



QuickBooks Online Student Guide

# Appendix B

# Multicurrency in QuickBooks Online



# Table of Contents

Lesson Objectives	3
Multiple Currencies	3
Multicurrency Transactions & Workflows	7

Many businesses in Canada buy and sell products and services outside of Canada. Often this requires working in multiple currencies.

## ▶ Lesson Objectives

In this chapter, you'll learn how to:

- Setup Multiple currencies
- Create multicurrency transactions
- Create basic multicurrency reports

## ▶ Multiple Currencies

Many businesses in Canada buy and sell products and services outside of Canada. Often this requires working in multiple currencies. QuickBooks Online Plus lets your clients track multiple currencies.

QuickBooks Multicurrency is ideal for businesses who do the following:

- Buy or sell goods and services outside of Canada.
- Buy or sell in foreign currencies.
- Have accounts in foreign currencies.
- The company is based in Canada and the \$CDN is their home currency.

It is not for clients who:

- Have an office in a foreign country.
- Manage payroll in a foreign country.

### *Details about Multicurrency*

- Once you turn multicurrency on in a client file you cannot turn it off.
- You can no longer change your home currency.

The following additional fields and labels are added QuickBooks.

- QuickBooks creates a **Currencies** list, which you can see when you click **Gear > Currencies** (under Lists).
- You can choose currencies when you add a customer or supplier.
- A **Currency** column appears in the **Chart of Accounts**. Note that once an account has had a transaction posted to it, you can't change the currency.

- The currency appears in the Payment, Deposit, Sales tax, and Balance Due columns on bank and credit account histories.
- The currency appears in the Amount column on sales and purchase forms.
- QuickBooks reports convert all foreign currency to home currency amounts, and automatically reflect exchange rate changes.

## Exchange Rates

To keep exchange rates as accurate as possible, QBO downloads the exchange rates every four hours and updates them in QBO. The source is the **Wall Street On Demand service** (exchange rates can be edited if you want to use another source).

## Enable Multicurrency

1. Click the Gear icon and select **Account and Settings**.
2. Click **Advanced**.
3. Scroll down to Currency and click the pencil icon (Edit).
4. Select the **Multicurrency** checkbox.
5. Select the **I understand I can't undo Multicurrency** checkbox.
6. Click **Save**.



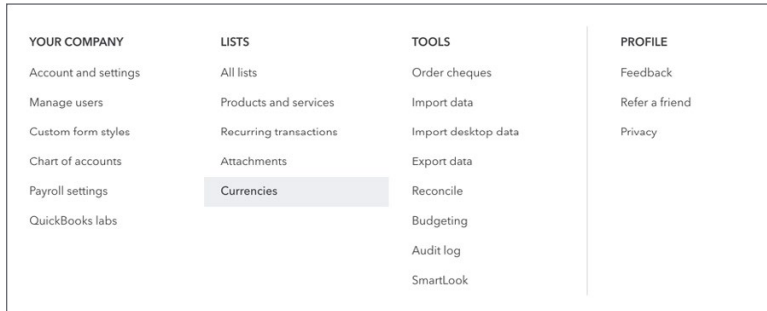
**NOTE** Until you assign a foreign currency, the default value for all customers, suppliers, and accounts is your company's home currency.

Account and Settings			Help	Close
Company	Automatically invoice unbilled activity	Off		
	Automatically apply bill payments	On		
Billing & Subscription	Projects	Organize all job-related activity in one place	On	
Sales	Time tracking	Add Service field to timesheets	On	
Expenses		Make Single-Time Activity Billable to Customer	Off	
Payments	Language	Language	English	
Advanced	Currency	Home Currency	CAD - Canadian Dollar	
	Multicurrency	<p><input checked="" type="checkbox"/> Multicurrency </p> <p>Multicurrency may be right for you if you have financial transactions in more than one currency.  <a href="#">Need help deciding about multicurrency?</a></p> <p>Once you turn on Multicurrency:</p> <ul style="list-style-type: none"> <li>• You can't turn it off</li> <li>• You can't change your home currency</li> <li>• Extra fields, columns and more are added to QuickBooks</li> </ul> <p><input checked="" type="checkbox"/> I understand I can't undo Multicurrency</p>		
		<input type="button" value="Cancel"/>	<input type="button" value="Save"/>	
Other preferences	Date format	dd/MM/yyyy		

