Consolidated Currency Translation with Management Reporter

This document covers creating a consolidated currency translation report that uses Microsoft Dynamics GP and Management Reporter. There are many ways of setting up currency translation and reports in Microsoft Dynamics GP and Management Reporter but for the purposes of this document, we will make the following assumptions.

1. You have two companies set up in Dynamics GP. One is set with a functional currency of USD and the other is set to a functional currency of CAD.

2. You want to create a consolidated report in Management Reporter where the CAD company is converted to USD.

3. Your two companies are using the same chart of accounts.

In order to create and use currency translation, you must be using the following software.

- Microsoft Dynamics GP 2010 SP1 or a later version
- Management Reporter V2 FP1 or a later version

Contents

Section 1:
Dynamics GP and Currency Translation Setup

A. Functional Currency

Confirm the functional currency in both companies.

Microsoft Dynamics GP menu >> Tools >> Setup >> Financial >> Multicurrency

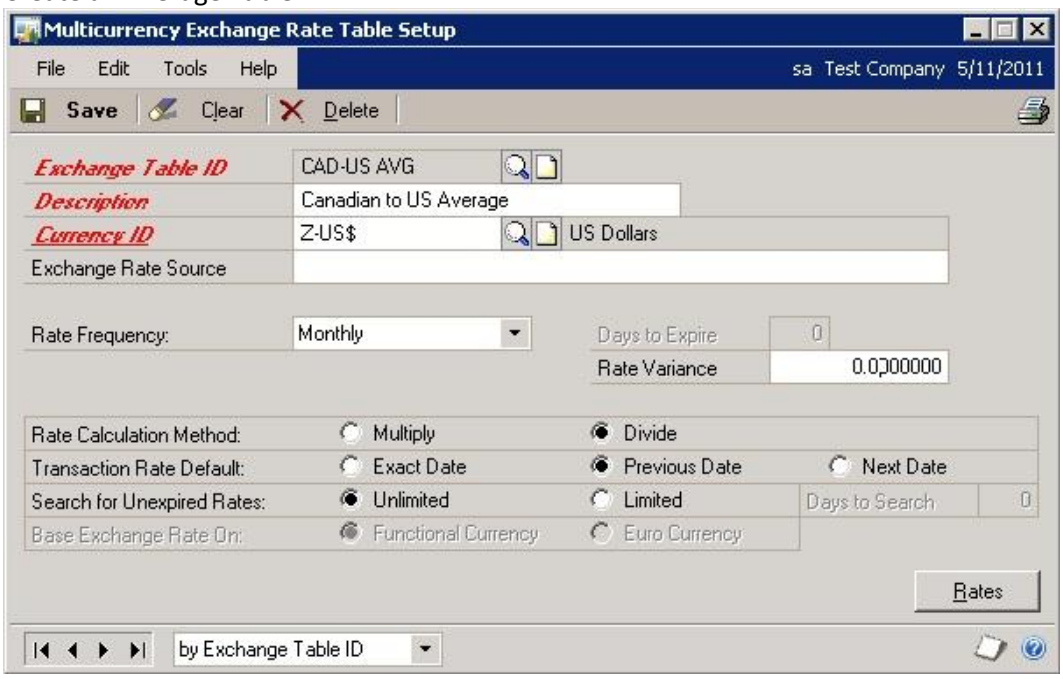
Note All remaining steps in this section must be done in the company where the conversion will happen. In this example, the CAD company will be used.

B. Create Exchange Tables and Enter Rates

Create three Exchange Tables to demonstrate the different translation types. Enter rates for each.

