

Intuit ProLine

**QuickBooks 2011 Student Guide**

**Working with Multiple Currencies**

Lesson 16

---

## Lesson Objectives

- To set up a QuickBooks company file to use multiple currencies
- To perform a transaction using multiple currencies

---

## Notes

---

## Setting up multiple currencies

To use multiple currencies in QuickBooks, you select the multicurrency preference and load exchange rates either manually or automatically.

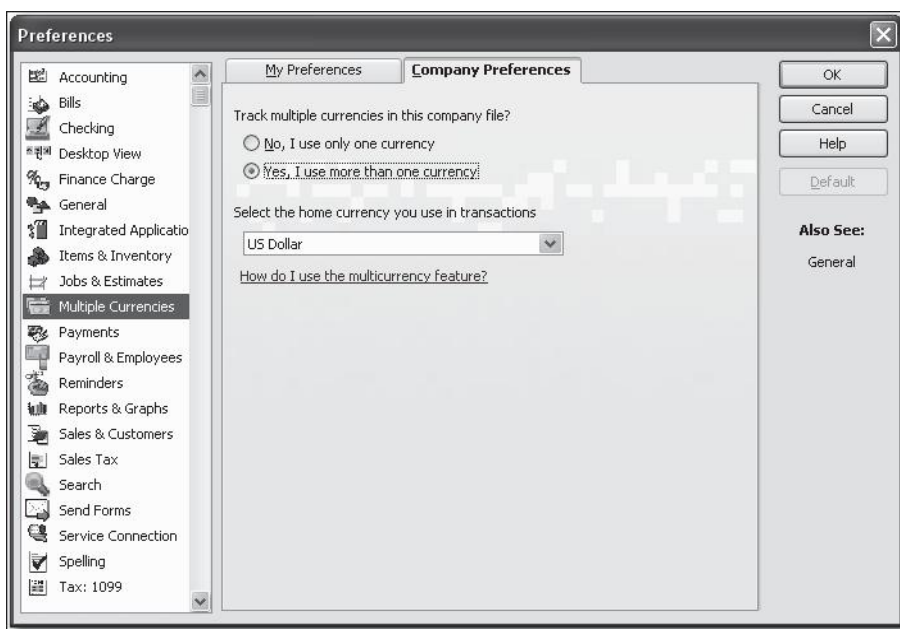
### To use multiple currencies in QuickBooks:

1. Go to the Edit menu and choose **Preferences**.
2. Click **Multiple Currencies** on the left side of the Preferences window.
3. Click the Company Preferences tab.
4. Click **Yes, I use more than one currency**.
5. Click **Yes** in the message informing you that you cannot turn this preference off.
6. Leave **US Dollar** selected for your home currency and click **OK**.

In most cases, the home currency is the US dollar (USD). Your home currency is the currency of the country where your business is physically located.

If you choose to set a home currency other than the US dollar, Intuit services such as payroll and online banking will not be available as these services are only available in US dollars.

Some QuickBooks information—such as income and expense accounts—always use your home currency.



---

## Setting up multiple currencies

7. Click **OK** when you are notified that the company file will close and be reopened.
8. Go to the Company menu, click **Manage Currency**, then choose **Currency List**.
9. Click to uncheck the box next to **Include inactive**.
10. Click the Activities menu button and select **Download Latest Exchange Rates**.



11. Click **OK** when notified that the exchange rates were updated successfully.

You can also enter exchange rates manually. For instructions, type *enter exchange rates manually* in the online help Search field.

12. Close the currency list.

---

## Notes

---

## Buying and selling items in multiple currencies

You can assign one currency to each of your customers and vendors.

If you have an existing customer or vendor with transactions associated with them, you cannot change the currency associated with them. You should create a new customer or vendor instead.

### To create a new vendor and assign a currency to them:

1. Click **Vendor Center** in the icon bar.
2. Click **New Vendor**.
3. If the New Feature window for Add/Edit Multiple List Entries appears, Click “Do not display this message in the future” and click OK.
4. Enter the following information for the vendor:
  - Vendor Name: **Deruta Ceramiche**
  - Address: **Piazza dei Consoli 4, 06053 Deruta PG, Italy**
  - Phone: **075-123-4567**
5. In the Currency list, select **Euro**.

Your screen should resemble the following figure.

