PeopleSoft

EnterpriseOne Xe
Euro Implementation Guide
PeopleBook

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J.D. Edwards World Source Company
7601 Technology Way
Denver, CO 80237

SKU XeEARO

Table of Contents

Appendices

Index

Euro Overview

The European Union (EU) has introduced a new monetary unit called the euro. The euro will eventually phase out the national currencies of all Economic and Monetary Union (EMU) member nations.

This overview describes the following:

- Economic and Monetary Union implementation
- EU and EMU member nations
- Accounting requirements for the EMU
- Preparation for the monetary union
- Issues related to the introduction of the euro
- J.D. Edwards software solution
- The purpose of this guide

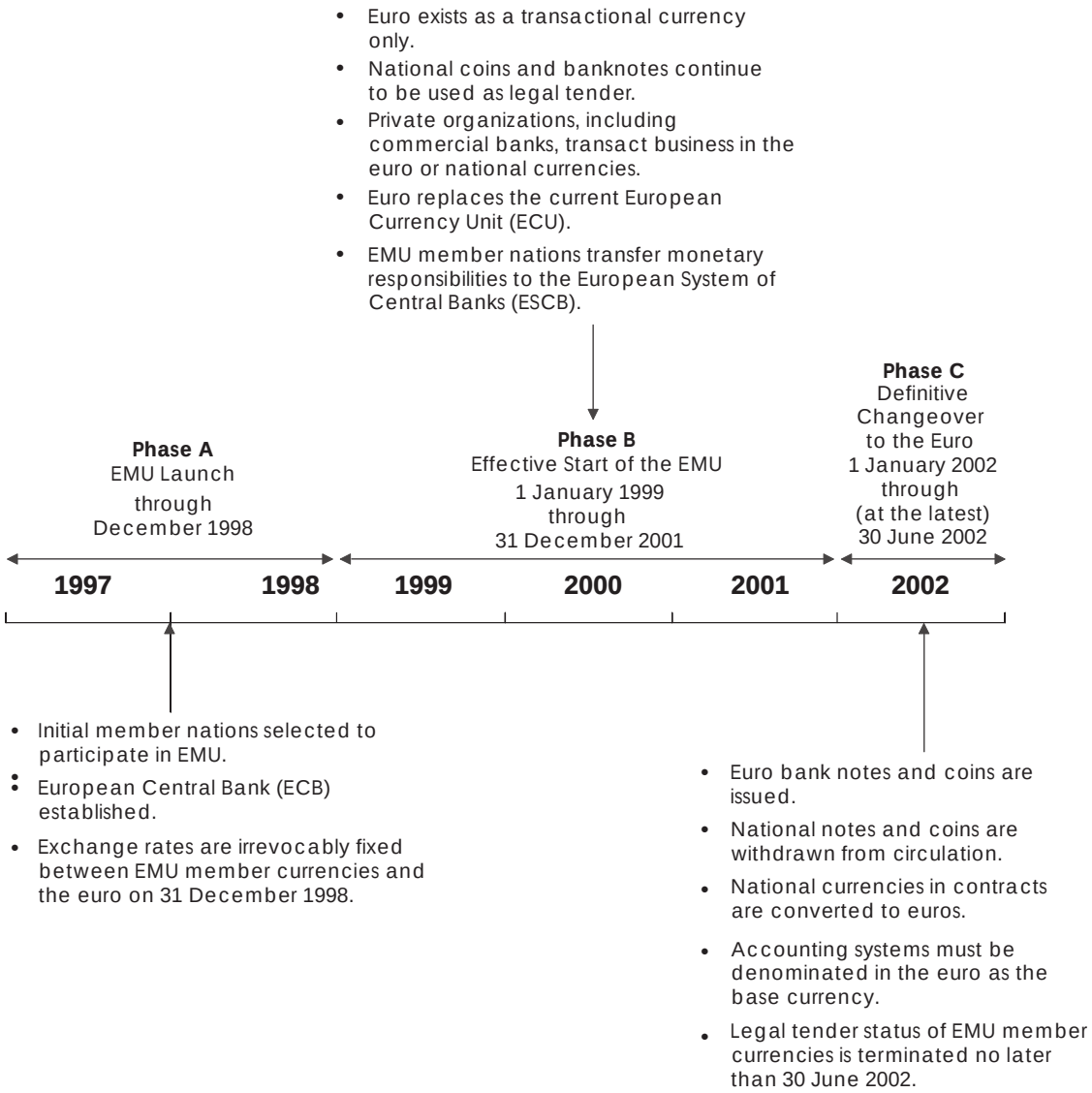
Economic and Monetary Union Implementation

In 1995, the European Council met in Madrid, Spain, and agreed that the single European currency would be named the euro in all official EU languages. It also agreed that the EMU would be introduced in the following phases:

- Phase A: EMU Launch
- Phase B: Effective Start of the EMU
- Phase C: Definitive Changeover to the Euro

EMU Timetable

The three phases are illustrated and described in the following timetable:



EU and EMU Member Nations

Of the 15 EU member nations, 11 nations were admitted to the EMU prior to 1 January 1999 and one nation (Greece) was admitted in 2000.

The following table lists each EU nation, year admitted, and whether the nation is part of the EMU (Yes/No).

EU Member Nation (Year Admitted)	EMU Member Nation
Austria (1995)	Yes
Belgium (1951)	Yes
Denmark (1973)	No
Finland (1995)	Yes
France (1951)	Yes
Germany (1951)	Yes
Greece (1981)	Yes
Italy (1951)	Yes
Luxembourg (1951)	Yes
Netherlands (1951)	Yes
Portugal (1981)	Yes
Republic of Ireland (1973)	Yes
Spain (1981)	Yes
Sweden (1995)	No
United Kingdom (1973)	No

Accounting Requirements for the EMU

For several years, the European Commission has worked to formulate an accounting framework for the EMU environment. One of its goals is to improve comparability of consolidated accounts in the single market. To this end, the European Commission has proposed an initiative to align, where possible, EU accounting rules with international accounting standards promoted by the International Accounting Standards Committee (IASC) and the International Organization of Securities Commissions (IOSCO). The European Commission has also worked to formulate guidelines for the conversion to and the operation in the euro.

Additionally, industry groups such as the Fédération des Experts Comptables Européens (FEE), which represents the accountancy profession in Europe, have been working to formulate guidelines for software development standards regarding the euro.

Preparation for the Monetary Union

To prepare for the monetary union, companies that operate in EMU member nations should:

- Develop an accounting and reporting strategy for the transition period from January 1999 through December 2001
- Establish policies for transacting in specific currencies with major trading partners
- Establish policies for transacting and reporting in specific currencies with subsidiaries
- Decide when to convert their base currencies to the euro

Companies may begin transacting business in the euro on 1 January 1999, although there is no obligation to do so. This is called the “no compulsion, no prohibition” principle. A creditor cannot require a debtor to deal in a specific currency unless agreed upon in a contract. Some suppliers will invoice in euros immediately while others will invoice in euros as late as possible. Customers will also have varying preferences for transacting business in euros.

Issues Related to the Introduction of the Euro

The following topics describe some specific issues related to the introduction of the euro.

Topic	Description
Dual Base Currencies	During the euro transition period, companies in EMU member nations may need to manage dual currencies for operational as well as reporting purposes. This means that daily business activities, such as generating invoices and writing payments, may be created and recorded in both a national currency and the euro. In addition, subsidiaries of global companies doing business in more than one EMU member nation may need to manage up to three currencies – corporate, national, and the euro.
Exchange Rate Calculations	With the introduction of the euro, international currencies are quoted as an exchange rate against the euro and not against the national EMU currencies. The euro rates are quoted as 1 euro = xxxxxx national currency units (for example, 1 EUR = 1.95583 DEM). The inverse rate is no longer allowed. For example, rates are no longer officially published as 1 DEM = 0.5113 EUR. Amounts that are converted from one national currency to another must first be converted to the euro and then converted from the euro to the other national currency (triangulation). The European Commission has expressly stated that an alternative method of calculation cannot be used unless it produces the same result. For EMU member currencies, two exchange rates are now involved when converting amounts from one currency to another. For example, when converting from the German mark to the French franc, one calculation is the based on the exchange rate between the German mark and the euro. The other is based on the exchange rate between the euro and the French franc.

Topic	Description
Rounding	When using triangulation to convert a currency amount to the euro, the converted amount cannot be rounded to less than three decimals for EMU member currencies. Strict application of conversion rates will inevitably lead to fractional euro values that require price rounding. This could yield significant percentage price changes and impact profitability for low-margin, high-volume industries.
Realization	The exchange rates between EMU member currencies and the euro are irrevocably fixed. Because of the fixed rates, any potential gains and losses due to exchange rate fluctuations prior to 1 January 1999 must be realized. Losses on open transactions must be realized at the end of December 1998. Gains are regulated by each EMU member country, but they must be realized no later than 31 December 1999 according to EU regulations.
Alternate Currency Payments and Receipts	According to the "no compulsion, no prohibition" principle, suppliers can invoice in national currencies or euros from 1 January 1999 through 31 December 2001, and customers may pay in national currencies or euros through, at the latest, 30 June 2002. The no compulsion, no prohibition principle means that companies must be prepared to process customer receipts in a currency different from the original transaction currency or base currency as of 1 January 1999. However, those same companies can pay supplier invoices in their national currency as late as 30 June 2002, if they choose to do so. For example, a French company that invoices a German company in euros could receive payment in German marks until as late as 30 June 2002.
Dual Pricing	During the transition period, companies are encouraged to provide dual pricing of goods and services at the consumer level to assist EMU consumers in getting accustomed to a single currency. Trading partners are also encouraged to do the same by providing dual price lists in their product catalogues. It is believed that by developing a sense for prices in the euro and learning to convert national currencies to euros, consumers will quickly see the benefits of the monetary union.

Topic	Description
Conversion of Historical Data	When a company converts its base currency to the euro, historical and current data in monetary amount fields is converted.

J. D. Edwards Software Solution

J.D. Edwards is well-positioned to support the requirements for the implementation of the euro. Much of the functionality required for implementation of the euro already exists in OneWorld. This functionality includes dual currency, multi-currency balance restatement, and multi-currency transaction processing. In addition to the existing functionality, J.D. Edwards has developed software enhancements for the euro-specific requirements.

This topic describes the following:

- Existing software functionality
- New software functionality

Existing Software Functionality

The following briefly describes the existing OneWorld software functionality for euro transaction processing:

Existing Functionality	Description
Multi-Currency General Ledger Balance Restatement	Companies can maintain an unlimited number of currencies at the account balance level. For account comparisons, currency amounts can be reviewed online and in reports.
Dual Currency General Ledger Detail Restatement	In addition to managing multiple currencies at an account balance level, companies can maintain two base currencies at the transaction level. For example, a German company that chooses to operate in its national currency could continue using German marks in day-to-day business, and restate all general ledger transactions to the euro for reporting and business analysis purposes.

Existing Functionality	Description
Multi-Currency Customer and Supplier Transaction Processing	Companies are able to transact business in the currency of their customers and suppliers while tracking some statistical information in the euro. A company transacting business in German marks, for example, can choose to invoice a French customer in francs as long as it is within the euro transition period. By using a specific field in the customer and suppler master records, certain summary information can be stored in euros, including customer credit limits, and year-to-date invoice and voucher amounts.
Multi-Currency Payment Processing	Companies can centralize payment processing for multinational operations by associating payment groups with specific bank accounts. All foreign currency vouchers in a particular currency can be paid from a bank account that deals in that currency.
Multi-Currency Draft Processing for A/P	Companies can process automatic payments for drafts in a foreign currency as well as their domestic currency.
Multi-Currency Pricing	Companies have the flexibility to establish base prices and advanced price adjustments by customer, customer groups, product, and product groups in unlimited currencies.
Asset Revaluations	Companies can simultaneously record fixed assets at the detail level in different ledgers for reporting in two currencies. Any fixed assets that are acquired during the euro transition period can be accounted for in both a company's national currency and the euro.
User-Defined Depreciation (UDD)	Using parallel ledger types, companies can depreciate assets in the euro and their base currency with user-defined, date-effective depreciation rules that can be different for each ledger. This flexibility offers a significant advantage for rapid implementation of any new rules that may be established by EMU member nations.

New Software Functionality

As of release B73.3, OneWorld includes significant enhancements for the euro. Although many of the enhancements were designed for countries participating in the European common currency, companies outside the EMU can also use the enhancements. Consult with your accounting department to determine whether the enhancements are applicable to your business.

The following list briefly describes the new software functionality, or enhancements, that J.D. Edwards has developed for euro-specific requirements. Unless noted otherwise, the new software functionality exists as of OneWorld release B73.3.

New Functionality	Description
No Inverse and Triangulation	As of 1 January 1999, the only officially published exchange rates for EMU member nations are for the euro. There is no longer an official rate between two EMU member currencies, such as French francs and German marks. In accordance with rules defined by the European Commission, the inverse of the officially published rates cannot be used. Companies must perform exchange rate calculations from one EMU member currency to another by first converting to the euro (triangulation). The Set Daily Transaction Rates program has been enhanced to provide no inverse and triangulation functionality. Programs that calculate and use exchange rates have been enhanced to follow the no inverse/triangulation rules. A new user defined code table (00/EU) designates EMU members.
As If Currency Processing	Before you convert your company base currency to the euro, you can view amounts in the euro regardless of whether a transaction was entered in a foreign or domestic currency. This functionality will help companies prepare for and transition to the euro. Many inquiry and report programs have been enhanced to provide the ability to view amounts in an *as if* currency. *As if* currency processing allows you to view amounts as if they were entered in a currency other than the currency in which they were actually entered. *As if* currency processing was added to the following programs in OneWorld Xe: • Account Inquiry by Object Account and Account Inquiry by Category Code in the General Accounting system • A/R Inventory Book (R7403B026) and AP/AR Ledger Report (R7404014) for French and Italian clients for Localizations • Print Invoices in the Sales Order Management system

New Functionality	Description
Customer and Supplier Master Conversion	As EMU member companies that you transact business with convert to the euro, you will convert their default currencies, and address book currency and amounts to the euro. You can do this on an individual basis, or you can convert multiple customers and suppliers at a time. The Euro Address Book Conversion programs have been created to automatically convert customer and supplier default currencies, and their address book currency and amounts to the euro.
Multi-Currency Draft and Automatic Debit Processing for A/R	Companies can process drafts and automatic debits in a foreign currency as well as their domestic currency. This multi-currency functionality is included in manual and automatic (pre-authorized) drafts (B73.3.1) and automatic debits (OneWorld Xe).
Alternate Currency Processing	Companies must be able to process customer receipts and supplier payments in a currency different from their base currency or the original transaction currency. The programs for receipts entry, manual and automatic payments, and A/P drafts have been enhanced to process transactions in an alternate currency such as the euro. Alternate currency processing for manual payments and A/P drafts is available as of release B73.3.1.
Accounts Receivable AAI Item R8	Automatic accounting instruction (AAI) item R8 tracks slight rounding differences when a foreign or alternate currency receipt, such as the euro, is involved in a transaction. Prior to release B73.3, rounding differences were tracked using regular gains and losses. AAI item R8 is available as of OneWorld Xe.

New Functionality	Description
Price Generation	As your company and other EMU member companies convert to the euro, you will generate new prices in the euro. You can do this on an individual basis, or you can generate multiple prices at the same time. The Generate Base Price/Currency and Advanced Price and Adjustment programs for Sales Order Management and the Generate Purchase Price by Currency program for Procurement have been created to automatically copy existing price records, calculate new costs, and create new prices in the euro. The Generate Purchase Price by Currency program is available as of release B73.3.1.
Electronic Formats	With the introduction of the irrevocably fixed euro exchange rate, several EMU member nations have created new electronic formats while others have enhanced their existing formats. Many of the EMU formats support the domestic currency *and* the euro. The A/R and A/P electronic format processing options have been enhanced to accommodate the EMU electronic format changes.
Intrastat Reporting	Each EMU member nation will continue to determine its own Intrastat requirements. Some nations will change their format to more easily accommodate the euro. The Intrastat programs have been enhanced so that your company can continue to comply with the reporting requirements for your country.
Euro Realization	The Unrealized Gain/Loss program was enhanced to realize gains and losses for open EMU currency transactions for A/R and A/P over an extended period of time (from the introduction of the euro through 1999). EU regulations required the following: • Companies in all EMU member nations were required to realize losses on exchange differences between EMU member currencies by 31 December 1998. • Each EMU member nation had its own guidelines as to when gains on exchange differences were to be realized; however, EU regulations required them to be realized no later than 31 December 1999.

Each of these software enhancements is described in detail in this guide. The base currency conversion, which converts a company's base currency to the euro, is described in the *OneWorld Euro Conversion and Integrity Workbook*.

The Purpose of This Guide

This guide describes the software functionality developed for companies in EMU member nations that are required to transact business in the euro and for companies outside of the EMU that choose to transact business in an alternate currency.

Although this guide specifically describes the euro, its contents apply to any company that chooses to set up its system and transact business in an alternate currency.

This guide includes the following types of information:

- Conceptual information about the no inverse and triangulation method of exchange rate calculations
- Things to consider before setting up your system for the euro
- Examples that provide possible strategies for implementing the euro
- Examples of T-accounts and tables that show the entries that are created for euro realization
- Form captures that show records before and after converting to the euro
- Descriptions of the changes that were made to the existing software to allow for the euro

This guide assumes that you have worked with and have a solid understanding of J.D. Edwards software. As such, it does not describe step-by-step instructions needed to complete a task. For example, assume you are setting up EMU member currencies. This guide does not describe every field and button you must click when you set up EMU currencies. Instead, it explains that if two currencies exist in the table, the system does not allow spot rates on transactions between them. Or, for example, assume you want to enter a manual payment in the euro. Instead of describing the manual payment process in its entirety, this guide describes the new Alternate Currency Entry form and contains detailed instructions about how to use the form when entering an alternate currency payment.

Exchange Rates and the Euro

The euro impacts many European countries, especially Economic and Monetary Union (EMU) member countries and any countries with which they do business. The euro currency fluctuates against world currencies but not against EMU member currencies. The regulations for the euro and associated EMU national currencies affect how exchange rates are handled.

This overview describes the following:

- Irrevocably fixed exchange rates
- Exchange rates and calculations
- Checklist: Set up euro currency relationships
- Topics and tasks for exchange rates and the euro

Irrevocably Fixed Exchange Rates

The euro exchange rate was irrevocably fixed to EMU member currencies as of 1 January 1999. Since that time, international currencies have been quoted as an exchange rate against the euro, and not against the national EMU currencies. The official conversion rates are as follows:

1 euro equals:

40.3399 Belgian francs

1.95583 German marks

166.386 Spanish pesetas

6.55957 French francs

0.787564 Irish pounds

1936.27 Italian lire

40.3399 Luxembourg francs

2.20371 Dutch guilders

13.7603 Austrian schillings

200.482 Portuguese escudos

5.94573 Finnish markka

Each EMU member currency is fixed to the euro at an irrevocably fixed exchange rate. This fixed rate is published and used to calculate currency conversions between EMU member currencies.

For example, the German mark is irrevocably fixed to the euro at an exchange rate of 1 EUR = 1.95583 DEM. Likewise, the French franc is irrevocably fixed at a rate of 1 EUR = 6.55957 FRF. Thus, the German mark is fixed to the euro and the French franc is fixed to the euro. In essence, the mark and the franc are fixed to each other, even though no exchange rate is published between the mark and the franc. This situation applies to exchange rates between the euro and the currencies of all EMU member nations.

Exchange Rates and Calculations

Prior to the introduction of the euro, J.D. Edwards OneWorld software calculated exchange rates by using the multiplier or divisor method to derive the unknown side of a transaction. Using the multiplier or divisor method meant that the reciprocal (or inverse) of a rate was used for some exchange rate calculations. With the introduction of the euro and the new exchange rate regulations, the inverse of a rate can no longer be used when converting amounts from one EMU currency to another.

One exchange rate is published for each EMU member currency. Each EMU member currency is fixed to the euro at an irrevocably fixed exchange rate. The official rates are from the euro - for example 1 EUR = 1.95583 DEM. You will not see an official rate to the euro, such as 1 DEM = 0.511291 EUR, because the inverse rate cannot be used.

The official euro rates are published with six significant figures as follows:

1 EUR = xxxxxx national currency unit

For example, 1 euro (EUR) = 1.95583 German mark (DEM) and 1 EUR = 1936.27 Italian lire (ITL). The DEM rate has one significant figure to the left of the decimal and five to the right of the decimal, whereas the ITL rate has four significant figures to the left of the decimal and two to the right.

Because the euro is used to calculate currency conversions between EMU member currencies, no official exchange rate exists between two EMU currencies. When converting a transaction amount from one EMU currency to another, only the rates that correspond to one euro are valid. To convert an amount between two EMU currencies, two rates are used to derive the unknown side of the transaction. One rate is used to convert from an EMU currency to the euro, and the other is used to convert from the euro to an EMU currency. The amount is calculated through the euro using triangulation.

The European Commission has defined strict rules for EMU member nations and how they perform exchange rate calculations. Some of the rules include:

- The officially published euro exchange rates must be used for calculations between EMU member currencies and other currencies.
- EMU member nations must use triangulation to calculate currency amounts through the euro.
- Cross rates are allowed in exchange rate calculations only if they provide the same result as triangulation.
- Spot rates are not used on transactions between two EMU member currencies.

Checklist: Set Up Euro Currency Relationships

Complete the items in the following checklist to set up your exchange rates for the euro. These are one-time only tasks:

- ❑ Activate multi-currency
- ❑ Set up a currency code for the euro
- ❑ Set up the EMU member currency table
- ❑ Set up processing options for Set Daily Transaction Rates and Speed Transaction Rates Entry
- ❑ Set up no inverse for EMU currencies
- ❑ Set up triangulation for EMU currencies
- ❑ Set up exchange rates for EMU currencies

Topics and Tasks for Exchange Rates and the Euro

This documentation consists of the following topics and tasks:

- ❑ No inverse and triangulation

- ❑ Before setting up euro currency relationships
- ❑ Setting up euro currency relationships

No Inverse and Triangulation

The European Commission has defined strict rules for Economic and Monetary Union (EMU) member nations and how they perform exchange rate calculations. To adhere to the rules, J.D. Edwards has incorporated no inverse and triangulation functionality into the OneWorld software.

Each EMU member currency is fixed to the euro at an irrevocably fixed exchange rate. This fixed rate is used to calculate currency conversions between EMU member currencies. For example, the German mark is irrevocably fixed to the euro at an exchange rate of 1 EUR = 1.95583 DEM. Likewise, the French franc is irrevocably fixed at a rate of 1 EUR = 6.55957 FRF. Thus, the German mark is fixed to the euro and the French franc is fixed to the euro. In essence, the mark and the franc are fixed to each other, even though no exchange rate is published between the mark and the franc. This situation applies to exchange rates between the euro and the currencies of all EMU member nations.

This topic describes the following:

- ❑ Exchange rate methods
- ❑ No inverse
- ❑ Triangulation
- ❑ Application outside of the EMU

Exchange Rate Methods

There are three exchange rate methods for calculating amounts from one currency to another:

- Multiplier method
- Divisor method
- No inverse method

The first two methods, divisor and multiplier, do not apply when calculating amounts between two EMU member currencies. The third method, no inverse, is the exchange rate method that applies to EMU member currencies as defined by the European Union (EU). While non-EMU member countries may choose to use the no inverse method of exchange rate calculation, the no inverse method is required for EMU member countries that transact business with one another.

These three exchange rate methods are described in the following examples using German marks and the euro. The examples are used only for illustration purposes. Remember, German companies can no longer use the multiplier and divisor methods for transactions with other EMU currencies. Instead, they are required to use the no inverse method.

Multiplier Method

The multiplier method (Y) multiplies the foreign amount by the exchange rate to calculate the domestic amount.

	Multiplier Method (Y) and Rate	Divisor Method (Z) and Rate	No Inverse (Override Conversion) Method (Y or Z)
EUR to DEM	**1.95583**	.511292	
DEM to EUR	**.511292**	1.95583	

The system uses the multiplier rate when calculating from EUR to DEM and from DEM to EUR. Notice that the DEM to EUR multiplier rate (1/1.95583 = .511292) is the inverse of the EUR to DEM multiplier rate (1.95583).

Divisor Method

The divisor method (Z) divides the foreign amount by the exchange rate to calculate the domestic amount.

	Multiplier Method (Y) and Rate	**Divisor Method (Z) and Rate**	No Inverse (Override Conversion) Method (Y or Z)
EUR to DEM	1.95583	**.511292**	
DEM to EUR	.511292	**1.95583**	

The system uses the divisor rate when calculating from EUR to DEM and from DEM to EUR. Notice that the EUR to DEM divisor rate (1/1.95583 = .511292) is the inverse of the DEM to EUR divisor rate (1.95583).

No Inverse Method

The EU requires that the inverse of exchange rates *not* be used when calculating amounts between EMU currencies in the reverse (opposite) direction. EMU currencies must use the no inverse method, which uses the divisor rate when calculating to the euro and the multiplier rate when calculating from the euro.

The no inverse method, sometimes referred to as the override conversion method, overrides the multiplier or divisor method (on the Set Multi-Currency Option form) when it is set up.

	Multiplier Method (Y) and Rate	Divisor Method (Z) and Rate	**No Inverse (Override Conversion) Method (Y or Z)**
DEM to EUR	blank	**1.95583**	**Z**
EUR to DEM	**1.95583**	blank	**Y**

Notice that the override conversion method for DEM to EUR is Z (divisor) in this example. It cannot be Y because that would require using the inverse rate, which is not allowed on transactions between EMU member currencies. Notice that the override conversion method for EUR to DEM is Y (multiplier). Both methods Y and Z use the same exchange rate amount, 1.95583. Because the inverse rate is not valid, it appears as blank in the example.

No Inverse

In accordance with rules established by the European Commission, EMU member nations can no longer use the inverse of the officially published exchange rates. The European Commission rules state the following:

- Economic Council regulations specifically prohibit the use of inverse rates for converting amounts between a national currency and the euro.
- The EU national banks will no longer make rates available for member national currencies to any currency other than the euro. For example, the German mark (DEM) to French franc (FRF), and DEM to U.S. dollar (USD) exchange rates will no longer exist.

The no inverse method of exchange rate calculation is called no inverse because it does not use the inverse (reciprocal) rate when calculating amounts between currencies, as do the divisor and multiplier methods. Using the no inverse method minimizes the rounding differences that can occur when the divisor or multiplier method of exchange rate calculation is used. Any rounding differences that might occur with the no inverse method are usually immaterial.

The no inverse method works as follows:

- For transactions between two EMU currencies, the no inverse method uses the divisor rate when calculating *to* a currency (euro) and the multiplier rate when calculating *from* a currency (euro). This is a legal requirement.
- For transactions between an EMU and a non-EMU currency or two non-EMU currencies, the no inverse method can use either the divisor rate when calculating to a currency and the multiplier rate when calculating from a currency, *or* vice versa. No legal requirement exists that specifies which rate must be used when calculating to or from a currency.

Example: Converting Irish Pounds to the Euro

In the following example:

- The first calculation uses the no inverse method, which is required by EMU currencies, to convert Irish pounds (IEP) to the euro.
- The second calculation uses the reciprocal rate, which cannot be used by EMU member currencies. Notice the rounding differences that occur when the reciprocal rate is used.

Convert:

IEP	500.00	5,000.00	50,000.00	500,000.00	5,000,000.00

Using the no inverse method:
1 EUR = 0.787564 IEP

EUR	634.87	6,348.69	63,486.90	634,869.04	6,348,690.39

= 500 / 0.787564

= 653.23

Using the reciprocal rate:
Reciprocal = 1.269738078

6 decimal places – 1.269738	634.87	6,348.69	63,486.90	**634,869.00**	**6,348,690.00**
7 decimal places – 1.2697380	634.87	6,348.69	63,486.90	634,869.00	6,348,690.00
8 decimal places – 1.26973807	634.87	6,348.69	63,486.90	**634,869.04**	**6,348,690.35**
9 decimal places – 1.269738078	634.87	6,348.69	63,486.90	**634,869.04**	**6,348,690.39**

= 500.00 x (1 / 0.787564)
= 500.00 x 1.2697
= 634.87

Triangulation

Triangulation is required for EMU member countries that transact business with one another. With triangulation, a composite of two rates are divided and multiplied through a third currency to produce the domestic amount.

To follow the rules of triangulation, the euro is used as a middle step when restating one EMU currency to another EMU currency. For example, a German and a French company transact business with one another. To calculate an amount from DEM to FRF, the French company must first calculate DEM to EUR and then EUR to FRF. In this way, the DEM to FRF rate is calculated through the euro.

Triangulation works as follows:

- For transactions between two EMU currencies, triangulation uses the divisor rate (Z) to convert to a triangulation currency (euro) and the multiplier rate (Y) to convert from a triangulation currency (euro). This calculation is necessary so that the currency conversion does not violate the no inverse rule.

  Triangulation must exist whenever EMU member companies transact business *with one another* unless a company uses a cross rate that produces the same result as triangulation**.**

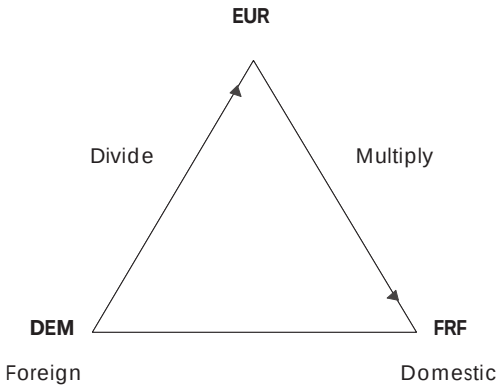
- For transactions between an EMU and a non-EMU currency or two non-EMU currencies, triangulation is optional. Amounts can be calculated in either of the following ways:

  - Using cross rates, as usual.
  - Using triangulation. Triangulation can use the divisor rate to convert to a triangulation currency and the multiplier rate to convert from a triangulation currency, *or* vice versa. There is no legal requirement that specifies which rate must be used when calculating to or from the triangulation currency.

  Companies must decide whether to set up triangulation between an EMU and a non-EMU member currency or to continue to use cross rates. For example, a German company must decide whether to set up triangulation between the DEM (EMU) and USD (non-EMU) currencies, or to continue to use cross rates for those currencies.

Spot rates cannot be used on transactions between two EMU member currencies that triangulate through the euro because the exchange rates for the EMU currencies are irrevocably fixed to the euro. However, they can be used on transactions between an EMU and a non-EMU member currency.

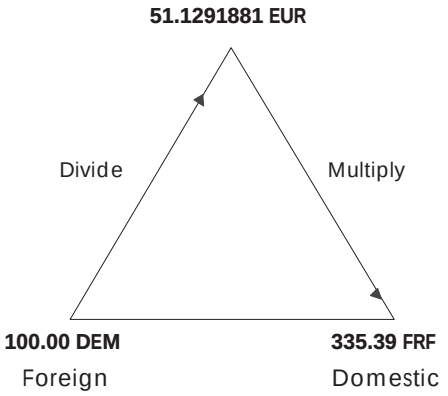
The following graphic provides a visual representation of triangulation:



Caution: Activating triangulation is irreversible. Once you activate it, you cannot turn it off. Make sure that you understand the triangulation functionality and determine whether it relates to your business before activating it.

Example: Converting German Marks to French Francs

The following graphic shows how DEM to FRF amounts are calculated through the euro. To perform a currency calculation between DEM and FRF, you first calculate DEM to EUR (step 1) and then calculate EUR to FRF (step 2).



1 EUR = 1.95583 DEM
1 EUR = 6.55957 FRF

Step 1:
Divide FC by ER to calculate to EUR
100.00 DEM / 1.95583 = 51.1291881 EUR

Step 2:
Multiply EUR by ER to calculate to DC
51.1291881 x 6.55957 = 335.39 FRF

FC = Foreign Currency
ER = Exchange Rate
DC = Domestic Currency

Triangulation in a Multi-company Environment

When you activate triangulation, you do not have to use it for all currencies. You control whether a currency relationship uses triangulation. If you use triangulation for some currency relationships within a company, you do not have to use it for all currency relationships within that company.

If you have several companies operating in one environment, all companies have the euro functionality available to them. The currency relationships that you set up apply to all companies in the environment. If you activate triangulation for EMU member currencies only, companies with a non-EMU currency are not affected.

Application Outside of the EMU

The no inverse method of exchange rate calculation is required for EMU member countries that transact business with one another, whereas it is optional for non-EMU member countries. The no inverse method reduces the rounding errors that can occur when working with large amounts using the multiplier or divisor method. Non-EMU member countries may choose to use no inverse when transacting business with EMU and non-EMU member countries, or they can continue to use the multiplier or divisor method of exchange rate calculation.

Triangulation is required for EMU member countries that transact business with one another, whereas it is optional for non-EMU member countries. Companies outside of the EMU can do either of the following when transacting business with an EMU member nation:

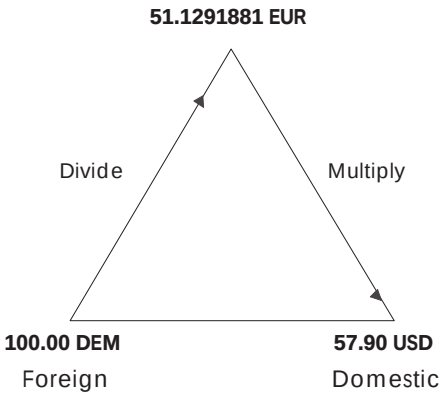
- Set up exchange rates for the EMU and non-EMU currency as usual, and continue to use cross rates.
- Set up a currency relationship between the EMU and non-EMU currency using triangulation.

For example, a United States company can use triangulation when calculating amounts between DEM (EMU) and USD (non-EMU) currencies or it can continue to use cross rates between those currencies. To calculate amounts from DEM to USD using triangulation, you calculate the DEM to EUR amount and then the EUR to USD amount. In this way, the DEM to USD amounts are calculated through the euro, using triangulation.

Note: Triangulation allows spot rates on transactions between an EMU and non-EMU currency, or two non-EMU currencies.

Example: Converting German Marks to U.S. Dollars

The following graphic shows how DEM to USD amounts are calculated through the euro. To perform a currency calculation between DEM and USD, you first calculate DEM to EUR (step 1) and then calculate EUR to USD (step 2).



1 EUR = 1.95583 DEM
1 EUR = 1.13252 USD

Step 1:

Divide FC by ER to calculate to EUR

100.00 DEM / 1.95583 = 51.1291881 EUR

Step 2:

Multiply EUR by ER to calculate to DC

51.1291881 x 1.13252 = 57.90 USD

FC = Foreign Currency
ER = Exchange Rate
DC = Domestic Currency

Before Setting Up Euro Currency Relationships

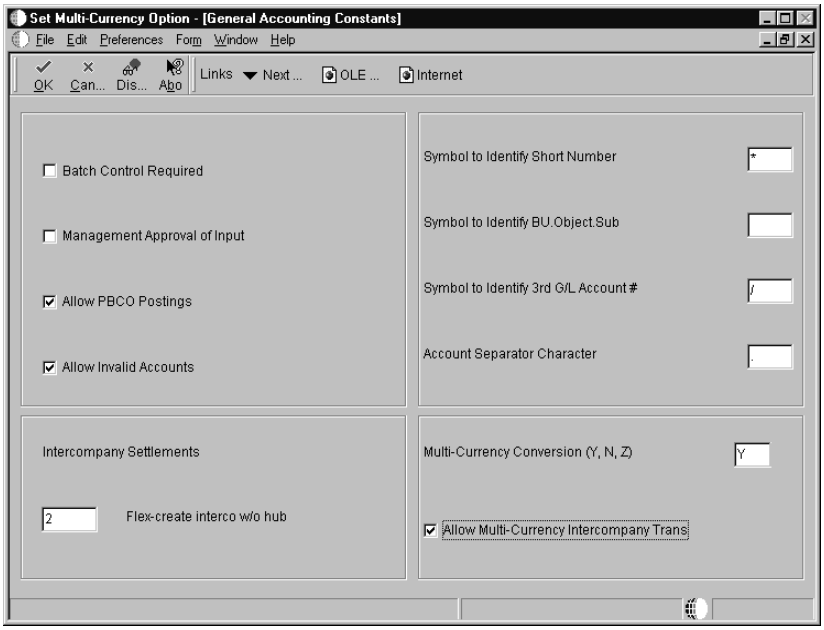
Make sure you understand no inverse and triangulation before you set up euro currency relationships. Once you activate the no inverse and triangulation functionality, you cannot turn it off. See *No Inverse and Triangulation* for more information.