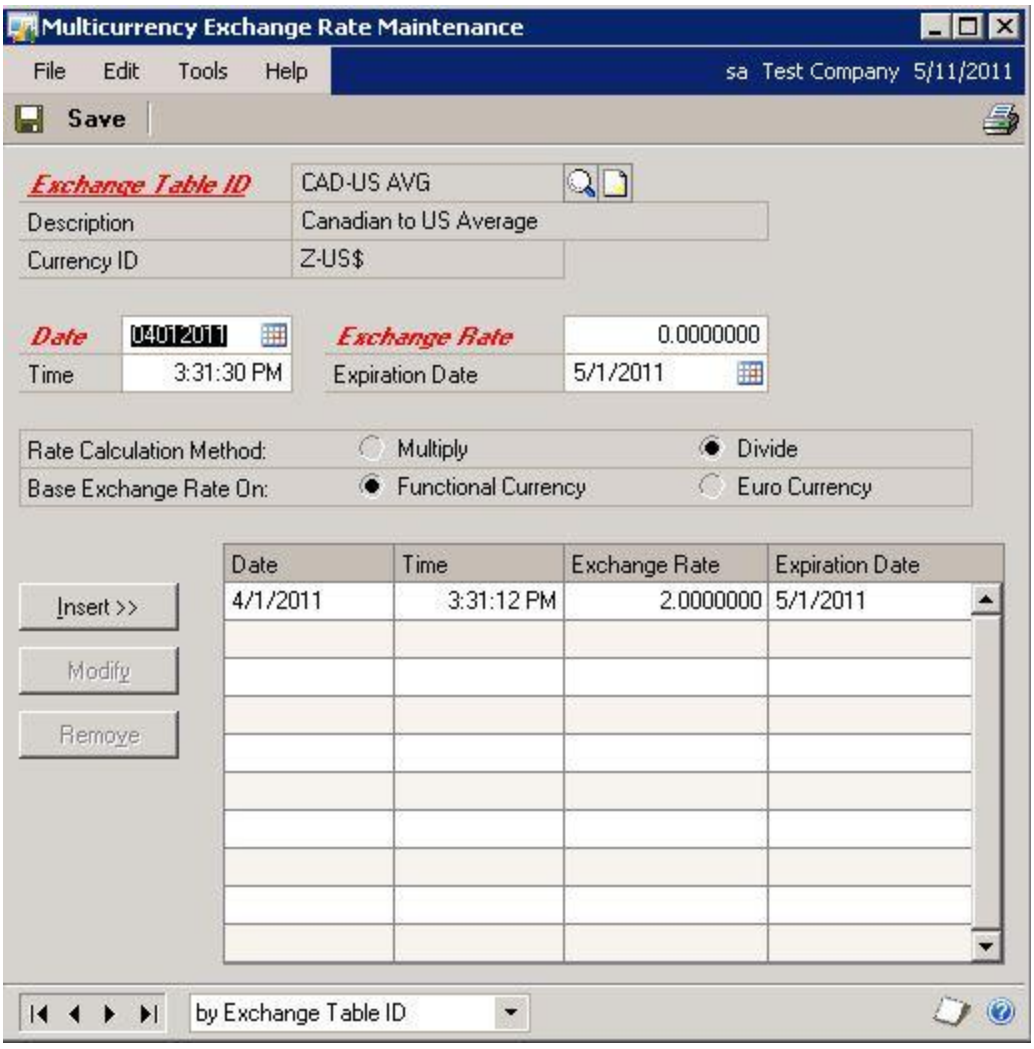
Microsoft Dynamics GP menu >> Tools >> Setup >> System >> Exchange Table

Create an Average Table:



Exchange Table ID: **CAD-US AVG**
Description: **Canadian to US Average**
Currency ID: **Z-US$**
Rate Frequency: **Monthly**
Rate Calculation Method: **Divide**
Transaction Rate Default: **Previous Date** (See notes on the Transaction Rate Default in this section.)
Search for Unexpired Rates: **Unlimited**