The screenshot shows the 'New Vendor' dialog box with the following details:

- Vendor Name:** Deruta Ceramiche
- Currency:** Euro
- Opening Balance:** (empty) as of 12/15/2015
- Buttons:** OK, Cancel, Next, Help
- Address Info Tab:**
  - Company Name:** Deruta Ceramiche
  - Contact:** (empty)
  - Mr./Ms./...:** (empty)
  - Phone:** 075-123-4567
  - First Name:** (empty)
  - M.I.:** (empty)
  - FAX:** (empty)
  - Last Name:** (empty)
  - Alt. Phone:** (empty)
  - Alt. Contact:** (empty)
  - E-mail:** (empty)
  - Cc:** (empty)
  - Print on Check as:** Deruta Ceramiche
- Vendor is inactive:**
- Addresses:**
  - Billed From Address:** Deruta Ceramiche, Piazza dei Consoli 4, 06053 Deruta PG, Italy
  - Shipped From Address:** (empty)

6. Click **OK**.
7. In the Vendor Center, notice that EUR is listed next to Deruta Ceramiche.
8. Close the Vendor Center.

---

## Creating a purchase order in a foreign currency

### To create a purchase order:

1. Click **Purchase Orders** on the Home page.
2. For the Vendor, choose **Deruta Ceramiche**.
3. Click in the Item column and type **Hand-painted Tiles**, then click **Tab**.
4. Click **Yes** to add Hand-painted Tiles to the Item List.
5. In the New Item window, enter the following:
  - Type: **Inventory Part**
  - Item Name/Number: **Hand painted Tiles**
  - Cost: **5** (in US dollars)
  - Sales Price: **8** (in US dollars)
  - Preferred Vendor: **Deruta Ceramiche**
  - Income Account: **Construction Materials**

The screenshot shows the 'New Item' dialog box with the following fields and values:

- Type:** Inventory Part (dropdown menu)
- Item Name/Number:** Hand-painted tiles
- Cost:** 5.00
- Sales Price:** 8.00
- Preferred Vendor:** Deruta Ceramiche
- Income Account:** Construction:Materials
- Asset Account:** Inventory Asset
- Reorder Point:** (empty)
- On Hand:** 0.00
- Total Value:** 0.00
- As of:** 12/15/2015

6. Click **OK**.

---

## Creating a purchase order in a foreign currency

7. Enter the following on the Purchase Order:
  - Description: **Blue hand-painted 4cm tile**
  - Qty: **100**
  - Customer: **Abercrombie, Kristen Kitchen**
8. Notice that the value of the purchase order appears in both dollars and Euros.

The screenshot shows the 'Create Purchase Orders' window. The Vendor is 'Deruta Ceramiche' with currency set to 'EUR'. The Date is '12/15/2015' and the P.O. No. is '40'. The Ship To address is 'Rock Castle Construction, 1735 County Road, Bayshore, CA 94326'. The Expected Date is '12/15/2015' and the FOB is 'FOB'. The item table shows 100 units of 'Blue hand-painted 4cm tile' at a rate of 3.61, with a total amount of 361.00 EUR (499.93 USD). The exchange rate is 1 EUR = 1.38485 USD. The window also includes a 'Vendor' section with contact information, a 'Summary' section with phone number and open balance, and a 'Recent Transactions' section.

ITEM	DESCRIPTION	QTY	RATE	CUSTOMER	AMOUNT
Hand-painte...	Blue hand-painted 4cm tile	100	3.61	Abercrombi...	361.00

Vendor: Deruta Ceramiche, Piazza dei Consoli 4, 06053 Deruta PG, Italy

Phone: 075-123-4567

Open balance: 0.00

POs to be received: 0

Total EUR: 361.00, USD: 499.93

Exchange Rate 1 EUR = 1.38485 USD

To be printed  To be e-mailed

Buttons: Save & Close, Save & New, Clear

9. Click **Save & Close**.

---

## Notes

---

# Receiving inventory and entering a bill from a foreign vendor

## To receive inventory and enter a bill:

1. On the Home page, click Receive Inventory and select Receive Inventory with Bill.
2. On the Enter Bills screen, choose **Deruta Ceramiche** for the Vendor.
3. Click **Yes** when asked if you want to receive against an open purchase order.
4. Click the column next to PO 40 and click **OK**.
5. Review the Enter Bills window.

