



QuickBooks Online Student Guide

Appendix B

Multicurrency in QuickBooks Online



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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 menu 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**.

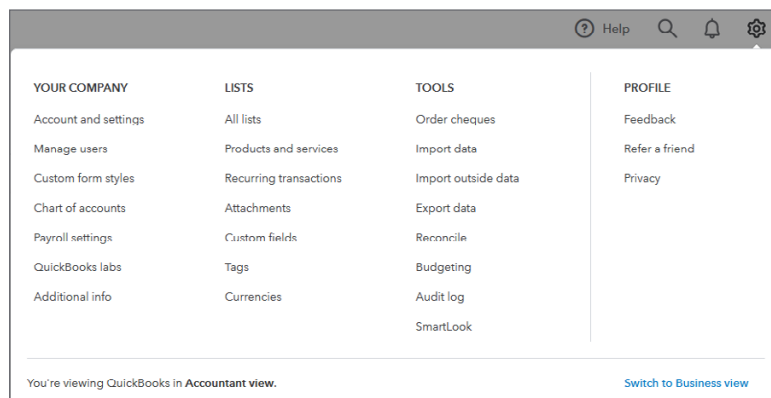


NOTE Until you assign a foreign currency, the default value for all customers, suppliers, and accounts is your company's home currency.

Account and Settings				Help X
Company	Automation	Track locations	Off	
Billing & subscription	Automation	Pre-fill forms with previously entered content	On	
Usage		Automatically apply credits	On	
Sales		Automatically invoice unbilled activity	Off	
Expenses		Automatically apply bill payments	On	
Payments	Projects	Organize all job-related activity in one place	On	
Time	Language	Language	English	
Advanced	Currency	Home Currency	CAD - Canadian Dollar	
		Multicurrency	<input checked="" type="checkbox"/>	
		<p>Multicurrency may be right for you if you have financial transactions in more than one currency. Need help deciding about multicurrency?</p> <p>Once you turn on Multicurrency:</p> <ul style="list-style-type: none"> • You can't turn it off • You can't change your home currency • Extra fields, columns and more are added to QuickBooks • Some features may no longer be available <p><input checked="" type="checkbox"/> I understand I can't undo Multicurrency</p>		
		Cancel	Save	

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.

The screenshot shows the 'Customer' form in QuickBooks Online. A green arrow points to the 'Currency' dropdown menu, which is set to 'CAD Canadian Dollar'. Below this, there are fields for 'Name and contact' including Title, First name, Middle name, Last name, and Suffix. There is also a 'Customer display name' field set to 'Intuit USA' and 'Company name' and 'Name to print on cheques' fields, both set to 'Intuit USA'.



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							
<input type="checkbox"/>	NAME	TYPE	DETAIL TYPE	CURRENCY	TAX RATE	QUICKBOOKS BALANCE	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**.

Green Tree Landscapes

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Help

M

< All lists

Currencies

Add currency

Home currency: CAD - Canadian Dollar

CURRENCY	CAD	LAST UPDATED	ACTION
USD - United States Dollar	1.307788	30/08/2020 at 08:00 PM Central Daylight Time	Edit currency exchange ▾
EUR - Euro	1.557717	30/08/2020 at 08:00 PM Central Daylight Time	Edit currency exchange ▾



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

Cash on hand

Use a **Cash on hand** account to track cash your company keeps for occasional expenses, also called petty cash.

To track cash from sales that have not been deposited yet, use a pre-created account called **Undeposited funds**, instead.

*Name

RBC USA

Description

Currency

USD United States Dollar

☐ Is sub-account

Enter parent account

Default Tax Code

Enter Text

Balance

as of

10/05/2023

1 USD

=

1.338679

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

Customer: American Landscapes

Customer email:

Online payments: [Get set up](#)

Cards: VISA, MASTERCARD, AMEX, DISCOVER

BALANCE DUE: **\$10,000.00**

1 USD = 1.299207 CAD

Billing address: American Landscapes, 499 Main St., Dallas TX 75057

Terms: Net 30

Invoice date: 02/01/2020

Due date: 01/02/2020

Sales Rep:

Amounts are: Exclusive of Tax

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT (USD)	SALES TAX
1	Landscaping Work	Landscaping work at property	1	10,000	10,000.00	Exempt
2						

Subtotal: 10,000.00

Discount percent: 0.00

Message on invoice:

Cancel Clear Print or Preview Make recurring Customize Save Save and send

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

Customer
American Landscapes

Email

☐ Send later

Co/Bcc

1 USD = 1.298967 CAD

AMOUNT RECEIVED
\$10,000.00

Payment date
03/01/2020

Payment method
Direct Payment

Reference no.
399290

Deposit to
Undeposited Funds

Amount received
10,000.00

[Accept payments in QuickBooks](#)

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

Total (USD)
Total (CAD)

10,000.00
12,989.67

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 Date: 04/01/2020 AMOUNT **\$10,000.00**

Currency: USD United States Dollar 1 USD = 1.30 CAD

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

1-1 1000.00 10000.00

Select all Clear all Total 10000.00 Selected Payments Total 10000.00

▼ Add funds to this deposit Amounts are Exclusive of Tax

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

Add lines Clear all lines 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.

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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		\$10.33
						\$13,000.00	\$13,000.00
TOTAL						\$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

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.

BALANCE DUE

\$20,000.00

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 is 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

<input type="checkbox"/>	PAYEE	REF NO.	DUE DATE ^	OPEN BALANCE	CREDIT APPLIED	PAYMENT	TOTAL AMOUNT
<input checked="" type="checkbox"/>	John Deere		19/12/2019	\$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