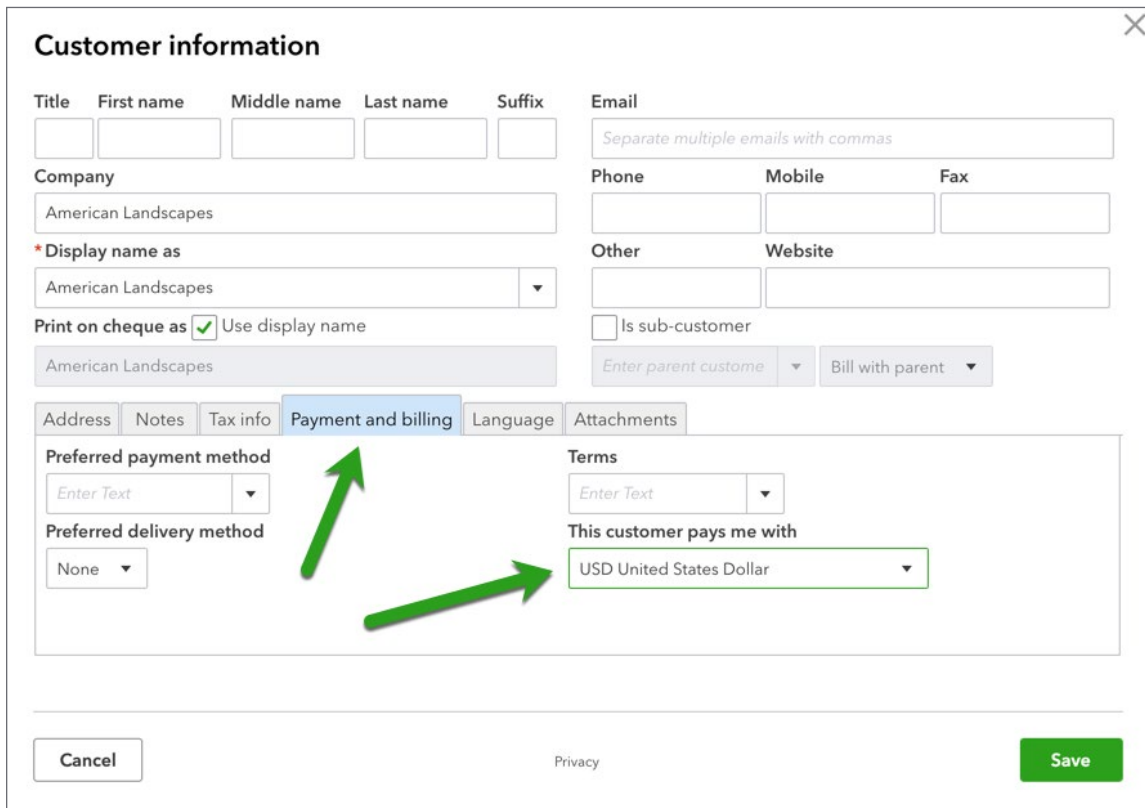
Done

### What QuickBooks does when you Turn Multicurrency On?

- 1. Currency List**—QBO adds a currency list that includes many currencies from around the world. If you don't find the currency needed by your client, it can be added.



- 2. Currency Fields**—Currency Field to Customers and Supplier and to some balance sheet accounts.



**NOTE** After you create a supplier or customer transaction in a foreign currency, QBO creates an AP or AR account in that foreign currency. This means that you do not need to create those accounts in multiple currencies.

3. **Transactions Fields**—New fields are added to transactions to display the customer or supplier currency.



4. **Currency Column**—A currency column is added to the Chart of Accounts.

Batch actions		Filter by name						
NAME	TYPE	DETAIL TYPE	CURRENCY	TAX RATE	QUICKBOOKS BALANC	BANK BALANCE	ACTION	
<input type="checkbox"/> Chequing	Bank	Cash on hand	CAD		-6,674.90		Account history	
<input type="checkbox"/> Accounts Receivable (u	Accounts receivabl...	Accounts Receivab...	CAD		-12,344,850,339.14		Account history	
<input type="checkbox"/> Inventory Asset	Current assets	Inventory	CAD		1,570.97		Account history	
<input type="checkbox"/> Prepaid expenses	Current assets	Prepaid Expenses	CAD		0.00		Account history	
<input type="checkbox"/> Uncategorized Asset	Current assets	Other current assets	CAD		0.00		Account history	
<input type="checkbox"/> Undeposited Funds	Current assets	Undeposited Funds	CAD		0.00		Account history	