Before you set up euro currency relationships, you must complete the following tasks:

- ❑ Activating multi-currency
- ❑ Setting up a currency code for the euro
- ❑ Setting up EMU member currencies
- ❑ Setting up processing options
- ❑ Verifying no inverse and triangulation functionality

Activating Multi-Currency

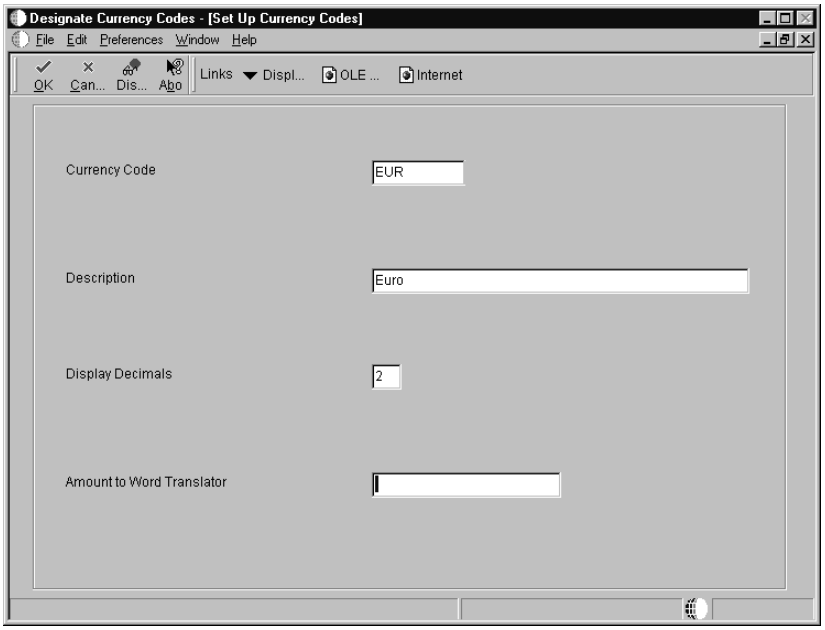
From the Multi-Currency Setup menu (G1141), choose Set Multi-Currency Option. On System Setup, click General Accounting Constants.



On General Accounting Constants, set the Multi-Currency Conversion field to Y (multiplier) or Z (divisor).

Setting Up a Currency Code for the Euro

From the Multi-Currency Setup menu (G1141), choose Designate Currency Codes. On Work with Currency Code and Rates, click Add.



On Set Up Currency Codes, set up the euro currency code. Make sure you set the Display Decimals field to 2 for the euro.

Setting Up EMU Member Currencies

Each EMU member currency must be set up in the user defined code table 00/EU. This table serves two purposes:

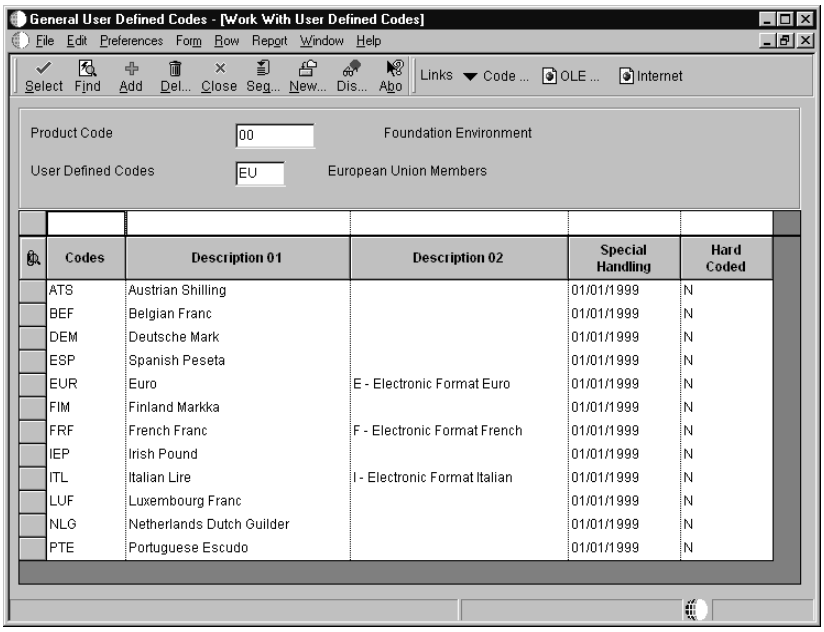
- Determines whether spot rates are valid on transactions. If a transaction is between two EMU currencies that exist in this table, the system does not allow spot rates on transactions.
- Prevents additional exchange rates from being entered between EMU member currencies. If a currency exists in this table, you cannot enter an exchange rate after the override effective date if you set the appropriate processing option for the following programs:
    - Set Daily Transaction Rates
    - Speed Transaction Rates Entry

To set up EMU member currencies

The User Defined Codes form (00/EU) contains default currency codes and effective dates.

Each currency is assigned an effective date, which is the date that a currency is irrevocably fixed to the euro. By associating an effective date with a currency, you can add currencies that join the EMU at a later time. For example, the currencies for the first 11 countries that joined the EMU will have an effective date of 01/01/1999, whereas Greece and other countries that join after 1999 will have a different effective date.

1. From the General Accounting System Setup menu (G0941), choose User Defined Codes.
2. Verify the existing values and ensure that there is a valid currency code for the euro (EUR).



The Description 2 field has a specific purpose for A/R domestic formats in the French franc and Italian lire. See *Special Setup Requirement for A/R French and Italian Formats.*

3. Verify that the effective date in the Special Handling field is in the following format, regardless of your date preferences:

   DD/MM/YYYY

   The effective date must be entered in this format because the Special Handling field is a text field, not a date field.

4. Make sure that the effective date for a currency is the same as the effective date on the Set Up No Inverse Rule and Triangulation form.

Setting Up Processing Options

Before you set up euro currency relationships, you must set up processing options for the following programs:

- Set Daily Transaction Rates, on the Multi-Currency Setup menu (G1141) or the Multi-Currency Processing menu (G11)
- Speed Transaction Rates Entry, on the Multi-Currency Processing menu (G11)

The processing options for euro functionality are:

- No Inverse 1. To activate the Advanced Setup form, which allows you to set up currency relationships for no inverse and triangulation, enter 1. Entering 1 does not activate triangulation. Triangulation is activated when you enter a currency in the Triangulation Currency field on the Set Up No Inverse Rule and Triangulation form.

  Caution: For security purposes, J.D. Edwards recommends that you remove the value for this processing option after you set up currency relationships for no inverse and triangulation. This way, the Advanced Setup form can no longer be accessed, thus avoiding any erroneous entries by users.

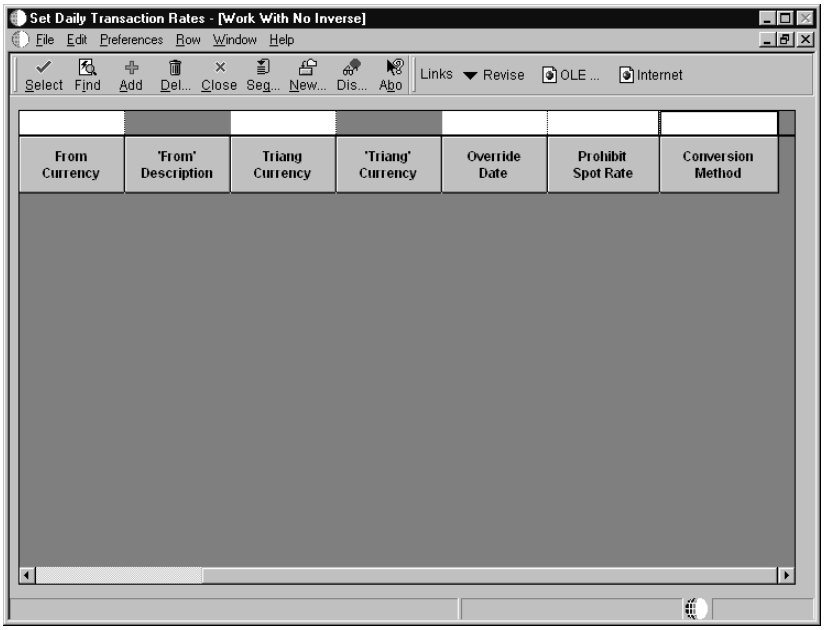
- No Inverse 2. To prohibit additional exchange rates from being entered between EMU currencies after the override effective date on the Set Up No Inverse Rule and Triangulation form, enter 1.

Verifying No Inverse and Triangulation Functionality

After you set up the processing options for euro functionality, verify that the no inverse and triangulation functionality are available for your use.

▶ To verify no inverse and triangulation functionality

1. From the Multi-Currency Setup menu (G1141) or the Multi-Currency Processing menu (G11), choose Set Daily Transaction Rates.
2. On Work with Currency Exchange Rates, choose Advanced Setup from the Form menu.



3. On Work with No Inverse, scroll right.
4. Make sure that the following fields display:
   - Triang Currency
   - 'Triang'
   - Override Date
   - Prohibit Spot Rate
   - Conversion Method

Setting Up Euro Currency Relationships

This task describes setting up euro currency relationships and consists of the following:

- ❑ Setting up no inverse records
- ❑ Setting up triangulation records
- ❑ Setting up exchange rate records
- ❑ Example: Currency setup for two EMU currencies
- ❑ Example: Currency setup for an EMU and non-EMU currency
- ❑ Viewing and updating exchange rates

Caution: Activating triangulation is irreversible. Once you activate it, you cannot turn it off. Make sure you understand the triangulation functionality and determine whether it relates to your business before activating it.

Setting Up No Inverse Records

You must set up no inverse records before you set up triangulation records and exchange rates for EMU currencies.

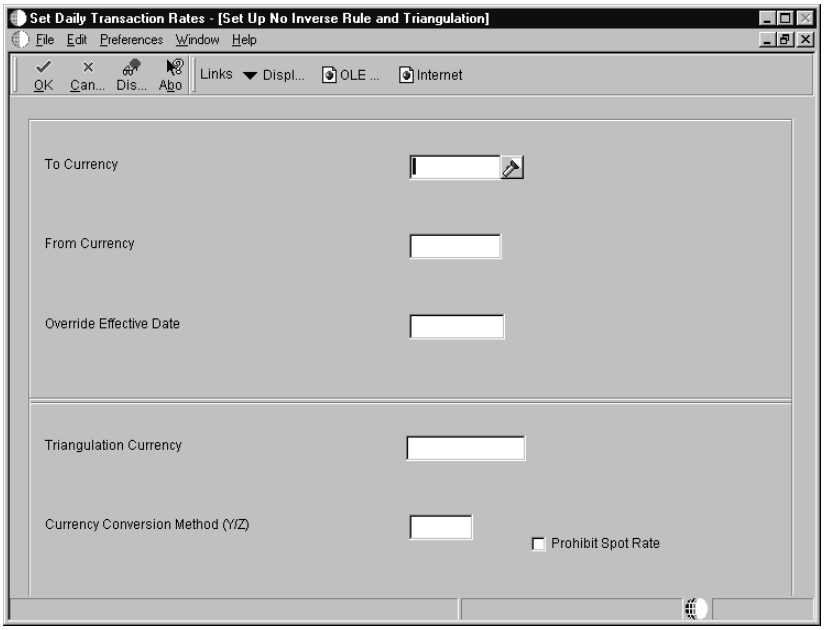
A no inverse record identifies a currency relationship between an EMU currency and the euro, and designates whether the divisor or multiplier method is used for the exchange rate calculation. For exchange rate calculations from an EMU currency to the euro, the no inverse record uses the divisor method. For calculations from the euro to an EMU currency, the no inverse record uses the multiplier method. This is a legal requirement.

You must have two no inverse records for each EMU currency. When you set up a no inverse record, the system automatically creates a corresponding record in the opposite direction. For example, if you set up a no inverse record from FRF to EUR and designate the divisor method, the system automatically creates a no inverse record from EUR to FRF with the multiplier method.

To set up no inverse records

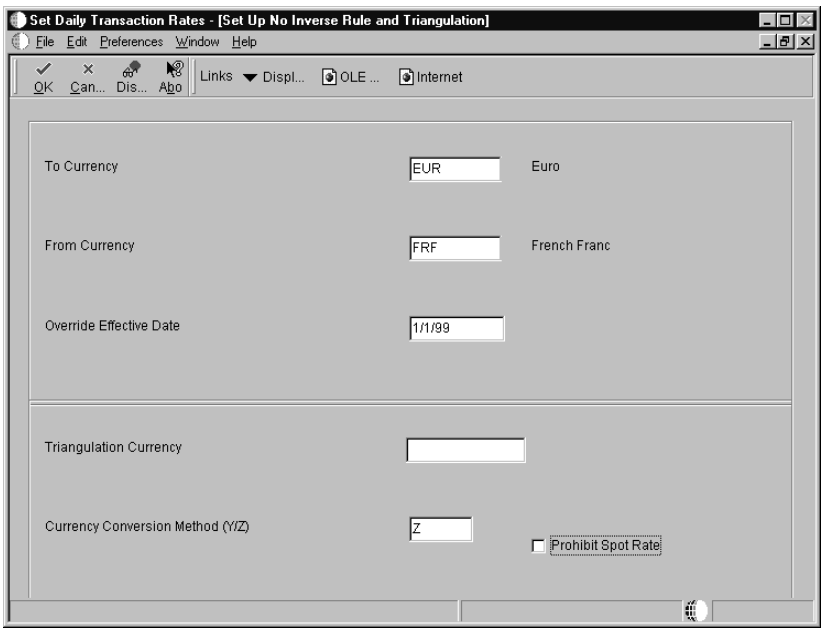
To streamline your data entry process and reduce the potential for errors, set up no inverse records for one method only. For example, set up records from FRF to EUR, DEM to EUR, BEF to EUR, and so on (divisor method) or set up records from EUR to FRF, EUR to DEM, EUR to BEF, and so on (multiplier method).

1. From the Multi-Currency Setup menu (G1141), choose Set Daily Transaction Rates.
2. On Work with Currency Exchange Rates, choose Advanced Setup from the Form menu.
3. On Work with No Inverse, click Add.



4. On Set Up No Inverse Rule and Triangulation, complete the following fields:
   - To Currency
   - From Currency
   - Override Effective Date
   - Currency Conversion Method (Y/Z)

     Make sure the method (Y for multiplier; Z for divisor) that you enter is correct. If the method is incorrect, the corresponding record that the system creates in the opposite direction will also be incorrect.



5. Do not enter values in the Triangulation Currency and Prohibit Spot Rate fields.

The fields in the following table apply specifically to no inverse:

Field	Explanation
Currency Conversion Method (Y/Z)	A value that specifies which method of multi-currency accounting to use: Codes are: Y Use multipliers to convert currency. The system multiplies the foreign amount by the exchange rate to calculate the domestic amount. Z Use divisors to convert currency. The system divides the foreign amount by the exchange rate to calculate the domestic amount. . . . . . *Form-specific information* . . . . . . A value in this field overrides the conversion method in General Accounting Constants and activates the no inverse method. For EMU member currencies, enter one of the following to set up a no inverse record: • Z (divisor) to set up the conversion from an EMU member currency to the euro • Y (multiplier) to set up the conversion from the euro to an EMU member currency If you are setting up a triangulation record between two EMU member currencies, leave this field blank.

Field	Explanation
Override Effective Date	The effective date is used generically. It can be a lease effective date, a price or cost effective date, a currency effective date, a tax rate effective date, or whatever is appropriate. . . . . . *Form-specific information* . . . . . . The override effective date is the date to begin using the no inverse or triangulation method to calculate exchange rates. If you enter a value in this field and the Currency Conversion Method field, the system uses this date to begin using the no inverse method to calculate exchange rates. If you enter a value in this field and the Triangulation Currency field, the system uses this date to begin using triangulation to calculate exchange rates. For EMU member currencies, the date in this field should be the same date as the effective date in the Special Handling field in the UDC table 00/EU.

Setting Up Triangulation Records

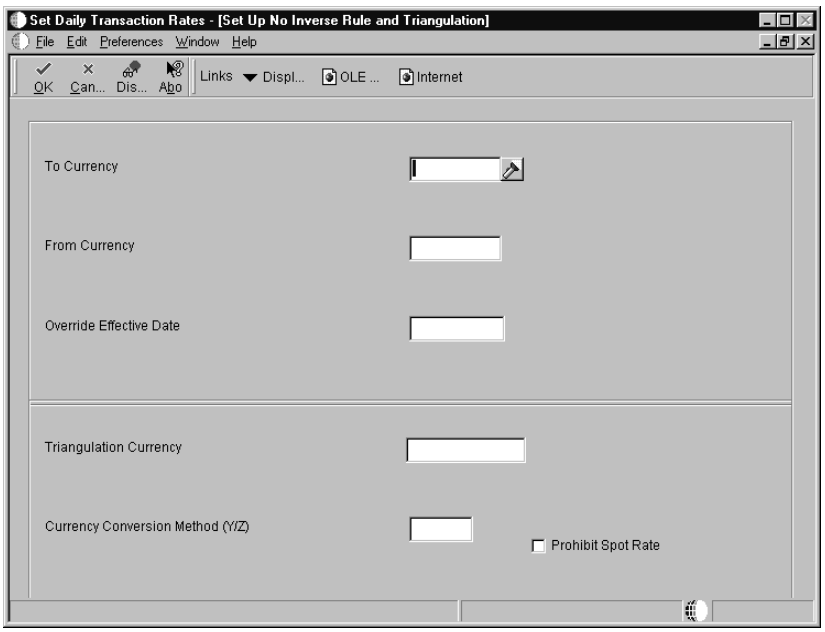
After you set up no inverse records, you set up triangulation records. The triangulation record identifies a currency relationship between two EMU currencies and a third currency, which is referred to as the triangulation currency. For transactions between EMU currencies, triangulation is used to calculate amounts between two EMU currencies through the euro.

When you set up a triangulation record between two EMU currencies, the system automatically creates a corresponding record in the opposite direction. For example, when you set up a triangulation record from FRF to DEM with EUR as the triangulation currency, the system creates a record from DEM to FRF with EUR as the triangulation currency.

Because triangulation is a composite of two rates that have been divided and multiplied to produce a domestic amount, two rates are retrieved and used in the calculation. It is not possible to store both rates on the transaction record. Therefore, an exchange rate of zero is stored but not used.

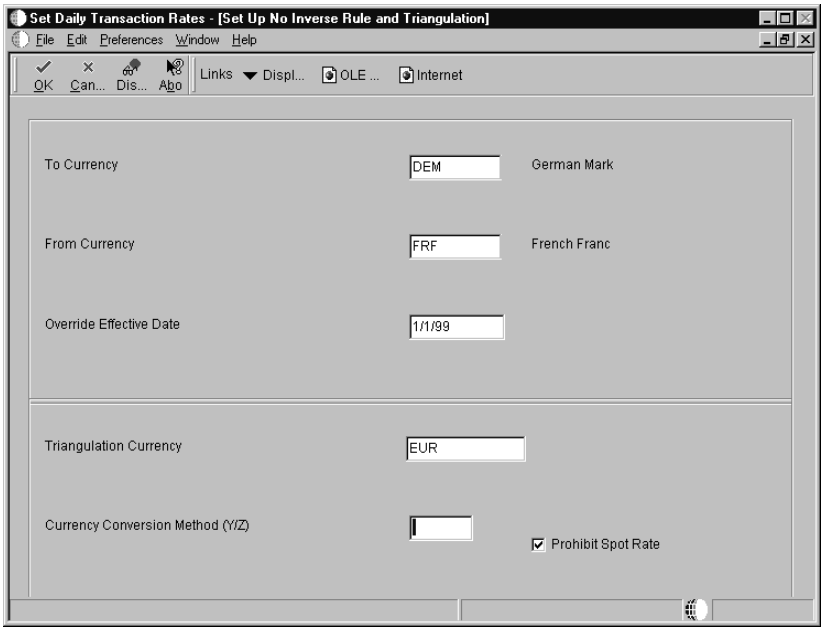
▶ To set up triangulation records

1. From the Multi-Currency Setup menu (G1141), choose Set Daily Transaction Rates.
2. On Work with Currency Exchange Rates, choose Advanced Setup from the Form menu.
3. On Work with No Inverse, click Add.



4. On Set Up No Inverse Rule and Triangulation, complete the following fields:

   - To Currency
   - From Currency
   - Override Effective Date
   - Triangulation Currency



5. Do not enter a value in the Currency Conversion Method field.

6. Ensure that the following option is activated:
    - Prohibit Spot Rate

The fields in the following table apply specifically to triangulation:

Field	Explanation
Override Effective Date	The date when a transaction, text message, contract, obligation, or preference becomes effective. . . . . . *Form-specific information* . . . . . . The override effective date is the date to begin using the no inverse or triangulation method to calculate exchange rates. If you enter a value in this field and the Currency Conversion Method field, the system uses this date to begin using the no inverse method to calculate exchange rates. If you enter a value in this field and the Triangulation Currency field, the system uses this date to begin using triangulation to calculate exchange rates. For EMU member currencies, the date in this field should be the same date as the effective date in the Special Handling field in the UDC table 00/EU.
Triangulation Currency	A code that indicates the settling currency for triangulation calculations. . . . . . *Form-specific information* . . . . . . Enter a currency code only if you are setting up a currency relationship record for triangulation. You must enter a currency code, such as EUR, for triangulation to occur between two EMU member currencies. If you use triangulation instead of a cross rate when calculating exchange rates between an EMU member currency and a non-EMU member currency, you must enter a currency code in this field. Leave this field blank if you are setting up an exchange rate record for no inverse or any other currency conversion method.
Prohibit Spot Rate	Indicates whether or not a spot rate is applicable for a particular currency relationship. Spot rates are rates entered at the time of transaction entry. . . . . . *Form-specific information* . . . . . . Spot rates are not allowed on transactions between EMU member currencies. If you are setting up a triangulation relationship between two EMU member currencies, you must activate this option.

Triangulation and Spot Rates

When you set up a triangulation relationship for two currencies, you must designate whether spot rates are allowed on transactions between those currencies. If the triangulation relationship is between two EMU member currencies, spot rates are prohibited.

You use the Prohibit Spot Rates option on the Set Up No Inverse Rule and Triangulation form to designate whether spot rates are valid. For a triangulation record between two currencies, the system edits the Prohibit Spot Rates option and determines whether the currency codes exist in the UDC table (00/EU). It then ensures one of the following:

- If both currency codes exist in the table, the Prohibit Spot Rates option must be activated for the currency relationship. Spot rates are not valid for the currency relationship.
- If one or no currency codes exist in the table, the Prohibit Spot Rates option can be activated or deactivated for the currency relationship. The user determines whether spot rates are valid for the currency relationship.

  If you enter a spot rate on an invoice or voucher, the system compares the converted currency amount to the amount that would be derived using the actual exchange rates. The system calculates the difference between the two amounts and edits the entry, based on the tolerance limit specified in the master business function (MBF) processing options for Voucher Entry (P0400047), Invoice Entry (P03B0011), and Journal Entry (P0900049). If the calculated amount is greater or less than the tolerance amount, you will receive a warning message.

  For example, 5 specifies a tolerance limit of 5 percent. If you enter a spot rate that calculates an amount that is 6 percent greater or less than the amount that is derived using the actual exchange rates, you will receive a warning. In this way, the system helps to ensure that the spot rate you enter is reasonable, thus alerting you to possible data entry errors.

Setting Up Exchange Rate Records

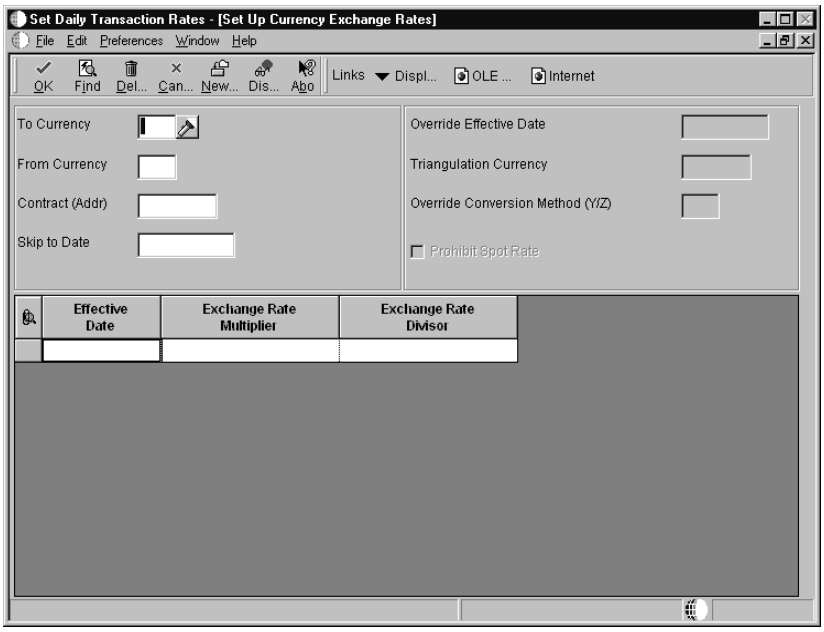
After you set up no inverse and triangulation records, you set up exchange rates for EMU currencies. This is the last step in setting up euro currency relationships. An exchange rate record identifies the exchange rate between an EMU currency and the euro.

When you set up an exchange rate record from an EMU currency to the euro or from the euro to an EMU currency, the system automatically creates a corresponding record in the opposite direction. For example, when you set up an exchange rate record from FRF to EUR, the system creates a record from EUR to FRF. The same exchange rate is used on both records, one as a divisor rate

and the other as a multiplier rate. The opposite rate on each exchange rate record is blank because that rate has no purpose.

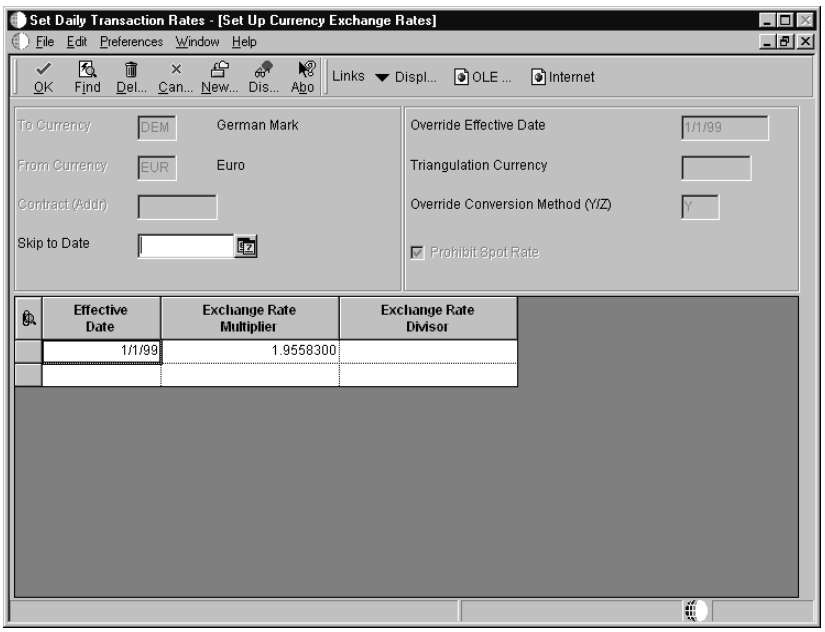
▶ To set up exchange rate records

1. From the Multi-Currency Setup menu (G1141), choose Set Daily Transaction Rates.
2. On Work with Currency Exchange Rates, click Add.



3. On Set Up Currency Exchange Rates, complete the following fields:
   - To Currency
   - From Currency
   - Effective Date
4. Enter an exchange rate in one of the following fields:
   - Exchange Rate Multiplier
   - Exchange Rate Divisor

   If you enter an exchange rate with effective date that is after the override effective date that you entered on the triangulation record, the program issues an error message and you must remove the exchange rate.



Note: If triangulation records exist in the Currency Exchange Rates Header table (F00151), the following display-only fields and option appear on the Set Up Currency Exchange Rates form:

- Override Effective Date
- Triangulation Currency
- Prohibit Spot Rate

The fields in the following table apply specifically to exchange rates:

Field	Explanation
Effective Date	The effective date is used generically. It can be a lease effective date, a price or cost effective date, a currency effective date, a tax rate effective date, or whatever is appropriate. . . . . . *Form-specific information* . . . . . . If you are adding a new effective date to an existing pair of currencies, enter the date on the first blank line. Programs use the multiplier or divisor rate associated with the date in this field to calculate amounts. When you enter a transaction, such as an invoice or payment, the program searches for the most recent effective date and uses the corresponding exchange rate. For EMU member currencies, programs use this date and the corresponding rate to calculate amounts to the euro, from the euro, or through the euro (triangulation).

Field	Explanation
Exchange Rate Multiplier	The conversion rate that the system uses to convert foreign currencies to the domestic currency. If the Multi-Currency Conversion field in General Accounting Constants is set to Y, the multiplier rate is used for all calculations. If set to Z, the system uses the divisor to calculate currency conversions. . . . . . *Form-specific information* . . . . . . The number you enter in the Multiplier Exchange Rate field can have a maximum of seven decimal positions. If more are entered, the system adjusts the number to the nearest seven decimal positions. If the Multi-Currency Conversion field in General Accounting Constants is set to Y, the multiplier is used for all conversions. If you are adding a new rate for the multiplier, remove the existing divisor rate so the system can calculate the new rate. For EMU member currencies, the value in the Override Conversion Method field overrides the value in the Multi-Currency Conversion field in General Accounting Constants. Enter an exchange rate in this field if the override conversion method is Y (multiplier). This exchange rate is used when calculating from the euro. If you enter a value in this field, you must leave the Divisor Exchange Rate field blank.
Exchange Rate Divisor	The conversion rate that the system uses to convert foreign currencies to the domestic currency. If the Multi-Currency Conversion field in General Accounting Constants is set to Z, the divisor rate is used for all calculations. . . . . . *Form-specific information* . . . . . . The number you enter in the Divisor Exchange Rate field can have a maximum of seven decimal positions. If more are entered, the system adjusts to the nearest seven decimal positions. If the Multi-Currency Conversion field in General Accounting Constants is set to Z, the divisor is used for all conversions. If you are adding a new rate for the divisor, remove the existing multiplier so the system can calculate the new one. For EMU member currencies, the value in the Override Conversion Method field overrides the value in the Multi-Currency Conversion field in General Accounting Constants. Enter an exchange rate in this field if the override conversion method is Z (divisor). This exchange rate is used when calculating to the euro. If you enter a value in this field, you must leave the Multiplier Exchange Rate field blank.

Example: Currency Setup for Two EMU Currencies

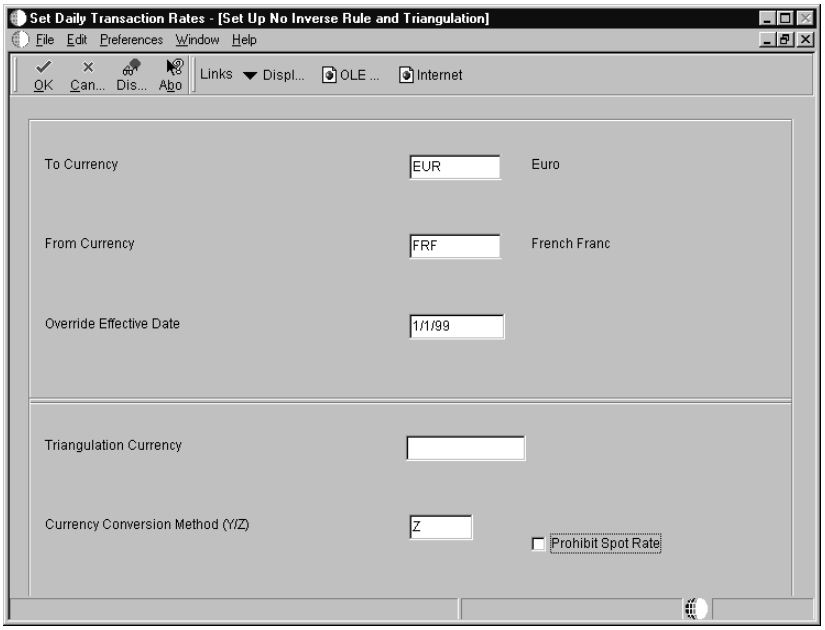
In the following example, a company with a base currency of French francs (FRF) transacts business with a company whose base currency is German marks (DEM). To calculate amounts on transactions between these two currencies, you set up the following records:

- No inverse
- Triangulation
- Exchange rates

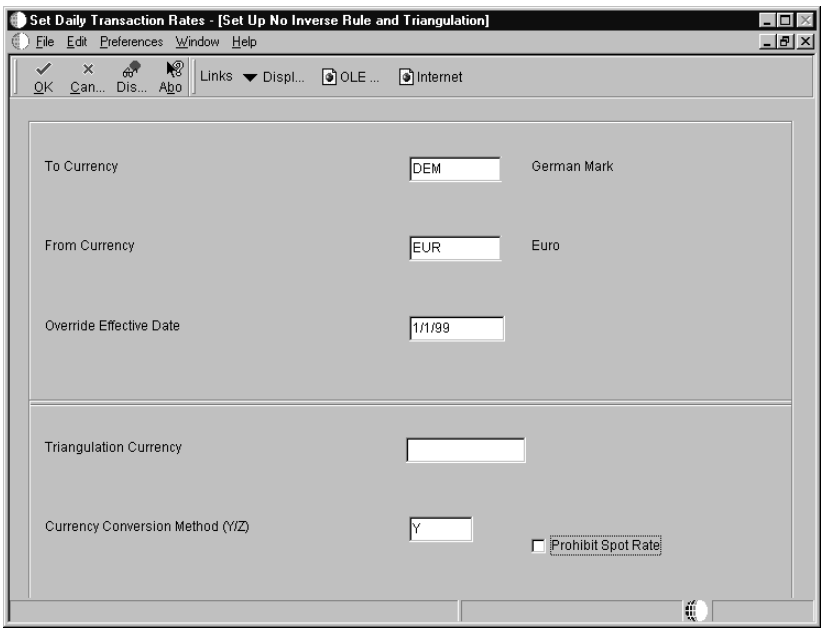
No Inverse

Set up two no inverse records.

1. On Set Up No Inverse Rule and Triangulation, set up a no inverse record from FRF to EUR, using the divisor method (Z).



