



Recognising unrealised currency gain or loss

OVERVIEW

- Update currency exchange rates
- Run updated unrealised currency gain/loss report
- Reverse previous general journal entry recognising unrealised currency gain/loss
- Record unrealised currency gain/loss

PROCESS

1. Update currency exchange rates by CLICKING on Lists on the menu bar and from the drop down window SELECT Currencies.



2. From the currency list, you will need to individually SELECT all currencies that you are currently dealing with within your business. The current currency exchange rate can be found through your business banks website, or visit the Reserve Bank of Australia's website at http://www.rba.gov.au/Statistics/exchange_rates.html. It is recommended that you select one source, and then save the website to your favourite's directory.

Currency Name	Code	Symbol	Exchange Rate
Australian Dollars (Local)	AUD	\$	1.000000
Canadian Dollars	CAD	Can\$	0.645966
European Union Euros	EUR	EUR	1.172230
Great Britain Pounds	GBP	£	1.677840
Hong Kong Dollars	HKD	HK\$	0.129093
Japanese Yen	JPY	¥	0.008681
New Zealand Dollars	NZD	NZ\$	0.806453
United States Dollars	USD	US\$	1.250000

3. At the Exchange Rate field enter the current exchange rate. Repeat this process for all currencies you are currently dealing with.

United States Dollars

Currency Code: USD
Currency Name: United States Dollars
Exchange Rate: 1.300000
USD US\$1.00 equals: \$1.30
AUD (Local) \$1.00 equals: US\$0.77

Currency Symbol: US\$
Position of Currency Symbol: Before Number
Negative Number Format: Before Currency Symbol
Decimal Symbol: .
Number of Digits after Decimal: 2
Digit Grouping Symbol: ,
Number of Digits in Group: 3
 Display Leading Zeros

Positive Amount: US\$123,456,789.00
Negative Amount: -US\$123,456,789.00



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- Run updated unrealised currency gain/loss report to identify the Gain/Loss. This report can be found under Reports ->Account Tab->Unrealised Gain/Loss.

A/C #	Name	Curr. Value	Orig. Value	Gain/Loss
1-3200	Accounts Receivable	\$81,104	\$78,063	\$3,042
2-1250	Accounts Payable	\$32,338	\$31,125	\$1,213
Total:				\$4,255

- Locate and reverse previous general journal entry recognising unrealised currency gain/loss (Menu Bar->Edit->Reverse).
- Record unrealised currency gain/loss through a general journal entry.
- GOTO the Accounts Command Centre



- SELECT Record Journal Entry



- SELECT Use Recurring Entry and SELECT 'Beg of Mnth Unrealised G/L'.

- Record the Current Months unrealised currency gain or loss. Note: If there is a currency gain the 4-9999 Currency Gain/Loss would be allocated to the credit column.

Display in GST [BAS] reports as: <input checked="" type="radio"/> Sale (Supply) <input type="radio"/> Purchase (Acquisition) <input type="checkbox"/> Tax Inclusive						
General Journal #: GJ000004						
Date: 31/01/2009						
Memo: Unrealised Currency Loss -MONTH						
Acct #	Name	Debit	Credit	Job	Memo	Tax
4-9999	Currency Gain Loss	\$100.00				N-T
1-1320	USD Exchange		\$100.00			N-T

BACKGROUND

Unrealised currency gain/loss occurs when the business owes money in a foreign currency, and there is a fluctuation in the exchange rate, prior to payment.

Unrealised currency gain/loss is not reflected in the financial reports, automatically. Your accountant may suggest you recognise the unrealised currency gain or loss on a monthly basis. As a business you may also want to recognise the effects after major changes in the currency market, or when you are reviewing your management reports. For some businesses however the currency exchange is only minimal, and it is not worth the effort to recognise it on a monthly basis, it will be recognised at the end of the financial year.