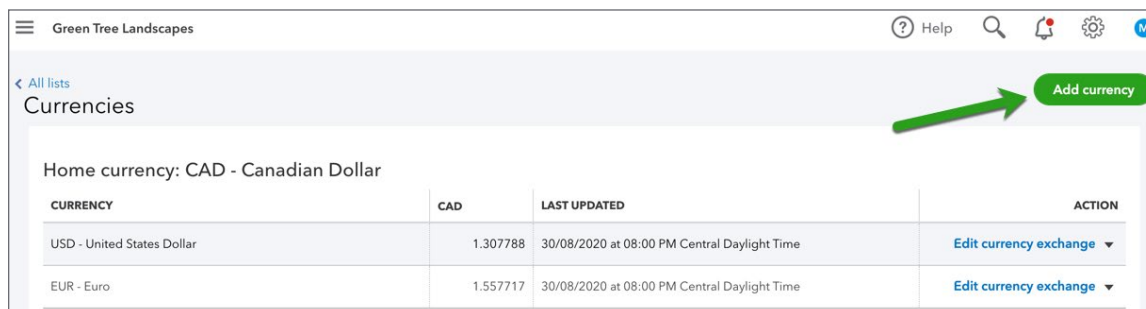
5. **Assigns Currency**—After you enable multicurrency, all existing accounts are assigned the Home Currency.

### Additional Setup

It may be helpful to setup any additional currencies or accounts before creating multicurrency transactions. For example, a client may buy or sell in a currency that is not listed in the currency list. A client may also have a foreign bank account (i.e. USD Chequing).

### Add a Currency

1. Click the **Gear** icon.
2. Click **Currencies**.
3. Click **New**.
4. Choose the foreign currency.
5. Click **Add**.





**NOTE** Click **Edit Currency exchange rate** to update or change an exchange rate.

### Add an Account

1. Go to the **Chart of Accounts**.
2. Click **New**.
3. Choose **Bank**.
4. Choose a **Currency**.

**Account**
✕

**Account Type**

Bank ▾

**\*Detail Type**

Chequing ▾

Use **Chequing** accounts to track all your chequing activity, including debit card transactions.

Each chequing account your company has at a bank or other financial institution should have its own Chequing type account in QuickBooks Online Plus.

**\*Name**

USD Chequing

**Description**

**Currency**

USD United States Dollar ▾

Is sub-account

Enter parent account ▾

**Default Tax Code**

Enter Text ▾

**Balance** as of

05/01/2020

1 USD 🇺🇸 = 1.29793 CAD 🇨🇦

Cancel

Save and Close ▾

## ▶ Multicurrency Transactions & Workflows

Creating multicurrency transactions is like creating regular transactions. Every transaction includes an exchange rate which can be edited. However, the exchange rate should be current and editing is not required.

### Create Invoice to Foreign Customer

1. Create the **Invoice** as per usual.
2. Assume the Sales price/amount are in the foreign currency. QBO will convert the amount to the home currency and display at the bottom of the transaction.

3. Edit the **Exchange rate** if necessary.
4. Determine the **Sales Tax**.
5. **Save** the transaction.

**Invoice**
Take a tour ⚙️ ? Help ✕

**Customer**  ⓘ

**Customer email**  ⓘ

Send later  ⓘ Cc/Bcc

Online payments [Get set up](#)

Cards  VISA M/C A/P

**BALANCE DUE**  
\$10,000.00

1 USD = 1.299207 CAD

**Billing address**

**Terms**  ⓘ

**Invoice date**  **Due date**

**Sales Rep**

Amounts are Exclusive of Tax  ▼

#	PRODUCT/SERVICE <span style="font-size: small;"> ⓘ</span>	DESCRIPTION	QTY	RATE	AMOUNT (USD)	SALES TAX
+	1	Landscaping Work <span style="font-size: small;"> ▼</span>				
		Landscaping work at property	1	10,000	10,000.00	Exempt <span style="font-size: small;"> ▼</span>
⋮	2					

**Message on invoice**

Subtotal 10,000.00

Discount percent  ▼  0.00

Print or Preview Make recurring Customize

### Receive Payment from Foreign Customer

1. Click the **New** menu.
2. Click **Receive Payment**.
3. Enter Customer information.



4. Update **Exchange rate** if necessary.

**Receive Payment**
Help X

Customer: American Landscapes

Email:    Send later [Cc/Bcc](#)

1 USD = 1.298967 CAD

Payment date: 03/01/2020

Payment method: Direct Payment Reference no.: 399290 Deposit to: Undeposited Funds

[Accept payments in QuickBooks](#)

AMOUNT RECEIVED

**\$10,000.00**

Amount received: 10,000.00

**Outstanding Transactions**

All

	DESCRIPTION	DUE DATE	ORIGINAL AMOUNT	OPEN BALANCE	PAYMENT
<input checked="" type="checkbox"/>	Invoice # 1016 (02/01/2020)	01/02/2020	10,000.00	10,000.00	10,000.00

< First Previous 1-1 of 1 Next Last >

Total (USD) 10,000.00  
Total (CAD) 12,989.67

Cancel Clear
Print
Save and new

5. **Save** the transaction.