2. When you set up a no inverse record from FRF to EUR, the system automatically creates a record from EUR to FRF with the multiplier method (Y).
3. Set up a no inverse record from EUR to DEM, using the multiplier method (Y).

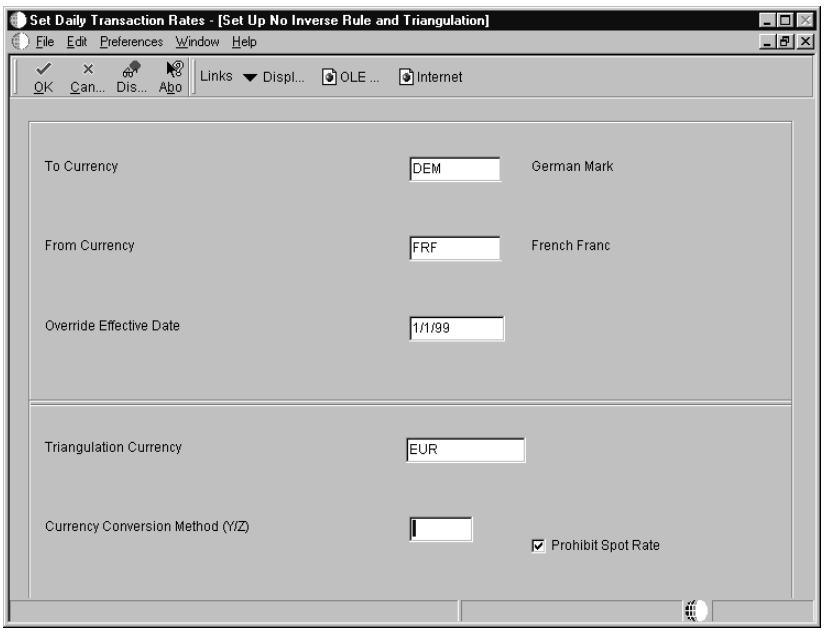


4. When you set up a no inverse record from EUR to DEM, the system automatically creates a record from DEM to EUR with the divisor method (Z).

Triangulation

Set up a triangulation currency record.

1. On Set Up No Inverse Rule and Triangulation, set up a triangulation record from FRF to DEM with EUR as the triangulation currency**.** Spot rates are prohibited between these two currencies.



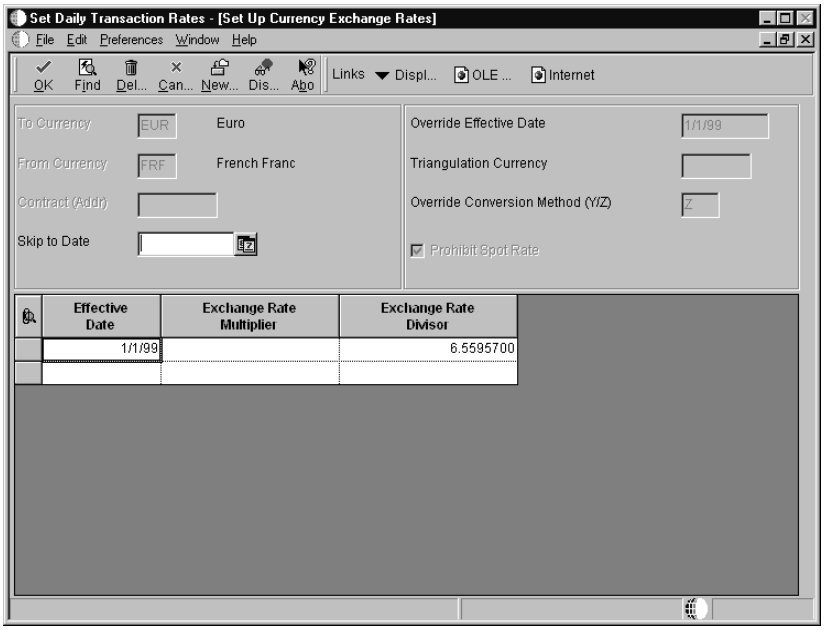
2. When you set up the triangulation record from FRF to DEM, the system automatically creates a record from DEM to FRF with EUR as the triangulation currency.

Exchange Rates

Set up two currency relationships and rates.

1. On Set Up Currency Exchange Rates, set up an exchange rate (divisor) from FRF to EUR.

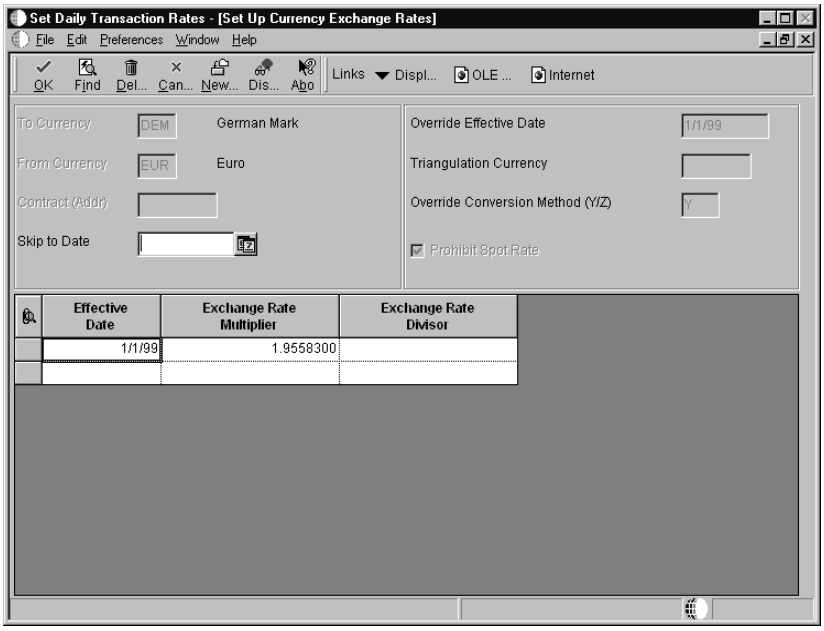
   The FRF to EUR exchange rate is fixed. A transaction amount is divided by 6.55957 when converting from FRF to EUR.



2. When you set up an exchange rate record from FRF to EUR, the system automatically creates an exchange rate record from EUR to FRF (multiplier), using the same rate. A transaction amount is multiplied by 6.55957 when converting from EUR to FRF.

3. Set up an exchange rate (multiplier) from EUR to DEM.

   The EUR to DEM exchange rate is fixed. A transaction amount is multiplied by 1.95583 when converting from EUR to DEM.



4. When you set up the exchange rate record from EUR to DEM, the system

automatically creates an exchange rate record from DEM to EUR (divisor), using the same rate. A transaction amount is divided by 1.95583 when converting from DEM to EUR.

Calculation

Using this example, the FRF company transacts business with a DEM company for an amount of 50 FRF. The exchange rates are:

- 1 EUR = 6.55957 FRF
- 1 EUR = 1.95583 DEM

To convert 50 FRF to DEM, triangulation is used:

1. The divisor method is used to convert FRF to EUR:

   50 FRF / 6.55957 = 7.6224509 EUR

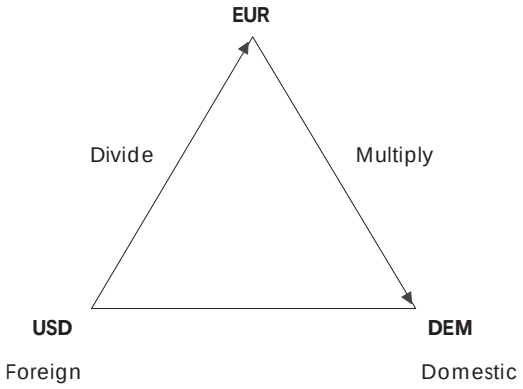
2. The multiplier method is used to convert EUR to DEM:

   7.6224509 EUR x 1.95583 = 14.9082181, or rounded = 14.91 DEM

Example: Currency Setup for an EMU and Non-EMU Currency

Companies in EMU and non-EMU countries that transact business with one another can calculate exchange rates between their currencies using triangulation. J.D. Edwards no inverse/triangulation functionality allows you to calculate transaction amounts between an EMU and a non-EMU currency, as well as between two EMU currencies. For example, a company in Germany can use triangulation when calculating amounts from USD to DEM.

The following graphic provides a visual representation of a USD to DEM currency relationship, using triangulation:



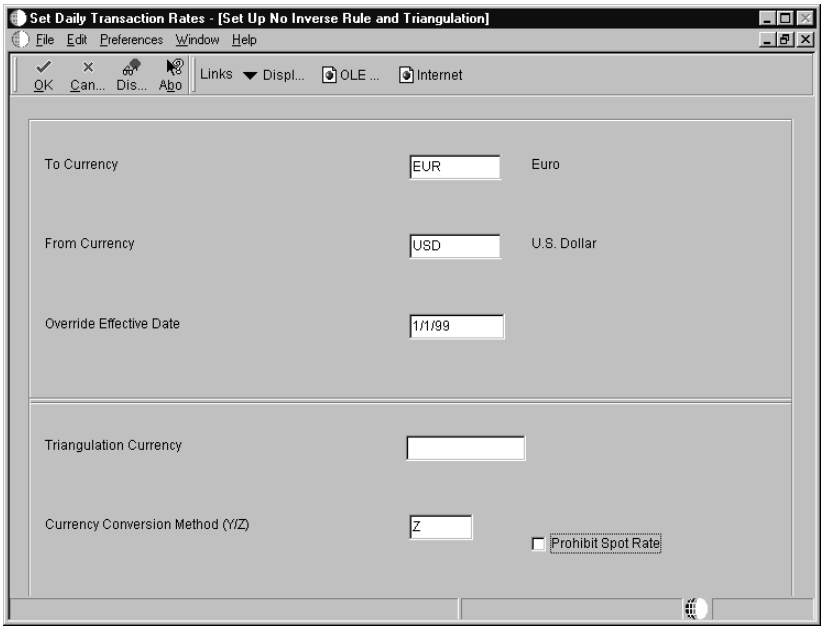
The following example describes how to set up a currency relationship for a German company that uses no inverse and triangulation when calculating amounts from USD (non-EMU) to DEM (EMU) currencies. To calculate amounts on transactions between these two currencies, set up the following records:

- No inverse
- Triangulation
- Exchange rates

No Inverse

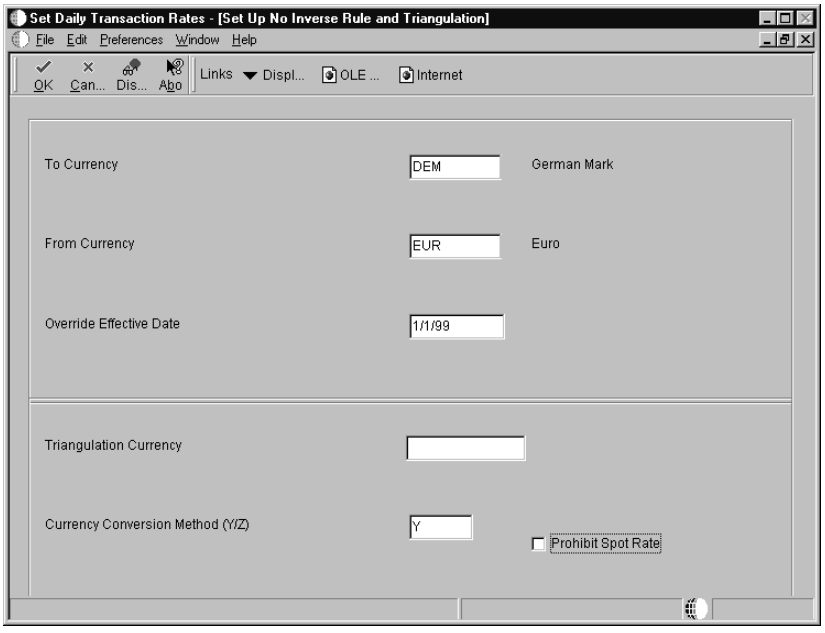
Set up two no inverse records.

1. On Set Up No Inverse Rule and Triangulation, set up a no inverse record from USD to EUR, using the divisor method (Z).



2. When you set up a no inverse record from USD to EUR, the system automatically creates a record from EUR to USD with the multiplier method (Y).

3. Set up a no inverse record from EUR to DEM, using the multiplier method (Y).

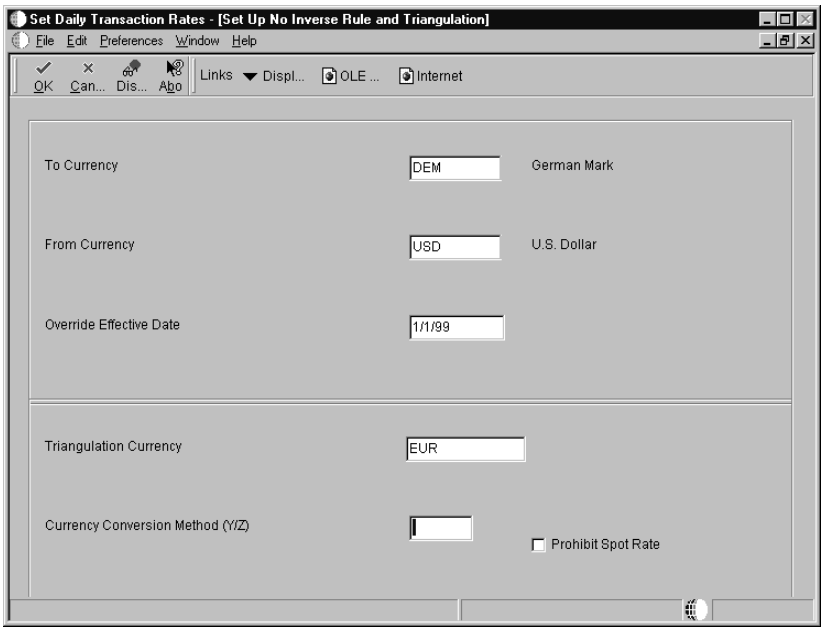


4. When you set up a no inverse record from EUR to DEM, the system automatically creates a record from DEM to EUR with the divisor method (Z).

Triangulation

Set up a triangulation currency record.

1. On Set Up No Inverse Rule and Triangulation, set up a triangulation record from USD to DEM with EUR as the triangulation currency. Spot rates are not prohibited on transactions between USD and DEM.



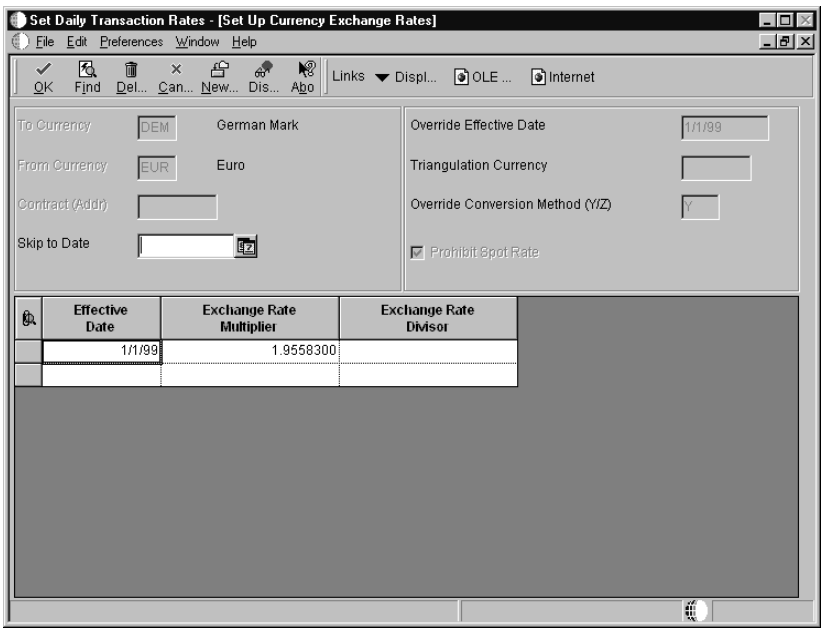
2. When you set up a triangulation record from USD to DEM, the system automatically creates a record from DEM to USD with EUR as the triangulation currency.

Exchange Rates

Set up two currency relationships and rates.

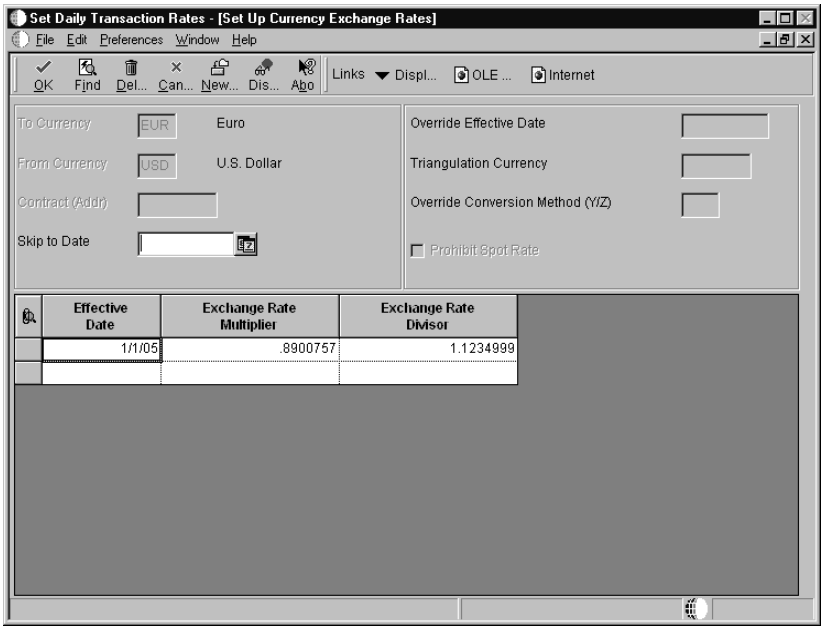
1. On Set Up Currency Exchange Rates, set up an exchange rate (multiplier) from EUR to DEM.

   The EUR to DEM exchange rate is fixed. A transaction amount is multiplied by 1.95583 when converting from EUR to DEM.



2. When you set up an exchange rate record from EUR to DEM, the system automatically creates an exchange rate record from DEM to EUR (divisor), using the same rate. A transaction amount is divided by 1.95583 when converting from DEM to EUR.
3. Set up an exchange rate (multiplier and divisor) from USD to EUR. (The no inverse method is not required for this currency relationship.)

   The USD to EUR exchange rate is not fixed. Therefore, the USD exchange rate will continue to fluctuate against the euro.



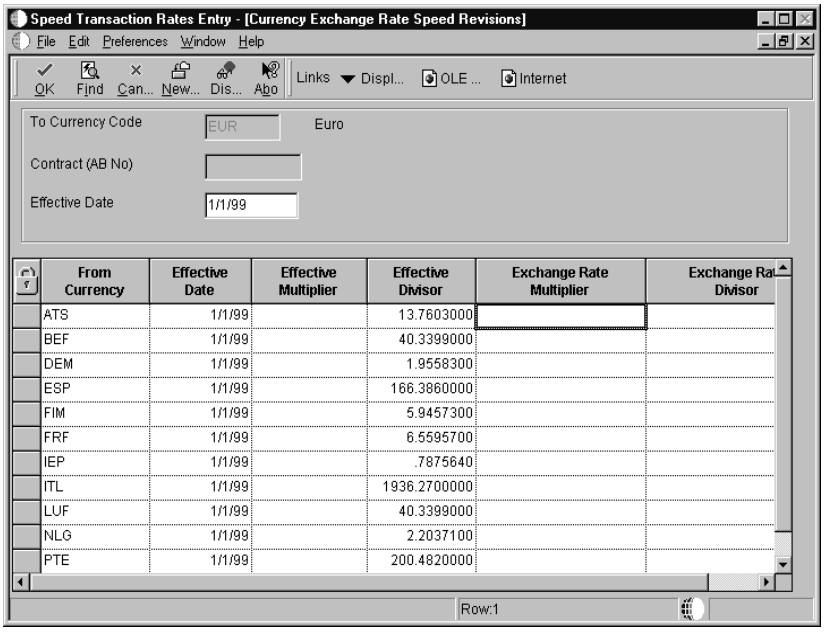
Viewing and Updating Exchange Rates

You can view and update exchange rates on the Set Up Currency Exchange Rates form. However, there are several advantages to using the Speed Transaction Rates Entry program instead:

- You can view all currency rates associated with a specific currency at one time.
- You can quickly update multiplier or divisor exchange rates for non-EMU member currencies, which have fluctuating rates.
- You can update exchange rates only, which makes this form appropriate for daily exchange rate use.

▶ To view and update exchange rates

1. From the Multi-Currency Processing menu (G11), choose Speed Transaction Rates Entry.
2. On Work with Currency Exchange Rates, choose Multiple Rates from the Row menu.

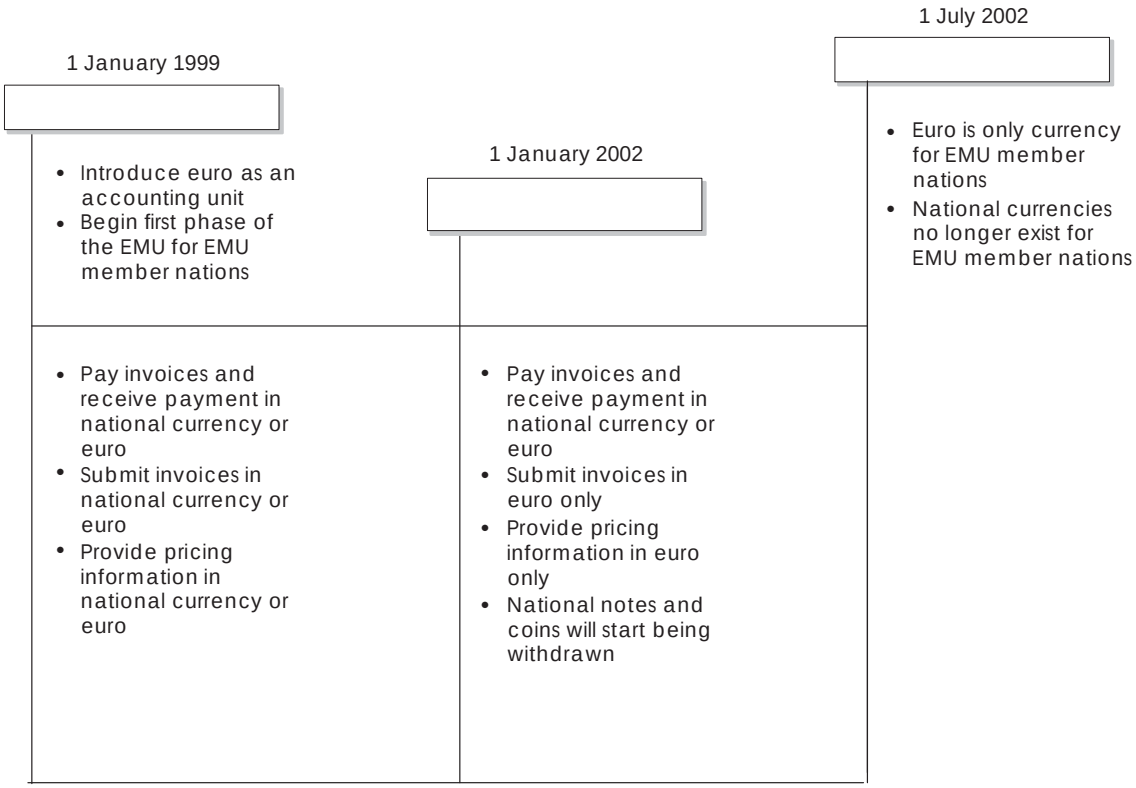


When you update exchange rates on the Currency Exchange Rate Speed Revisions form, the system updates the Currency Exchange Rates table (F0015).

Accounts Receivable Transactions and the Euro

The following timeline is based on the principles of "no compulsion, no prohibition." These principles basically state that companies are under no obligation to transact business in the euro beginning on 1 January 1999. The principles also state that companies cannot prohibit their customers from transacting business in the euro.

The timeline illustrates how Economic and Monetary Union (EMU) member nations are expected to handle invoices and receipts during the euro transition period, from 1 January 1999 to 1 July 2002.



During the euro transition period, your company must be able to process transactions in the euro, regardless of whether the original transaction was in another currency or whether your company has converted its base currency to the euro. For example, a French company can continue to submit invoices to a German customer in German marks during the transition period. However, the company must be able to process receipts in the euro if the German customer chooses to pay in the euro.

Converting prices to the euro presents new challenges to companies since it becomes easier for customers to compare prices between countries. Inevitably, prices for products in the euro will vary across countries because the cost of doing business varies across countries.

Note: During the euro transition period, you will run the customer conversion and price generation programs to convert currency codes and create new prices in the euro. These conversion and generation programs are available in release B73.3 (and above). Do not confuse them with the euro conversion programs. The euro conversion programs, which are available in application software update (ASU) B73.3.1EURO and B73.3.2EURO and OneWorld Xe, convert a company's base currency to the euro.

Checklist: Processing A/R Transactions in the Euro

To process accounts receivable transactions in the euro, complete the items in the following checklist:

- ❑ View customer amounts in the euro
- ❑ Convert customer address book currency code and amounts to the euro
- ❑ Change customer default currency code to the euro
- ❑ Generate new base and advanced prices in the euro
- ❑ Print invoices in the euro
- ❑ Set up accounts, automatic accounting instructions (AAIs), and processing options for alternate currency receipt processing
- ❑ Process alternate currency receipts in the euro

Topics and Tasks for Processing A/R Transactions in the Euro

This documentation consists of the following topics and tasks:

- ❑ Viewing customer amounts in the euro

- ❑ Converting customer currencies and amounts to the euro
- ❑ Generating new base and advanced prices in the euro
- ❑ Printing invoices in the euro
- ❑ Alternate currency receipt setup
- ❑ Processing alternate currency receipts in the euro

For information about calculating gains/losses on open EMU currency transactions prior to the year 2000 and handling credit notes dated prior to 1999, review the following:

- ❑ Euro realization for A/R prior to year 2000
- ❑ Managing credit notes dated prior to 1999

For information about new and enhanced electronic formats for accounts receivable, see *Electronic Formats and the Euro* in the *Accounts Payable Transactions and the Euro* section of this guide.

Viewing Customer Amounts in the Euro

Before, during, and after converting your base currency to the euro, you can view your customer amounts in three currencies: domestic, foreign, and an *as if* currency such as the euro. Viewing customer amounts in an *as if* currency allows you to view amounts as if they were entered in a currency other than the currency in which they were actually entered.

This *as if* functionality is especially helpful during the euro transition period when companies that have not yet converted their base currency to the euro want to begin adjusting to and preparing for the new common currency. For example, you work for a French company that is going to convert its base currency to the euro in 2001. Before you actually convert, you can use the *as if* functionality to view your domestic or foreign invoices as if they were entered in the euro.

This topic describes the following:

- ❑ Customer programs with *as if* currency processing
- ❑ Dates that affect the invoice amounts you view
- ❑ Viewing invoices in the euro
- ❑ Viewing sales orders in the euro
- ❑ Application outside of the EMU

Customer Programs with *As If* Currency Processing

The following programs have processing options that allow you to view customer amounts in an *as if* currency, such as the euro:

- Customer Ledger Inquiry
- Customer Service

One of the advantages of *as if* currency processing is that it does not impact disk space. The *as if* currency amounts that you view are not written to a table but

are, instead, stored in temporary memory.

Processing Options for *As If* Currency Processing

To view amounts in an *as if* currency on Customer Ledger Inquiry and Customer Service Inquiry, you must set the following processing options:

- As If Currency Code. The currency code in which you want to view *as if* amounts. If left blank, amounts display in their original currency. If a value is entered:
    - The As If Currency Code field displays in the header area of the form with the value that you entered as the default.
    - As If Amount columns (Customer Ledger Inquiry) and EUR Extended Amount and EUR Unit Price columns (Customer Service Inquiry) display in the detail area of the form.
- As Of Date. The date to use for calculating the exchange rate for the *as if* currency. If left blank, the Thru Date is used.

Dates That Affect the Invoice Amounts You View

Before you view invoice amounts in the euro, it is important to understand the different dates that affect the amounts that you view on the Customer Ledger Inquiry form. These dates are:

- The effective date on the Set Up Currency Exchange Rates form. The inquiry program searches for the most recent effective date for a currency and uses the corresponding exchange rate in the currency calculation.
- The From and Thru Dates on the Customer Ledger Inquiry form. This date range determines which transactions appear on the form.
- One of the following dates, which is used to retrieve the transaction rate:
    - *As of* date in the processing options. If the *as of* date is blank, the program uses the Thru Date (described below).
    - Thru Date on the Customer Ledger Inquiry form. (The Thru Date does not override the *as of* date in the processing options.)

By understanding these dates and how the inquiry programs use them, you help to ensure that you specify the correct date when you view your invoice amounts.

Viewing Invoices in the Euro

Regardless of whether you entered an invoice in a domestic or foreign currency, you can view the invoice amounts as if they were entered in the euro on the

Work with Customer Ledger Inquiry form.

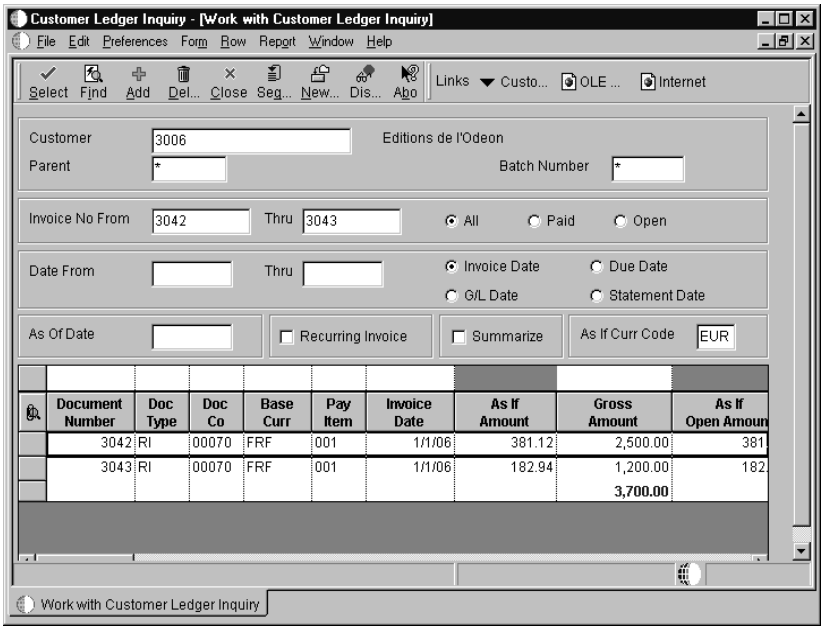
For transactions between two EMU currencies, the Work with Customer Ledger Inquiry form displays the domestic side of a foreign invoice by calculating the foreign to domestic amount through the euro, using triangulation.

Note: *As if* currency processing was not designed to be used for currency restatement. It does not handle gains and losses, out-of-balance transactions caused by rounding, or integrity between tables. For exact amounts when working with alternate currencies, continue to use the currency restatement program.

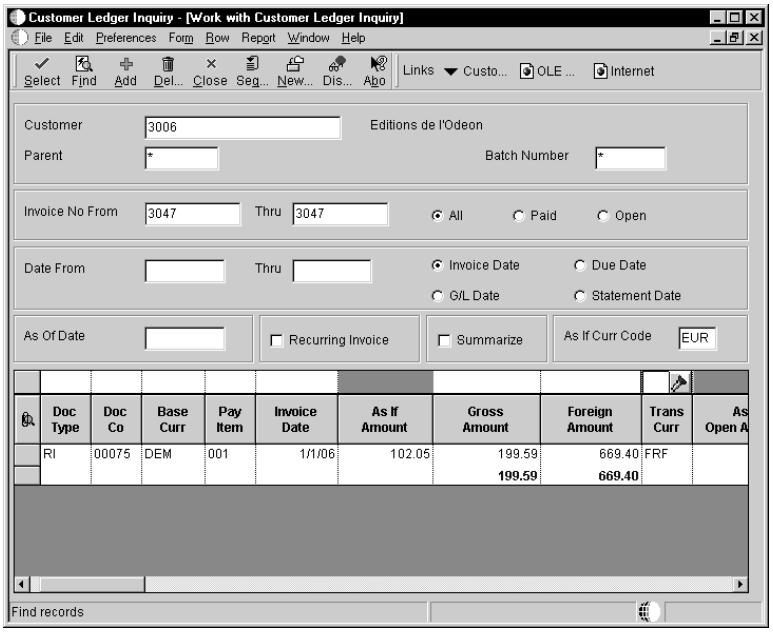
▶ To view invoices in the euro

From the Customer Invoice Entry menu (G03B11), choose Customer Ledger Inquiry.

The following example shows domestic invoices in French francs (domestic currency) and the euro (*as if* currency):



The next example shows a foreign invoice in French francs (foreign currency), German marks (domestic currency), and the euro (*as if* currency). The FRF to DEM amount is calculated through the euro, using triangulation.



Viewing Sales Orders in the Euro

Regardless of whether you entered a sales order in a domestic or foreign currency, you can view amounts as if they were entered in the euro on the Customer Service Inquiry form.

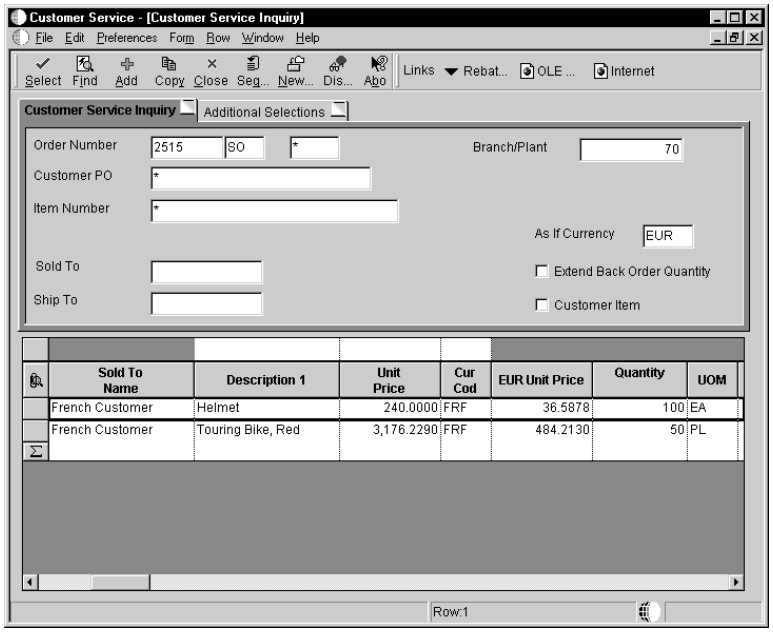
For transactions between two EMU currencies, the Customer Service Inquiry form displays the domestic side of a foreign sales order by calculating the foreign to domestic amount through the euro, using triangulation.

Use the Customer Service Inquiry form to view sales order amounts in the euro after entering the sales order. This form allows you to view multiple sales orders in the euro at the same time.

▶ To view sales orders using Customer Service

From the Sales Order Inquiries menu (G42112), choose Customer Service.

The following example shows domestic orders in French francs (domestic currency) and the euro (*as if* currency):



Application Outside of the EMU

As if currency processing, which allows you to view customer amounts as if they were entered in an alternate currency, was designed for viewing amounts between two EMU currencies that are irrevocably fixed to one another. However, you can use *as if* currency processing to view and compare amounts between any currencies, not just EMU member currencies.