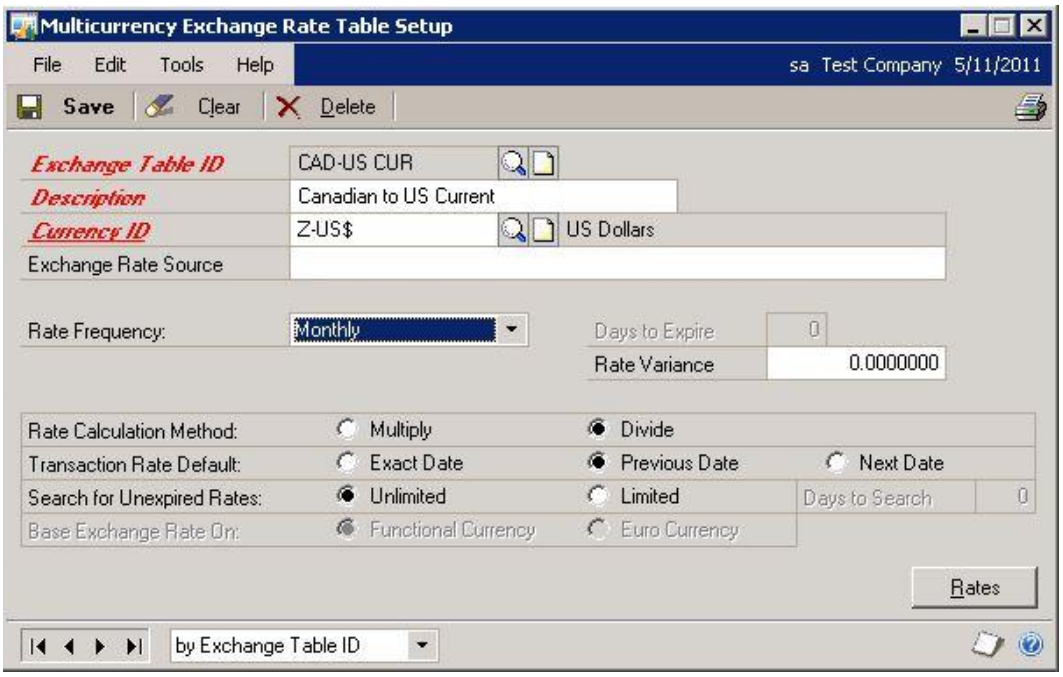
Click **Rates**:



For this example, we have entered rates and dates where it will be easy to see the translation. Rates and dates will vary in your system. Be aware that you must enter valid date ranges for Management Reporter to notice the rates for a given period.

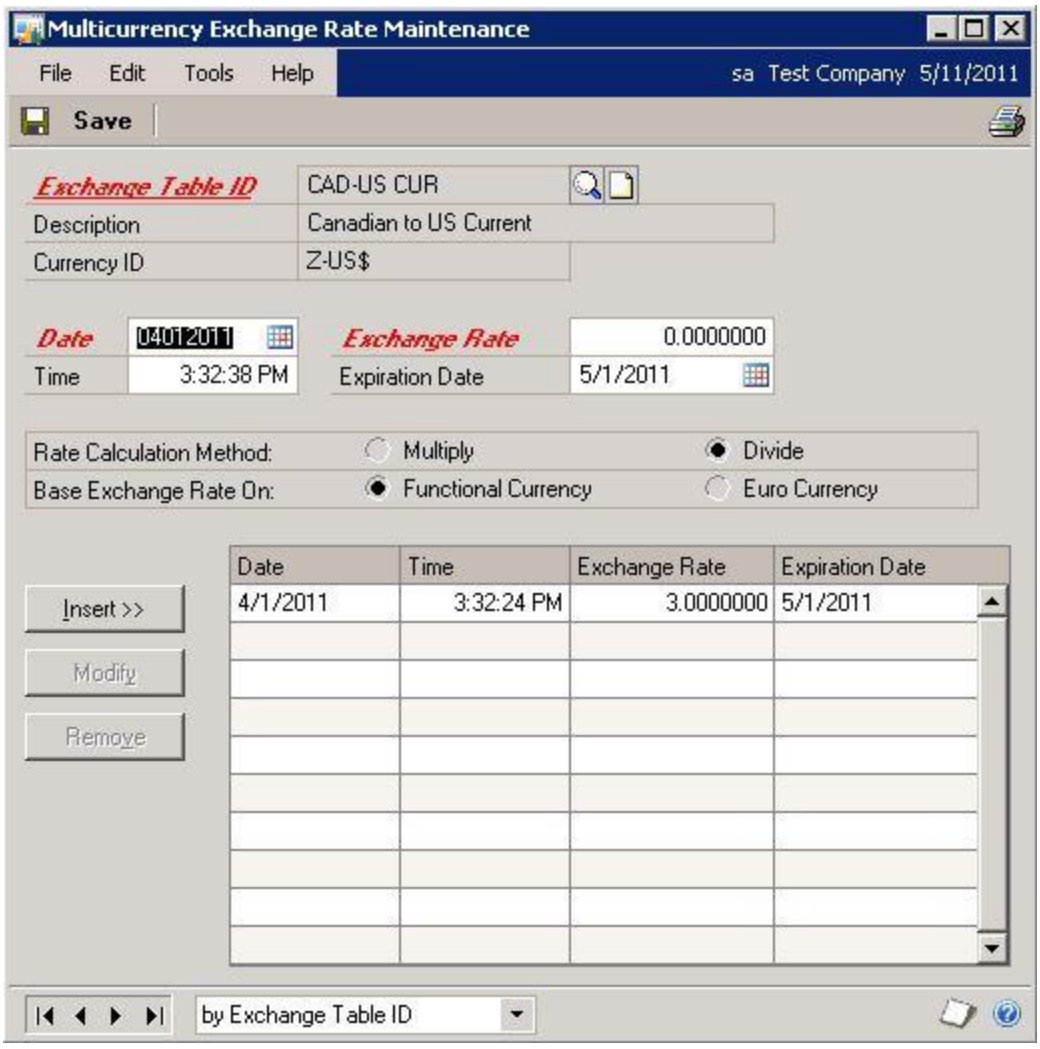
Also be aware that Dynamics GP assumes that you are entering rates to go from your reporting or originating currency back to your functional currency. In this example, the rate is from CAD back to US. In Management Reporter, the rate will seem like it is multiplying because it is going from US to CAD.