**Deposit Customer Payment**

In this example, you'll receive \$USD and deposit to a \$CDN account.

1. Click the **New** menu.
2. Click Bank **Deposit**.
3. Choose the **Account** to deposit to.
4. Choose the **Currency**.
5. Enter an **Exchange rate**.



**NOTE** In this example, you're depositing to \$CDN account. QBO requires an exchange rate. This will be the rate that is used to finalize this settlement transactions. In this case an exchange gain or loss is recorded.

## 6. Save the transaction.

**Bank Deposit**
Help ✕

Account: Chequing Balance \$-6,674.90

Currency: USD United States Dollar 1 USD = 1.30 CAD

Date: 04/01/2020

**AMOUNT**  
**\$10,000.00**

Select the payments included in this deposit

	RECEIVED FROM	DATE	TYPE	PAYMENT METHOD	MEMO	REF NO.	AMOUNT (USD)
<input checked="" type="checkbox"/>	American Landscapes	03/01/2020	Payment	Direct Payment		399290	10,000.00

Total 10000.00  
Selected Payments Total 10000.00

▼ Add funds to this deposit

	#	RECEIVED FROM	ACCOUNT	DESCRIPTION	PAYMENT METHOD	REF NO.	AMOUNT (USD)	SALES TAX
⋮	1							
⋮	2							

Other funds total 0.00

Cancel Clear
Print Make recurring
Save and new ▼

To view the journal entry on this transaction, click **More**. Note an entry to **Exchange Gain or Loss** is made for this deposit.

Green Tree Landscapes

**JOURNAL**  
All Dates

DATE	TRANSACTION TYPE	#	NAME	MEMO/DESCRIPTION	ACCOUNT	DEBIT	CREDIT
04/01/2020	Deposit		American Landscapes		Chequing	\$13,000.00	
					Undeposited Funds		\$12,989.67
				Exchange Gain Or Loss	Exchange Gain or Loss	\$13,000.00	\$10.33
						\$13,000.00	\$13,000.00
<b>TOTAL</b>						\$13,000.00	\$13,000.00

## Purchasing and Expenses in Multicurrency

When you receive bills or from foreign suppliers or record foreign purchases they can be recorded in QuickBooks in a similar way to sales transactions.

### Enter Bills

1. Click the **New** menu.
2. Select **Bill**.
3. Enter the **Supplier** name.

4. Enter the **Exchange rate** if necessary.
5. Complete the **Account** and/or **Item** details.
6. **Save** the transaction.

**Bill**
Help ✕

**Supplier**

John Deere

BALANCE DUE

## \$20,000.00

1 USD = 1.299207 CAD

**Mailing address**

John Deere  
388 Michigan Ave.  
Chicago, IL, USA

**Terms** ▼

**Bill date** 19/12/2019

**Due date** 19/12/2019

**Bill no.**

Amounts are Exclusive of Tax

**▼ Category details**

#	CATEGORY	DESCRIPTION	AMOUNT (USD)	SALES TAX	BILLABLE	CUSTOMER
1	Subcontractors	Subcontracted consulting for business practices	20,000.00	Exempt		
2						

Add lines
Clear all lines

**▼ Item details**

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT (USD)	SALES TAX	BILLABLE	CUSTOMER

Cancel
Clear
Make recurring
Save
Save and new

### Pay Bills

1. Click the **New** menu.
2. Click **Pay Bills**.
3. Choose the payment account. The payment account can be the currency of your choice if you have multiple currency bank accounts.
4. Enter the **Exchange rate**.

5. Save the transaction (an exchange gain or loss will be recorded on this transaction).

**Pay Bills**
?
✕

Payment account: Chequing Balance \$6,325.10

Payment date: 03/01/2020

Starting cheque no.: 6  Print later

TOTAL PAYMENT AMOUNT

## \$25,958.60

Currency: USD United States Dollar 1 USD = 1.29793 CAD

Filter > Last 365 Days 1 open bill, 1 overdue !

	PAYEE	REF NO.	DUE DATE	OPEN BALANCE	CREDIT APPLIED	PAYMENT	TOTAL AMOUNT
<input checked="" type="checkbox"/>	John Deere		19/12/2019 <span style="color: red;">!</span>	\$20,000.00	Not available	20,000.00	\$20,000.00
1 bill selected				\$20,000.00	\$0.00	\$20,000.00	\$20,000.00

Total payment (USD) 20,000.00

Total payment (CAD) 25,958.60

< First Previous 1-1 of 1 Next Last >

Current account balance \$6,325.10

Total payment -\$25,958.60

---

**New account balance \$-19,633.50**

Cancel
Save and print