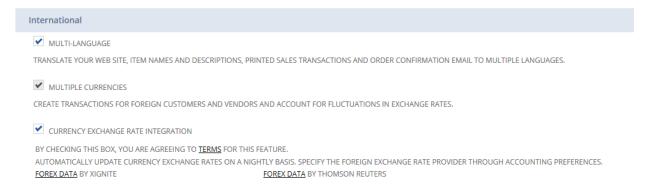# One World Multi-Currency Overview | Dana Larson

Currency conversion exists in two main areas in NetSuite OneWorld. One is transactional and one is for Consolidations.
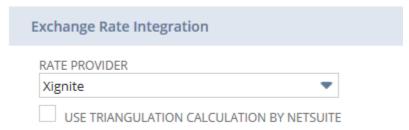
Transactional

Each Subsidiary in NetSuite is assigned a base currency. When you enter a transaction you can select the currency of the transaction. If the currency is different than the base currency of the transaction's subsidiary, the amount will be stored in the Foreign Amount field. The Amount field of the transaction stores the base currency converted from the transactional currency based on the exchange rate on the transaction. This can be defaulted from the exchange rate table or over-ridden at the transaction level.

Go to Setup>Company>Enable Features and the Company Tab to turn on Multiple Currencies and to turn on the Exchange rate integration if desired. This will update the rates nightly.

International

☑ MULTI-LANGUAGE

TRANSLATE YOUR WEB SITE, ITEM NAMES AND DESCRIPTIONS, PRINTED SALES TRANSACTIONS AND ORDER CONFIRMATION EMAIL TO MULTIPLE LANGUAGES.

☑ MULTIPLE CURRENCIES

CREATE TRANSACTIONS FOR FOREIGN CUSTOMERS AND VENDORS AND ACCOUNT FOR FLUCTUATIONS IN EXCHANGE RATES.

☑ CURRENCY EXCHANGE RATE INTEGRATION

BY CHECKING THIS BOX, YOU ARE AGREEING TO TERMS FOR THIS FEATURE.
AUTOMATICALLY UPDATE CURRENCY EXCHANGE RATES ON A NIGHTLY BASIS. SPECIFY THE FOREIGN EXCHANGE RATE PROVIDER THROUGH ACCOUNTING PREFERENCES.
FOREX DATA BY XIGNITE   FOREX DATA BY THOMSON REUTERS

Go to Setup>Accounting>Accounting Preferences and the General Tab to set up which provider you would like to use for the exchange rate integration

Exchange Rate Integration

RATE PROVIDER

Xignite ▼

☐ USE TRIANGULATION CALCULATION BY NETSUITE

Check this box to permit NetSuite to use cross currency triangulation to calculate the exchange rate for a transaction where the two home currencies are not available from the selected rate provider.
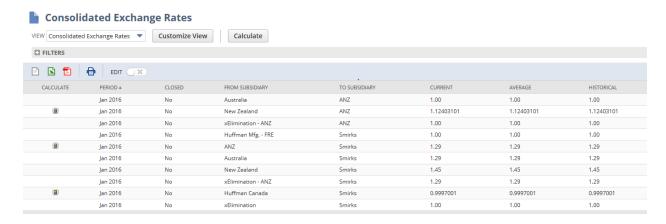
To set up the various currencies that you will transact in, go to Lists>Accounting>Currencies. You can change the name of the currency but make sure the ISO code is correct if you have the automatic update feature turned on.
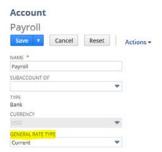

With this set up, the rates will pull in nightly and populate onto the transactions. Some transactions, like a bank transfer from one currency to another, will have a rate that should be entered into the transaction overriding the rate from the table.

Consolidations

Each subsidiary has a base currency which is the currency used for their reporting. All of the transactions that occur in a subsidiary are converted to the base currency. Then, when you consolidate, they are converted to the Consolidating Subsidiary base currency at the rate on the Consolidated Exchange Rate Table.

Each account on the chart of accounts is assigned to either Current, Average or Historical which determines which rate is used.

Clicking on the Calculator Icon on the consolidated exchange rate table will re-calculate the exchange rates.

- Current – Also referred to as ending rate. This rate is based on the currency exchange rate that is effective at the end of the reported upon period. This rate is used for most asset and liability accounts in the balance sheet.

- Average – This rate is calculated from a weighted average of the exchange rates for transactions applied during the period to accounts with a general rate type of Average. This rate is used to translate accounts in the income statement and to build retained earnings.

- Historical – This rate is calculated from a weighted average of the exchange rates for transactions applied during the period to accounts with a general rate type of Historical. This rate is used for equity accounts, or owner's investments, in the balance sheet.

You can also override those rates on the table.   You will be asked to update them as part of the checklist for month end close, but you can skip the step and "mark task complete" without clicking on the calculator button if you have entered the rates from an outside source.

Because you are using different rates for the accounts in the consolidated view, there is a Cumulative Translation Adjustment amount that gets plugged into the Balance Sheet to make it balance. Be careful when changing the rate types on the accounts.