Create a Current Table:

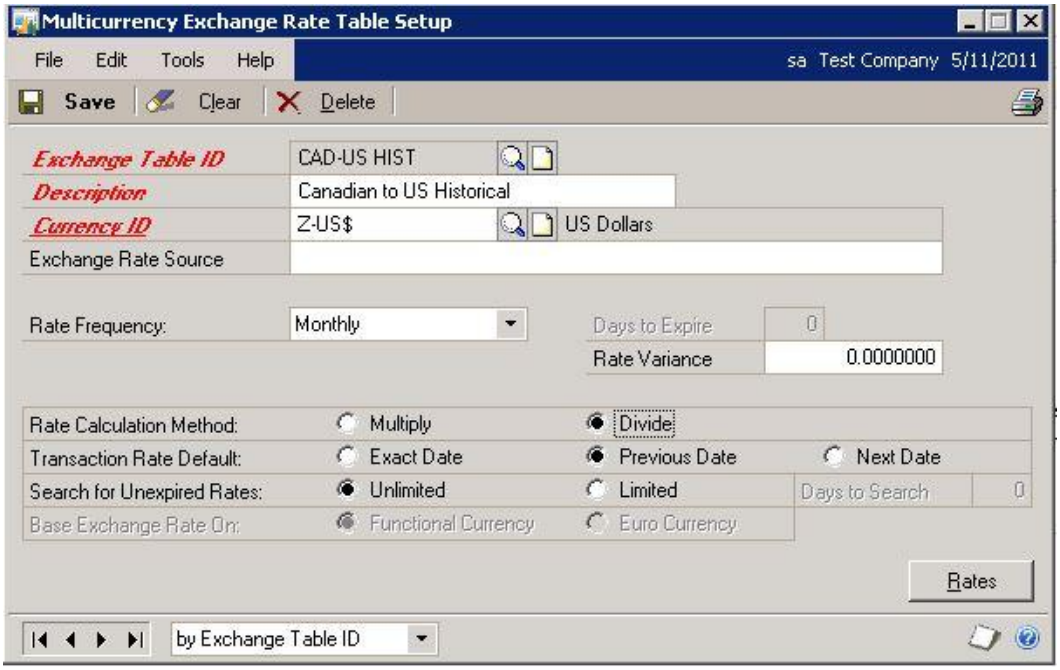


Exchange Table ID: **CAD-US CUR**
Description: **Canadian to US Current**
Currency ID: **Z-US$**
Rate Frequency: **Monthly**
Rate Calculation Method: **Divide**
Transaction Rate Default: **Previous Date**
Search for Unexpired Rates: **Unlimited**

Click **Rates**:

