



Memorandum on A/P Foreign Exchange Vouchers

If you receive an invoice from a foreign vendor, you will most likely need to convert the amounts from the foreign currency into your own currency. EasyChair Software now provides a simple way of doing this.

First of all, make sure that the vendor is set up with the correct Country Code in its address area. If you do not fill in the Country Code, you will not be able to automatically create a foreign exchange voucher. Then go to the record for that Country Code (C,S,8) and make sure there is a valid foreign exchange rate entered (you will most likely want to update this exchange rate whenever you need to process foreign invoices). An exchange rate factor of 1.5000 will end up reducing the foreign currency amount by one-third; i.e., if you receive an invoice for \$1000 in foreign currency, an exchange rate of 1.5000 will create an automatic invoice for -\$333.33, with the result that \$666.67 will be the actual amount that will hit the General Ledger in your native currency. Similarly, a foreign exchange factor of 0.75 will create an invoice for \$333.33, with the result that \$1333.33 will hit the General Ledger in your native currency.

The formula used is:

$$(1.0 - \text{XRF}) / \text{XRF}$$

where XRF is the exchange rate factor.

After you have entered the foreign vendor's invoice, using the foreign currency amounts, you can press <ESC><ESC> and select the "M" for Menu option. You will then see the option "A - Create Foreign Exchange Voucher". Select this option and answer the prompts. When you are done, the system will have created the new voucher for the foreign exchange; this new voucher will be assigned to the vendor you selected, and the invoice number will be the same as the original, except that the suffix "-FXCH" will be appended to the original invoice number.

If you set up a vendor with the ID Code of "FRGNXCHG", this vendor will be the default vendor for the foreign exchange voucher; otherwise, the original vendor will be the default vendor. You can always override and select whichever foreign exchange vendor you wish.