields to the right of the exchange rate.
4. Indicate how you want amounts in this currency to be displayed. The Positive Amount and Negative Amount fields show examples of how currency amounts will be displayed, based on the selections you're making.
5. Click OK.

Step 3: Create accounts to track your foreign-currency transactions

If you haven't already read the Multicurrency Overview, see "Creating accounts to track your foreign-currency transactions" on page 776 for more information.

For information about creating accounts, see "Creating accounts" on page 101.

Step 4: Assign the accounts you've created to foreign currencies

If you haven't already read the Multicurrency Overview, see "Assigning accounts to foreign currencies" on page 778 for more information.

The Currency List window should be displayed.

1. Highlight the currency you want to change and click the Edit button. The Currency Information window appears, displaying the information you've already entered about this currency.
2. If customers pay you in this currency, click the Sales Ledger Accounts tab to display the Sales Ledger Accounts view of the Currency Information window. If you don't make sales in this currency, skip to step 6.
3. In the Asset Account for Tracking Debtors in This Currency field, enter or select the account you'll use to track unpaid sales on account in the selected currency. This account must be assigned the currency code for the currency you selected in step 1.

4. In the Bank Account for Customer Receipts in This Currency field, enter or select the bank account in which payments from customers will be deposited. This account may be a U.K. funds account if your bank allows you to make deposits in the currency you selected in step 1.
5. Review the remaining fields in the window. Mark the options that apply to your business. As you mark options, additional fields will appear, and you can enter the accounts you'll use to track various parts of your transactions, such as freight, deposits and discounts.
6. If you pay bills using this currency, click the Purchase Ledger Accounts tab to display the Purchase Ledger Accounts view of the Currency Information window. If you don't make payments in this currency, skip to step 10.
7. In the Liability Account for Tracking Creditors in This Currency field, enter or select the account you'll use to track unpaid purchases on account in the selected currency. This account must be set up to use the currency you selected in step 1.
8. In the Bank Account for Paying Bills in This Currency field, enter or select the chebank account you'll use to pay bills in the selected currency. This account may be a U.K. funds account if your bank allows you to write cheques in the currency you selected in step 1.
9. Review the remaining fields in the window. Mark the options that apply to your business. As you mark options, additional fields will appear, and you can enter the accounts you'll use to track various parts of your transactions, such as freight, deposits and import duty. Each of these accounts must be set up to use the currency you selected in step 1.
10. When you've finished entering account information, click OK. Repeat steps 1 to 10 for each foreign currency you use.

Step 5: Assign the appropriate currency to foreign customers, suppliers and salespeople

If you haven't already read the Multicurrency Overview, see "Assign the appropriate currency to foreign customers, suppliers and salespeople" on page 778 for more information.

See “Assigning a currency to customer, supplier and employee cards” on page 643 in the Cards Overview if you need information about creating cards.

Chapter 3

Updating foreign currencies

► To update foreign currencies

If you haven't already read the Multicurrency Overview, see "Updating foreign currencies" on page 779 for more information.

The Currency List window should be displayed.

1. Highlight the currency you want to change and click the Edit button. The Currency Information window appears, displaying the information you've already entered about this currency.
2. To update the exchange rate, click the Currency Profile tab and enter the new exchange rate in the Exchange Rate field. Keep in mind that your entry here should reflect the amount of British pounds that one unit of this currency -- one French franc, for example -- will buy, and the amount of French francs one unit of British pounds will buy. Verify these amounts in the fields to the right of the exchange rate.
3. Review the other information you've entered for this currency to be sure it's current. When you're satisfied with your entries, click OK.

Chapter 4

Removing foreign currencies

▶ To remove a foreign currency

If you haven't already read the Multicurrency Overview, see "Removing foreign currencies" on page 779 for more information.

The Currency List window should be displayed.

1. Highlight the currency you want to remove
2. Choose Delete Currency from the Edit menu.

Chapter 5

Recording unrealised gains and losses

▶ **To print the Currency – Unrealised Gain/Loss Report**

If you haven't already read the Multicurrency Overview, see "Recording unrealised gains and losses" on page 780 for more information.

The Index to Reports window should be displayed.

1. Click the Accounts tab.
2. Locate the Currency Unrealised Gain/Loss selection and highlight it. (You may have to scroll through the list of reports to locate it.)
3. Click the Customise button to open the Report Customisation window. In this window, enter the ending date for the period you want to include on the report. Then click OK.
4. In the Index to Reports window, click the Print button to print the report.

▶ **To record unrealised gains and losses**

If you haven't already read the Multicurrency Overview, see "Recording unrealised gains and losses" on page 780 for more information.

Print the Currency – Unrealised Gain/Loss Report, then complete the following steps:

The Record Journal Entry window should be displayed.

1. Enter the date (generally the last day of the month) and a description of the transaction.

2. In the scrolling list in the middle of the window, enter a transaction for the unrealised gain or loss. This transaction should have a separate debit and credit entry for each account that appears on the Currency – Unrealised Gain/Loss Report. (All amounts are entered in British pounds.)

If the account is an asset account

If the Currency – Unrealised Gain/Loss Report shows a currency *gain* for a bank account or another asset account, credit the Unrealised Currency Gain/Loss account, and enter an equal debit amount for the exchange account associated with the asset account. (The Unrealised Currency Gain/Loss account should be an expense account.)

