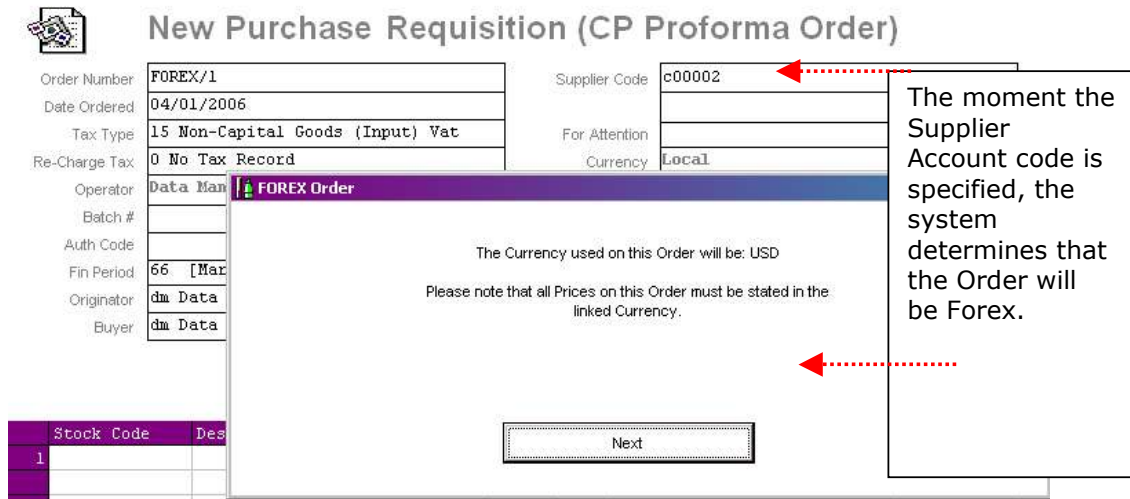ENTERPRISE SERVER

IES Purchasing: Forex Orders

Purpose

The purpose of this Document is to explain what a Forex Order is and how it is processed as compared to Local Currency Purchase Orders.

How an Order becomes Forex

A Purchase Order is ALWAYS placed on a Supplier, for which there must be an Account in the AP Payables / Creditors Ledger. An AP Creditor Account is ALWAYS managed either in Local Currency or in a linked Currency, i.e. Forex.

Therefore, the moment when a Supplier Account is specified on a Proforma, the system determines whether the Order will be in Local Currency or in Forex.

The moment the Supplier Account code is specified, the system determines that the Order will be Forex.

If the Supplier Account is managed in Local Currency, then the system displays no warning, but if the Account is managed in a linked Currency (Forex), then the system alerts the Operator to the fact that the Order is Forex and all Order Prices should be stated in Forex, i.e. the Currency in which this Account is managed.

All Transactions in the life of the Purchase Order will be done in the stated Currency.

Hint: IES will always automatically process Local Currency values in all Transactions that are Forex (alongside the Forex values), and will do so according to the system settings as to the management of Forex. These settings may include options to specify an Exchange Rate, or use the Registry Rate, or the prescribed Tax Office Rate, etc. You can learn more about how the system translates Forex Values into Local Currency by referring to the User Manuals on the subject of Foreign Currency Management.

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Other than the fact that all prices and financial values on a Forex Order (including Invoicing, Credit Notes, etc.) are processed in Forex, there are no further differences between the processing of a Forex Order as compared to a Local Currency Order. The system will still automatically deal with Tax indicators, and calculate these appropriately for Local Currency Tax reporting, etc. Charges allocated to Ledger Cost Centres (e.g. Direct Items) or other Accounts in the Financial system will all be converted automatically, and Stock will be dealt with automatically with regards to Average Costing and other indicators. The system will also manage dual Price history for any Stock Item that is ordered in both Local Currency and Forex.

 Have you used your IES today?