For example, a Canadian company can view Japanese yen transaction amounts as if they were entered in U.S. dollars and compare those amounts to the domestic and foreign currency amounts.

Be aware that if the exchange rates are not fixed, there are limitations. The invoice amount that you view, for example, may not be the same amount as the actual receipt because of the fluctuating exchange rates.

Converting Customer Currencies and Amounts to the Euro

Throughout your company's transition to the euro, you will convert customer currency codes and address book amounts to the euro for the following reasons:

- Your customer wants to receive invoices in the euro.
- You want to submit invoices to your customer in the euro.
- You want to view a customer's statistical amounts in the euro.

Regardless of when your company converts its base currency to the euro, you can submit invoices in either the euro or the national currency of your EMU customers, as long as it is within the euro transition period. For example, if a French customer has not yet converted to the euro, you can submit invoices to them in the French franc even if your company has converted to the euro.

This topic describes the following:

- ❑ How the customer conversion program works
- ❑ Before converting customer currency codes and amounts
- ❑ Converting customer currency codes and amounts
- ❑ Example: Before and after converting customer amounts
- ❑ Parent/child structures with different currencies
- ❑ How converted limit amounts are rounded
- ❑ Application outside of the EMU

How the Customer Conversion Program Works

The customer conversion program converts currency codes and amounts for multiple customers at the same time. You can run the conversion program and convert a customer's currency code, address book currency and amounts, or both, based on the processing options that you set.

You might consider setting up different versions of the conversion program. For example, set up one version to convert default currency codes only, another version to convert address book currency codes and amounts only, and still another to convert both.

Processing Options for Euro Address Book Conversion - Customer

To convert customer currency codes and amounts in proof or final mode, you specify the following in the processing options:

- Exchange rate date to use to convert address book amounts
- Currency code to use to convert customer address book currency code and address book amounts. The conversion updates the Amount Currency (CRCA) field in the F0301 table (old Accounts Receivable system) and the F03012 (new Accounts Receivable system).
- Currency code to use to convert customer default currency codes. The conversion updates the Currency Code (CRCD) field in the F0301 table (old Accounts Receivable system) and the F03012 (new Accounts Receivable system).
- Rounding factor to use to round converted limit amounts. See *How Converted Limit Amounts Are Rounded* in this chapter.

Data Selection for Euro Address Book Conversion - Customer

Use the data selection for the Euro Address Book Conversion program to select only those customers whom you want to convert to the euro. If you do not specify the customer address book numbers, the conversion program converts all customers. To convert amounts for all customers assigned a certain category code, specify the category code.

Before Converting Customer Currency Codes and Amounts

J.D. Edwards made substantial data structure changes to the customer master record in OneWorld release B73.3. If you used the new Accounts Receivable system prior to release B73.3 (that is, release B73.2, B73.2.1, or B73.2.2), make sure you have changed the data structure of your existing customer master records before you convert any currency codes and amounts.

To change the data structure, all new A/R clients who upgrade from B73.2, B73.2.1, *or* B73.2.2 to B73.3, B73.3.1, B73.3.2, *or* OneWorld Xe must run the following programs:

- R8903012A (Convert F03012 from B73.2 to B73.3). This program converts the table structure in the F03012 table from release B73.2 (or above) to B73.3 (or above), and makes the necessary data structure changes.
- R8903012 (Convert F0301 to F03012). This program copies data from the

F0301 to the F03012 table. The F03012 is the new Customer Master by Line of Business table, which replaces the F0301 table as of release B73.3 (or above) for the new Accounts Receivable system.

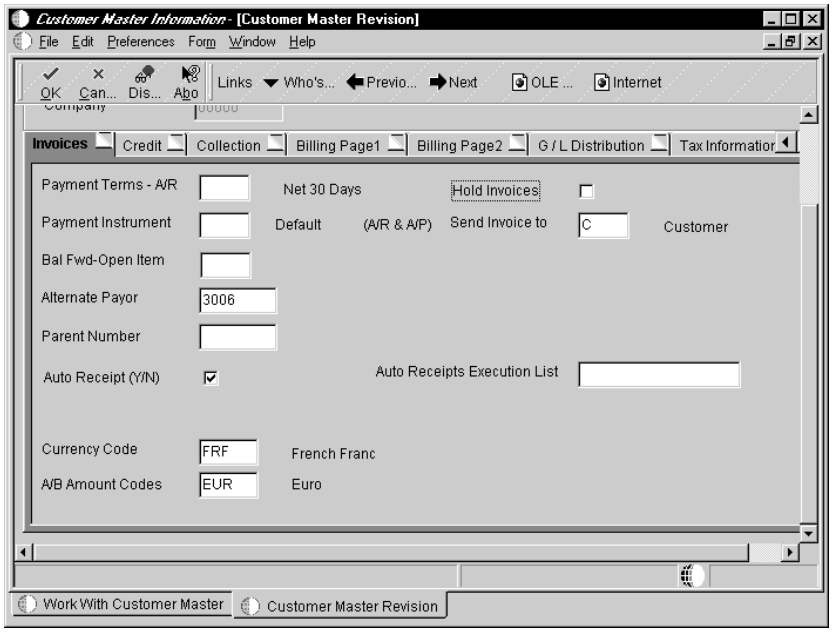
Ensure that you have run these programs before you run the Euro Address Book Conversion program.

Converting Customer Currency Codes and Amounts

Depending on how you set your processing options, the Euro Address Book Conversion program converts one or both of the following:

- Customer default currency code
- Customer address book currency code and amounts

The currency fields (Currency Code and A/B Amount Codes, respectively) appear on the Customer Master Revisions form.



Note: For consistency and integrity reasons, you do not convert customer transaction amounts (F03B11) until you convert your company's base currency to the euro.

▶ To convert customer currency codes and amounts

1. From the System Administration Tools menu (GH9011), choose Batch Versions.
2. On Batch Versions, do one of the following:

- For OneWorld B73.3 clients who use the new Accounts Receivable system, enter R8903012E in the Batch Application field to access Euro Address Book Conversion - F03012, F0301.
- For OneWorld B73.3 clients who use the old Accounts Receivable system, enter R890301E in the Batch Application field to access Euro Address Book Conversion - F0301.

Customer Default Currency Code

To comply with several customers requests to receive invoices in the euro, run the Euro Address Book Conversion program to convert the default currency code on the customer master records.

Alternatively, you can change a customer's currency code manually on the Customer Master Revision form. You might do this if you have just one or two customer currency codes to change on a particular day.

Customer Address Book Currency Code and Amounts

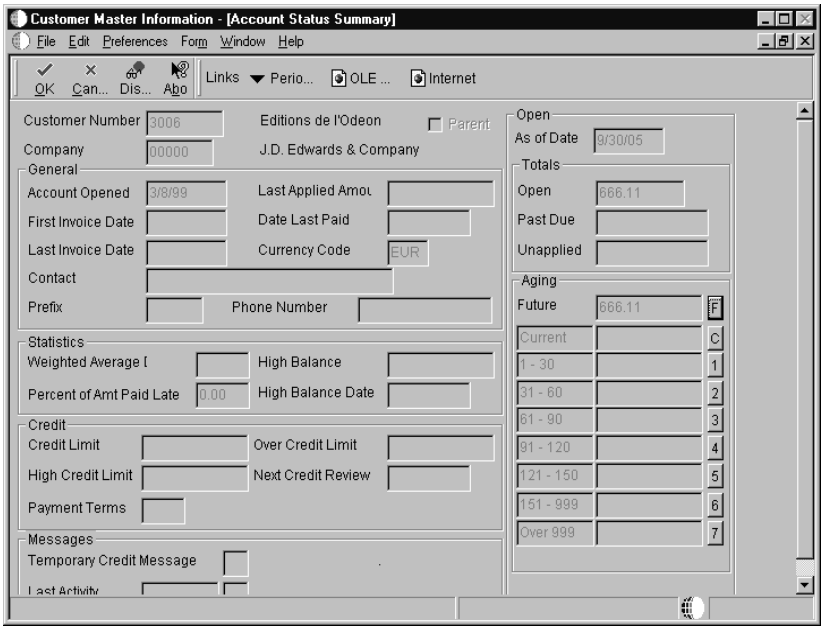
Before you convert customer address book currency codes and amounts, ensure that you have set up Economic and Monetary Union (EMU) currency relationships and exchange rates. See *Setting Up Euro Currency Relationships.*

To convert address book currency codes and amounts for customers to the euro, run the Euro Address Book Conversion program. When you convert customer amounts, you convert amounts in the Customer Master table (F0301) in the old Accounts Receivable system and in the Customer Master by Line of Business table (F03012) in the new Accounts Receivable system.

The following address book amounts are converted:

Statistical amounts	• Year-to-date invoice amounts and finance charges • Prior year invoice amounts and finance charges • Amount due • Amount last paid • Highest balance • Open order amounts
Limit amounts	• Credit limit • Minimum and maximum order values

Many of the statistical and limit amounts appear on the Account Status Summary form.



To access the form, choose Account Status from the Form menu on Customer Master Revisions.

Exceptions Report

When you run the Euro Address Book Conversion program, an exceptions report prints with any of the following messages:

- *No processing errors*. If you entered 1 for processing option 1, the conversion program updates the F0301 in the old Accounts Receivable system and the F03012 in the new Accounts Receivable system.
- *Currency exchange rate not found*. The currency code to which you are converting is not set up in the exchange rate table, or else the exchange rate or effective date is not set up for the currency code.
- *Invalid currency entered*. The currency code you entered for currency processing option 3 or 4, or both, is not valid.
- *Update error - record locked or not found*. The customer master record is in use.

Example: Before and After Converting Customer Amounts

The following example shows customer address book amounts before and after converting from the French franc (FRF) to the euro (EUR). For this example, the program values are set as follows:

Program	Field or Processing Option Value
Customer Master Revision	Currency Code field = FRF
	A/B Amount Code field = FRF
Set Daily Transaction Rates	(FRF to EUR currency relationship)
	Exchange Rate field = 6.55957 (divisor)
Address Book Conversion	Amount Currency processing option = EUR
	Currency Code processing option = blank
	Limit Amounts processing option = 50

After converting to the euro, the customer address book amounts will be in the euro. However, the invoices will remain in French francs.

F03012 Field	Description	Before Conversion	After Conversion	Rounded From
A5CRCD	Currency Code - A/R	FRF	FRF	Not applicable
A5CRCA	Currency Code - A/B	FRF	EUR	Not applicable
A5AD	Amount Due	100.00	15.24	Not applicable
A5AFCP	Prior Year Finance Charges	200.00	30.49	Not applicable
A5AFCY	YTD Finance Charges	300.00	45.73	Not applicable
A5ASTY	Invoiced This Year	400.00	60.98	Not applicable
A5SPYE	Invoiced Prior Year	500.00	76.22	Not applicable
A5AHB	High Balance	600.00	91.47	Not applicable
A5ALP	Last Paid Amount	700.00	106.71	Not applicable
A5ABAM	Address Book Amount	Not used	Not used	Not applicable
A5ABA1	Address Book Amount	Not used	Not used	Not applicable
A5APRC	Open Order Amount	1,000.00	152.45	Not applicable
A5MINO	Minimum Order Amount	1,000	150	152.45
A5MAXO	Maximum Order Amount	50,000	7,600	7622.45
A5ACL	Credit Limit	10,000	1,500	1524.49

Caution: In the F03012 table, the field A5ABAM stores a user-defined fixed amount, and the field A5ABA1 is for future use. If you use either of these fields,

be aware that the Euro Address Book Conversion program converts them, regardless of whether they are monetary amounts.

Parent/Child Structures with Different Currencies

If you have a parent/child structure with different default and address book currencies, you can convert the parent independently from its children or vice versa. With this flexibility, you can continue to track address book amounts in the parent company's currency while invoicing some of the subsidiaries in the euro. This flexibility also allows you to convert address book amounts to the euro at the subsidiary level, convert the currencies of a parent and its children at the same time, and so on.

The following table shows a parent/child relationship with different currencies before the conversion:

Relationship	Address Book Currency	Default Currency
Parent	ITL	ITL
Child 1	ITL	DEM
Child 2	ITL	FRF
Child 3	ITL	DEM

Child 1 and Child 3 have requested that you submit their invoices in the euro. You run the Euro Address Book Conversion program to convert their default currency from the German mark (DEM) to the euro (EUR).

The following table shows the results after the conversion.

Relationship	Address Book Currency	Default Currency
Parent	ITL	ITL
Child 1	ITL	EUR
Child 2	ITL	FRF
Child 3	ITL	EUR

How Converted Limit Amounts Are Rounded

Limit amounts are credit limits and minimum and maximum order amounts that you assign to a customer master record. Limit amounts are usually rounded numbers and are stored without decimals. When you convert limit amounts, you designate the rounding amount in a processing option for the Euro Address

Book Conversion program.

The following example shows how the Euro Address Book Conversion program rounds converted amounts when converting from German marks (DEM) to euros (EUR). The example is based on an exchange rate of 1 EUR = 1.95583 DEM and a rounding factor of 50.

The conversion program rounds converted limit amounts up or down, as described in the following examples.

Round Up

The conversion program converts 3,000 DEM to 1,534 EUR. It rounds up 1,534 EUR to 1,550 EUR, based on the following calculation:

> Converted Amount / Rounding Factor = Q with a remainder of R. If R is greater than or equal to one-half of the rounding factor, then subtract R from the rounding factor and add that amount to the converted amount.

In the example, 1,534 EUR / 50 = 30 with a remainder of 34. The value of 34 is greater than one half of 50 (25). Subtract 34 from 50 (50 – 34 = 16) and add 16 to 1,534 to get a rounded value of 1,550 EUR.

Round Down

The conversion program converts 5,000 DEM to 2,556 EUR. It rounds down 2,556 EUR to 2,550 EUR, based on the following calculation:

> Converted Amount / Rounding Factor = Q with a remainder of R. If R is less than one-half of the rounding factor, then subtract R from the converted amount.

In the example, 2,556 EUR / 50 = 51 with a remainder of 6. The value of 6 is less than one half of 50 (25). Subtract 6 from 2,556 to get a rounded value of 2,550 EUR.

Application Outside of the EMU

Companies outside of the EMU can use the Euro Address Book Conversion program to convert default currency codes, and address book currency codes and amounts for multiple customers. Based on the currency code and exchange rate date that you set in the processing options for the Euro Address Book Conversion program, you can convert default currency codes, address book (statistical and limit) amounts, or both from one currency to another. For example, you can convert from U.S. dollars to Canadian dollars.

Generating New Base and Advanced Prices in the Euro

You can provide prices in the euro for your existing customers who convert to the euro and, at the same time, continue to provide prices in a national currency for other customers. You control the currency in which to create prices for a customer on the customer master record.

Some companies will create new euro prices as early as 1 January 1999 while others will wait until 2002 when it is mandatory. Still others will use a transitional approach and create new prices for customers over an extended period of time.

This topic describes the following:

- ❑ Planning a strategy for new prices
- ❑ How the generation programs work
- ❑ Generating new base prices in the euro
- ❑ Example: Before and after generating new base prices
- ❑ Generating new advanced prices in the euro
- ❑ Application outside of the EMU

Planning a Strategy for New Prices

Before you create new prices in the euro, you should review your current pricing structure and plan a strategy.

Assume, for example, that your current pricing structure has several currencies associated with each item number. Before you generate new prices, think about which currency you want to base your new prices on. You might choose the most common currency used in your pricing structure, or you might choose a currency based on a fixed rate that is more favorable for your pricing.

To plan a strategy for your new prices, it is important that you understand how the price generation program works. When you run the program, it creates only

one euro price for each item. It does not create one euro price for each currency. If a euro price already exists for a customer, item, or branch/plant, the generation program does not create another euro price.

If you have a complex pricing structure, you might create new euro prices manually. Or you might create some new euro prices manually and others automatically, using the generation program.

How the Generation Programs Work

The price generation programs create new prices in the euro based on existing prices and are useful if you want to create base prices and advanced price adjustments for multiple records at one time. To update an individual price, you can manually enter the new currency and amount on the Base Price Revisions or Price Adjustment Detail Revisions form. You do not have to run the generation programs.

To create new prices in the euro, you run two separate price generation programs:

- Generate Base Price/Currency
- Advanced Price and Adjustment

You run the generation programs one currency at a time. These programs are designed to create new prices one currency at a time to avoid confusion about which currency a new price is based on.

The generation program creates only one new price for each unit of measure. It does not create one price for each currency. If a euro price already exists, the generation program does not create another euro price because both records would have the same key. There are two exceptions to this rule:

- When currency codes associated with an item have different effective-through dates. Depending on the dates, the generation program might create more than one euro price.
- If prices are set up for different customers or customer groups.

When the price generation program creates a new euro price, it sequences that price alphabetically along with the existing records.

Processing Options For Base and Advanced Price Generation

To generate new prices in proof or final mode, you specify the following in the processing options for Generate Base Price/Currency and Advanced Price and Adjustment:

- Date as of when you want to create new prices. If the expiration date of a

price is greater than or equal to this date, a new price is generated.

- Currency of the existing prices. The currency code of the price upon which you want to base new prices.
- Currency in which you want to create new prices.
- Exchange rate to use in calculating the new prices.
- Conversion method (multiplier or divisor) to use to perform the exchange rate calculation. When converting amounts from an EMU currency to the euro, you must designate the divisor method so that the new prices are based on the no inverse method, which is required by the European Union (EU).

Data Selection for Base and Advanced Price Generation

Typically, companies will generate new base prices for all customers within a specific branch/plant. If your company has multiple branch/plants with different currencies, you can run the generation program multiple times. For base prices that do not have a branch/plant, designate *blanks for branch/plant in the data selection. You can also generate new base prices by item number or any other value in the data selection.

Most companies will generate new advanced prices by adjustment name. However, you can generate them by any other value in the data selection.

Generating New Base Prices in the Euro

From the Price Management menu (G4222), choose Generate Base Price/Currency.

The Generate Base Price/Currency program does the following:

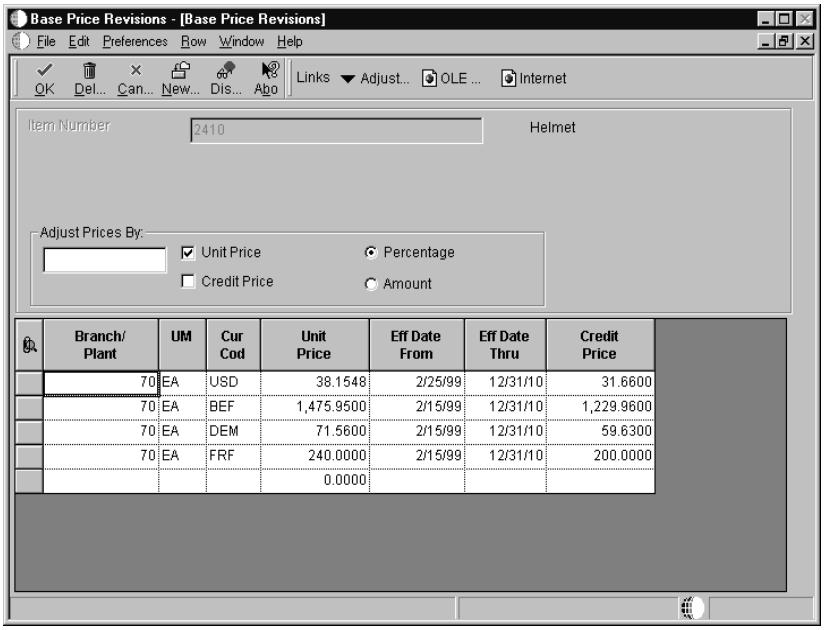
- Copies the original base price record
- Calculates a new price in the euro, based on the currency code and exchange rate you specify
- Creates a new base price in the euro

The generation program for base prices automatically rounds converted euro amounts according to the decimal places that are set up in the data dictionary for Unit Price (UPRC).

After you run the generation program in final mode, review the newly created prices on the audit report and adjust them, if necessary. For example, if the program creates a new price for 1,680 BEF as 41.2583 EUR, you might manually adjust the amount to 41 EUR.

Example: Before and After Generating New Base Prices

The following form shows an existing price record before a new euro price is generated. Notice that the item has several currency codes and prices:



Branch/ Plant	UM	Cur Cod	Unit Price	Eff Date From	Eff Date Thru	Credit Price
70	EA	USD	38.1548	2/25/99	12/31/10	31.6600
70	EA	BEF	1,475.9500	2/15/99	12/31/10	1,229.9600
70	EA	DEM	71.5600	2/15/99	12/31/10	59.6300
70	EA	FRF	240.0000	2/15/99	12/31/10	200.0000
			0.0000			

To access the form in this example, choose Base Price Revisions on menu G4222. From Work with Preference Base Price, select an item number to access Base Price Revisions.

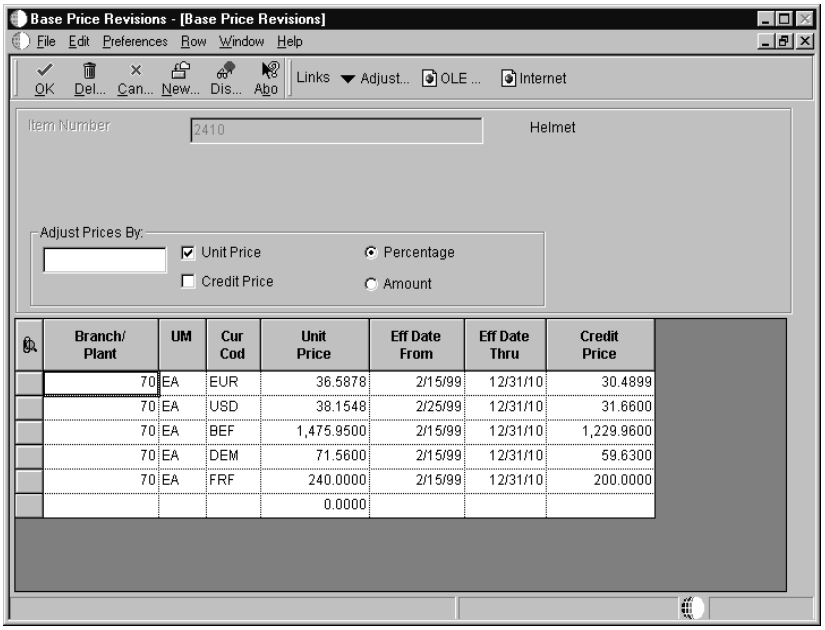
In this example, the processing options for the generation program are set as follows:

- Mode = proof
- Date = 01/01/99
- Convert to = EUR
- Convert from = BEF
- Exchange rate = 40.3399
- Method = divide

Even though there are several currency amounts associated with the item number, the generation program will create only one new euro amount based on the Belgian franc (BEF) price. This example illustrates the importance of reviewing and, if necessary, revising your current pricing structure before you generate new prices in the euro.

The following form shows the results after the generation program ran in final mode. The generation program creates only one euro price, based on the

Belgian franc. Notice that the original price remains so that you can continue to invoice customers in the national currency, as needed.



Once a euro price is created, the program will not create any additional euro prices for an item unless another currency on the existing record has a different effective through date.

Generating New Advanced Prices in the Euro

From the Advanced Price and Adjustments menu (G42311), choose Advanced Price and Adjustment.

With the Advanced Price and Adjustment program, you can create new advanced prices in the euro for the following:

- Advanced price adjustments with an actual amount
- Advanced price adjustments without an actual amount

Advanced Price Adjustments with an Actual Amount

For advanced price adjustments with an actual amount, the Advanced Price and Adjustment program does the following:

- Copies the original price adjustment record
- Calculates a new price in the euro, based on the currency code and exchange rate that you specify
- Creates a new price adjustment in the euro

You can create new price adjustments for advanced price records that have an actual amount, such as those with a basis code of 4 (cost plus) or 5 (add on). You can also create new price adjustments for level breaks based-on amounts. You cannot, however, create new price adjustments for amounts with a basis code of 7 (formula).

For example, a price adjustment for 100 French francs (FRF) is assigned a basis code of 5 (add-on amount), and you want to create a new price adjustment in the euro. The exchange rate is 6.55957, and the divisor method is used to convert the amount to the euro (EUR). The new price adjustment is 15.2449 EUR.

Advanced Price Adjustments without an Actual Amount

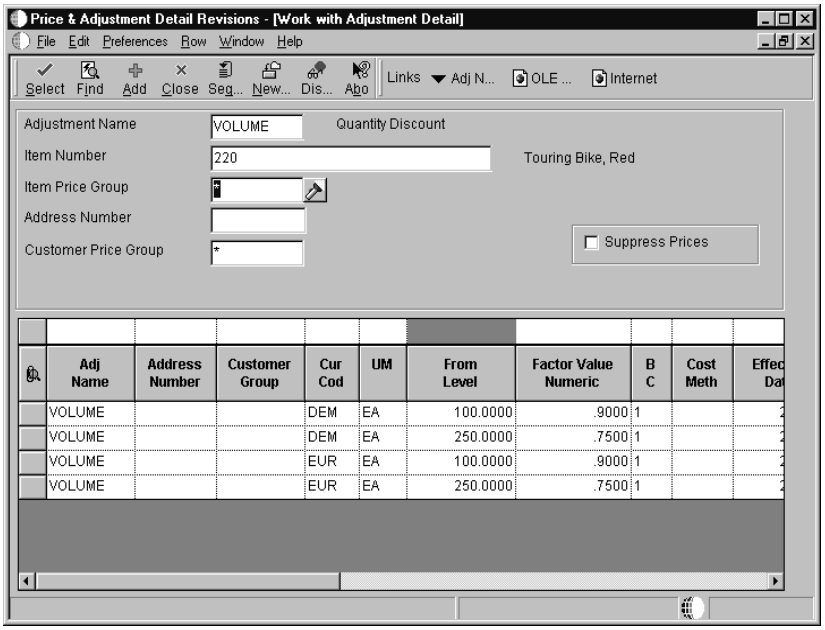
For advanced price adjustments without an actual amount, the Advanced Price and Adjustment program does the following:

- Copies the original price adjustment record
- Retains the original factor value and changes the currency code to the currency code that you specify
- Creates a new price adjustment with the euro currency code

You can create new price adjustments for advanced price records that do not have an actual amount, such as those with a basis code of 1 (% of base price).

For example, a price adjustment for 90% DEM of the base price is assigned a basis code of 1 and you want to create a new price adjustment in the euro. The new price adjustment will be 90% EUR. Notice that for adjustments without an actual amount, the original factor value (.9) is retained and only the currency code changes.

The following form shows the results after the generation program runs in final mode. Notice that the original factor values (.7500 and .9000) are retained on the new price adjustment records. Only the currency code changes.



To access the form in this example, choose Price and Adjustment Detail Revisions on menu G42311.

Application Outside of the EMU

The price generation programs are designed to generate new prices in any currency, based on existing base and advanced price adjustments.

Printing Invoices in the Euro

From Sales Order Processing, (G4211), choose Print Invoices.

You can choose the currencies in which you want to print net, tax, and gross amounts on your invoices. Processing options allow you to print amounts in a domestic or foreign currency, or in the following two currencies:

- Domestic and *as if* currency (euro)
- Foreign and *as if* currency (euro)

An *as if* currency is a currency other than the domestic or foreign currency of a transaction. The Print Invoice program uses *as if* currency processing to print amounts as if they were entered in another currency, such as the euro. One of the advantages of *as if* processing is that it does not impact disk space. The *as if* currency amounts are stored temporarily in the Invoice Print workfile (F42565) and deleted after the invoices are processed.

To print foreign and *as if* currency amounts, the Print Invoice program:

- Calculates the foreign and *as if* currency amounts based on the domestic amount of the sales order
- Uses the exchange rate on the sales order date, not the invoice date
- Prints foreign amounts only for each detail line

You can also print tax summary information in a domestic or foreign and as if currency based on one of the following:

- Tax group - Total taxable amount
- Tax area - Tax rate area, such as a state
- Tax authority - Tax authority with jurisdiction in the tax area, such as a county or city

If the order has items that are taxed at different rates, the system calculates the taxes, but prints N/A (not applicable) instead of a tax rate. The system calculates tax amounts only for items that you ship. Any backordered items on the invoice do not have tax amount information. If you print invoice amounts in an *as if*

currency, you can also set a processing option to print tax summary amounts in the same *as if* currency.

Alternate Currency Receipt Setup

During the euro transition period, EMU member companies must be able to process manual receipts in an alternate currency. Alternate currency receipt processing allows you to apply receipts in a currency other than the domestic or foreign currency of the invoice.

For example, a German company with a base currency of German marks submits a foreign invoice in francs to a French company. The French company pays in euros. In this example, the German company processes the euro receipt as an alternate currency receipt.

Before you process manual receipts in an alternate currency, you must set up the following:

- Alternate currency receipt clearing accounts and AAIs
- Foreign/alternate currency receipt rounding accounts and AAIs
- Processing options for alternate currency receipts
- Application outside of the EMU

Alternate Currency Receipt Clearing Accounts and AAIs

To process a receipt in an alternate currency, you must set up an alternate currency clearing account and automatic accounting instruction (AAI) to track the conversion from the receipt amount to the original invoice amount.

The clearing account provides an audit trail of the offset amounts for the invoice and receipt entries as follows:

- The original foreign invoice and the domestic side of the foreign invoice
- The alternate currency receipt and the domestic side of the alternate currency receipt

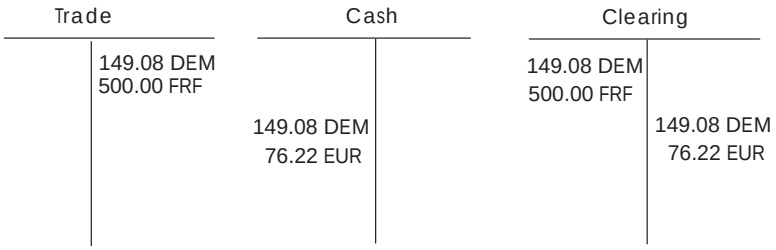
The alternate currency clearing account will balance on the domestic side but not on the foreign side. The foreign side contains different currencies, which will never balance.

To track the alternate currency offset amounts, you must set up an alternate currency clearing account and assign it to AAI item R7. The following rules apply to the clearing account:

- It must be in the same company as the bank account from which the receipt is made.
- It cannot be a monetary account.
- It must be company specific. You cannot use company 00000 as a default.
- It must include a business unit.

Example: Alternate Currency Clearing Account

The following example shows T-account entries for a foreign invoice (FRF), the domestic side of the invoice (DEM), and an alternate currency receipt (EUR).



Foreign/Alternate Currency Receipt Rounding Accounts and AAIs

When you apply a foreign or alternate currency receipt to an invoice, the potential for a slight rounding difference exists. The rounding difference can occur when converting amounts between a foreign and a domestic currency, or an alternate and a domestic currency. Prior to OneWorld release B73.3, the rounding differences were tracked in a gain/loss account, even though they were not due to exchange rate fluctuations. As of release B73.3.3, rounding differences are tracked in a separate rounding account using AAI item R8.

For EMU member companies, slight rounding differences can occur when amounts are converted between a foreign and domestic currency or between two EMU currencies and the euro (or other alternate currency receipt). The rounding differences, which are immaterial, occur when the domestic currency amount applied to an invoice is not the same as the domestic currency amount of the receipt**.** See *Recording Slight Rounding Differences* in the next chapter for an example.

To track the rounding differences, you must set up a foreign/alternate currency receipt rounding account and assign it to AAI item R8. When a rounding difference occurs, the system creates an offset journal entry in the rounding account when you post the alternate currency receipt.

Processing Options for Alternate Currency Receipts

To process receipts in the euro or other alternate currency, you must set the Alternate Currency Receipts processing option in the Standard Receipts Entry program (P03B102).

Application Outside of the EMU

If a transaction between two non-EMU currencies involves an alternate currency receipt, the potential for gains or losses due to exchange rate fluctuations exists. To handle the gains or losses, you must set up the following:

- Alternate Currency Receipt Gain Accounts and AAIs (RY)
- Alternate Currency Receipt Loss Accounts and AAIs (RZ)

The AAI search sequence used for alternate currency gains and losses during alternate currency receipt processing is the same one used for standard gains and losses during regular receipt processing.

1. The program searches for alternate currency code and company.
2. If not found, the program searches for G/L offset and company.
3. If not found, the program searches for company.
4. If not found, the program searches for alternate currency code and company 00000.
5. If not found, the program searches for G/L offset and company 00000.
6. If not found, the program searches for company 00000.

Alternate Currency Receipt Gain Accounts and AAIs (RY)

To record a gain incurred on an alternate currency receipt, you must set up a new gain account and AAI. The gains for alternate currency receipts are recorded separately from standard gains and are handled by using a different account and AAI.

When you post receipts, the system creates an entry in the alternate currency receipt gain account if the amount derived by converting from an alternate currency directly to a domestic currency is greater than the amount derived by converting from an alternate currency to a foreign currency to a domestic currency.

Alternate Currency Receipt Loss Accounts and AAIs (RZ)

To record a loss incurred on an alternate currency receipt, you must set up a new loss account and AAI. The losses for alternate currency receipts are recorded separately from standard losses and are handled by using a different account and AAI.

When you post receipts, the system creates an entry in the alternate currency receipt loss account if the amount derived by converting from an alternate currency directly to a domestic currency is less than the amount derived by converting from an alternate currency to a foreign currency to a domestic currency.

Processing Alternate Currency Receipts in the Euro

During the euro transition period, EMU member companies must be able to process manual receipts in the euro, regardless of whether they have converted their base currency to the euro. Alternate currency processing, which allows companies to process receipts in a currency other than the domestic or foreign currency of the invoice, handles this requirement.

The "no compulsion, no prohibition" principle, which is in effect during the euro transition, basically states the following:

- Suppliers can submit invoices in their customer's national currency or the euro through 31 December 2001.
- Customers can pay invoices in their national currency or the euro through 30 June 2002.

For example, a German company that receives an invoice in marks from a French company can pay in marks or euros. Or a French company that receives an invoice in euros from a German company can pay in euros or francs. In both examples, the German and French companies must be able to handle the receipt in an alternate currency.

Most of the processing for alternate currency receipts is based on the setup that you do before you actually process the receipts. The ability to process alternate currency receipts is controlled by processing options in the Standard Receipts Entry program.

This topic describes the following:

- ❑ Processing alternate currency receipts in the euro
- ❑ Processing foreign currency drafts and auto debits in the euro
- ❑ T-accounts for alternate currency receipts
- ❑ Recording slight rounding differences
- ❑ Application outside of the EMU

Before You Begin

❑ Make sure you complete the setup requirements described in *Alternate Currency Receipt Setup.*

❑ Review invoices in the domestic currency, foreign currency, and the euro on Customer Ledger Inquiry (optional).

Processing Alternate Currency Receipts in the Euro

Processing receipts in the euro, or other alternate currency, is similar to processing domestic and foreign receipts, and is described in the following tasks:

- Entering alternate currency receipts in the euro
- Reviewing invoices and receipts on statements
- Creating chargebacks
- Handling partial receipts

Note: You cannot process alternate currency receipts using batch cash receipts, electronic data interchange (EDI) transactions, or drafts.

Entering Alternate Currency Receipts in the Euro

To enter receipts in the euro or other alternate currency, you match the receipt to an invoice or group of invoices just as you normally do. Matching receipts to open invoices, the most common method of applying receipts, is used to enter alternate currency receipts.

At the time when you enter a receipt in the euro, the system converts the invoice amount to the alternate currency amount so that you can apply the receipt. The system uses the exchange rate between the receipt currency and the invoice currency, which is retrieved from the Currency Exchange Rates table (F0015) based on the G/L date.