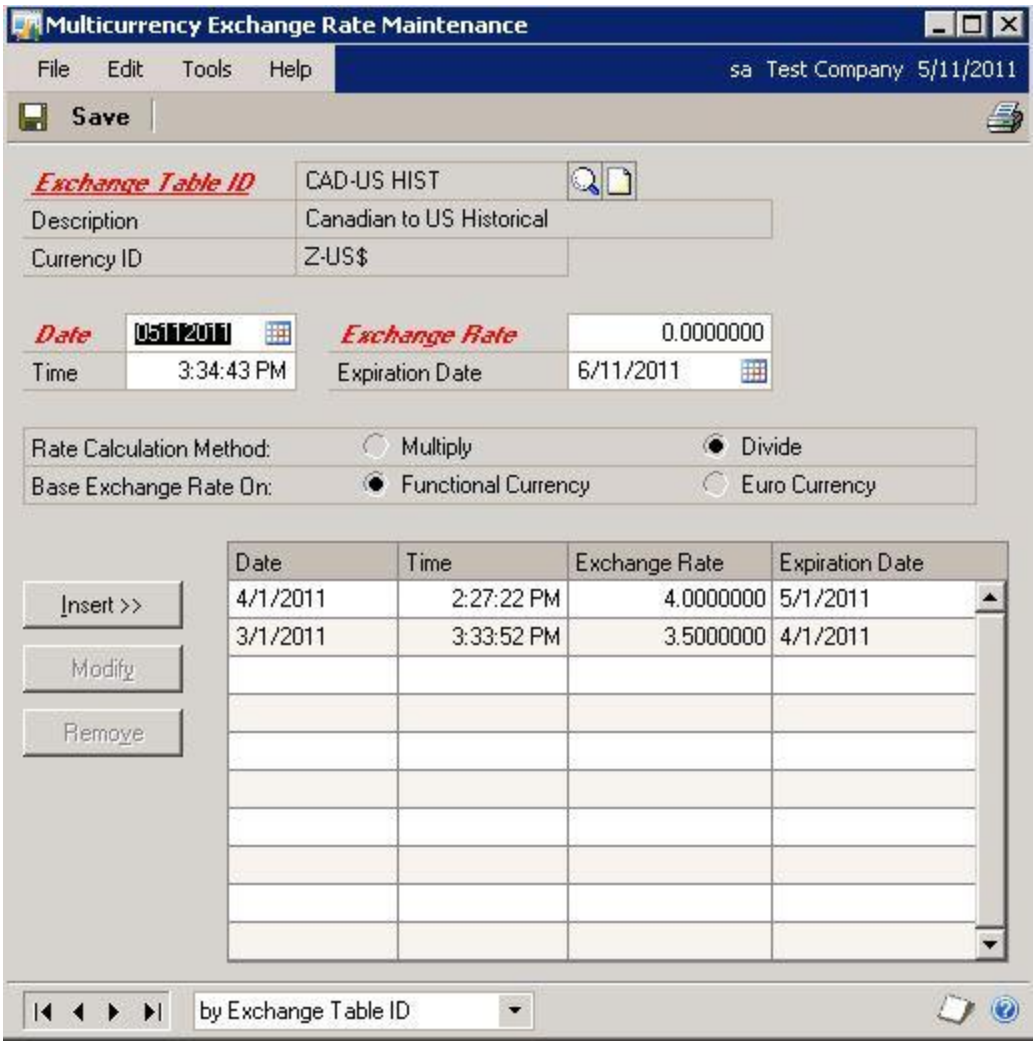

Multicurrency Exchange Rate Maintenance
File
Edit
Tools
Help
sa Test Company 5/11/2011
Save
Exchange Table ID
CAD-US CUR
Description
Canadian to US Current
Currency ID
Z-US$
Date
04012011
Time
3:32:38 PM
Exchange Rate
0.0000000
Expiration Date
5/1/2011
Rate Calculation Method:
Multiply
Divide
Base Exchange Rate On:
Functional Currency
Euro Currency
Insert >>
Modify
Remove
Date
Time
Exchange Rate
Expiration Date
4/1/2011
3:32:24 PM
3.0000000
5/1/2011
by Exchange Table ID

Create a Historical Table:



Exchange Table ID: **CAD-US HIST**
Description: **Canadian to US Historical**
Currency ID: **Z-US$**
Rate Frequency: **Monthly**
Rate Calculation Method: **Divide**
Transaction Rate Default: **Previous Date**
Search for Unexpired Rates: **Unlimited**

Click **Rates**:



Transaction Rate Default Notes

Select a Transaction Rate Default option to determine the exchange rate that will be used when multicurrency transactions are entered. Every time that you enter a transaction, a currency must be selected. If there is not an exchange rate for the transaction date, the option selected here will be used to select the exchange rate.