If the Currency – Unrealised Gain/Loss Report shows a currency *loss* for the asset account, debit the Unrealised Currency Gain/Loss account, and enter an equal credit amount for the exchange account associated with the asset account.

If the account is a liability or equity account

If the Currency – Unrealised Gain/Loss Report shows a currency *gain* for a liability or equity account, credit the Unrealised Currency Gain/Loss account, and enter an equal debit amount for the exchange account associated with the liability or equity account.

If the Currency – Unrealised Gain/Loss Report shows a currency *loss* for the liability or equity account, debit the Unrealised Currency Gain/Loss account, and enter an equal credit amount for the exchange account associated with the liability or capital account.

3. Save the Nominal Journal entry as a recurring transaction. By doing this, you'll save time when you record your unrealised gains and losses in future months. Click the Save Recurring button; the Save Recurring Transaction window appears.
4. Enter a name for the transaction, then choose a frequency (we recommend that you choose Monthly) and the day on which you want this transaction to appear in the To Do List window each month. Click Record to save your entries and close the Save Recurring Transaction window.
5. In the Record Journal Entry window, click the Record button to record the transaction for this month.

▶ **To automatically reverse journal entries from the previous month**

If you haven't already read the Multicurrency Overview, see "Recording unrealised gains and losses" on page 780 for more information.

Use this procedure only if your transactions are *unchangeable*. See "What are changeable and unchangeable transactions?" on page 52 for more information.

1. Display the Nominal Journal entry for the previous month's unrealised gains and losses in the Record Journal Entry window.
2. Choose Reverse Nominal Journal Transaction from the Edit menu. After a few moments, a new transaction, containing amounts exactly opposite of the amount in the Nominal Journal entry will be displayed in the Record Journal Entry window.
3. Enter the date (generally the first day of the current month) and a memo that indicates you're reversing the previous month's unrealised gains and losses.
4. Click Record to record the reversed Nominal Journal entry.

▶ **To manually reverse journal entries from the previous month**

If you haven't already read the Multicurrency Overview, see "Recording unrealised gains and losses" on page 780 for more information.

Use this procedure only if your transactions are *changeable*. See "What are changeable and unchangeable transactions?" on page 52 for more information.

(As an alternative, you can mark the "Transactions CAN'T be Changed; They Must be Reversed" option in the Preferences window to make your transactions unchangeable, then complete the procedure "To automatically reverse journal entries from the previous month" on page 790. If you do this, be sure to unmark the "Transactions CAN'T be Changed" option again once you're done making your reversing entry.)

The Record Journal Entry window should be displayed.

1. Enter the date (generally the first day of the current month) and a memo that indicates you're reversing the previous month's unrealised gains and losses.
2. Enter a transaction that mirrors the transaction you made last month to record the unrealised gains and losses, but reverse the debits and credits -- if an account was debited last month, enter the same amount in the Credit column. Likewise, if the account was credited last month, enter the same amount in the Debit column.
3. Save the Nominal Journal entry as a recurring transaction. By doing this, you'll save time when you reverse your unrealised gains and losses in future months. Click the Save Recurring button; the Save Recurring Transaction window appears.
4. Enter a name for the transaction, then choose a frequency (we recommend that you choose Monthly) and the day on which you want this transaction to appear in the To Do List window each month. Click Record to save your entries and close the Save Recurring Transaction window.

Chapter 6

Transferring funds between accounts

▶ **To transfer funds from a local account into a foreign account**

If you haven't already read the Spend Money Overview, see "Transferring funds between accounts" on page 781 for more information.

The Spend Money window should be displayed.

1. Choose the currency associated with the foreign account. Click the Exchange Rate button to display the Exchange Rate window. Click the arrow next to the Currency field and choose the currency associated with the account you want from the list of currencies that appears.
2. From the list of chebank accounts that appears in the upper left corner of the window, choose the account from which the funds will be drawn (your local currency funds account).
3. Enter the transaction date and the amount being transferred. The amount must be in the foreign currency, not in British pounds. Also mark the Already Printed option if you don't plan to print an actual cheque.
4. In the scrolling list, enter the account for the account into which the funds are being deposited (your foreign-currency account). Enter the same amount that appears in the Amount field at the top of the window in the Amount column in the scrolling list.
5. If you want to print a cheque, click the Print button. If you've marked the Already Printed option to indicate that the funds will be transferred electronically or in some other fashion, click Record.

► **To transfer funds from a foreign account into a local account**

If you haven't already read the Spend Money Overview, see "Using the Spend Money window" on page 185 for more information.

The Spend Money window should be displayed.

1. Choose the currency associated with the foreign account. Click the Exchange Rate button to display the Exchange Rate window. Click the arrow next to the Currency field and choose the currency associated with the account you want from the list of currencies that appears.
2. From the list of chebank accounts that appears in the upper left corner of the window, choose the account from which the funds will be drawn (your foreign-currency account).
3. Enter the transaction date and the amount being transferred. The amount must be in the foreign currency, not in your local currency. Also mark the Already Printed option if you don't plan to print an actual cheque.
4. In the scrolling list, enter the account for the account into which the funds are being deposited (your local currency funds account). Enter the same amount that appears in the Amount field at the top of the window in the Amount column in the scrolling list.
5. If you want to print a cheque, click the Print button. If you've marked the Already Printed option to indicate that the funds will be transferred electronically or in some other fashion, click Record.