▶ To enter alternate currency receipts in the euro

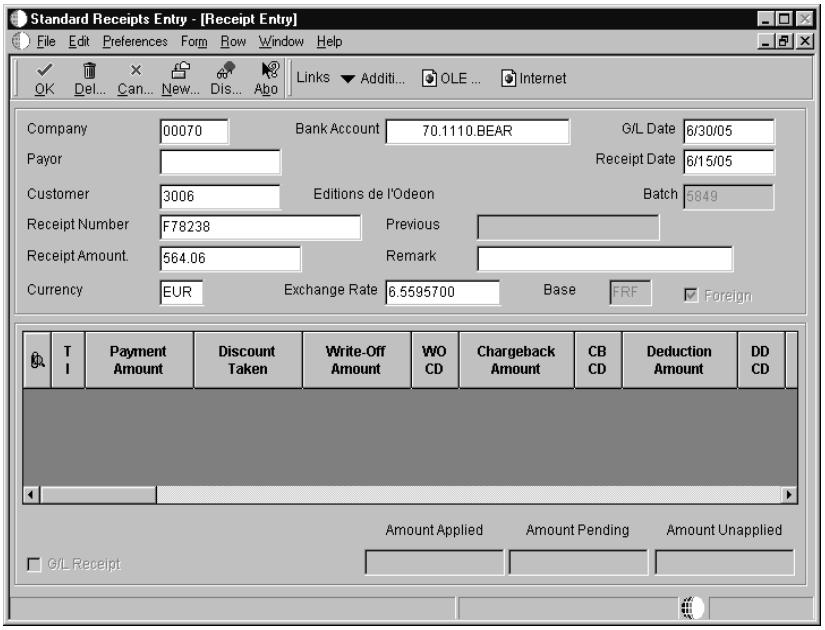
Before you enter a receipt in the euro, make sure that you set the alternate currency processing option for the Standard Receipts Entry Program.

Entering alternate currency receipts is similar to entering other receipts. The differences are described in the following steps:

1. From the Manual Receipts Processing menu (G03B12), choose Standard Receipts Entry.
2. On Work with Customer Receipts Inquiry, click Add.

3. On Receipt Entry, enter the currency code of the alternate currency (this is the currency of the receipt) in the Currency field in the header area.

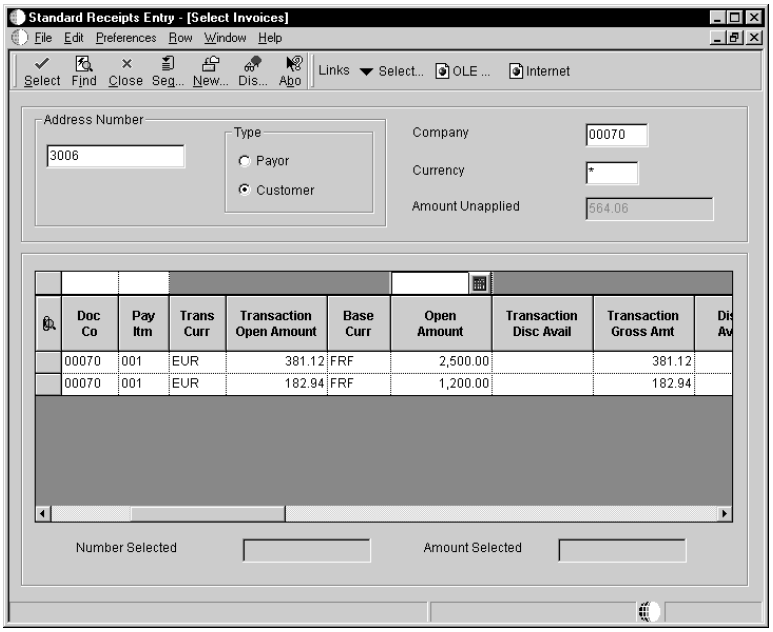
   The Currency field designates the alternate currency in which the system will convert open invoice amounts.



4. Choose Select (or Load) from the Form menu.

   On Select (or Load) Invoices, notice that the Currency field contains the alternate currency.

5. On Select (or Load) Invoices, change the alternate currency to the invoice currency or * and click Find to display the open items.



6. Select and apply the invoices to the receipt, as usual.

Spot Rates

You cannot enter spot rates on a transaction between two EMU member currencies. Spot rates are not allowed because of the irrevocably fixed euro rate.

You can, however, enter a spot rate on a transaction between an EMU and non-EMU member currency. When you match the receipt to an invoice, specify the spot rate in the Exchange Rate field as usual.

Reviewing Invoices and Receipts on Statements

If you have an invoice and a receipt in different currencies, you can review the receipt amount in both currencies. This allows you to review the receipt amount in the invoice currency as well as a customer's transaction currency when working customer accounts.

For example, a French company submits an invoice in French francs and is paid in euros. On Work with Notifications, you can review the receipt amount in both the invoice currency (French francs) and the receipt currency (euro).

Reviewing receipt amounts in two currencies applies to online statements only. It does not apply to printed statements, which print receipt amounts in the invoice currency, regardless of whether they were paid in another currency.

Creating Chargebacks

When you apply a receipt to an invoice, you can create a chargeback invoice for a disputed amount. For example, a customer might issue payment for an invoice, less the shipping costs. It may be your company policy to close the original invoice and create a chargeback for the amount of the discrepancy.

The system creates chargebacks for a specific invoice in the invoice currency. To create a chargeback that applies to a specific invoice, you must specify the original invoice. The system uses this information to calculate the chargeback amount.

The system creates stand-alone chargebacks for multiple invoices in the receipt currency. To create a stand-alone chargeback, do not specify the original document.

Handling Partial Receipts

To process partial receipts in an alternate currency, the system converts the alternate currency amount applied to the invoice to the invoice currency. It then applies the converted amount in the invoice currency to the invoice.

Processing Foreign Currency Drafts and Auto Debits in the Euro

With multi-currency processing, you can process drafts and automatic debits in a foreign currency as well as continue to process them in your domestic currency. This flexibility allows you to process drafts and automatic debits in the euro or an EMU national currency, regardless of whether your company has converted its base currency to the euro.

This topic describes the following:

- Processing Foreign Currency Drafts in the Euro
- Processing Foreign Currency Auto Debits in the Euro

Processing Foreign Currency Drafts in the Euro

You can process foreign currency drafts in the euro as long as the transaction currency of the invoice is also the euro. The transaction currency of an invoice determines the currency that is used throughout the draft process. For example, if the transaction currency of an invoice is foreign, you must print, remit, and collect it as a draft in a foreign currency.

To process drafts in the euro, or other foreign currency, you can use either of the following:

- Manual drafts. When you enter a manual draft on the Draft Entry form, the currency must match the transaction currency of the invoice. If the transaction currency is foreign, the system activates the Foreign checkbox on the Draft Entry form.
- Automatic (pre-authorized) drafts. When you create automatic (pre-authorized) drafts, the system processes the drafts in the transaction currency of the invoice.

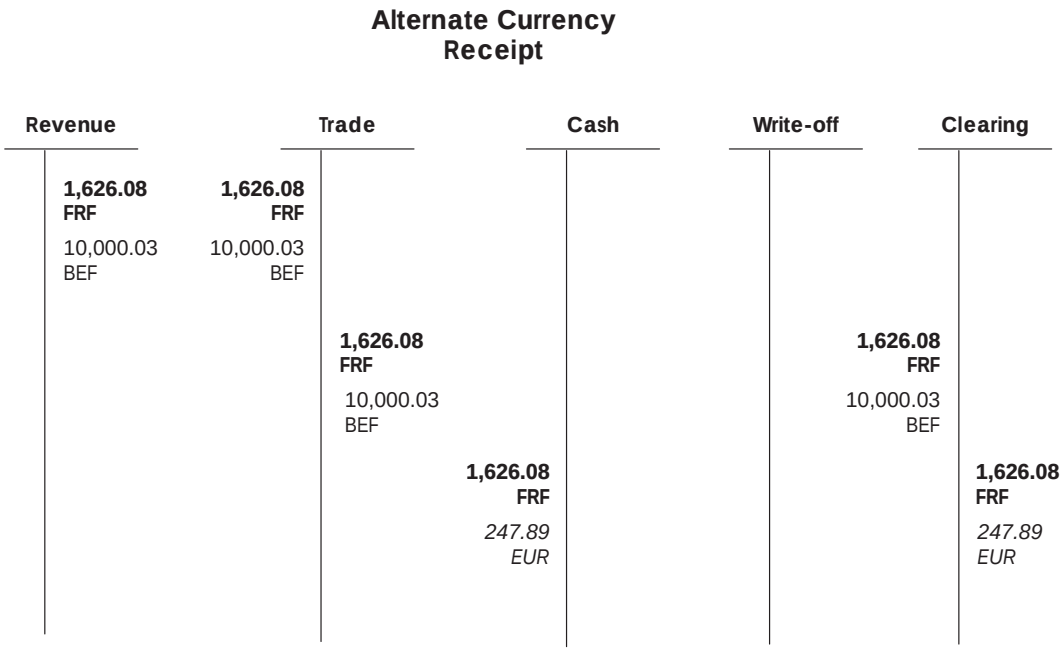
Processing Foreign Currency Auto Debits in the Euro

To process automatic debits in the euro, or other foreign currency, run the Process Auto Debits program. Before running the program, make sure that you do the following:

- Set the processing option (under the Processing tab) to process auto debits in the transaction (foreign) currency of the invoice.
- Ensure that the processing option (under the Bank Information tab) contains a bank account with the same currency as the transaction (foreign) currency of the invoice.
- Select only one currency in the data selection. If you do not do this, the program uses the currency of the first invoice as the default foreign currency.

T-Accounts for Alternate Currency Receipts

The following T-accounts show how transactions move in and out of accounts when an alternate currency receipt is involved:



(Alternate currency entries are *italicized*)

Recording Slight Rounding Differences

When a foreign or alternate currency receipt is involved in a transaction, the potential for a slight rounding difference exists. A rounding difference is recorded when the domestic amount of an invoice is not the same as the domestic amount of the receipt. The rounding difference is immaterial, but it must be recorded.

Typically, rounding differences occur on transactions that involve multiple invoices and one receipt, or multiple receipts and one invoice. For these transactions, a rounding difference might occur when amounts are converted back and forth between a foreign and a domestic currency, or between two EMU currencies and the euro (or other alternate currency receipt).

For example, a German company enters three foreign currency invoices for 1000 FRF each (or 298.16 DEM). The company receives payment for 3000 FRF (or 894.49 DEM). When the company applies the domestic receipt amount (894.49 DEM) to the domestic invoices (298.16 x 3 = 894.48 DEM), there is an "overpayment" (rounding difference) of + 0.01 DEM.

To record the rounding differences, the system creates an offset journal entry in the rounding account when you post the alternate currency receipt. The rounding difference is associated with the receipt, not the invoice. If you adjust a receipt and the adjustment affects an existing rounding amount, the system

creates a new rounding record. It does not change the original record.

Example: French Company Receives EUR for BEF Invoice

In the following example, a French company submits three invoices in Belgian francs (BEF) and receives payment in the euro (EUR).

When the receipt is entered, the receipt amount (EUR) is compared to the foreign and domestic invoice amounts to determine if the debt has been satisfied. Since the FRF and BEF rates are fixed to the euro, the invoice and receipt exchange rates do not fluctuate and there is no exchange rate gain or loss.

However, there might be a slight rounding difference when two EMU currencies and a euro receipt are involved. The rounding difference, which is immaterial, occurs when the domestic amount of an invoice is not the same as the domestic amount of the receipt. This slight rounding difference is recorded in a rounding account, as directed by AAI item R8.

Description	Currency	Amount	Fixed Exchange Rate 1 January 2000
Invoice (domestic currency)	FRF	162.61 x 3 = 487.83	1 EUR = 6.55957 FRF
Invoice (foreign currency)	BEF	1,000 x 3 = 3000	1 EUR = 40.3399 BEF
Receipt	EUR	74.37	
Standard gain/loss	Not applicable		
Alternate currency receipt rounding difference	FRF	+ 0.01	

The French company submits three foreign invoices on 1 January 2000 for 1000 BEF each, which is 162.61 FRF in the domestic currency. The FRF amount is calculated through the euro, using triangulation.

Calculation: (1,000 BEF / 40.3399) x 6.55957 = 162.61 FRF

The alternate currency receipt on 1 February 2000 is 74.37 EUR.

Calculation: 3,000 BEF / 40.3399 = 74.37 EUR

The domestic currency amount applied to the invoice is 487.83 FRF.

Calculation: 1,000 BEF / 40.3399 x 6.55957 = 162.61 x 3 = 487.83 FRF

The domestic currency amount of the receipt is 487.84 FRF.

Calculation: 74.37 EUR x 6.55957 = 487.84 FRF

Standard Gain/Loss

There is no gain/loss created by exchange rate fluctuations between the invoice (foreign) currency and the domestic currency because both currencies are irrevocably fixed to the euro.

Alternate Currency Receipt Rounding Difference

The alternate currency rounding difference is + 0.01 FRF. This amount is the domestic currency amount of the receipt minus the domestic currency amount applied to the invoice.

Calculation: 487.84 FRF – 487.83 FRF = + 0.01 FRF

Application Outside of the EMU

If a transaction is not between EMU currencies and an alternate currency receipt is involved, the potential for two gains or losses exists based on the fluctuation of exchange rates:

- Standard gain/loss. Based on exchange rate differences between the foreign (transaction) currency and the domestic currency. This is the same gain or loss that would have been realized if the receipt was not in an alternate currency.
- Alternate currency gain/loss. Based on exchange rate differences between the alternate (receipt) currency and the domestic currency. This gain or loss is the difference between the following amounts:
    - The amount calculated by converting the alternate currency receipt amount directly to the domestic currency
    - The amount calculated by converting the alternate currency receipt amount to the foreign currency to the domestic currency

For example, if a Canadian company submits an invoice to a U.S. company in U.S. dollars, and the U.S. company pays in Japanese yen, the potential for two gains and losses exists. One is a standard gain/loss, which is based on the fluctuation of exchange rates between the U.S. dollar (foreign currency) and the Canadian dollar (domestic currency). The other is an alternate currency gain/loss, which is based on the difference between the amounts calculated by converting the following:

- Japanese yen (alternate currency receipt) directly to Canadian dollar (domestic currency)
- Japanese yen (alternate currency receipt) to U.S. dollar (foreign currency)

to Canadian dollar (domestic currency)

Example: Canadian Company Receives JPY for USD Invoice

In the following example, a Canadian company submits an invoice in U.S. dollars (foreign currency) and receives payment in Japanese yen (alternate currency).

The Canadian company uses the divisor method for multi-currency transactions. Triangulation is not involved. The currencies in this example are all non-EMU currencies, which means the currencies fluctuate against one another. Because of the exchange rate risk, there is the potential for two gains or losses: one between the Canadian dollar (CAD) and USD; the other between JPY, USD, and CAD.

Description	Currency	Amount	Exchange Rate 1 January 2000	Exchange Rate 1 February 2000
Invoice (domestic currency)	CAD	280.56		
Invoice (foreign currency)	USD	200	1 CAD = 0.71286 USD	
Receipt	JPY	21,572.60		1 USD = 107.863 JPY 1 CAD = 0.6871 USD 1 CAD = 74.0614 JPY
Standard gain/loss	CAD	+ 10.52		
Alternate currency gain/loss	CAD	+ 0.20		

The foreign invoice on 1 January 2000 is 200 USD, which is 280.56 CAD in the domestic currency.

Calculation: 200 USD / 0.71286 = 280.56 CAD

The alternate currency receipt on 1 February 2000 is 21,572.60 JPY.

Calculation: 200 USD x 107.863 = 21,572.60 JPY

The foreign currency amount applied to the invoice is 200 USD.

Calculation: 21,572.60 JPY / 107.863 = 200 USD

The domestic currency amount applied to the invoice is 280.56 CAD

Calculation: 200 USD / 0.71286 = 280.56 CAD

The domestic currency amount of the receipt is 291.28 CAD.

Calculation: 21,572.60 JPY / 74.0614 = 291.28 CAD

Standard Gain/Loss

The standard gain/loss is + 10.72 CAD. This amount is based on exchange rate fluctuations from the receipt date to the invoice date.

200 USD / 0.6871 (exchange rate on receipt date) = 291.08 CAD

200 USD / 0.71286 (exchange rate on invoice date) = 280.56 CAD

Calculation: 291.08 – 280.56 = + 10.52 CAD

Alternate Currency Gain/Loss

The alternate currency gain/loss is + 0.20 CAD. This amount is calculated using exchange rates on the receipt date. It is based on the difference between converting the alternate currency directly to the domestic currency, and converting the alternate currency to the foreign currency to the domestic currency.

21,572.60 JPY / 74.0614 = 291.28 CAD

(21,572.60 JPY / 107.863 = 200 USD) / 0.6871 = 291.08 CAD

Calculation: 291.28 – 291.08 = + 0.20 CAD

Euro Realization for A/R Prior to Year 2000

With the introduction of the euro on 1 January 1999, exchange rates between Economic and Monetary Union (EMU) member currencies no longer fluctuate. This means that EMU companies no longer record gains and losses on transactions created between EMU currencies as of 1999.

This topic briefly describes gains and losses on invoices that were created before the introduction of the euro and were open:

- Prior to 1999
- Prior to 2000

Prior to 1999

At the end of 1998, EMU member nations were required to realize all losses on all open invoices. European Union (EU) regulations required companies in all EMU member nations to realize losses on EMU currency invoices that were open as of 31 December 1998, using the euro fixed exchange rates.

Prior to 2000

By the end of 1999, EMU member nations were required to realize gains on all open invoices.

EU regulations required companies in all EMU member nations to realize gains on EMU currency invoices that were open as of 31 December 1998 *no later than* 31 December 1999, using the euro fixed exchange rates. Within that time frame, each EMU member nation regulated whether companies were to realize gains at the end of 1998 or the end of 1999. EMU companies that were allowed to realize gains as late as the end of 1999 continued to realize gains on EMU currency invoices as they were paid throughout 1999.

At the end of 1999, EU regulations required all companies in all EMU member nations to realize gains one final time. This was to ensure that if a company had any remaining open EMU currency invoices dated before 1999, the gains for those invoices were realized.

Managing Credit Notes Dated Prior to 1999

More than likely, your business does not have any credit notes dated prior to 1999. If it does, however, this documentation describes how to handle credit notes that were entered in 1998 before the euro exchange rate became irrevocably fixed.

If you created a credit memo or unapplied receipt, and did not transfer it to the Accounts Payable system before the EMU exchange rates became irrevocably fixed to the euro, you will need to complete the following steps. These steps are necessary so that when you create new transactions, you use the new fixed euro exchange rates instead of the old rates.

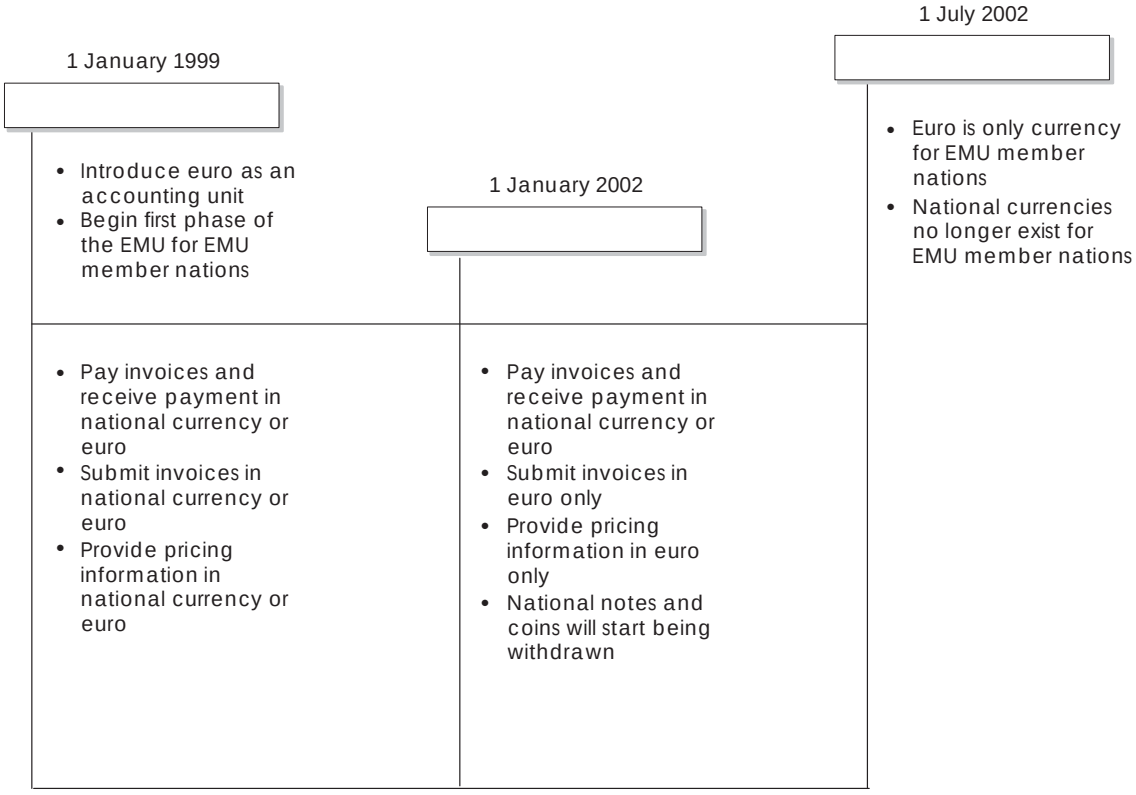
1. From the Period End Processes menu (G03B21), choose Generate Reimbursements.
2. Run Generate Reimbursements in proof mode.
3. Review the list of customers on the proof report and determine the credit amounts that are in EMU member currencies.
4. Do either of the following:
    - Cancel the existing unapplied receipt or credit memo, and enter a new one with the correct currency and exchange rate. Pay it later using the credit note reimbursement program.
    - Close out the existing unapplied receipt or credit memo (document type RM). Then create a voucher (document type PV).

For more information about credit note reimbursements, see *Working with Credit Reimbursements* in the *Accounts Receivable Guide.*

Accounts Payable Transactions and the Euro

The following timeline is based on the principles of "no compulsion, no prohibition." These principles basically state that companies are under no obligation to transact business in the euro beginning on 1 January 1999. The principles also state that companies cannot prohibit their suppliers or customers from transacting business in the euro.

The timeline illustrates how Economic and Monetary Union (EMU) member nations are expected to handle vouchers and payments during the euro transition period, from 1 January 1999 to 1 July 2002.



During the euro transition period, your company must be prepared to process transactions in the euro, regardless of whether the original transaction was in another currency or whether your company has converted its base currency to the euro. For example, a French company can continue to pay a German supplier in German marks during the euro transition period. However, the same company must be able to process receipts in the euro if a German customer chooses to pay in the euro.

Converting prices to the euro presents new challenges to companies since it becomes easier for suppliers to compare prices among countries. Inevitably, euro prices for products will vary across countries because the cost of doing business varies across countries.

Note: During the euro transition period, you will run the supplier conversion and price generation programs to convert currency codes and create new prices in the euro. These conversion and generation programs are available in release B73.3 (and above). Do not confuse them with the euro conversion programs. The euro conversion programs, which are in application software update (ASU) B73.3.1EURO and B73.3.2EURO and OneWorld Xe, convert a company's base currency to the euro.

Checklist: Processing A/P Transactions in the Euro

To process accounts payable transactions in the euro, complete the items in the following checklist:

- ❑ View supplier amounts in the euro
- ❑ Convert supplier address book currency code and amounts to the euro
- ❑ Change supplier default currency code to the euro
- ❑ Generate new supplier prices in the euro
- ❑ Set up accounts, automatic accounting instructions (AAIs), and processing options for alternate currency payment processing
- ❑ Process alternate currency payments in the euro

Topics and Tasks for Processing A/P Transactions in the Euro

This documentation consists of the following topics and tasks:

- ❑ Viewing supplier amounts in the euro
- ❑ Converting supplier currencies and amounts to the euro

- ❑ Generating new supplier prices in the euro
- ❑ Alternate currency payment setup
- ❑ Processing alternate currency payments in the euro
- ❑ Electronic formats and the euro

For information about calculating gains and losses on open EMU currency transactions prior to the year 2000 and handling purchase orders and vouchers during the euro transition period, review the following:

- ❑ Euro realization for A/P prior to year 2000
- ❑ Managing purchase orders and vouchers during the euro transition

Viewing Supplier Amounts in the Euro

Before, during, and after converting your base currency to the euro, you can view your supplier amounts in three currencies: domestic, foreign, and an *as if* currency such as the euro. Viewing supplier amounts in an *as if* currency allows you to view amounts as if they were entered in a currency other than the currency in which they were actually entered.

This *as if* functionality is especially helpful during the euro transition period, when companies that have not yet converted their base currency to the euro want to begin adjusting to and preparing for the new common currency. For example, you work for a French company that is going to convert its base currency to the euro in 2001. Before you actually covert, you can use the *as if* functionality to view your domestic or foreign vouchers as if they were entered in the euro.

This topic describes the following:

- ❑ Supplier programs with *as if* currency processing
- ❑ Dates that affect the voucher amounts you view
- ❑ Viewing vouchers in the euro
- ❑ Viewing purchase orders in the euro
- ❑ Application outside of the EMU

Supplier Programs with *As If* Currency Processing

The following programs have processing options that allow you to view supplier amounts in an *as if* currency, such as the euro:

- Supplier Ledger Inquiry
- Print Supplier Ledger
- Open Orders

One of the advantages of *as if* currency processing is that it does not impact disk space. The *as if* currency amounts that you view are not written to a table but are, instead, stored in temporary memory.

Processing Options for *As If* Currency Processing

To view amounts in an *as if* currency on Supplier Ledger Inquiry and Open Orders, you must set the following processing options:

- Currency Code. The currency code in which you want to view *as if* amounts. If left blank, amounts display in their original currency. If a value is entered:
    - The As If Currency Code field displays on the form with the value you entered as the default.
    - The As If Amount column displays in the detail area of the form.
- As Of Date. The date to use for calculating the exchange rate for the *as if* currency. If left blank, the Thru Date is used.

Dates That Affect the Voucher Amounts You View

Before you view voucher amounts in the euro, it is important to understand the different dates that affect the amounts that you view on the Supplier Ledger Inquiry form. These dates are:

- The effective date on the Set Up Currency Exchange Rates form. The inquiry program searches for the most recent effective date for a currency and uses the corresponding exchange rate in the currency calculation.
- The From and Thru Dates on the Supplier Ledger Inquiry form. This date range determines which transactions appear on the form.
- One of the following dates, which is used to retrieve the transaction rate:
    - *As of* date in the processing options. If the *as of* date is blank, the program uses the Thru Date (described below).

- Thru Date on the Supplier Ledger Inquiry form. (The Thru Date does not override the *as of* date in the processing options.)

By understanding these dates and how the inquiry programs use them, you ensure that you specify the correct date when you view your voucher amounts.

Viewing Vouchers in the Euro

Regardless of whether you entered a voucher in a domestic or foreign currency, you can view the voucher amounts as if they were entered in the euro on the Supplier Ledger Inquiry form.

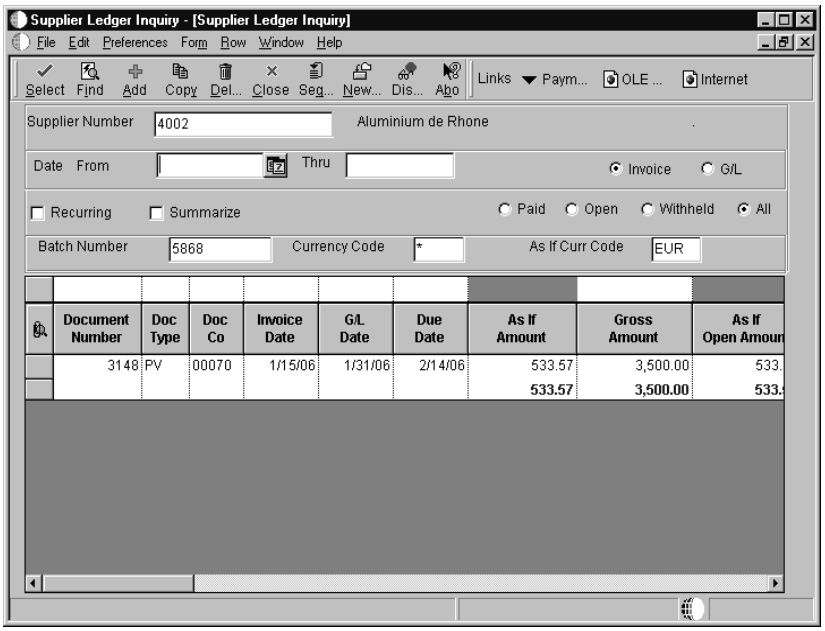
For transactions between two EMU currencies, the Supplier Ledger Inquiry form displays the domestic side of a foreign voucher by calculating the foreign to domestic amount through the euro, using triangulation.

Note: *As if* currency processing was not designed for currency restatement. It does not handle gains or losses, out-of-balance transactions caused by rounding, or integrity between tables. For exact amounts when working with an alternate currency, continue to use the currency restatement program.

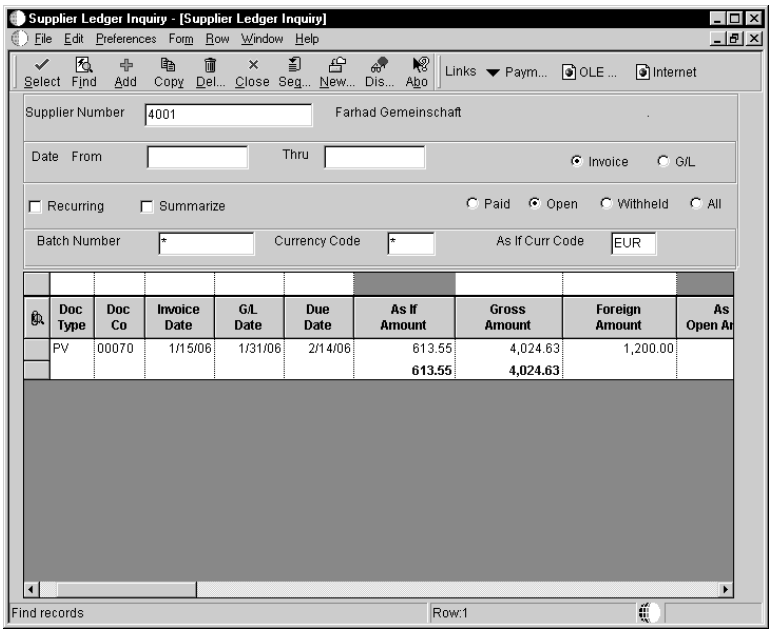
▶ To view vouchers in the euro

From the Supplier Voucher Entry menu (G0411), choose Supplier Ledger Inquiry.

The following example shows a domestic voucher in French francs (domestic currency) and the euro (*as if* currency):



The next example shows a foreign voucher in German marks (foreign currency), French francs (domestic currency), and the euro (*as if* currency). The DEM to FRF amount is calculated through the euro, using triangulation.



Viewing Purchase Orders in the Euro

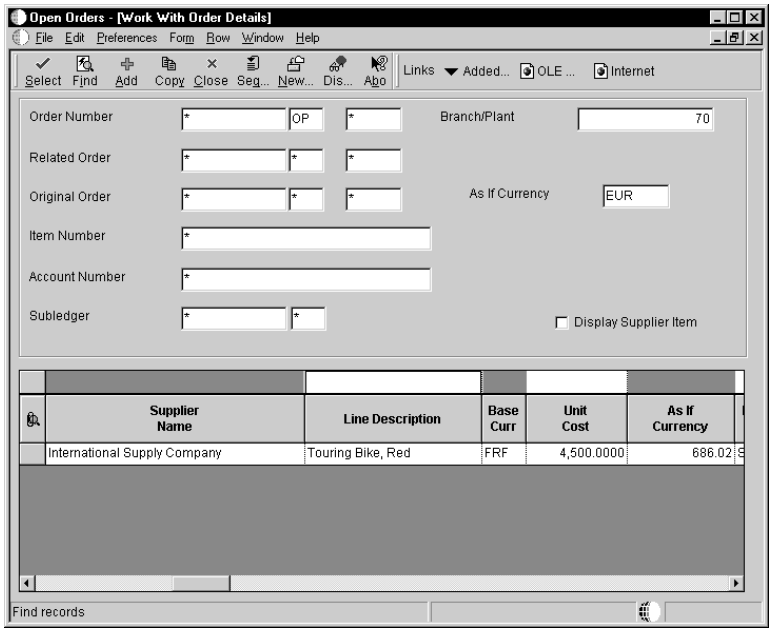
Regardless of whether you entered a purchase order in a domestic or foreign currency, you can view amounts as if they were entered in the euro on the Work with Order Details form.

For transactions between two EMU currencies, the Work with Order Details form displays the domestic side of a foreign purchase order by calculating the foreign to domestic amount through the euro, using triangulation.

▶ To view purchase orders in the euro

From the Purchasing Inquiries menu (G43A112), choose Open Orders.

The following example shows a domestic order in French francs (domestic currency) and the euro (*as if* currency):



Application Outside of the EMU

As if currency processing, which allows you to view amounts as if they were entered in an alternate currency, was designed for viewing amounts between two EMU currencies that are irrevocably fixed to one another. However, you can use *as if* currency processing to view and compare amounts between any currencies, not just EMU member currencies.

For example, a Canadian company can view Japanese yen transaction amounts as if they were entered in U.S. dollars, and compare those amounts to the domestic and foreign currency amounts.

Be aware that if the exchange rates are not fixed, limitations exist. The voucher amount that you view, for example, may not be the same amount as the actual payment because of the fluctuating exchange rates.

Converting Supplier Currencies and Amounts to the Euro

Throughout your company's transition to the euro, you will convert supplier currency codes and address book amounts to the euro for the following reasons:

- Your supplier wants to receive payments in the euro.
- You want to submit payments to your suppliers in the euro.
- You want to view a supplier's balance amounts in the euro.

Regardless of when your company converts its base currency to the euro, you can submit payments in either the euro or the national currency of your EMU suppliers, as long as it is within the euro transition period. For example, if a French supplier has not yet converted to the euro, you can pay that supplier in the French franc even if your company has converted to the euro.

This topic describes the following:

- ❑ How the supplier conversion program works
- ❑ Converting supplier currency codes and amounts
- ❑ Example: Before and after converting suppliers amounts
- ❑ Parent/child structures with different currencies
- ❑ How converted limit amounts are rounded
- ❑ Application outside of the EMU

How the Supplier Conversion Program Works

The supplier conversion program converts currency codes and amounts for multiple suppliers at the same time. You can run the conversion program and convert a supplier's currency code, address book currency and amounts, or both, based on the processing options that you set.

You can set up different versions of the conversion program. For example, set up one version to convert default currency codes only, another version to convert address book currency codes and amounts only, and still another to convert both.

Processing Options for Euro Address Book Conversion - Supplier

To convert supplier currency codes and amounts in proof or final mode, specify the following in the processing options:

- Exchange rate to use in converting address book amounts.
- Currency code to use in converting supplier address book currency code and amounts. The currency code is updated in the Amount Currency (CRCA) field in the F0401 table.
- Currency code to use in converting supplier default currency codes. The currency code is updated in the Currency Code (CRRP) field in the F0401 table.
- Rounding factor to use in rounding converted limit amounts. See *How Converted Limit Amounts Are Rounded* in this chapter.

