



Multi-currency

SmoothPay provides built-in support for employees paid in currencies other than your local currency. For example, a Singapore company might pay its international staff in USD and/or AUD etc.), but needs to report for taxation (and everything else) in SGD.

This guide illustrates how multi-currency can be setup and used effectively within SmoothPay.

Establishing multi-currency settings

Choose *Config..Options* - the *Currency* section provides access to default settings and a currency editor (you will need to edit currencies before using them as default and individual employee currency settings):

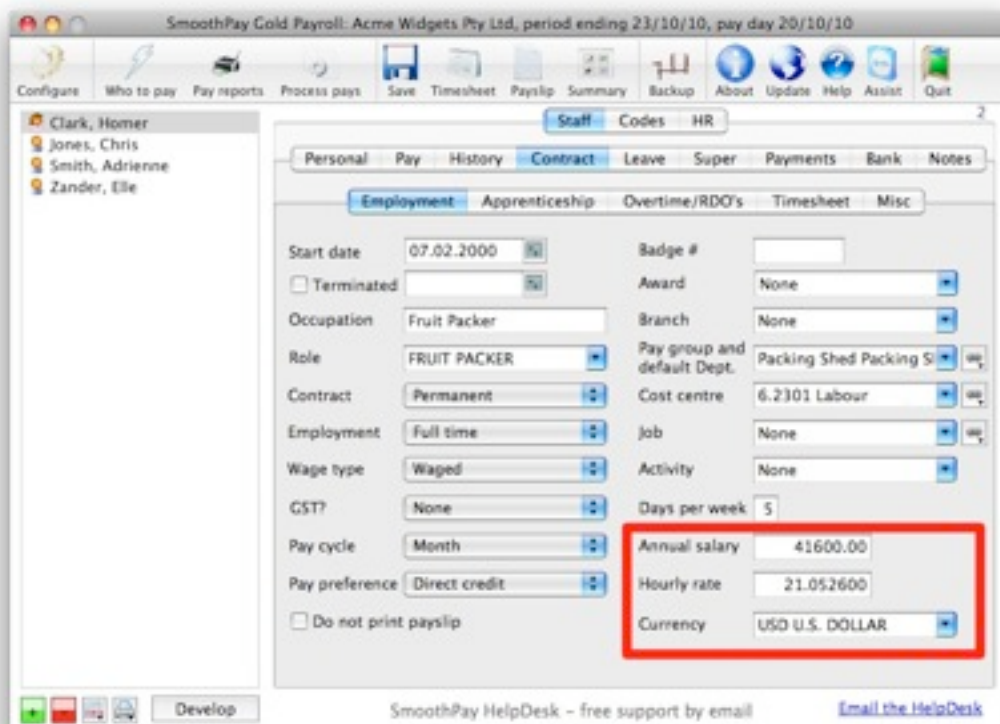
The currency editor lets you add and update currencies:

Once your currencies have been established and the rates set correctly, you can now begin to apply them to employees (and set the usual currency to be used for new employees).

Linking currency to staff records

The “link” buttons provided in the *Config..Options..Currency* section let you broadcast the default currency code to all or selected employees (*saving you having to edit each employee separately*).

Alternatively, select *Staff..Contract* and set each employee’s currency code.



NOTE: If an employee is set to a foreign currency (e.g. USD), then all contract settings, pay rates, deductions and payments to other agencies, bank account values etc. (all monetary values) must all be entered in USD!

The multi-currency pay process

There are some differences when using SmoothPay in Multi-Currency mode that you need to be aware of.

- All monetary rates and amounts entered are in the employee's currency, and remain so during the Pay Input process
- All current and historical data is stored in local currency. The original entries are stored in a special field so that original detail payslips can be re-produced.
- All current pay input values, tax calculations etc are **converted to local currency** for reporting and tax calculation using the rate currently in effect for that currency - *if the rate is incorrect, then your tax calculations will also be incorrect and may result in the employee being liable for more or less tax than actually deducted (where tax deductions apply).*
- Payslips are rendered in the employee's currency
- The Direct Credit Schedule will not produce an output file (even if requested), and is produced in the format of a **Funds Transfer Schedule**, denoting the bank details and the foreign currency amounts to be paid.
- Historical payslips are presented in the employee's currency in effect at the time the pay was processed (*you can however change currency for historical pays using utilities described in this guide*).
- GL Costing reports and journal files are likely to generate a multi-currency variance entry so that the report and file balance (*due to rounding of currency rate calculations from employee currency to local currency - these amounts tend to be minimal*).

Extra fields for Funds Transfer Schedule

To cater for the information requirements of Funds Transfer Schedules, extra data is required for each employee bank account (and any Agency Payment bank accounts).

The following screen-shot shows an employee's bank account (note the currency details are displayed):

The screenshot shows a software window with tabs for 'Staff', 'Codes', and 'HR'. The 'Bank' tab is active, displaying a list of bank accounts on the left with 'BANK160' selected. The right-hand pane shows the following details:

- Abbreviation: BANK160
- Account name: [Empty field]
- BSB+account: 020123-1234875
- Calculation: Net pay to this account
- Payable in USD
- Particulars: [Empty field]
- An 'Inactive' checkbox is present.
- A 'More...' button is located next to the BSB+account field.

Click the "More..." button to display the extra information editor:

The 'Extra bank details' dialog box contains the following fields:

- Bank name: Westpac
- Branch name: Broadway
- Country: USA
- Relationship: Own
- Type: Cheque Acc.
- Type code: 0

An 'OK' button is located at the bottom right of the dialog.

