Currency Modifier

Module Guide: Currency Modifier

Module Location

Settings > Accounting Settings > Currency Modifier

Module Purpose

The **Currency Modifier** module is used to manage and record the history of currency exchange rates used for the company's internal accounting purposes (Accounting Rate). Unlike "Tax Conversion," which uses official government tax rates, this module uses rates relevant for internal financial reporting (e.g., the central bank's middle rate). This rate is essential for revaluing foreign currency balances at the end of a period and for calculating foreign exchange gains or losses.?

1. Main View (List of Currency Modifier Groups)

This page displays the history of every batch of accounting exchange rates that has been entered into the system, sorted by their effective period.

View Explanation

- **Filter**: Allows searching the history of rate batches by **Group ID**.

- **Rate History Table**:
  - **Currency Modifier Group ID**: A unique ID for each batch of rates entered.
  - **Start Date**: The effective start date of the rate.
  - **End Date**: The end date of the rate's validity period.
  - **Last Change**: A timestamp recording when this rate data was last modified.
- **Action Buttons**:
  - **New**: A button to open the page and input a new batch of accounting rates for a new period.

2. New Currency Modifier Page

This page is the form for inputting the accounting exchange rate table that will be effective for a specific period.

View Explanation

- **Effective Period**:
  - **Period Start & Period End**: Defines the date range during which the entered rates will be active and used by the system.
- **Exchange Rate Table**:

- **Currency 1**: The foreign currency code (e.g., AUD, USD, EUR).
- **Currency 2**: The functional/local currency (IDR).
- **Rate 1->2**: The exchange rate for 1 unit of the foreign currency into the local currency.
- **Rate 2->1**: The exchange rate from the local currency to the foreign currency (usually calculated automatically).

- **Action Buttons**:
  - **Save**: Saves the newly entered batch of rates.
  - **Cancel**: Cancels the input process.

3. Steps to Add a New Accounting Rate

- From the main page, click the **New** button.
- Define the **Period Start** and **Period End** for the rate's effective period (e.g., daily or monthly).
- In the table, fill in the **Rate 1->2** column for each foreign currency according to the applicable accounting rate (e.g., the central bank's middle rate on that date).
- Once all rates are filled in, click **Save**.

4. Integrated Workflow & Business Process

- **Foreign Exchange Revaluation**: This is the primary function. At the end of each accounting period (usually month-end), the accounting team will run a revaluation process. The system will use the rate from this module (effective on the revaluation date) to reassess all account balances in foreign currencies (such as cash in a USD bank account, EUR receivables, or JPY payables).?

- **Automatic Journal Entries**: The difference between the old carrying value and the new value after revaluation will be automatically journalized by the system as a **Foreign Exchange Gain or Loss**, using the accounts mapped in the **Account Link** module.

- **Transaction Valuation**: This rate can also be used as the default rate when recording daily transactions in foreign currencies.?

5. Tips & Important Notes

- **Distinguish from Tax Rate**: It is crucial to understand that the rate in this module is for **internal accounting/reporting** and is different from the rate in the **Tax Conversion** module, which is used for **tax reporting**.

- **Consistent Source**: Use a consistent rate source that aligns with the company's accounting policies, such as the middle rate from the central bank (Bank Indonesia).

- **Regular Updates**: Rates must be updated regularly (daily or at least at the end of each month) to ensure the revaluation process and financial statements are accurate.

- Access to this module is typically managed by the accounting or treasury department.

Revision #1
Created 22 October 2025 10:04:29 by Sayu
Updated 22 October 2025 10:06:28 by Sayu