**Enter Bills - Accounts Payable - EUR**

Previous Next Save Find History Journal Attach

Bill Credit A/P Account Accounts Payable - EUR Bill Received

**Bill**

Vendor: Deruta Ceramiche EUR Date: 12/15/2015

Address: Deruta Ceramiche, Piazza dei Consoli 4, 06053 Deruta PG, Italy

Ref. No. Amount Due: EUR 361.00, USD 499.93

Bill Due: 12/25/2015

Terms: Memo:

Expenses: EUR 0.00 Items: EUR 361.00

Item	Description	Qty	Cost	Amount...	Customer:Job	B...	PO No.
Hand-painte...	Blue hand-painte...	100	3.61	361.00	Abercrombie, ...	<input checked="" type="checkbox"/>	40

Select PO Clear Qty's Show PO Time

Exchange Rate 1 EUR = 1.38485 USD Learn about making foreign payments

Clear Splits Recalculate Save & Close Save & New Clear

**Deruta Ceramiche** Edit Vendor

**Summary**

Phone: 075-123-4567

Open balance: 0.00

POs to be received: 1

**Recent Transactions** QuickReport

**Notes** Edit

6. Click **Save & Close**.

---

## Notes

---

# Creating an Invoice for a Multicurrency Transaction

Creating an invoice for a customer that includes an item from a foreign vendor is the same as creating a standard invoice. When you create an invoice for your customer, all information appears in the currency that you have assigned to them.

**To create an invoice for an item from a foreign vendor:**

1. Click **Create Invoices**.
2. For Customer: Job, select **Abercrombie, Kristen: Kitchen**.
3. Click **Cancel** to close the Available Estimates window.
4. Enter the following information on the Invoice:
  - Quantity: **100**
  - Item Code: **Hand painted tiles**
  - Description: **Special order tile for backsplash**

The screenshot shows the 'Create Invoices' window with the following details:

- Customer:** Job: Abercrombie, Kristy:Kitchen
- Invoice #:** 93
- Date:** 12/15/2015
- Ship To:** Kristy Abercrombie, 5647 Cypress Hill Rd, Bayshore CA 94326
- Item:** Hand-painted tiles (Special order tile for backsplash), Quantity: 100, Price Each: 8.00, Amount: 800.00
- Tax:** San Tomas (7.75%), USD, 62.00
- Total:** USD 862.00
- Summary:** Phone: 415-555-6579, Email: kristy@samplename.com, Open balance: 0.00, Active estimates: 1, Sales Orders to be invoiced: 0, Unbilled time and expenses: 800.00
- Recent Transactions:** 12/01/15 Estimate, 4,792.00

5. Click **Save & Close**.

---

## Notes

---

## Lesson 16: Working with Multiple Currencies

### Review questions

1. You can assign a currency to:

**a** \_\_\_\_\_

**b** \_\_\_\_\_

**c** \_\_\_\_\_

2. Information that always uses your home currency is:

**a** \_\_\_\_\_

**b** \_\_\_\_\_

3. If you have an existing customer or vendor with transactions associated with them and want to assign them to a different currency, you should:

**a** Change the currency to update any historical transactions to the new currency

**b** Create a new customer or vendor

---

## Review activities

1. Create a new customer with the following information:
  - Name: Alexander Thomas
  - Address: 101 Main Street, Spruce Grove, Alberta, Canada
  - Currency: Canadian Dollars
2. Make sure that you have the latest exchange rate information.
3. Create an estimate for 30 hours of removal labor.
4. Create a progress invoice for half of the removal labor from the estimate.

---

## Answers to review questions

1. List five QuickBooks elements that you can assign a currency to:
  - a** *Customers*
  - b** *Vendors*
  - c** *Price Levels*
  - d** *Bank Accounts*
  - e** *Credit Card accounts*
  - f** *Accounts Receivable accounts*
  - g** *Accounts Payable accounts*
2. True or false: You should back up your company file before you enable the multicurrency preference.
  - ✓ **a** *True*
  - b** *False*
3. If you have an existing customer or vendor with transactions associated with them and want to assign them to a different currency, you should:
  - a** *Change the currency to update any historical transactions to the new currency*
  - ✓ **b** *Create a new customer or vendor*