Recalculating payroll data if official exchange rates change

It's not uncommon for official payroll exchange rates (used for tax calculation and reporting purposes) to change or be released after you have completed payroll processing for the month (*or if you forgot to update the rates*).

The Currency Editor (*Config..Options..Currency..Edit Currencies*) lets you update your official exchange rates **and** provides "link" buttons to assist you in recalculating local currency equivalents for pays processed using old/incorrect exchange rates.

For example, a pay may have been processed in USD using an exchange rate of 1.4623. The correct rate should be 1.4523. Edit the rate, then choose the link button for paydays for the correct month and select the required option. Local currency values will be recalculated from the foreign currency amounts used when the pay was processed. This affects the local currency values of all reports that might have been used during that pay month!

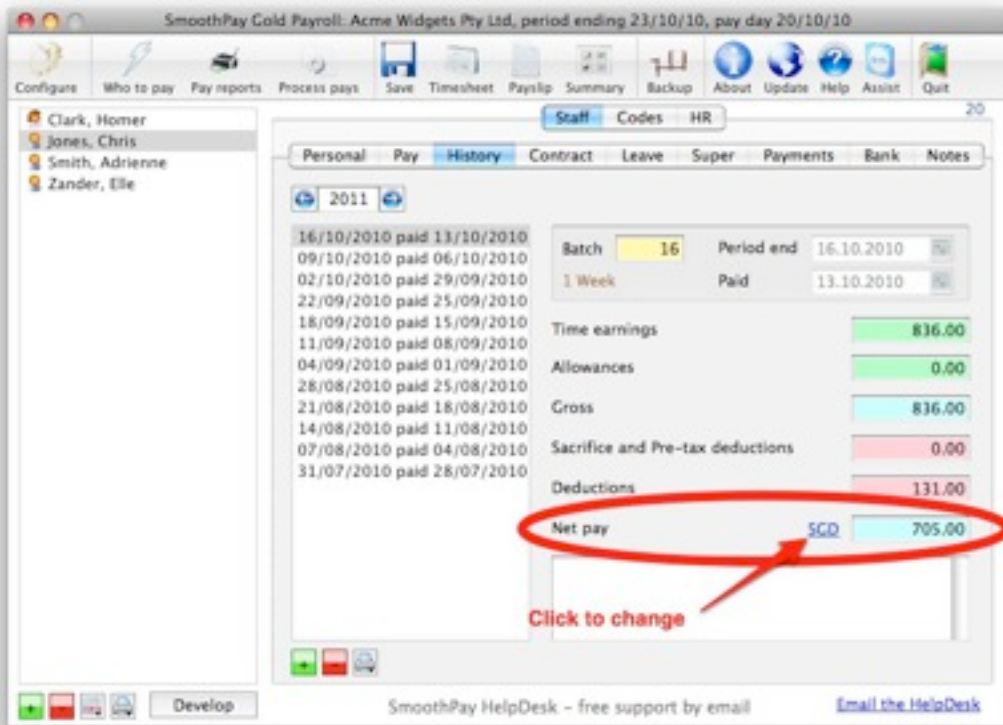
Recalculation options are available to set rates and recalculate:

- a) current pay input,
- b) pays for one or all currencies within a particular tax month, or
- c) for the entire tax year.

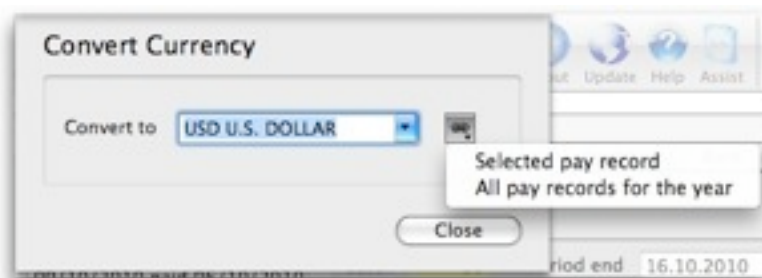
Resetting currency for a historical pay

Let's assume for a moment that you have processed an employee's pays in USD but the employee was set incorrectly to Local currency (*and assuming there's no immediate tax implications, as Resident employees in Singapore are responsible for their own tax for the preceding year*) - how can you identify that the amounts paid were really USD? Easy...

The Staff..History tab displays every pay processed for an employee for the selected tax year, as well as the currency the pay was processed in:



If this value was intended to be in USD, click the currency identifier link (in this case SGD, which signifies local currency) and the Change Currency screen will be displayed:



Choose the currency that should have been used, then click the "link" button and choose the required option (in this case we choose Selected pay record). The historical pay will be copied into the foreign currency field, and a local currency recalculation will be performed using the current exchange rate for that currency. The result:

Time earnings	1214.12
Allowances	0.00
Gross	1214.12
Sacrifice and Pre-tax deductions	0.00
Deductions	190.25
Net pay	USD x 1.4523 1023.87

Note that the history screen displays all values in Local currency. If the employee was paid in a different currency it displays the currency code and rate used beside the Net pay value.

If an incorrect base currency was used (but the actual values were entered correctly), then you can change from one currency to another.

If the original values entered were incorrect...then you will have to recall or delete the pay and re-enter the details correctly (*Wizards..ToolBox* provides tools to do this).

Feedback

We're always keen to do better!

Any and all feedback is appreciated and if you feel we could include better examples, provide more explanation, provide references to additional information, make a process easier to use, or you spot something that isn't working the way it's supposed to - please let us know.