



Global 3000 Service Pack Note

Allocation - Exchange Gain/Loss

Author	DCP		
Project	ZD60_000249.doc		
Version	1.0		1 of 4

INTRODUCTION

This service pack updates Debtors Ledger so that the system automatically generates journal transactions to account for exchange gain/loss arising during transaction allocation.

The batch posting process has been updated to check for allocations (relating to the batch being posted) with exchange gain/loss values either made immediately for payment transactions (during transaction entry) or via allocation batches. If an exchange gain or loss is detected, a journal transaction is automatically generated to account for it and posted along side the original batch being posted.

Exchange gain/loss journals generated by the system do not appear on customer statements.

Taking the simple case of allocating a single payment to a single invoice.

For an exchange gain, a debit journal is generated and allocated against the payment.

For an exchange loss, a credit journal is generated and allocated against the invoice.

The company totals enquiry windows and report continues to show the exchange gain/loss as a separate figure however, they have been updated to reflect the fact that the figures for exchange gains and losses are included in the totals for journal debits and credits.

Note, these changes only take effect in the period after the service packs (containing the changes) are applied.

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DOCUMENTATION CHANGES

Company Totals (This Period) Window

global-dev:23 - P2 - Company Totals: This Period Company: A1 Period: 5/2005

File Run Settings Options Help

Control Totals for Company A1, Current Period 2005/ 5 (Ending 31/05/05)

	This Session	This Period	Next Period
Number of Batches			
Open	0	0	0
Posted or Deleted	2	2	0
Financial Totals			
Brought Forward	925,675.36	925,675.36	925,775.36
Invoices	0.00	0.00	0.00
Credit Notes	0.00	0.00	0.00
Journal Debits	200.00	200.00	0.00
Journal Credits	-100.00	-100.00	0.00
Payments	0.00	0.00	0.00
Dishonoured cheques	0.00	0.00	0.00
Settlement Discount	0.00	0.00	0.00
Total	925,775.36	925,775.36	925,775.36
Other Totals			
Exchange Gain/Loss	100.00	100.00	0.00

Close

Partition 2 Computer 1D 15:39:10 DCP DL310/W1 ADD NUM

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Company Totals (All Periods) Window

Period	Ending	Status	Opening	Debits	Credits	Closing
2005 / 5	31/05/05	OPEN	925,675.36	200.00	100.00	925,775.36
2005 / 4	30/04/05		925,775.36	3,200.00	3,300.00	925,675.36
2005 / 3	31/03/05		923,699.14	2,076.22	0.00	925,775.36
2005 / 2	28/02/05		976,586.06	390,507.77	443,394.69	923,699.14
2005 / 1	31/01/05		985,085.00	391,687.24	400,186.18	976,586.06
2004 / 12	31/12/04		0.00	985,085.00	0.00	985,085.00

Period Values	
Invoices	0.00
Credit Notes	0.00
Journal Debits	200.00
Journal Credits	-100.00
Payments, refunds and dishonoured cheques	0.00
Settlement Discount	0.00
Exchange Gain/Loss included in journal totals	100.00

Exchange Gain and Loss (DL)

Exchange gain and loss

When a transaction is allocated, any discrepancy between its base currency value, and the total base currency value of the items it is allocated to, is realised as an exchange gain or loss. If a partial allocation occurs, the gain or loss is calculated in proportion to the allocation.

The exchange gain or loss can be realised when the batch in which it was allocated is posted. As each batch containing allocations with exchange gain or loss is posted a journal is created to account for each exchange gain or loss (along with the posting of a General Ledger journal). Journal transactions created to account for exchange gains or losses during allocation do not appear on customer statements.

Alternatively, if Cash Manager is in use, under certain circumstances, the realisation of the exchange gain or loss can be deferred until the actual value of the transaction is confirmed in Cash Manager. Debtors Ledger then posts to Cash Manager and General Ledger, the total value in base currency of the items the transaction was allocated to, instead of the base currency value of the payment or refund itself.

When the realisation is not deferred and the currency information for the transaction has not been confirmed in Debtors Ledger, further exchange gain or loss postings are made, if necessary, when the currency information for the transaction is confirmed in Cash Manager.

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