Data Selection for Euro Address Book Conversion - Supplier

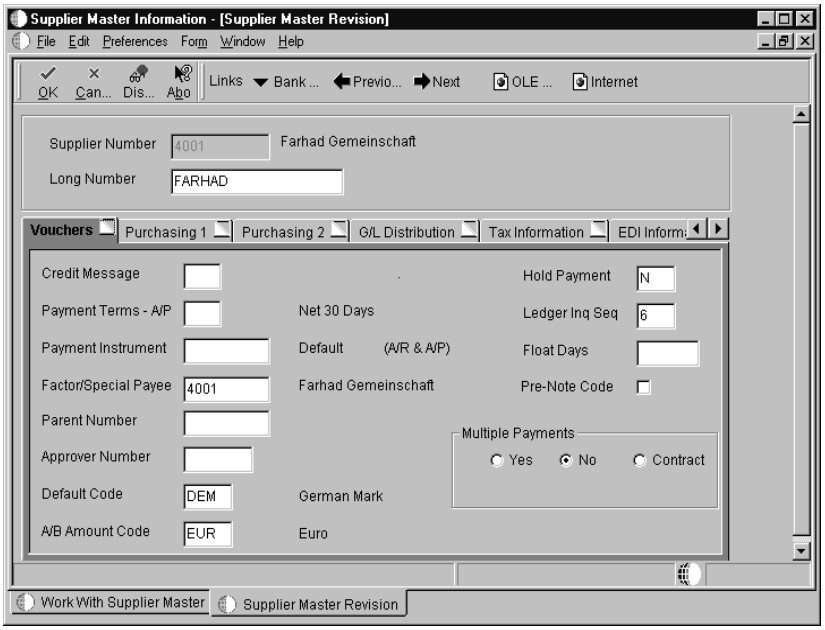
Use the data selection for the Euro Address Book Conversion program to select only those suppliers whom you want to convert to the euro. To convert currency codes and address book amounts, specify the supplier address book numbers. If this is not done, the conversion program converts all suppliers. To convert amounts for all suppliers assigned a certain category code, specify the category code.

Converting Supplier Currency Codes and Amounts

Depending on how you set your processing options, the Euro Address Book Conversion program converts one or both of the following:

- Supplier default currency code
- Supplier address book currency code and amounts

The currency fields (Currency and Amount Currency, respectively) appear on the Supplier Master Revisions form.



Note: For consistency and integrity reasons, you do not convert supplier transaction amounts (F0411) until you convert your company's base currency to the euro.

▶ To convert supplier currency codes and amounts

1. From the System Administration Tools menu (GH9011), choose Batch Versions.
2. On Batch Versions, enter R890401E in the Batch Application field to access Euro Address Book Conversion - F0401.

Supplier Default Currency Code

To submit payments to suppliers in the euro, run the Euro Address Book Conversion – F0401 program to convert the default currency code on the supplier master records.

Alternatively, you can change a supplier's currency code manually on the Supplier Master Revision form. You might do this if you have just one or two supplier currency codes to change on a particular day.

Supplier Address Book Currency Code and Amounts

Before you convert supplier address book currency codes and amounts, ensure that you have set up Economic and Monetary Union (EMU) member currency relationships and exchange rates. See *Setting Up Euro Currency Relationships.*

To convert address book currency codes and amounts for suppliers to the euro, run the Euro Address Book Conversion - F0401 program. When you convert supplier amounts, the conversion program converts amounts in the Supplier Master table (F0401) only.

The following address book amounts are converted:

Statistical amounts

- Year-to-date voucher amounts
- Prior year voucher amounts
- Open order amounts

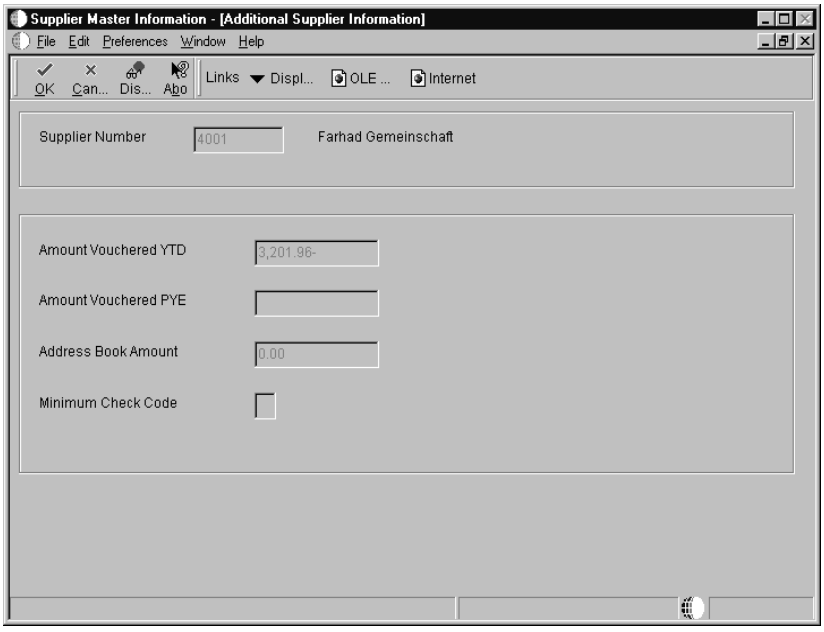
Statistical amounts appear on the Additional Supplier Information form.

Limit amounts

- Minimum and maximum order values.

Limit amounts appear on the Supplier Master Revision form, under the Purchasing 2 tab.

The following example shows the statistical amounts that appear on the Additional Supplier Information form.



To access the form in this example, choose Additional Information from the Form menu on Supplier Master Revision.

Exceptions Report

When you run the Euro Address Book Conversion program, an exceptions report prints with any of the following messages:

- *No processing errors*. If you entered 1 for processing option 1, the conversion program updates the Supplier Master table (F0401).
- *Currency exchange rate not found*. The currency code that you are converting to is not set up in the exchange rate table, or the exchange rate or effective date is not set up for the currency code.
- *Invalid currency entered*. The currency code that you entered for currency processing option 3 or 4, or both, is not valid.
- *Update error - record locked or not found*. The supplier master record is in use.

Example: Before and After Converting Supplier Amounts

The following example shows supplier address book amounts before and after converting from the German mark (DEM) to the euro (EUR). For this example, the program values are set as follows:

Program	Field or Processing Option Value
Supplier Master Revision	Amount Currency field = DEM
	Currency field = DEM
Set Daily Transaction Rates	(DEM to EUR currency relationship)
	Exchange Rate field =1.95583 (divisor)
Euro Address Book Conversion - F0401	Amount Currency processing option = EUR
	Currency Code processing option = blank
	Limit Amounts processing option = 50

After converting to the euro, the supplier address book amounts will be in the euro. However, the payments will remain in German marks.

F0401 Field	Description	Before Conversion	After Conversion	Rounded From
A6CRRP	Currency Code - A/P	DEM	DEM	Not applicable
A6CRCA	Currency Code - A/B	DEM	EUR	Not applicable
A6AYPD	Amount Vouchered Year-to-Date	157,500	80,528.47	Not applicable
A6APPD	Amount Vouchered Prior Year End	138,000	70,558.28	Not applicable
A6ABAM	Address Book Amount	Not used	Not used	Not applicable
A6ABA1	Address Book Amount	Not used	Not used	Not applicable
A6APRC	Open Order Amount	3,000	1,533.88	Not applicable
A6MINO	Minimum Order Value	15,000	7,650	7,669.38
A6MAXO	Maximum Order Value	30,000	15,350	15,338.76

Caution: In the Supplier Master table, the field A6ABAM stores a user-defined fixed amount, and the field A6ABA1 is for future use. If you use either of these fields, be aware that the Euro Address Book Conversion - F0401 program converts them, regardless of whether they are monetary amounts.

Parent/Child Structure with Different Currencies

If you have a parent/child structure with different default and address book currencies, you can convert the parent independently from its children or vice versa. With this flexibility, you can to continue to track address book amounts in the parent company's currency while paying some of the subsidiaries in the euro. This flexibility also allows you to convert address book amounts to the euro at the subsidiary level, or convert the currencies of a parent and its children at the same time, and so on.

The following table shows a parent/child relationship with different currencies before the conversion:

Relationship	Default Currency	Address Book Currency
Parent	ITL	ITL
Child 1	FRF	ITL
Child 2	FRF	ITL
Child 3	DEM	ITL

Child 1, Child 2, and Child 3 have requested that you submit payments in the euro. You run the Euro Address Book Conversion – F0401 program to convert

their default currencies from French franc (FRF) and German mark (DEM) to euro (EUR).

The following table shows the results after the conversion:

Relationship	Default Currency	Address Book Currency
Parent	ITL	ITL
Child 1	EUR	ITL
Child 2	EUR	ITL
Child 3	EUR	ITL

How Converted Limit Amounts Are Rounded

Limit amounts are minimum and maximum order amounts that you assign to a supplier master record. Limit amounts are usually rounded numbers and are stored without decimals. When you convert limit amounts, you designate the rounding amount in a processing option for the Euro Address Book Conversion – F0401 program.

The following example shows how the Euro Address Book Conversion program rounds converted amounts when converting from French francs (FRF) to euros (EUR). The example is based on an exchange rate of 1 EUR = 6.55957 FRF and a rounding factor of 50.

The conversion program rounds converted limit amounts up or down, as described in the following examples.

Round Up

The conversion program converts 7,500 FRF to 1,143 EUR. It rounds up 1,143 EUR to 1,150 EUR, based on the following calculation:

> Converted Amount / Rounding Factor = Q with a remainder of R. If R is greater than or equal to one-half of the rounding factor, then subtract R from the rounding factor and add that amount to the converted amount.

In the example, 1,143 EUR / 50 = 22 with a remainder of 43. 43 is greater than one half of 50 (25). Subtract 43 from 50 (50 – 43 = 7) and add 2 to 1,143 to get a rounded value of 1,150 EUR.

Round Down

The conversion program converts 5,000 FRF to 762 EUR. It rounds down 762 EUR to 750 EUR, based on the following calculation:

> Converted Amount / Rounding Factor = Q with a remainder of R. If R is less than one-half of the rounding factor, then subtract R from the converted amount.

In the example, 762 EUR / 50 = 15 with a remainder of 12. The value of 12 is less than one half of 50 (25). Subtract 12 from 762 to get a rounded value of 750 EUR.

Application Outside of the EMU

Companies outside of the EMU can use the Euro Address Book Conversion – F0401 program to convert default currency codes and address book currency codes and amounts for multiple suppliers. Based on the currency code and exchange rate date that you set in the processing options, you can convert default currency codes, address book (statistical and limit) amounts, or both from one currency to another. For example, you can convert from U.S. dollars to Canadian dollars.

Generating New Supplier Prices in the Euro

You can provide prices in the euro for existing suppliers who convert to the euro and, at the same time, continue to provide prices in a national currency for other suppliers. You control the currency in which to create prices for a supplier on the supplier master record.

Some companies will create new prices in the euro as early as 1 January 1999, others will wait until 2002 when it is mandatory, and still others will use a transitional approach and create new prices for suppliers over an extended period of time.

This topic describes the following:

- ❑ Planning a strategy for new supplier prices
- ❑ How the price generation program works
- ❑ Generating new supplier prices in the euro
- ❑ Example: Before and after generating new supplier prices
- ❑ Application outside of the EMU

Planning a Strategy for New Supplier Prices

Before you generate new supplier prices in the euro, you should review your current pricing structure and plan a strategy.

Assume, for example, that your current pricing structure has several currencies associated with each supplier. Before you generate new prices, think about which currency you want to base your new prices on. You might choose the most common currency used in your pricing structure, or you might choose a currency based on a fixed rate that is more favorable for your pricing.

To plan a strategy for your new supplier prices, it is important that you understand how the generation program works. When you run the program, it creates only one euro price for each unit of measure. It does not create one euro price for each currency. If a euro price exists for a supplier, item, or branch/plant, the generation program does not create another euro price.

If you have a complex pricing structure, you might create new euro prices manually. Or, you might create some new euro prices manually and others automatically, using the generation program.

Example: A Pricing Structure Strategy

This example describes the current pricing structure for a group of suppliers and suggests a strategy for revising the structure before generating new euro prices.

The current pricing structure for a group of suppliers is based on different currency codes. When a new euro price is created for that supplier group, the new price is based on only one currency code. For this reason, you will want to review and revise your current pricing structure to adjust for any price differences before you create new euro prices.

For this example, the processing options for the Generate Purchase Price by Currency program are set to create a new euro (EUR) price, based on the existing French franc (FRF) price. The exchange rate is 1 EUR = 6.55957 FRF.

The generation program creates a new price for 7.62 EUR. It does not create new euro prices for the German and Italian amounts. This means that the German, Italian, and French suppliers all have the same euro price for item 1, which is probably not the desired result. This example illustrates why you should review and, if necessary, revise your pricing structure before you generate new euro prices.

Item	Currency Code	Current Price
Item 1	DEM	8 DEM
Item 1	FRF	50 FRF
Item 1	ITL	100,000

Instead of using currency codes to differentiate between supplier prices, consider revising your current pricing structure. One strategy is to use branch/plants to differentiate between supplier prices. This strategy would allow different euro prices to be generated for different locations.

How the Price Generation Program Works

The Generate Purchase Price by Currency program creates new supplier prices in the euro and is useful if you want to create euro prices for multiple suppliers at one time. To update an individual price record with a new euro price, you can manually enter the price on the Supplier Catalog Maintenance form. You do not have to run the generation program.

To create new supplier prices in the euro, run the Generate Purchase Price by Currency program, which does the following:

- Copies the original currency supplier price
- Calculates a new price in the euro, based on the exchange rate that you specify
- Creates a new supplier price in the euro

You run the generation program one currency at a time. The program is designed to create new prices one currency at a time to avoid confusion about which currency a new price is based on.

The generation program creates only one euro price for each unit of measure. It does not create one euro price for each currency. If a euro price already exists, the generation program does not create another euro price because both records would have the same key. The exception to this rule is when currency codes associated with a supplier, item, or branch/plant have different effective through dates. Depending on the dates, the generation program might create more than one euro price.

When the price generation program creates a new euro price, it sequences that record alphabetically along with the existing records. The program automatically rounds converted euro amounts according to the decimal places that are set up in the data dictionary.

Processing Options for Price Generation

To generate new supplier prices in proof or final mode, specify the following in the processing options for Generate Purchase Price by Currency:

- Date as of when you want to create new prices. If the expiration date of a price is greater than or equal to this date, a new price is generated.
- Currency of the existing prices. The currency code of the price in which you want to base new prices.
- Currency in which you want to create new prices.
- Exchange rate to use to calculate the new prices.
- Method (multiplier or divisor) to use to perform the exchange rate calculation. When calculating amounts from an EMU currency to the euro,

you must designate the divisor method so that the new prices are based on the no inverse method, which is required by the European Union (EU).

Data Selection for Price Generation

Typically, companies will generate new supplier prices for all suppliers within a specific branch/plant. If your company has multiple branch/plants with different currencies, you can run the generation program multiple times. You can also generate new supplier prices by item number or any other value in the data selection.

If your company has items that are at purchase price level 1 and you want to make sure you generate new prices for those items, designate *blanks for branch/plant in the data selection if you are not using *all for branch/plant.

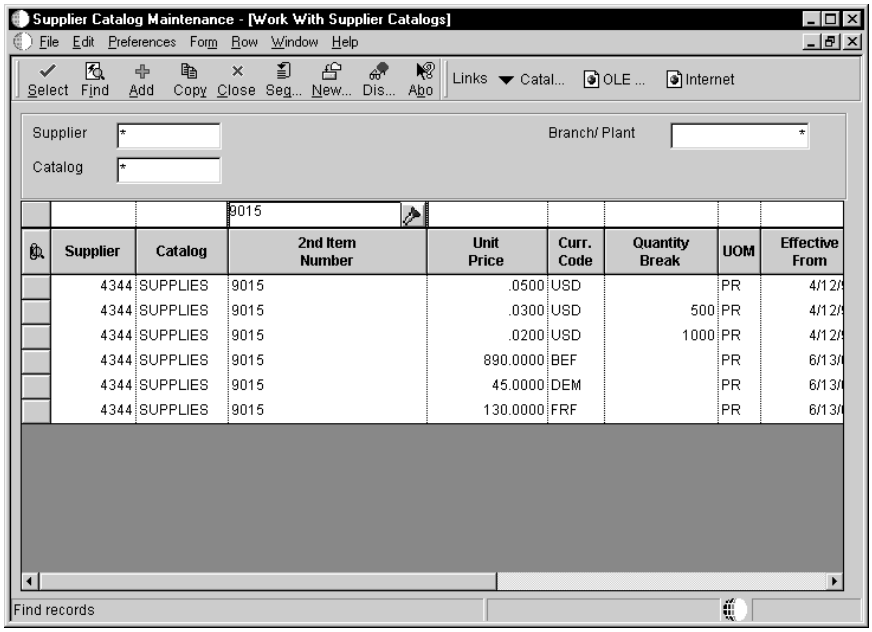
Generating New Supplier Prices in the Euro

From the Procurement Advanced and Technical Operations menu (G43A31), choose Generate Purchase Price by Currency.

After you run the program in final mode, review the newly created prices on the audit report and adjust them, if necessary. For example, if the program creates a new price for 1,500 FRF as 228.6735 EUR, you might manually adjust the amount to 230 EUR.

Example: Before and After Generating New Supplier Prices

The following form shows an existing price record before a new euro price is generated. Notice that the item has several currency codes and prices.



To access the form in this example, choose Supplier Catalog Maintenance on menu G43A17.

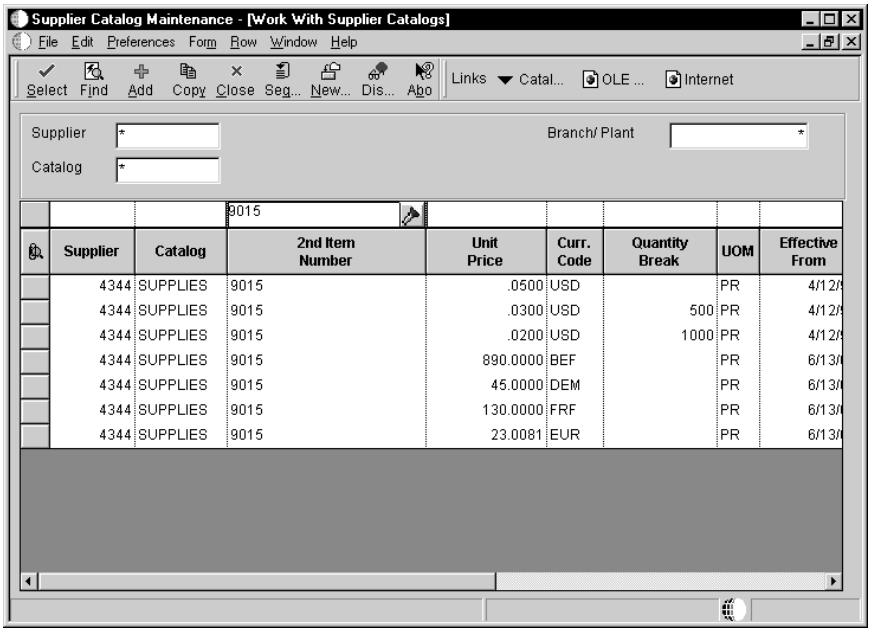
In this example, the processing options for the generation program are set as follows:

- Mode = Proof
- Date = 01/01/99
- Convert to currency = EUR
- Convert from = DEM
- Exchange rate = 1.95583
- Method = divide

Even though there are several currency amounts associated with the item number, the generation program will create only one new euro amount based on the German mark (DEM) price. This example illustrates the importance of reviewing and, if necessary, revising your current pricing structure before you generate new prices in the euro.

See *R4106101, Supplier/Catalog Purchase Price Generation by Currency* in the *Reports Guide* for a proof report created by the Generate Purchase Price by Currency program.

The following form shows the results after the generation program ran in final mode. The generation program created only one euro price, based on the German mark. Notice that the original price remains so that you can continue to pay suppliers in the national currency, as needed.



Once a euro price is created, the program will not create any additional euro prices for an item unless another currency on the existing record has a different effective through date.

Application Outside of the EMU

The price generation program is designed to create new prices in any currency, based on existing supplier prices.

Alternate Currency Payment Setup

During the euro transition period, EMU member companies must be able to process automatic and manual payments in an alternate currency. Alternate currency payment processing allows you to pay suppliers in a currency other than the domestic or foreign currency of the voucher.

For example, a French company with a base currency of French francs submits a foreign invoice in marks to a German company. The German company pays in euros. In this example, the German company processes the payment as an alternate currency payment.

Before you can process payments in an alternate currency, you must set up the following:

- Alternate currency clearing accounts and AAIs
- Alternate currency payment gain/loss accounts and AAIs
- Processing options for alternate currency payments
- Application outside of the EMU

Alternate Currency Clearing Accounts and AAIs

To process a payment in an alternate currency, you must set up an alternate currency clearing account and assign it to AAI item P7.

The alternate currency clearing account tracks the conversion of a payment amount to the original voucher amount. The clearing account provides an audit trail of the offset amounts for the voucher and payment entries as follows:

- The original foreign voucher and the domestic side of the foreign voucher
- The alternate currency payment and the domestic side of the alternate currency payment

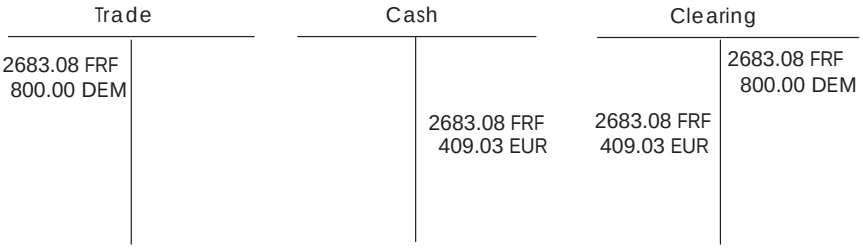
The alternate currency clearing account will balance on the domestic side, but not on the foreign side because the foreign side contains different currencies, which will never balance.

To track the alternate currency offset amounts, you must set up an alternate currency clearing account and assign it to AAI item P7. The following rules apply to the clearing account:

- It must be in the same company as the bank account from which the payment is made.
- It cannot be a monetary account.
- It must be company specific. You cannot use company 00000 as a default.
- It must include a business unit.

Example: Alternate Currency Clearing Account

The following example shows T-Account entries for a foreign voucher (DEM), the domestic side of the voucher (FRF), and an alternate currency payment (EUR).



Alternate Currency Payment Gain/Loss Accounts and AAIs

When you apply an alternate currency payment to a voucher, the potential for a slight rounding difference exists. The rounding difference, which is immaterial, occurs when the domestic currency amount applied to a voucher is not the same as the domestic currency amount of the payment.

Rounding differences are tracked in an alternate currency payment gain/loss account, even though they are not due to exchange rate fluctuations. For EMU currency transactions, slight rounding differences can occur when amounts are converted between a foreign and domestic currency, or between two EMU currencies and the euro. See *Recording Slight Rounding Differences* for an example.

To track rounding differences, you must set up the following:

- Alternate Currency Payment Gain Accounts and AAIs (PY)
- Alternate Currency Payment Loss Accounts and AAIs (PZ)

The gains/losses for alternate currency payments are recorded separately from standard gains/losses and are handled by using difference accounts and AAIs. The alternate currency gain/loss AAI search sequence is the same one used for standard gains and losses:

1. The program searches for alternate currency code and company.
2. If not found, the program searches for G/L offset and company.
3. If not found, the program searches for company.
4. If not found, the program searches for alternate currency code and company 00000.
5. If not found, the program searches for G/L offset and company 00000.
6. If not found, the program searches for company 00000.

Alternate Currency Payment Gain Accounts and AAIs (PY)

To record slight rounding differences, you must set up a new alternate currency payment gain account and assign it to AAI item PY.

When you post payments, the system creates an entry in the alternate currency payment gain account if the amount derived by converting from an alternate currency directly to a domestic currency is greater than the amount derived by converting from the alternate currency to the voucher currency to the domestic currency.

Alternate Currency Payment Loss Accounts and AAIs (PZ)

To record slight rounding differences, you must set up a new alternate currency payment loss account and assign it to AAI item PZ.

When you post payments, the system creates an entry in the alternate currency payment loss account if the amount derived by converting from an alternate currency directly to a domestic currency is less than the amount derived by converting from the alternate currency to the voucher currency to the domestic currency.

Processing Options for Alternate Currency Payments

To process payments in the euro or other alternate currency, you must set processing options for the following programs:

Create Payment Control Groups (R04570)	Payment Currency processing option: To allow payments to be created in an alternate currency, enter 4 (alternate currency). Alternate Currency Code processing option: Enter the currency code of the alternate currency, such as EUR, if paying in an alternate currency.
Work with Payment Groups (P04571)	Display Alternate Currency Amounts processing option: To display payment group amounts in an alternate currency, enter 1. Alternate Currency Effective Date processing option: Enter an effective date to use for the alternate currency exchange rate.
Speed Release (P0441S)	Bank Account Edit processing option: To not edit the G/L bank account currency, enter 1. If you pay in an alternate currency, the currency of the voucher does not have to be the same as the currency of the monetary bank account.
Manual Payment with Voucher Match (P0413M)	Currency processing option: To display the Alternate Currency Entry form and enter a manual payment in an alternate currency, enter 1.

Application Outside of the EMU

If a transaction between two non-EMU currencies involves an alternate currency payment, the potential for gains or losses due to exchange rate fluctuations exists. To handle the gains and losses, you must set up the following:

- Alternate Currency Payment Gain Accounts and AAIs
- Alternate Currency Payment Loss Accounts and AAIs

These gain/loss accounts track fluctuations in exchange rates, as well as rounding differences that can occur when the domestic amount applied to a voucher is not the same as the domestic currency amount of the payment.

Processing Alternate Currency Payments in the Euro

During the euro transition period, EMU member companies must be able to process payments in the euro, regardless of whether they have converted their base currency to the euro. Alternate currency processing, which allows companies to process payments in a currency other than the domestic or foreign currency of the voucher, handles this requirement.

The "no compulsion, no prohibition" principle, which is in effect during the euro transition, basically states the following:

- Suppliers can submit invoices in an EMU member currency or the euro through 31 December 2001.
- Customers can pay invoices in an EMU member currency or the euro through 30 June 2002.

For example, a German company that receives an invoice in marks from a French company can pay in marks or euros. Or a French company that receives an invoice in euros from a German company can pay in euros or francs. In both examples, if the German and French companies choose to pay in euros, they must be able to process alternate currency payments.

Most of the processing for alternate currency payments is based on the setup that you do before you actually process the payments. The ability to process alternate currency payments is controlled by processing options in the Create Payment Control Groups, Work with Payment Groups, and Payment with Voucher Match programs.

You can process payments in an alternate currency using:

- Automatic payments

- Manual payments
- A/P drafts

This topic describes the following:

❑ Processing automatic payments in the euro

❑ Entering manual payments in the euro

❑ Processing foreign and alternate currency drafts in the euro

❑ Recording slight rounding differences

❑ Application outside of the EMU

Before You Begin

❑ Make sure you complete the setup requirements described in *Alternate Currency Payment Setup.*

❑ Review vouchers in the domestic currency, foreign currency, and the euro on Supplier Ledger Inquiry (optional). See *Viewing Vouchers in the Euro* for more information.

Processing Automatic Payments in the Euro

Processing automatic payments in the euro, or other alternate currency, is similar to processing other payments and is described in the following tasks:

- Creating payment groups
- Writing payments
- Updating the A/P ledger

Alternate currency payment amounts are stored in the A/P Matching Document table (F0413). The currency in this table will be different from the currency in the A/P Matching Document Detail table (F0414) because an alternate currency payment is involved. The historical exchange rate stored in the A/P Matching Document Detail table contains the exchange rate that is used to calculate from the foreign currency to the alternate currency.

Creating Payment Groups

Before you create a payment group in the euro, make sure that you set the alternate currency processing options for Create Payment Control Groups.

To pay vouchers in the euro, or other alternate currency, you associate the payment group with a specific bank account just as you normally do. This allows you to create payment groups for domestic or foreign vouchers and pay them from a bank account that deals specifically in the euro.

Error Messages

If an error occurs when you create a payment group, a message prints on the Create Payment Groups report. For example, an error message prints if you try to create a payment group in the euro using a French bank account. The following error messages are specific to alternate currency payments:

- Alternate currency clearing account is invalid or is a monetary account
- Alternate currency clearing account company is not the same as the transaction company
- AAI for alternate gain/loss account is invalid
- Alternate currency gain/loss account company is not the same currency as transaction company
- The currency of the alternate payment did not match the currency of the bank account

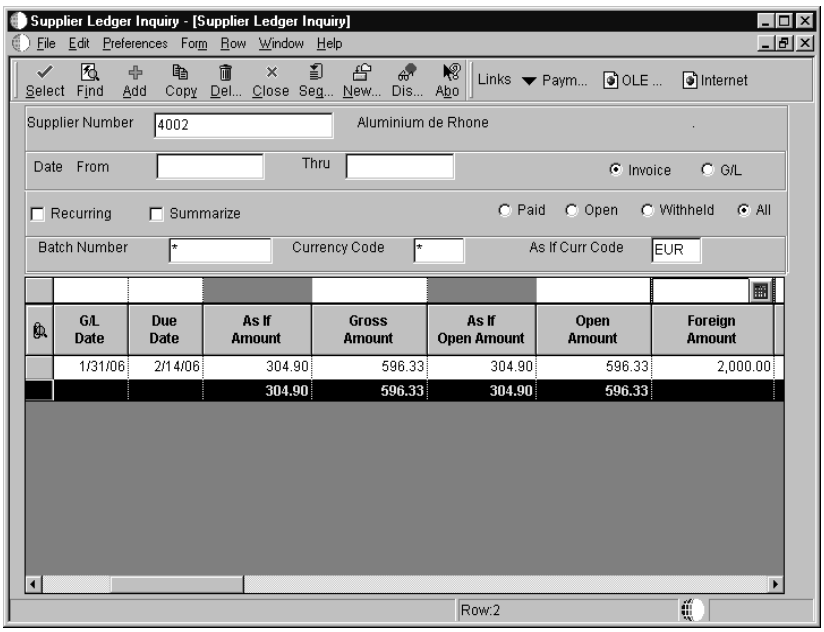
Writing Payments

Before you create a payment group in the euro, make sure that you set the alternate currency processing options for Work with Payment Groups.

When you write payments in the euro, or other alternate currency, the system calculates the payment amount as follows:

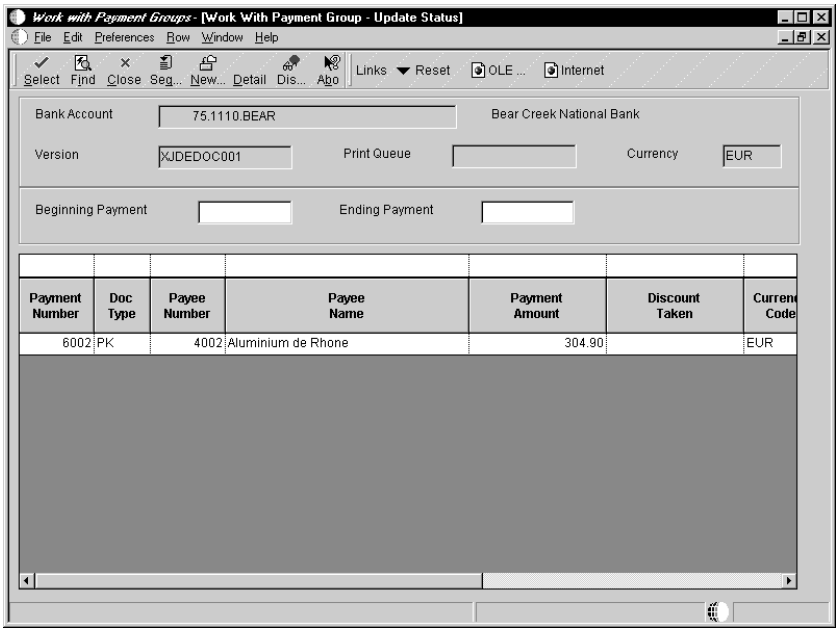
- Adds the total amount of the vouchers in the invoice currency.
- Uses the exchange rate between the invoice currency and the payment currency to calculate the euro amount. This rate is retrieved from the Currency Exchange Rates table (F0015).

For example, a German company enters a voucher from a French supplier for 2,000 French francs (FRF). The following form shows the voucher in the foreign currency (FRF), domestic currency (DEM), and the euro (as if currency).



The German company pays the French supplier 304.90 EUR. The payment amount is calculated by dividing the transaction currency amount by the exchange rate, as follows: 2,000 / 6.55957.

The following form, Work with Payment Group – Update Status, shows the 304.90 EUR payment.



Error Messages

If an error occurs when you write payments, a message appears after you enter the payment date. The error message that is specific to alternate currency payments is *currency exchange rate not found*.

Updating the A/P Ledger

If no errors occur when you update a payment group, a Payment Register prints.

If an error occurs when you update a payment group, a message prints on the Update Payments Error Report. The following error messages are specific to alternate currency payments:

- *Currency exchange rate not found*
- *Exchange rate cannot be changed between writing and updating payments*

Entering Manual Payments in the Euro

Before you enter a manual payment in the euro, or other alternate currency, make sure you set the processing option for the Payment with Voucher Match program to display the Alternate Currency Entry form.

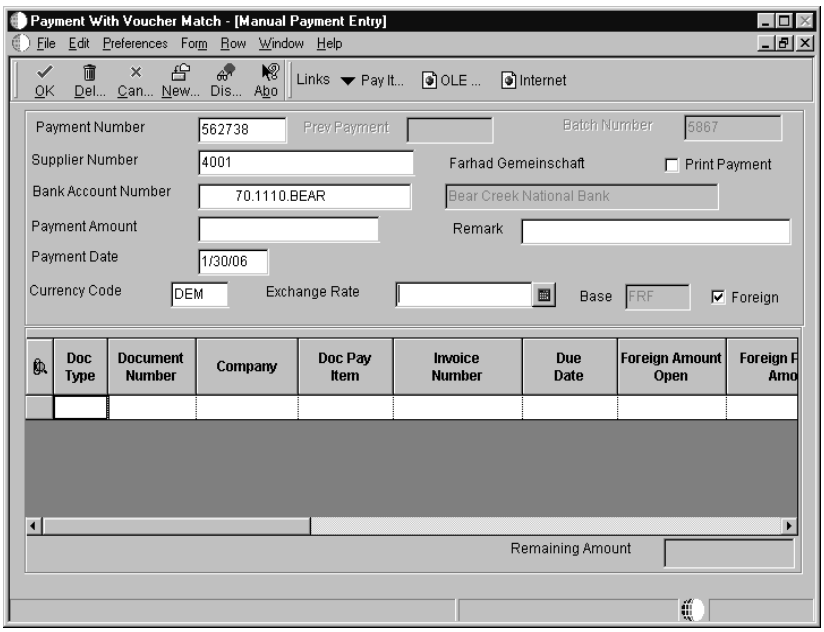
To enter a manual payment in an alternate currency, you must apply the payment to existing vouchers. You designate the alternate currency in which you want to pay when you enter the manual payment. The system then converts the open voucher amount to the alternate currency amount, using exchange rates from the Currency Exchange Rates table (F0015).

