



Global 3000 Service Pack Note

Allocation - Exchange Gain/Loss

Author	DCP		
Project	ZP60_000229.doc		
Version	1.0		1 of 4

INTRODUCTION

This service pack updates Creditors 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.

Journal transactions created by the system to account for exchange gains and losses do not appear on remittance advices.

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 invoice.

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

The company totals enquiry windows and report will continue 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

Control Totals for Company A1, Current Period 2005/ 6 (Ending 30/06/05)			
	This Session	This Period	Next Period
Number of Batches			
Open	0	0	0
Posted	4	4	0
Financial Totals			
Brought Forward	437,507.67	437,507.67	437,607.67
Invoices	0.00	0.00	0.00
Credit Notes	0.00	0.00	0.00
Journal Debits	-100.00	-100.00	0.00
Journal Credits	200.00	200.00	0.00
Payments	0.00	0.00	0.00
Settlement Discount	0.00	0.00	0.00
Total	437,607.67	437,607.67	437,607.67
Other Totals			
Exchange Gain/Loss	100.00	100.00	0.00

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Company Totals (All Periods) Window

Period	Ending	Status	Opening	Credits	Debits	Closing
2005 / 6	30/06/05	OPEN	437,507.67	200.00	100.00	437,607.67
2005 / 5	31/05/05		437,607.67	3,200.00	3,300.00	437,507.67
2005 / 4	30/04/05		437,607.67	0.00	0.00	437,607.67
2005 / 3	31/03/05		437,607.67	0.00	0.00	437,607.67
2005 / 2	28/02/05		415,489.14	230,323.68	208,205.15	437,607.67
2005 / 1	31/01/05		357,500.00	245,355.48	187,366.34	415,489.14
2004 / 12	31/12/04		0.00	357,500.00	0.00	357,500.00

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

Exchange Gain and Loss (CL)

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 remittance advices.

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. Creditors 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 Creditors 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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