You do not have the option to print a payment when you enter a manual payment in an alternate currency. You must write the payment manually.

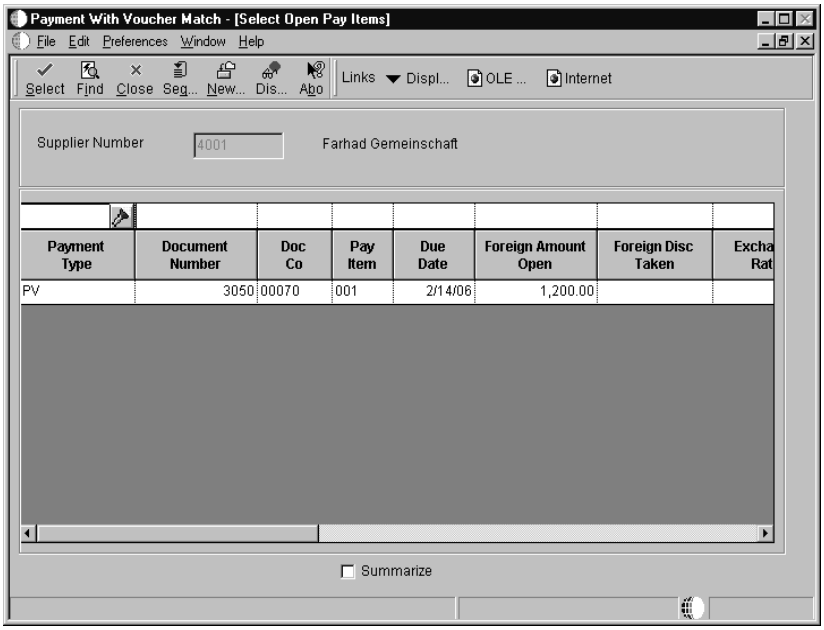
▶ To enter manual payments in the euro

Entering manual payments in the euro is similar to entering domestic and foreign payments. The differences are described in the following steps.

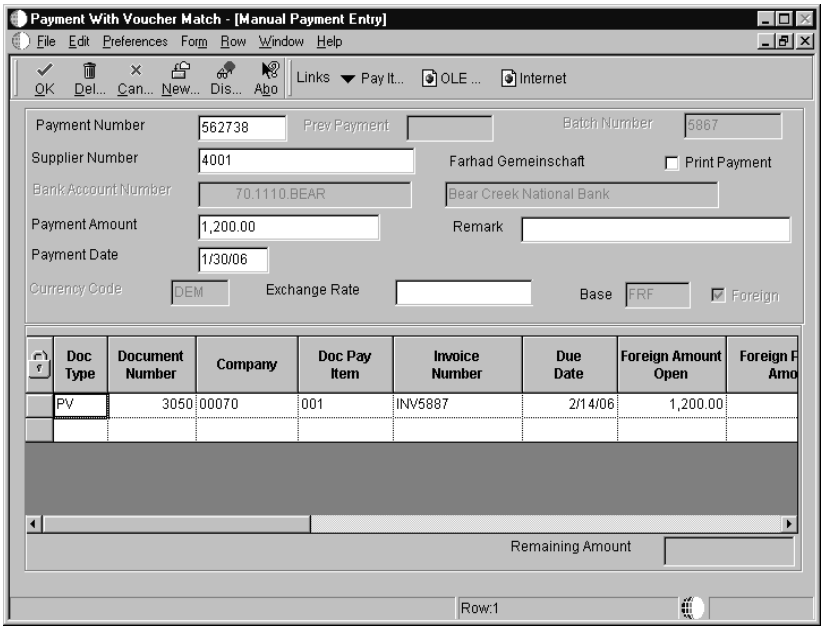
1. From the Manual Payment Processing menu (G0412), choose Payment With Voucher Match.
2. On Manual Payment Entry, enter your payment information, as usual, and leave the Payment Amount field blank.



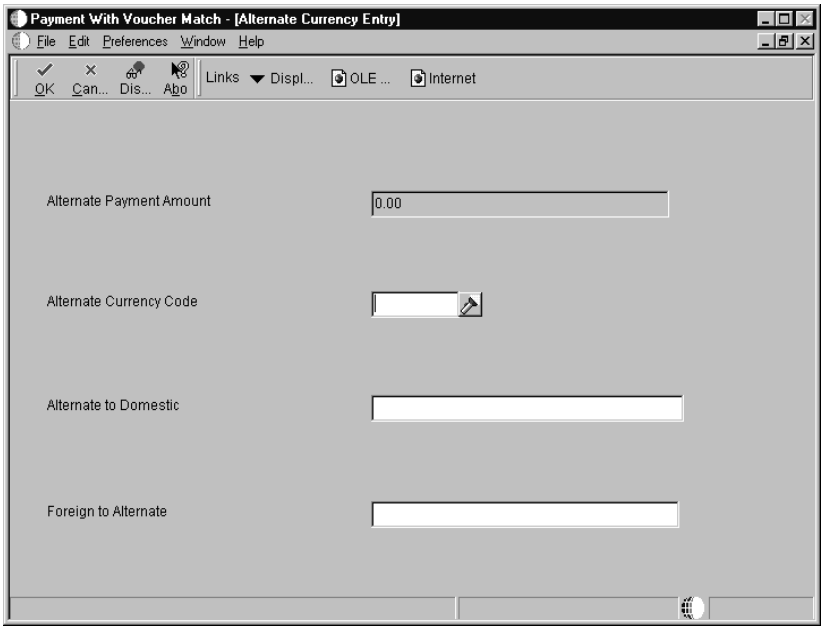
3. On Select Open Pay Items, choose the pay item that you want to pay in an alternate currency and click Select.



4. On Manual Payment Entry, verify the pay item.

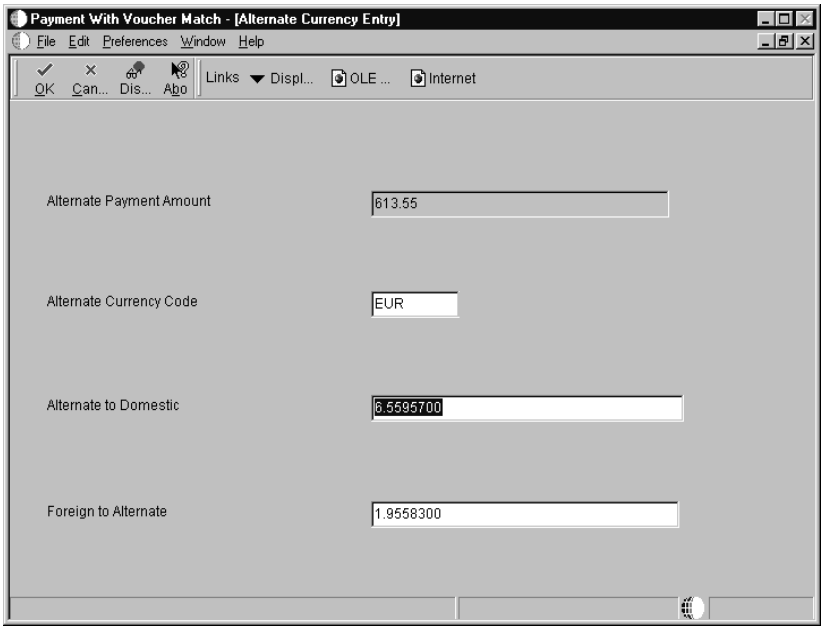


5. Choose Alternate Payment from the Form menu.

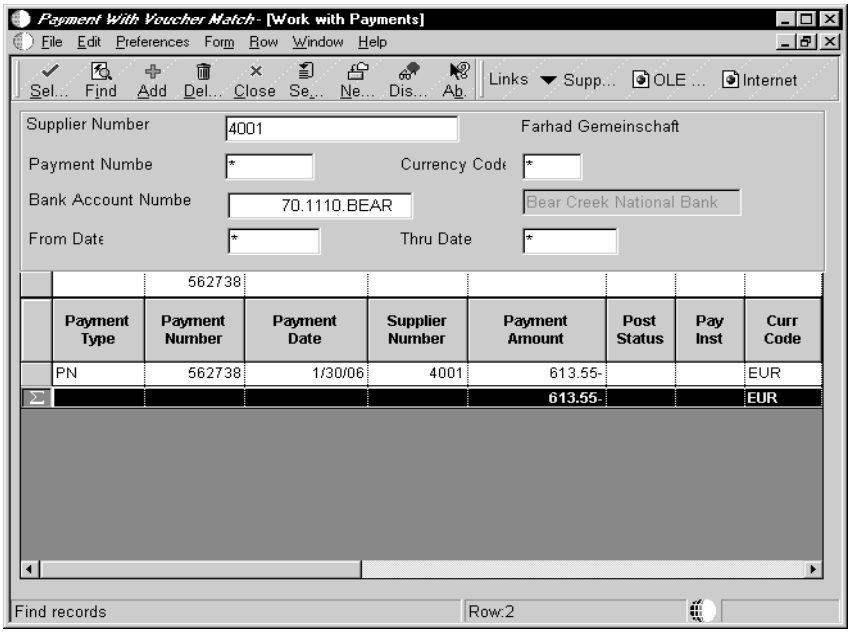


6. On Alternate Currency Entry, enter a value (such as EUR) in the Alternate Currency Code field.
7. To retrieve exchange rates from the Currency Exchange Rate table (F0015), tab through the following fields:
    - Alternate to Domestic
    - Foreign to Alternate

You cannot override the exchange rates in these fields if the Prohibit Spot Rate flag for a currency relationship is turned on. Spot rates are not allowed on transactions between EMU member currencies.



8. Click OK to accept your manual payment entry, as usual.
9. After entering a manual payment, you can review the alternate currency amount on one of the following forms:
    - Work with Payments
    - Alternate Currency Entry (Form exit from the Payment Entry form)



Processing Foreign and Alternate Currency Drafts in the Euro

Depending on whether a euro transaction is a foreign or alternate currency transaction, you can do one of the following:

- Process A/P drafts in an alternate currency
- Process A/P drafts in a foreign currency

Process A/P Drafts in an Alternate Currency

You process A/P drafts in the euro, or other alternate currency, in the same way that you process automatic payments in the euro. For information about creating, writing, and updating alternate currency payments, see *Processing Automatic Payments in the Euro.*

When you update the A/P ledger for alternate currency drafts, the system creates a matching document with a document type of P1 to close the voucher, just as it does for a foreign currency draft.

Process A/P Drafts in a Foreign Currency

As an alternative to processing A/P drafts in an alternate currency, you can process drafts in a foreign currency using multi-currency processing.

If you have foreign currency vouchers in the euro, you can select and pay those vouchers in the euro using multi-currency processing, as follows:

- Automatic payment processing. Create a payment group based on the foreign amount of the vouchers. When writing and updating the payment group, the paper draft is created with the foreign amount.
- Manual payment processing. Enter an A/P draft and match it to a foreign voucher using the Payment with Voucher Match program. The draft is paid in the foreign amount and booked to a drafts payable account, instead of a bank account.

Depending on whether your company has converted its base currency to the euro, you can use process drafts in one of the following ways:

- If your company has not yet converted its base currency to the euro, you can select and pay foreign vouchers in the euro.
- If your company has already converted its base currency to the euro, you can select and pay foreign vouchers in French Francs, German marks, or other EMU currency.

Recording Slight Rounding Differences

The exchange rates for EMU member currencies no longer fluctuate because they are irrevocably fixed to the euro. Therefore, invoices and payments between EMU member currencies no longer incur exchange rate gains or losses.

However, when an alternate currency is involved in a transaction, the potential for a slight rounding difference exists. A rounding difference is recorded when the domestic amount of a voucher is not the same as the domestic amount of the payment. The rounding difference is immaterial, but it must be recorded.

Typically, rounding differences occur on transactions that involve multiple vouchers and one payment, or multiple payments and one voucher. For these transactions, a rounding difference might occur when amounts are converted back and forth between a foreign and domestic currency, or between two EMU currencies and the euro (or other alternate currency payment).

For example, a French company enters three foreign vouchers for 1000 DEM each (or 3,353.85 FRF). The French company issues payment for 10,061.56 FRF (or 3,000 DEM). When the company applies the domestic payment amount (10,061.56 FRF) to the domestic vouchers (3,353.85 FRF x 3 = 10,061.55 FRF), an "overpayment" – or rounding difference – of + 0.01 FRF exists.

To record a rounding difference, the system creates an offset journal entry in the alternate currency gain or loss account when you post the alternate currency payment.

See Also

- *R09801, General Ledger Post Report* in the *Reports Guide* for a sample report

Example: Belgian Company Pays FRF Vouchers in EUR

In the following example, a Belgian company enters three foreign vouchers in French francs (FRF) and pays them in the euro (EUR).

When the payment is created, the payment amount (EUR) is compared to the foreign and domestic voucher amounts to determine if the debt has been satisfied. Since the BEF and FRF exchange rates are fixed to the euro, the voucher and payment exchange rates do not fluctuate and there is no exchange rate gain or loss on the transaction.

However, there might be a slight rounding difference when two EMU currencies and a euro payment are involved. The rounding difference, which is immaterial, occurs when the domestic amount of a voucher is not the same as the domestic amount of the payment. This slight rounding difference is recorded in an alternate currency payment gain or loss account, as directed by AAI items RY or

RZ.

Description	Currency	Amount	Fixed Exchange Rate 1 January 2000
Voucher (domestic currency)	BEF	6,149.78 x 3 = 18,449.34	1 EUR = 40.3399 BEF
Voucher (foreign currency)	FRF	1,000 x 3 = 3,000	1 EUR = 6.55957 FRF
Payment	EUR	457.35	
Standard gain/loss	BEF	Not applicable	
Alternate currency payment rounding difference	BEF	+ 0.11	

The Belgian company enters three foreign vouchers on 1 January 2000 for 1,000 FRF each, which is 6,149.78 BEF in the domestic currency. The Belgian amount is calculated through the euro, using triangulation.

Calculation: (1,000 FRF / 6.55957) x 40.3399 = 6,149.78 BEF

The alternate currency payment on 1 February 2000 is 457.35 EUR.

Calculation: 3,000 FRF / 6.55957 = 457.35 EUR

The domestic currency amount applied to the vouchers is 18,449.34 BEF.

Calculation: (1,000 FRF / 6.55957) x 40.3399 = 6,149.78 x 3 = 18,449.34 BEF

The domestic currency amount of the payment is 18,449.45 BEF.

Calculation: 457.35 EUR x 40.3399 = 18,449.45 BEF

Standard Gain/Loss

There is no gain/loss created by exchange rate fluctuations between the voucher (foreign) currency and domestic currency because both currencies are irrevocably fixed to the euro.

Alternate Currency Payment Rounding Difference

The alternate currency payment rounding difference is + 0.11 BEF. This amount is the domestic payment amount minus the domestic voucher amount.

Calculation: 18,449.45 BEF – 18,449.34 BEF = + 0.11 BEF

This rounding difference is recorded in an alternate currency payment gain or

loss account, as directed by AAI items RY or RZ.

Application Outside of the EMU

If a transaction is not between EMU currencies and an alternate currency payment is involved, the potential for two gains or losses based on the fluctuation of exchange rates exists:

- Standard gain/loss. Based on exchange rate differences between the foreign (transaction) currency and the domestic currency. This is the same gain or loss that would have been realized if the payment was not in an alternate currency.
- Alternate currency gain/loss. Based on exchange rate differences between the alternate (payment) currency and the domestic currency. This gain or loss is the difference between the following amounts:
    - The amount calculated by converting the alternate currency payment amount directly to the domestic currency
    - The amount calculated by converting the alternate currency payment amount to the foreign currency to the domestic currency

For example, if a Canadian company submits an invoice to a U.S. company in U.S. dollars and the U.S. company pays in Japanese yen, the potential for two gains and losses exists. One is a standard gain/loss, which is based on the fluctuation of exchange rates between the U.S. dollar (foreign currency) and the Canadian dollar (domestic currency). The other is an alternate currency gain/loss, which is based on the difference between the amounts calculated by converting:

- Japanese yen (alternate currency payment) directly to Canadian dollar (domestic currency)
- Japanese yen (alternate currency payment) to U.S. dollar (foreign currency) to Canadian dollar (domestic currency)

Example: Canadian Company Pays USD Voucher in JPY

In the following example, a Canadian company receives an invoice in U.S. dollars (foreign currency) and pays the voucher in Japanese yen (alternate currency).

The Canadian company uses the divisor method for multi-currency transactions. Triangulation is not involved. The currencies in this example are all non-EMU currencies, which means the currencies fluctuate against one another. Because of the exchange rate risk, there is the potential for two gains or losses: one between the Canadian dollar (CAD) and USD; the other between JPY, USD, and CAD.

Description	Currency	Amount	Exchange Rate 1 January 2000	Exchange Rates 1 February 2000
Voucher (domestic currency)	CAD	701.40		
Voucher (foreign currency)	USD	500.00	1 CAD = 0.71286 USD	
Payment	JPY	53,931.50		1 USD = 107.863 JPY 1 CAD = 0.6871 USD 1 CAD = 74.0614 JPY
Standard gain/loss	CAD	+ 26.30		
Alternate currency gain/loss	CAD	+ 0.50		

The foreign voucher on 1 January 2000 is 500.00 USD, or 701.40 CAD in the domestic currency.

Calculation: 500.00 USD / 0.71286 = 701.40 CAD

The alternate currency payment on 1 February 2000 is 53,931.50 JPY.

Calculation: 500.00 USD x 107.863 = 53,931.50 JPY

The foreign currency amount applied to the voucher is 500.00 USD.

Calculation: 53,931.50 JPY / 107.863 = 500 USD

The domestic currency amount applied to the voucher is 701.40 CAD.

Calculation: 500 USD / 0.71286 = 701.40 CAD

The domestic currency amount of the payment is 728.20 CAD.

Calculation: 53,931.50 JPY / 74.0614 = 728.20 CAD

Standard Gain/Loss

The standard gain/loss is + 26.30 CAD. This amount is based on the exchange rate fluctuations from the payment date to the voucher date:

500 USD / 0.6871 (exchange rate on payment date) = 727.70 CAD

500 USD / 0.71286 (exchange rate on voucher date) = 701.40 CAD

Calculation: 727.70 – 701.40 = + 26.30 CAD

Alternate Currency Gain/Loss

The alternate currency gain/loss is + 0.50 CAD. This amount is calculated using exchange rates on the payment date. It is based on the difference between converting the alternate currency directly to the domestic currency, and converting the alternate currency to the foreign currency to the domestic currency.

53,931.50 JPY / 74.0614 = 728.20 CAD

(53,931.50 JPY / 107.863 = 500 USD) / 0.6871 = 727.70 CAD

Calculation: 728.20 – 727.70 = + 0.50 CAD

Electronic Formats and the Euro

The new euro currency impacts the electronic formats that companies in Economic and Monetary Union (EMU) member nations currently use. With the introduction of the euro, several countries created new electronic formats while others enhanced their existing formats.

The formats, which vary between countries, support either domestic or foreign payments. Many domestic payment formats are being enhanced to support both the euro and the domestic currency.

For domestic payment formats that support both the euro and the domestic currency, you must enter EUR in a processing option to state amounts in the euro as well as your domestic currency.

This document describes the following:

- Electronic format changes by country
- Special setup requirement for A/R French and Italian formats

As additional format requirements are published by EMU member nations, J.D. Edwards will make changes to electronic formats and include them in future cumulative updates.

Electronic Format Changes by Country

J.D. Edwards research on the electronic format requirements for each EMU member nation depends on each country's timetable for the completion of their requirements. As a result, the software enhancements for electronic formats in the euro are in several cumulative updates.

The following table lists the electronic formats (program number and description) that J.D. Edwards has enhanced to support the euro. The formats are listed by country and the release in which they are available.

Austria (OneWorld Xe)	R04572A3 A/P Payments – Domestic (V3 UN/EDIFACT)
France (B73.3)	R04572F1 A/P EFT Domestic Tape
	R03B575FD A/R Auto Debit file
	R03B672T A/R Drafts Remittance
Germany (B73.3.1)	R04572G2 A/P EFT Domestic Diskette
	R04572G4 A/P EFT Foreign Form (Z1)
	R03B575DD A/R Auto Debits Diskette
Italy (B73.3)	R04572I1 A/P EFT Domestic and Foreign Tape
	R03B672IT (file); R03B672IP (paper); R03B672IS (stamps) A/R Magnetic RiBa Remittance
the Netherlands (B73.3)	R04572H1 A/P Payments - Domestic (ClieOp2)
	R04572H2 A/P Payments - Foreign (BTL91)
	R03B575DH A/R Auto Debits (ClieOp2)
	version of R04572H1 A/P Payments - Foreign (ClieOp3)
Spain (OneWorld Xe)	R74S6722 A/R Drafts Remittance (Norma 32)
	R74S6728 A/R Drafts Remittance (Norma 58)
	R74S6729 A/R Drafts Remittance (Norma 19)

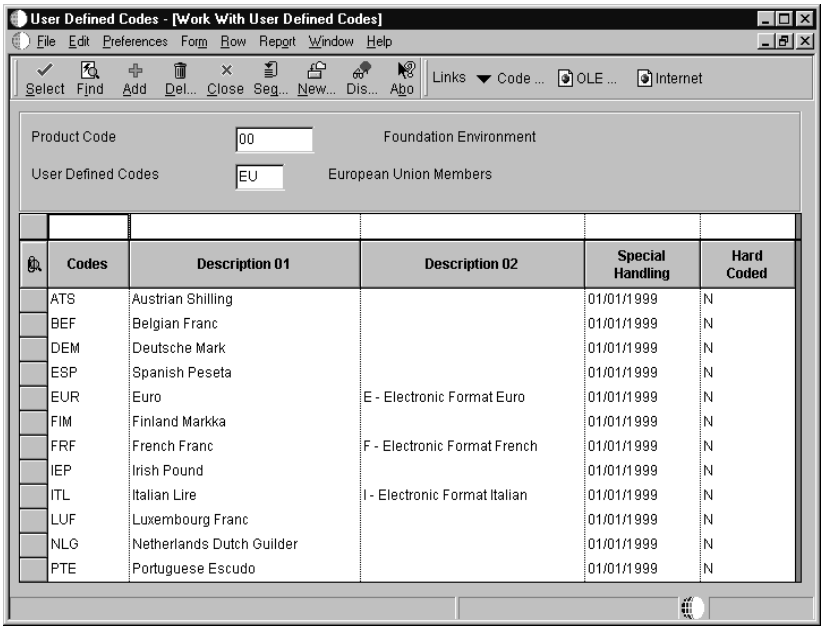
Special Setup Requirements for A/R French and Italian Formats

French and Italian companies that use domestic electronic formats in Accounts Receivable have a special setup requirement. This requirement is necessary so that the domestic formats, which state bank file amounts in the domestic currency, can also state amounts in the euro. This special setup allows French and Italian companies to state amounts in either the franc or lire and the euro, regardless of their company's domestic currency.

To state domestic format amounts in the franc or lire and the euro, French and Italian companies must assign a currency value to the corresponding currency code on the User Defined Codes form (00/EU). This value is used by the following A/R draft formats:

- R03B672T (French)
- R03B672IT (Italy)

Note: Other electronic formats use a processing option to state amounts in a domestic currency as well as the euro.



Codes	Description 01	Description 02	Special Handling	Hard Coded
ATS	Austrian Shilling		01/01/1999	N
BEF	Belgian Franc		01/01/1999	N
DEM	Deutsche Mark		01/01/1999	N
ESP	Spanish Peseta		01/01/1999	N
EUR	Euro	E - Electronic Format Euro	01/01/1999	N
FIM	Finland Markka		01/01/1999	N
FRF	French Franc	F - Electronic Format French	01/01/1999	N
IEP	Irish Pound		01/01/1999	N
ITL	Italian Lire	I - Electronic Format Italian	01/01/1999	N
LUF	Luxembourg Franc		01/01/1999	N
NLG	Netherlands Dutch Guilder		01/01/1999	N
PTE	Portuguese Escudo		01/01/1999	N

On User Defined Codes, assign a one-character currency value in the Description 2 field as follows:

- E (for the euro currency code, EUR)
- Blank or F (for the French franc currency code, FRF)
- Blank or I (for the Italian lire currency code, ITL)

  Leave the field blank if the currency code is your domestic currency.

Euro Realization for A/P Prior to Year 2000

With the introduction of the euro on 1 January 1999, exchange rates between Economic and Monetary Union (EMU) member currencies no longer fluctuate. This means that EMU companies no longer record gains and losses on transactions created between EMU currencies as of 1999.

This topic briefly describes gains and losses on vouchers that were created before the introduction of the euro and were open:

- Prior to 1999
- Prior to 2000

Prior to 1999

At the end of 1998, EMU member nations were required to realize all losses on all open vouchers. European Union (EU) regulations required companies in all EMU member nations to realize losses on EMU currency vouchers that were open as of 31 December 1998, using the euro fixed exchange rates.

Prior to 2000

By the end of 1999, EMU member nations were required to realize all gains on all open invoices.

EU regulations required companies in all EMU member nations to realize gains on EMU currency vouchers that were open as of 31 December 1998 *no later than* 31 December 1999, using the euro fixed exchange rates. Within that time frame, each EMU member nation regulated whether companies were to realize gains at the end of 1998 or the end of 1999. EMU companies that were allowed to realize gains as late as the end of 1999 continued to realize gains on EMU currency vouchers as they paid them throughout 1999.

At the end of 1999, EU regulations required all companies in all EMU member nations to realize gains one final time. This requirement ensured that if a company had any remaining open EMU currency vouchers dated before 1999, the gains for those vouchers were realized.

Managing Purchase Orders and Vouchers During the Euro Transition

This topic describes how to handle purchase orders and supplier invoices (vouchers) that are in different currencies during the euro transition period.

If you enter a purchase order in a domestic or foreign currency and your supplier submits an invoice in the euro, you cannot automatically match the domestic or foreign purchase order to the euro voucher. Instead, you must manually convert the euro invoice amount to the domestic or foreign currency, and then enter the voucher with that (domestic or foreign currency) amount.

For example, if you enter a purchase order in German marks (DEM) and your supplier submits an invoice in the euro, you must manually convert the euro invoice amount to DEM and then enter the voucher in DEM.

For future transactions, consider changing the currency code on the supplier master record so that subsequent purchase orders, vouchers, and payments for that supplier are processed in the euro.

Financial Reporting and the Euro Transition Period

During the euro transition period, which continues through 31 December 2001, EMU companies may need to provide financial and fiscal reports in their national currency as well as in the euro.

For example, a German company that continues to use German marks (DEM) as its base currency might need to provide its parent company with consolidation information in the euro. Another German company that has already converted its base currency to the euro might need to provide the German fiscal and tax authorities with reports in German marks.

Checklist: Financial Reporting During the Euro Transition Period

During the euro transition period, you might need to complete some or all of the items in the following checklist:

- ❑ View detail transactions in the euro
- ❑ Create balance reports in the euro
- ❑ Create detail reports in the euro
- ❑ Create Intrastat reports in the euro
- ❑ Create tax reports in the euro
- ❑ Restate asset costs in the euro

Tasks for Financial Reporting During the Euro Transition Period

This documentation consists of the following tasks:

- ❑ Viewing transaction amounts in the euro
- ❑ Creating balance reports in the euro
- ❑ Creating detail reports in the euro
- ❑ Creating Intrastat reports in the euro
- ❑ Creating tax reports in the euro

- Revaluing assets in the euro

Viewing Transaction Amounts in the Euro

Before, during, and after converting your base currency to the euro, you can view transaction amounts in three currencies: domestic, foreign, and an *as if* currency, such as the euro.

Viewing transactions in an *as if* currency allows you to view amounts as if they were entered in a currency other than the currency in which they were actually entered. For example, you work for a French company that has not yet converted to the euro. With *as if* currency processing, you can view and compare your domestic amounts to euros, which should help ease your transition to the euro.

As if currency processing is different from viewing transactions created by balance restatement and was not designed for purposes of balance currency restatement.

This topic describes the following:

- ❑ General ledger programs with *as if* currency processing
- ❑ Viewing transaction ledger amounts in the euro
- ❑ Application outside of the EMU

General Ledger Programs with *As If* Currency Processing

Several general ledger inquiries and reports have processing options that allow you to view transaction amounts in an *as if* currency, such as the euro. This functionality, which is called *as if* currency processing, allows you to view domestic (AA) transactions or transactions in any other ledger as if they were entered in the euro.

One of the advantages of *as if* currency processing is that it does not impact disk space. The *as if* currency amounts that you view and print are not written to a table, but instead are stored in temporary memory.

This topic describes the following:

- Account inquiry programs
- General ledger reports
- Localization reports
- Processing options for *as if* currency processing

Account Inquiry Programs

The following general ledger inquiry programs use *as if* currency processing:

- Account Ledger Inquiry
- Account Inquiry by Object Account
- Account Inquiry by Category Code

Depending on how you set a processing option for these programs, you can view amounts in one of the following formats:

One-Ledger Format	Displays amounts for one ledger only. To view amounts for that ledger in the euro, you choose a menu option that acts like a "toggle" between the original ledger amounts and the *as if* amounts.
Two-Ledger Format	Displays amounts for two ledgers. To view euro amounts alongside your domestic amounts, use the two ledger format. You can view *as if* amounts associated with Ledger Type 1 only.

See Also

- *Viewing Transaction Ledger Amounts in the Euro* for procedures that describe how to use the one and two ledger formats for *as if* currency processing

General Ledger Reports

The following general ledger reports use *as if* currency processing:

- Account Ledger Print (R09200P)
- G/L Legal Name Register (R09404)

- G/L by Object Report (R09421)
- G/L by Category Code (R09470)

Localization Reports

The following localization reports, which are listed by country, use *as if* currency processing:

France

VAT Report	R7400C1
VAT on Receipts	R7400C2
VAT on Payments	R7400C3
General Journal	R7409C5
A/R Inventory Book	R7403B026
A/P Inventory Book	R7404026
Ledger Report – Localized (A/R and A/P)	R740414

Italy

G/L by Object and Subsidiary	R7409C1
Trial Balance by Object and Subsidiary	R7409C3
Invoice List Control Report	R74079
Monthly Suspended IVA Report	R004051
IVA Summary Reports	R74093

A/R Inventory Book	R7403B026
A/P Inventory Book	R7404026
AP/AR Ledger Report	R740414
Annual IVA File Build **	R00911

** The Annual IVA File Build (and two Intrastat Update programs) is unlike other programs that use *as if* currency processing. It writes amounts to a table, whereas the other programs do not use tables.

Processing Options for *As If* Currency Processing

To view amounts in an *as if* currency on specific general ledger inquiry forms and reports, must set the following processing options:

- As If Currency. The currency code in which you want to view *as if* amounts.
    - If left blank, amounts display or print in their original currency.
    - If a value is entered, amounts display or print in an *as if* currency and amount.
- Exchange Rate Date. The date that corresponds to the exchange rate used to calculate the *as if* currency amount. If left blank, the Thru Date is used.

Viewing Transaction Ledger Amounts in the Euro

With *as if* currency processing, you can view domestic transactions as if they were entered in the euro on the following forms:

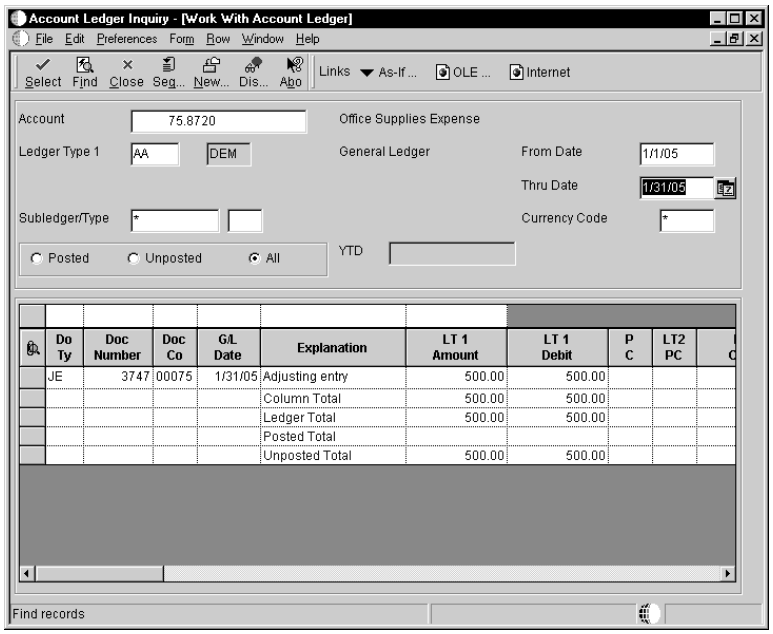
- Account Ledger Inquiry
- Account Inquiry by Object Account
- Account Inquiry by Category Code

You can view *as if* amounts associated with your domestic (AA) ledger or any other ledger. However, be aware that if you view amounts for the CA (foreign currency) ledger, the amounts are meaningless. That is because the CA ledger contains more than one currency, and *as if* processing is designed to convert only one currency at a time.

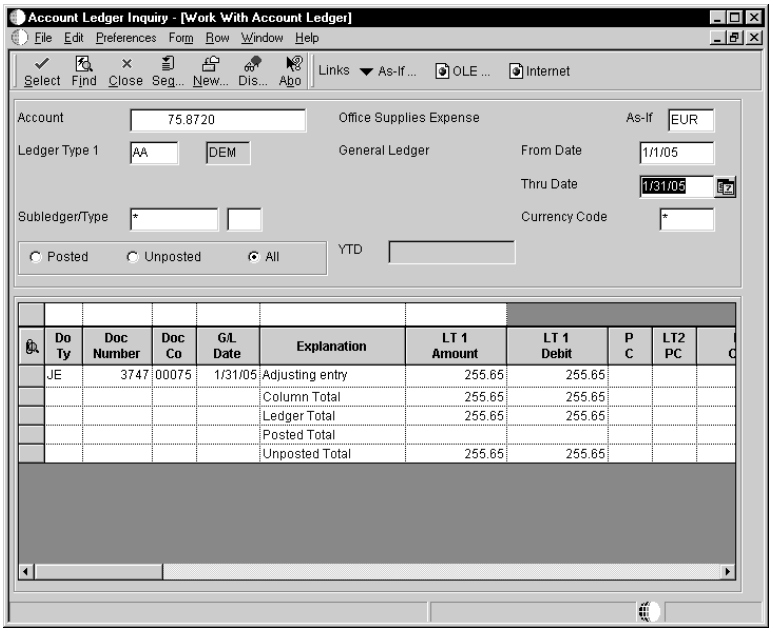
To view transaction ledger amounts in the euro

The following steps describe how to view domestic and *as if* currency amounts using the Account Ledger Inquiry form. Remember, you can view *as if* currency amounts for ledgers other than your AA ledger.

1. From the Accounting Reports and Inquiries menu (G0912), choose Account Ledger Inquiry, Account Inquiry by Object Account, or Account Inquiry by Category Code.
2. To view domestic amounts in the euro using the one-ledger format, follow steps 3 and 4.
3. Enter AA in the Ledger Type 1 field.

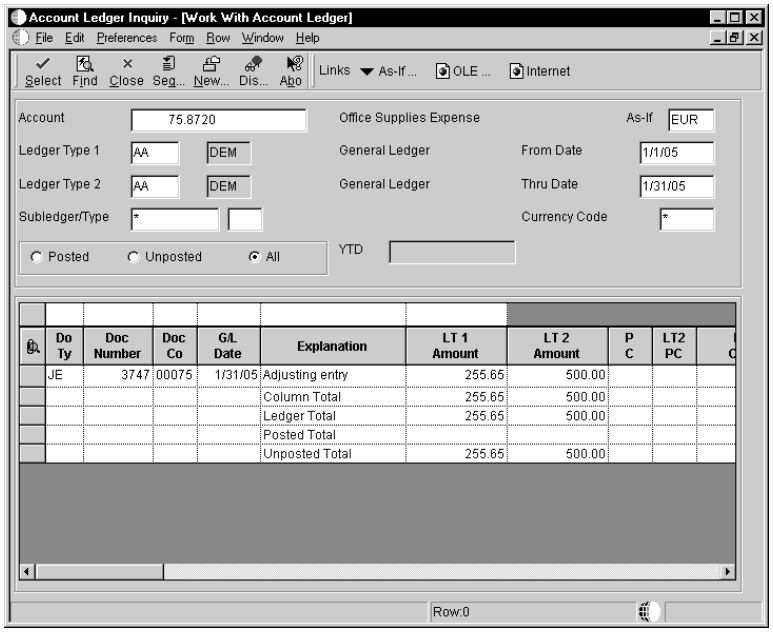


4. Choose As If Currency from the Form menu. The As If Currency menu option acts like a "toggle" between the domestic currency and euro amounts.



If the As If field appears in the upper-right corner of the form, you are viewing amounts in the *as if* currency (euro). If the field does not appear, you are viewing amounts in the domestic currency.

5. To view domestic amounts alongside the euro using the two-ledger format, follow steps 6 through 8.
6. Enter AA in the Ledger Type 1 *and* Ledger Type 2 fields.
7. Scroll to the right to view both the LT 1 and LT 2 amounts in the detail portion of the form.
8. Choose As If Currency from the Form menu. The *as if* currency amounts display in the LT 1 column and the domestic amounts display in the LT 2 column.



9. To print euro amounts for an account, choose Print Ledger from the Form menu while viewing the euro amounts.

Application Outside of the EMU

As if currency processing, which allows you to view amounts as if they were entered in another currency, is useful in any multi-currency environment. You can use *as if* processing to view and compare amounts between any currencies, not just EMU member currencies. For example, a U.S. company can view amounts as if they were entered in the Canadian dollar and compare those amounts to their domestic (USD) amounts.

On some general ledger inquiry forms, you can view amounts in two different ledgers. Be aware that if you view amounts for the CA (foreign currency amount) ledger and compare them to amounts in an *as if* currency, the amounts will be meaningless. That is because the CA ledger contains more than one currency, and *as if* currency processing displays only one currency at a time.

As if currency processing does not replace balance currency restatement. You must continue to use balance currency restatement when restating currencies with exchange rates that fluctuate against other currencies.

Creating Balance Reports in the Euro

For financial and fiscal reporting during the euro transition period, you can create balance reports in the euro even if your company has not yet converted its base currency to the euro.

Balance currency restatement allows you to restate existing company balances in another currency, including the euro. The advantages of balance currency restatement over detailed currency restatement include the following:

- You can restate balance amounts in many different currencies
- You use far less disk space with balance currency restatement

The balance restatement program uses the no inverse method when restating balance amounts in the euro. It does this by using the override conversion method designated on the Set Daily Transaction Rates form instead of the conversion method designated on the General Accounting Constants form. In this way, the balance restatement program does not violate the no inverse rule when restating amounts from an EMU member currency to the euro.

To use triangulation during balance restatement, you must first restate amounts in the euro and then the desired currency. Specifically, you use triangulation to restate your balance amounts from one Economic and Monetary Union (EMU) currency to the euro and then restate those balance amounts from the euro to the other EMU currency. For example, you restate balance amounts from the German mark (DEM) to the euro (EUR) and then from the EUR to the French franc (FRF). The reason you must triangulate euro balances manually is that the balance restatement program uses exchange rates defined in the Currency Restatement Rates table (F1113), not the Exchange Rate tables (F0015 and F00151).

The balance restatement program allows you to restate two ledgers into one alternate currency ledger. For example, you can restate actual amounts and local adjustments into one ledger for local books. You can then restate that amount into one euro amount in the AC (restatement) ledger.

If you make prior year adjustment entries (document type ##), you must run the balance restatement program from inception-to-date to include those adjustments. Otherwise, prior year adjustments will not be included.

For more information about balance currency restatement, see the following in the *General Accounting Guide:*

- *Understanding Balance Currency Restatement*
- *Working with Calculations for Balance Restatement*
- *Calculating Restated Balances*

Creating Detail Reports in the Euro

For financial and fiscal reporting during the euro transition period, you can create detailed reports in the euro even if your company has not yet converted its base currency to the euro.

You should carefully consider whether there is a valid business need to produce reports at the transaction level in both your base currency and the euro. To accommodate this need, you must create a separate set of books in the euro, which can take up valuable disk space.

This topic includes the following:

- Restating currency amounts using detailed restatement
- Restating transactions using allocations (alternate method)

Note: Use allocations as an alternate method only if you already use detailed currency restatement for another purpose.

Restating Currency Amounts Using Detailed Restatement

Before you restate your base currency amounts in the euro, determine whether you really need those amounts restated at a detail level. Most companies should be able to satisfy their reporting requirements by restating their currency amounts at the balance level, instead of the detail level.

Restating amounts at the detail level has sizing implications. For example, if you enter approximately 2,000 records on a monthly basis, you will have 4,000 records for each month after you run detailed currency restatement. This increase can have a considerable impact on your system disk resources.

When you restate amounts using Detailed Currency Restatement, all domestic currency transactions (AA ledger) are duplicated in the alternate currency ledger (XA ledger). To restate EMU currency amounts in the euro, the Detailed Currency Restatement program uses the most recent effective exchange rate and the override conversion (no inverse) method in the exchange rate table to create euro transactions.

For purposes of currency restatement, the no inverse functionality is available for Detailed Currency Restatement (R11411) only and is not available for Compute Restated Balances (R11414). The reason is that the Compute Restated Balances program uses a different rate table, which has not been enhanced. See *Creating Balance Reports in the Euro.*

If your company requires detailed reports in the euro, remember that the Detailed Currency Restatement program allows you to restate amounts in only one currency. Thus, if you already use the program for another currency or purpose, you cannot use it to restate amounts in the euro. Instead, consider using allocations, which is the alternate method described in this documentation.

For more information about detailed currency restatement, see the following in the *General Accounting Guide*:

- *Understanding Detailed Currency Restatement*
- *Calculating Detailed Currency Restatement*

Restating Transactions Using Allocations

For companies that use detailed currency restatement for another purpose, the Indexed Computations program (P09121) provides an alternate method to restating amounts at the transaction level during the euro transition period.

Regardless of whether you have converted your base currency to the euro, you can create transactions for detailed reporting either from the euro to an EMU member currency or from an EMU member currency to the euro. To create detailed transactions, you must use allocation method T when you run the Indexed Allocations program. The program copies transactions in the general ledger, applies a rate, and creates new detailed transactions in a different ledger type in the Account Ledger table (F0911).

For more information about indexed allocations, see *Working with Indexed Allocations* in the *General Accounting Guide*.

Caution: Rounding issues occur when using this method.

Creating Intrastat Reports in the Euro

With the introduction of the euro, Eurostat (Statistical Office of the European Communities) and the national Statistical Offices of the Economic and Monetary Union (EMU) member nations have made changes to their Intrastat reporting requirements. Each EMU member nation will continue to determine its own Intrastat requirements, including whether reports are to be submitted in the euro, the national currency, or both.

Regardless of whether your company has converted its base currency to the euro, you can handle the Intrastat reporting requirements for the country in which it does business. The following examples describe situations that might apply to your company during the euro transition period:

- Your company has not converted its base currency to the euro, but the Statistical Office of the EMU member nation in which you do business requires that you submit Intrastat reports in the euro.
- Your company has converted its base currency to the euro, but the Statistical Office of the EMU member nation in which you do business is not prepared to handle Intrastat reports in the euro and requires that you submit them in the national currency.

For Intrastat reporting, the *as if* currency processing options in the Intrastat Generation programs for Sales and Procurement provide a simplified approach to reviewing and printing amounts in a currency different from your base currency.

Note: The German government requires that Intrastat reports include both the euro and national currency amounts. The German Intrastat report (R0018IG) accommodates this country-specific requirement. It uses both the base currency and *as if* currency amounts that are created when you update the Intrastat Revision table.

This topic describes the following:

- ❑ Considerations before you create Intrastat reports
- ❑ Example: Company and Intrastat reporting in different currencies
- ❑ Updating the Intrastat Revision table

For more information about Intrastat reporting, see the *Global Solutions Guides*.

Considerations Before You Create Intrastat Reports

Before you create Intrastat reports, determine the following:

- The base currency of each of your companies
- The currency in which you must submit Intrastat reports for each of your companies

If your business has multiple companies with multiple currencies, it is important that you approach your Intrastat reporting carefully during the euro transition period. You should always be aware of each company's base currency and whether Intrastat reports must be in the national currency or the euro. This helps ensure that you convert currencies for Intrastat reporting only if necessary.

Based on the Intrastat reporting requirements for your companies and the countries in which they do business, you can use the processing options and data selection to create different versions of the Intrastat Generation – Sales (R0018I1) and Intrastat Generation – Procurement (R0018I2) programs.

Example: Company and Intrastat Reporting in Different Currencies

Your business has three companies, each with a different base currency. You process all Intrastat reports at the end of 1999.

In January 2000, Company 1 converted its base currency from the German mark to the euro. Companies 2 and 3 did not convert their base currencies. For 1999, the country Statistical Offices for Companies 1 and 2 required that Intrastat reports be submitted in the German mark and Belgian franc, respectively. The country Statistical Office for Company 3 required that reports be submitted in the euro.

The following scenario applies:

Company	Base Currency as of January 2000	Intrastat Currency for 1999 Reporting
Company 1	EUR	DEM
Company 2	BEF	BEF
Company 3	FRF	EUR

For Intrastat reporting purposes, you should do the following:

- Convert the euro amounts for Company 1 back to the German mark
- Do not convert the amounts for Company 2

- Convert the French franc amounts for Company 3 to the euro

For Companies 1 and 3, you would run the Intrastat Generation programs to load the information in the Intrastat Revision table (F0018T) and, at the same time, convert the amounts. You would do this one company at a time, creating a separate version for each company. For one company you would specify the German mark (DEM) in the *as if* currency processing option, for the other you would specify the euro (EUR).

Updating the Intrastat Revision Table

From the EU Intrastat Processing menu (G00211), choose one of the following:

- Intrastat Generation – Sales
- Intrastat Generation – Procurement

These programs, unlike other programs that use *as if* currency processing, write amounts to a table. Other programs display or print *as if* currency amounts, but do not write amounts to a table.

If you have not converted your companies to the euro and you must submit Intrastat reports in the euro, run the Intrastat Generation programs and specify the euro in the *as if* currency processing option. The programs convert each transaction amount separately, following the EMU conversion rules for no inverse and triangulation, and write the amounts to the Intrastat Revision table (F0018T). You can then create your Intrastat reports in the euro.

If you have converted your companies to the euro and you must submit Intrastat Intrastat reports in a national currency, run the Intrastat Generation programs and specify the national currency in the *as if* currency processing option. You can then create your Intrastat reports in the national currency.

For example, a French company has converted its base currency to the euro but plans to report all Intrastat information in French francs. The company runs the Intrastat Generation program to convert the euro (base currency) to the French franc (*as if* currency) and update the French franc amounts in the F0018T table.

If you use *as if* currency processing, you lose the direct audit trail for the amount fields between the Intrastat Revision table (F0018T) and the original tables in the Sales Order Management and Procurement systems.

Processing Options for Intrastat Generation/*As If* Currency

To use *as if* currency processing for the Intrastat Generation programs for Sales and Procurement, you must set the following processing options:

- Currency Code. The currency code for *as if* reporting. The update program converts and writes amounts to the Intrastat Revision table, based on the

currency code entered. If left blank, amounts print in their original currency.

- As Of Date. The date to use for the *as if* currency exchange rate. If left blank, the system date is used.

Performance Considerations

Depending on your data selection and the number of transactions stored in the Sales Order Management and Procurement systems, the time that it takes to run the Intrastat Generation programs will vary. To minimize the impact that the programs have on system performance, do the following:

- Specify your data selection as carefully as possible so that only the necessary records are written to the Intrastat Revision table.
- Update the Intrastat Revision table as part of your nightly operations.

Creating Tax Reports in the Euro

Many European companies use the USE and VAT Tax Report and VAT Exception Report to help them complete their VAT return forms. During the euro transition period, you can create and print these tax reports in a currency other than the base currency of your company. This is necessary if your company has converted its base currency to the euro but your government still requires tax reports in the national currency, or if your company has not yet converted its base currency but your government requires tax reports in the euro.

The following tax reports use *as if* currency processing, which allows you to create tax reports in a currency other than the base currency of your company:

- Use and VAT Tax (R0018P)
- VAT Exception Report by Tax Area (R0018P7)

As if currency processing follows the no inverse method of exchange rate calculation, which is a legal requirement for EMU member currencies. The tax reports print amounts as if they were entered in another currency. They do not write or update amounts in a tax table.

The Use and VAT Tax and VAT Exception Reports are located on the Tax Processing and Reporting menu (G0021). For more information about these reports, see the *Global Solutions Guides.*

Processing Options for Tax Reports/*As If* Currency

To use *as if* currency processing for Use and VAT Tax and VAT Exception Report by Tax Area, you must set the following processing options:

- Currency Code. The currency code for *as if* reporting. The report prints amounts in a currency other than the currency in which they were entered. If left blank, amounts print in their original currency.
- As Of Date. The date to use for the *as if* currency exchange rate. If left blank, the system date is used.

Revaluing Assets in the Euro

During the euro transition period, you can revalue your assets in the euro even if you have not converted your base currency to the euro. Before you revalue your assets in the euro, however, you must set up the following for your new euro balance amounts:

- Ledger type
- Subledger and subledger type

When you revalue your assets in the euro, the Revaluation Journal program stores the restated amounts in one of these ledger or subledger types.

If you set up a new ledger type for the euro, you can depreciate your assets in your base currency and the euro. You do this by setting up user-defined, date-effective depreciation rules. These rules can be different for each asset ledger type. Because these rules are date sensitive, you can easily respond to any new rules that your government may require for fixed asset reporting.

In final mode, the Revaluation Journal program updates the Item Master (F1201), Item Balances (F1202), and Account Ledger (F0911) tables with the new euro amounts.

The Revaluation Journal program is located on the Asset Revaluation menu (G1234).

For more information about asset revaluation, see the following in the *Fixed Assets Guide*:

- *Understanding Asset Revaluation*
- *Calculating Revaluation*

See Also

- *R12845, Asset Revaluation Journal* in the *Reports Guide* for a report that shows assets revalued in the euro

Appendices

Appendix A: Euro Questions and Answers

This appendix includes some common questions and answers about the euro as it applies to J.D. Edwards software. The topics consist of the following:

- Releases
- Applications and functionality
- Documentation and classes

The information in this appendix assumes that you understand certain terminology used when describing the euro and euro functionality. Refer to the *Glossary* in this guide, if necessary.

Releases

Question	Answer
For clients with WorldSoftware and OneWorld coexistence, which releases must be installed to use the euro functionality?	Clients must install WorldSoftware release A7.3 CU9 (or above) and OneWorld release B73.3 (or above) to use the euro functionality. For example, if a client installs WorldSoftware release A7.3 CU9 and activates the no inverse and triangulation functionality, that client must also install OneWorld release B73.3.
When will non-English versions of OneWorld Xe software be available?	Non-English versions of OneWorld Xe will be available when the English version is released.

Question	Answer
What are the major differences between releases B73.3.1 and OneWorld Xe?	OneWorld Xe includes the following enhancements: • A new Accounts Receivable AAI item R8 tracks slight rounding differences when a foreign or alternate currency receipt, such as the euro, is involved in a transaction. Previously, rounding differences were tracked in gain/loss accounts. • *As if* currency processing, which allows you to view amounts as if they were stored in a currency other than the domestic or foreign currency, is available on the Account Inquiry by Object Account and Account Inquiry by Category Code forms in the General Accounting system. • *As if* currency processing is available for A/R Inventory Book (R7403B026) and AP/AR Ledger Report (R7404014) for French and Italian clients. • With *as if* currency processing, you can print an invoice in the Sales Order Management system as if the sales order was entered in a currency other than the domestic or foreign currency. The net, sales tax, and total order amounts print in the "as if" currency along with the domestic or foreign currency. • Electronic formats that support the euro for Austria (V3 UN/EDIFACT) and Spain (Norma 19, Norma, 32, and Norma 58) • Multi-currency processing for automatic debits.
What are the major differences between releases B73.3 and B73.3.1?	Release B73.3.1 includes the following enhancements: • Manual payment processing in an alternate currency • A/P draft processing in an alternate currency • A/R draft processing in a multi-currency • Price generation program in Procurement that creates new prices in the euro based on existing prices
Which release contains the euro conversion programs?	The euro conversion programs are in application software update (ASU) B73.3.1EURO and B73.3.2EURO and OneWorldXe. The euro conversion programs convert your company's base currency to the euro.

Applications and Functionality

Question	Answer
EMU member countries are required to follow the no inverse/triangulation rules for currency conversion while non-EMU member countries are not. How should I handle this?	The rules that you follow for currency conversions will depend on the country in which you transact business, and your company's interpretation of the rules and regulations that exist because of the euro common currency and the irrevocably fixed exchange rates. As of release B73.3, J.D. Edwards OneWorld software is able to handle currency calculations for EMU member nations and non-EMU member nations that transact business with each other, or independently of each other.
Can companies outside of the EMU use no inverse and triangulation?	Yes, companies outside of the EMU can use the no inverse and triangulation methods of exchange rate calculations. Companies outside the EMU might choose to use no inverse, without triangulation. The no inverse method of exchange rate calculation significantly reduces rounding differences that can occur when using the reciprocal (inverse) rate. Companies outside the EMU might choose to use both no inverse and triangulation. For example, if a Japanese company does a significant amount of business with a German company, it might choose to set up the JPY and DEM currencies to triangulate through the euro, since the JPY to DEM exchange rate is no longer officially quoted after 31 December 1998.
Can I enter spot rates at the transaction level, regardless of the currencies?	You can enter spot rates on transactions between an EMU and non-EMU currency. However, you cannot enter spot rates on transactions between two EMU member currencies. For transactions between two EMU member currencies, spot rates are no longer allowed because of the fixed euro exchange rate.
How do I handle partial payments?	If an open voucher needs to be partially paid in an alternate currency, you must split the open voucher before you begin the payment process.

Question	Answer
I need to restate amounts in the euro. What if I already use detailed currency restatement for another purpose?	The detailed currency restatement program can only be used to restate one additional currency. If a FRF company already restates in USD, it will not be able to use detail currency restatement to restate in the euro. The company could, however, use the balance restatement program to restate its FRF balances in the euro. A company needs to determine whether it truly needs euro transaction amounts at the detail level. Even companies that do not use the restatement functionality for another purpose will want to carefully consider whether they need detailed information in the euro. Detailed currency restatement can have a significant sizing impact on your system resources. An uncomplicated workaround exists. If you need transactions in the euro at the detail level and you already use detailed currency restatement for another purpose, you can use the allocations program to restate general ledger transactions using the fixed exchange rate. Alternatively, you can download the detail information to a spreadsheet and restate the transactions in the spreadsheet.
What is the difference between amounts derived from a cross rate and amounts derived using triangulation?	Amounts derived from a cross rate are different from amounts derived using triangulation. The differences are illustrated in the examples below.

Example: Converting German Marks to French Francs

Assume you are converting German marks (DEM) to French francs (FRF). The exchange rates are:

- 1 EUR = 1.95583 DEM
- 1 EUR = 6.55957 FRF

The following table shows the converted amounts, one based on using triangulation and the other based on a cross rate. The amounts are calculated as if seven decimal places are stored, as is the case with J.D. Edwards software. (If a system permits a cross rate to go out to 12 decimal places, there would be no difference in the results.)

Amount of DEM	Triangulation	Cross Rate to FRF (to 7 decimal places)
	Calculation: DEM / 1.95583 = EUR EUR x 6.55957 = FRF	Calculation: DEM x (6.55957 / 1.95583) = FRF
1,000	3,353.85	3,353.85
10,000	33,538.55	33,538.55
100,000	335,385.49	335,385.49
1,000,000	3,353,854.88	3,353,854.89
10,000,000	33,538,548.84	33,538,548.85
100,000,000	335,385,488.40	335,385,488.50

Example: Converting French Francs to German Marks

Assume you are converting a payment of 2,500,000 French francs to German marks. The exchange rates are:

- 1 EUR = 1.95583 DEM
- 1 EUR = 6.55957 FRF

Triangulation	Cross Rate
2,500,000 FRF / 6.55957 = 381,122.5430 EUR	2,500,000 FRF x (1.95583 / 6.55957) = DEM
381,122.5430 EUR x 1.95583 = 745,410.90 DEM	2,500,000 FRF x 0.2981643 = 745,410.75 DEM

Documentation and Classes

Question	Answer
What euro documentation is available?	The following euro documentation is available: • For OneWorld releases B73.3, B73.3.1, and Xe: *OneWorld Euro Implementation Guide*. Describes the euro enhancements and their use. • For B73.3.1EURO/B73.3.2EURO and OneWorld Xe: *OneWorld Euro Conversion and Integrity Workbook*. Describes the euro conversion, which includes pre-conversion, conversion, and post-conversion tasks. • For WorldSoftware releases A7.3 CU9, CU10, and CU11: *World Euro Implementation Guide*. • For WorldSoftware releases A7.3 and A8.1 PTF E9: *E9 Euro Conversion, Installation, and Integrity Workbook*.
In which languages is the euro documentation translated?	For OneWorld releases B73.3 and B73.3.1, the *Euro Implementation Guides* are translated in German, French, Italian, and Spanish. For WorldSoftware release A7.3 CU10, the *Euro Implementation Guide* is translated in German, French, Italian, and Spanish.
In what format is the euro documentation available?	For OneWorld releases B73.3, B73.3.1, and Xe, the euro documentation is available in printed guides as well as on CD-ROM. For WorldSoftware releases A7.3 CU10 and CU11, the euro documentation is available in printed guides as well as on CD-ROM. For release A7.3 CU9, the euro documentation is available only in the printed guide.
Whom should I contact about euro training classes?	To inquire about euro training classes, contact the J.D. Edwards Training Center in your area.

Appendix B: New Integrity Reports and Menus

As of OneWorld Xe, most J.D. Edwards integrity reports can be accessed from one central menu called System Integrity Reports & Updates (G0022). From the System Integrity Reports & Updates menu, you can access integrity reports for the following:

- Batch Headers
- Financials
- Fixed Assets/Job Cost/Change Management
- Localization
- Distribution
- Logistics
- Manufacturing

The integrity reports for these systems are described briefly on the following pages.

All J.D. Edwards integrity reports are designed to run in proof mode, which allows you to review and manually correct any data integrity issues between tables. For Economic and Monetary Union (EMU) companies preparing to convert to the euro, J.D. Edwards created new integrity reports and enhanced selected reports to run in final (update) mode. Final mode, which can be used by both EMU and non-EMU clients, does the following:

- Tests the integrity of data between tables with dependent relationships.
- Locates the difference between the tables.
- Creates adjusting entries for batches that are out of balance. You can use the data selection to exclude records in which you do not want to create adjusting entries.

Caution: Consider placing security on integrity reports that can be run in final mode to ensure that tables are not inadvertently updated.

Batch Headers

The following integrity reports are located on the Batch Header Integrities menu (G00221):

Report Name (Program Number)	Description of Report
Unposted Batches (R007011)	Prints all unposted batches sequentially by batch type and batch number.
Transactions to Batch Headers (R007021)	Locates inconsistencies in the Batch Control table (F0011). Locates F0311, F0411, and F0911 transactions without a batch header record. Locates unposted F0311, F0411, and F0911 transactions with a posted batch header record.
Batch to Detail/Out of Balance (R007031)	Locates batches that were posted out-of-balance and prints a detailed report.
Company by Batch/Out of Balance (R09706)	Locates batches by company that were posted out-of-balance and prints a report.

Financials

The following integrity reports are located on the Financials Integrities menu (G00222):

Accounts Receivable

Before you run Accounts Receivable integrity reports in final mode, determine whether you want the reports to automatically create adjusting entries for batches that are out of balance. If you do not want adjusting entries created, turn on the Exclude Batch from Integrity Report option on the Batch Overrides form.

Report Name (Program Number)	Description of Report
A/R Invoices to G/L by Batch (R03B701)	Compares records in the A/R Ledger (F03B11) to the Account Ledger (F0911) and prints differences on a report. This report is equivalent to proof mode for F03B11 to F0911 (R890911AI).
A/R to G/L Receipts by Batch (R03B702)	Compares records in the A/R Check Detail (F03B14) to the Account Ledger (F0911) and prints differences on a report. This report is equivalent to proof mode for F03B14 to F0911 (R890911BI).
F03B11 to F03B22 (R8903B22I)	Proof: Compares records in the A/R Ledger (F03B11) to the Fee Journal History (F03B22) and prints differences on a report. Final: Creates an adjusting amount in the F03B22 to balance to the F03B11.
F03B11 to F03B40 (R8903B40I)	Prerequisite: Previous integrity report (R8903B22I). Proof: Compares records in the A/R Ledger (F03B11) to the Deduction Management (F03B40) and prints differences on a report. Final: Creates an adjusting amount in the F03B40 to balance to the F03B11.
F03B11 to F03B14 (R8903B14I)	Prerequisite: Previous integrity report (R8903B40I). Proof: Compares records in the A/R Ledger (F03B11) to the A/R Check Detail (F03B14) and prints differences on a report. Final: Creates an adjusting amount in the F03B14 to balance to the F03B11.

Accounts Receivable (continued)

Report Name (Program Number)	Description of Report
F03B14 to F03B41 (R8903B41I)	Prerequisite: Previous integrity report (R8903B14I). Proof: Compares records in the A/R Check Detail (F03B14) to the Deduction Activity (F03B41) and prints differences on a report. Final: Creates an adjusting amount in the F03B41 to balance to the F03B14.
F03B14 to F03B13 (R8903B13I)	Prerequisite: Previous integrity report (R8903B41I). Proof: Compares records in the A/R Check Detail (F03B14) to the Receipts Header (F03B13) and prints differences on a report. Final: Creates an adjusting amount in the F03B13 to balance to the F03B14.
F03B22 to F03B23 (R8903B23I)	Prerequisite: Previous integrity report (R8903B13I) Proof: Compares records in the Fee Journal History (F03B22) to the Fee History Detail (F03B23) and prints differences on a report. Final: Creates an adjusting amount in the F03B23 to balance to the F03B22.
F03B11 to F0911 (R890911AI)	Prerequisite: Previous integrity report (R8903B23I). Proof: Compares records in the A/R Ledger (F03B11) to the Account Ledger (F0911) and prints differences on a report. In proof mode, this report is equivalent to A/R Invoices to G/L by Batch (R03B701). Final**:** Creates an adjusting amount in the F0911 by document (G/L distribution) and by batch (automatic offset) to balance to the F03B11.
F03B14 to F0911 (R890911BI)	Prerequisite: Previous integrity report (R890911AI). Proof: Compares records in the A/R Check Detail (F03B14) to the Account Ledger (F0911) and prints differences on a report. In proof mode, this report is equivalent to A/R to G/L Receipts by Batch (R03B702)**.** Final: Creates an adjusting amount in the F0911 to balance to the F03B14.
F03B13 to F0911 (R890911CI)	Prerequisite: Previous integrity report (R890911BI). Proof: Compares records in the Receipts Header (F03B13) to the Account Ledger (F0911) and prints differences on a report. Final: Creates an adjusting amount in the F0911 to balance to the F03B13.

Accounts Receivable (continued)

Report Name (Program Number)	Description of Report
A/R to G/L by Offset Account (R03B7001A)	Prerequisite: Previous integrity report (R890911CI). Summarizes open amounts in each G/L account in the A/R Ledger table (F0311) and compares the total to the balance amount in each offsetting A/R trade account in the Account Balances table (F0902).

Accounts Payable

Before you run Accounts Payable integrity reports in final mode, determine whether you want the reports to automatically create adjusting entries for batches that are out of balance. If you do not want adjusting entries created, turn on the Exclude Batch from Integrity Report option on the Batch Overrides form.

Report Name (Program Number)	Description of Report
A/P to G/L by Batch (R04701)	Proof: Compares records in the A/P Ledger (F0411) to the Account Ledger (F0911) and prints differences on a report.
A/P Payments to G/L by Batch (R04702A)	Proof: Compares records in the A/P Matching Document Detail (F0414) to the Account Ledger (F0911) and prints differences on a report.
A/P to G/L by Offset Account (R047001A)	Proof: Summarizes open amounts in each G/L account in the A/P Ledger table (F0411) and compares the total to the balance amount in each offsetting A/P trade account in the Account Balances table (F0902).
A/P to G/L by Batch with Update (R04711)	Proof: Compares records in the A/P Ledger (F0411) to the Account Ledger (F0911) and prints differences on a report. In proof mode, this report is equivalent to A/P to G/L by Batch (R04701). Final**:** Creates an adjusting amount in the F0911 to balance to the F0411.

Accounts Payable (continued)

Report Name (Program Number)	Description of Report
A/P Payments to A/P with Update (R04713)	Proof**:** Compares records in the A/P Matching Document Detail (F0414) to the A/P Ledger (F0411) and prints differences on a report. Final**:** Creates an adjusting amount in the F0414 to balance to the F0411.
A/P Payments to G/L by Batch with Update (R04712)	Prerequisites: A/P to G/L by Batch with Update (R04711) and A/P Payments to A/P with Update (R04713). Proof: Compares records in the A/P Matching Document Detail (F0414) to the Account Ledger (F0911) and prints differences on a report.. In proof mode, this report is equivalent to A/P Payments to G/L by Batch (R04702A). Final**:** Creates an adjusting amount in the F0911 to balance to the F0414.

General Accounting

Report Name (Program Number)	Description of Report
Accounts without Business Units (R097041)	Proof: Locates account master records with an invalid company number and without a business unit record. Final: Updates the F0901 file with the company number from the business unit master record.
Account Balance without Account Master (R097031)	Proof: Locates account balance records with an invalid company number and without an account master record. Final: Updates the Account Balances table (F0902) with the company number from the account master record.
Transactions without Account Master (R097021)	Proof: Locates transaction records with an invalid company number and without an account master record. Final: Updates the Account Ledger table (F0911) with the company number from the account master record.
Companies in Balance (R097001)	Creates a report that shows the net balance for each company. If a company is in balance, the columns on the report are blank.
Intercompany Accounts in Balance (R097011)	Locates imbalances between corresponding intercompany accounts and prints a report. If you have multiple companies with different base currencies, do not run this integrity report. This integrity report does not accommodate different base currencies.

General Accounting (continued)

Report Name (Program Number)	Description of Report
Account Balance to Transactions (R09705)	Locates imbalances between the Account Balances (F0902) and Account Ledger (F0911) tables by fiscal period and prints a report. If you have imbalances between these tables and you turn monetary accounts on and off, contact your Customer Support consultant for a resolution plan for monetary accounts.
Unposted General Journal (R09301)	Prints a general journal of unposted transactions in the Account Ledger table (F0911).
Repost Account Ledger (R099102)	Proof: Identifies accounts with different amounts in the F0911 and F0902 tables. Final: Updates the F0902 with the posted amounts from the F0911 table.

Fixed Assets/Job Cost/Change Management

The following integrity reports are located on the Fixed Assets/Job Cost Integrities menu (G00223):

Report Name (Program Number)	Description of Report
Unposted F0911 Transactions to F1202 (R12301)	Compares unposted Account Ledger (F0911) transactions to unposted Asset Balances (F1202) transactions for accounts within the AAI item FX range. Prints differences on a report.
F0911 Transaction Report (R127012)	Prints Account Ledger (F0911) transactions for accounts within the AAI item FX range.
F1202 to F0902 Integrity (R127011)	Compares posted Asset Balance (F1202) transactions to posted Account Balance (F0902) transactions and prints differences on a report.

Fixed Assets/Job Cost/Change Management (continued)

Report Name (Program Number)	Description of Report
F0911 to F1202 Integrity (R12910)	Compares posted F0911 transactions (with batch rear end = *) to posted F1202 transactions. If you summarize your depreciation transactions, do not run this integrity report. Clients who summarize transactions have F1202 records without supporting F0911 transactions and running this integrity report serves no purpose. Once you summarize transactions, you cannot go back and create detail for them.
Job Cost to G/L (R51800)	Proof: Compares records in the Account Balances table (F0902) to records in the Profit Recognition (F5144) and Profit Recognition Account Balance (F5145) tables. Final: Creates adjusting amounts in the F5144 and F5145 to balance to the F0902.
CO/PCO (F5315/F5314) Integrity (R53701)	Compares final and quoted amounts for cost, revenue, and subcontract records in the Change Order Master table (F5315) to the attached planned change orders in the Planned Change Order Master table (F5314) and prints differences on a report.
PCO/CR (F5314/F5311) Integrity (R53702)	Compares final and quoted amounts for cost, revenue, and subcontract records in the Planned Change Order Master table (F5314) to the attached change requests in the Change Request Details table (F5311) and prints differences on a report.

Localization

The following integrity reports are located on the Localization Integrities menu (G00224):

Report Name (Program Number)	Description of Report
G/L to Legal Register Number (R74701)	For Italian clients only. Proof: Compares records in the Account Ledger (F0911) to the G/L Registration Balance table (F70404). Final: Creates an adjusting amount in the F70404 to balance to the F0911.

Localization (continued)

Report Name (Program Number)	Description of Report
A/P to Withholding Tax Detail (R74703)	For Italian clients only. Proof: Compares records in the A/P Ledger (F0411) to the Withholding Tax Detail table (F74411). Final: Creates an adjusting amount in the F74411 to balance to the F0411.

Distribution

The following integrity report is located on the Distribution Integrities menu (G00225):

Report Name (Program Number)	Description of Report
Commitment Integrity Report (R40910)	Proof: Compares records in the P.O. Detail Ledger (F43199) to the Purchase Order Detail table (F4311) and records in the F43199 to the Account Balances table (F0902). Final: Creates an adjusting amount in the F43199 if there is a difference between the amounts in the F4311 and F43199. Creates an adjusting amount in the F0902 if there is a difference between the amounts in the F43199 and F0902.

Logistics

The following integrity reports are located on the Logistics Integrities menu (G00226):

Report Name (Program Number)	Description of Report
Item Ledger/Account Integrity (R41543)	Compares records in the Account Ledger (F0911) to the Item Ledger (F4111) and prints differences on a report.

Logistics (continued)

Report Name (Program Number)	Description of Report
Item Balance/Ledger Integrity (R41544)	Compares records in the Item Location (F41021) to the Item Ledger (F4111) and prints differences on a report.

Manufacturing

The following integrity report is located on the Manufacturing Integrities menu (G00227):

Report Name (Program Number)	Description of Report
Cost Component/Ledger Integrity (R30543)	Compares the sum of the frozen standard cost components to the unit cost in the Cost Ledger table (F4105) and creates a report that shows the variances.

Index

Index

A

B

C

D

E

F

G

I

L

M

N

P

R

S

T

U

V