Exact Date Select if you want the default exchange rate only to be an exchange rate with the same date as the transaction date. If there is no exchange rate for the transaction date, there will be no default exchange rate.

Previous Date Select if you want the default exchange rate to be the rate for the closest previous date, if no rate exists for the transaction date. If an exchange rate exists for the transaction date, that rate will be used as the default exchange rate. You will also have to enter the number of previous days that you want to search for an unexpired exchange rate.

If you have selected to use a previous date as the transaction rate default and there are no unexpired rates for a previous date within the number of days that you have specified as a search limit, the closest future date will appear as the default exchange rate.

Next Date Select if you want the default exchange rate to be the rate for the closest date after the transaction date, if no rate exists for the transaction date. If an exchange rate exists for the transaction date, that rate will be used as the default exchange rate. You will also have to enter the number of previous days that you want to search for an unexpired exchange rate.

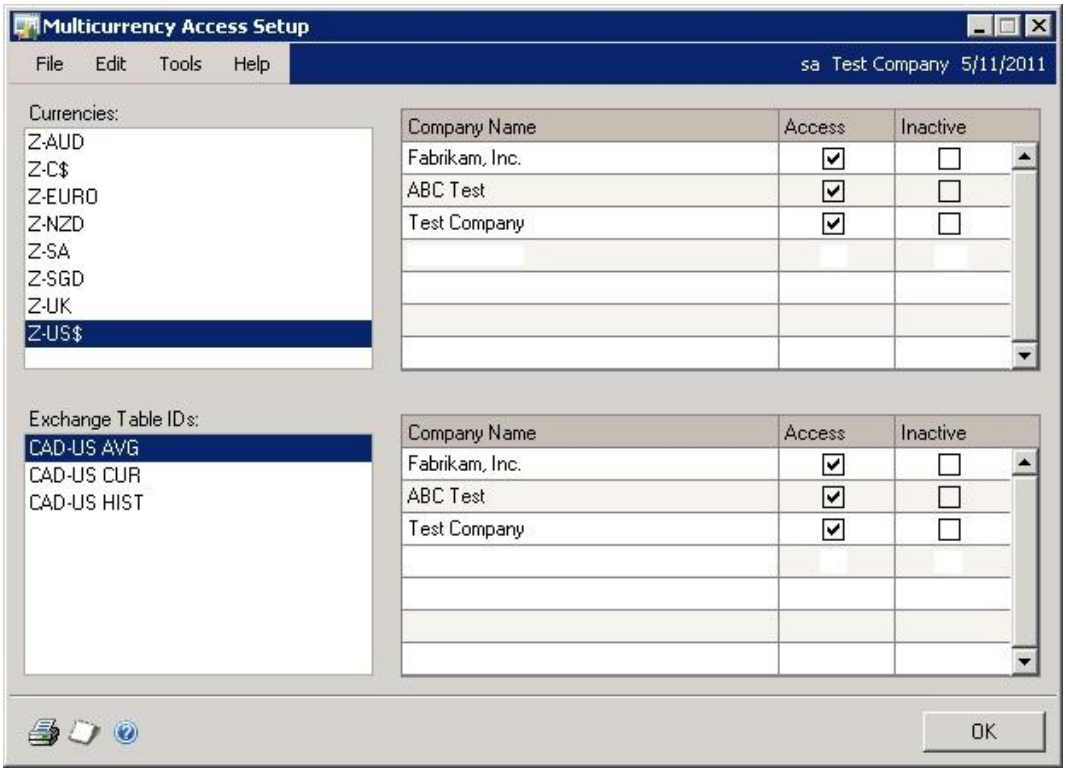
If you have selected to use the next date as the transaction rate default and there is not one, then the closest unexpired rate prior to the transaction date will appear as the default exchange rate. Only the number of days that you have specified to search will be used to determine an unexpired previous rate.

Note The Previous Date setting is recommended as that is how FRx Currency Translator functions.

C. Multicurrency Access

Grant the company access to the exchange tables for each currency.

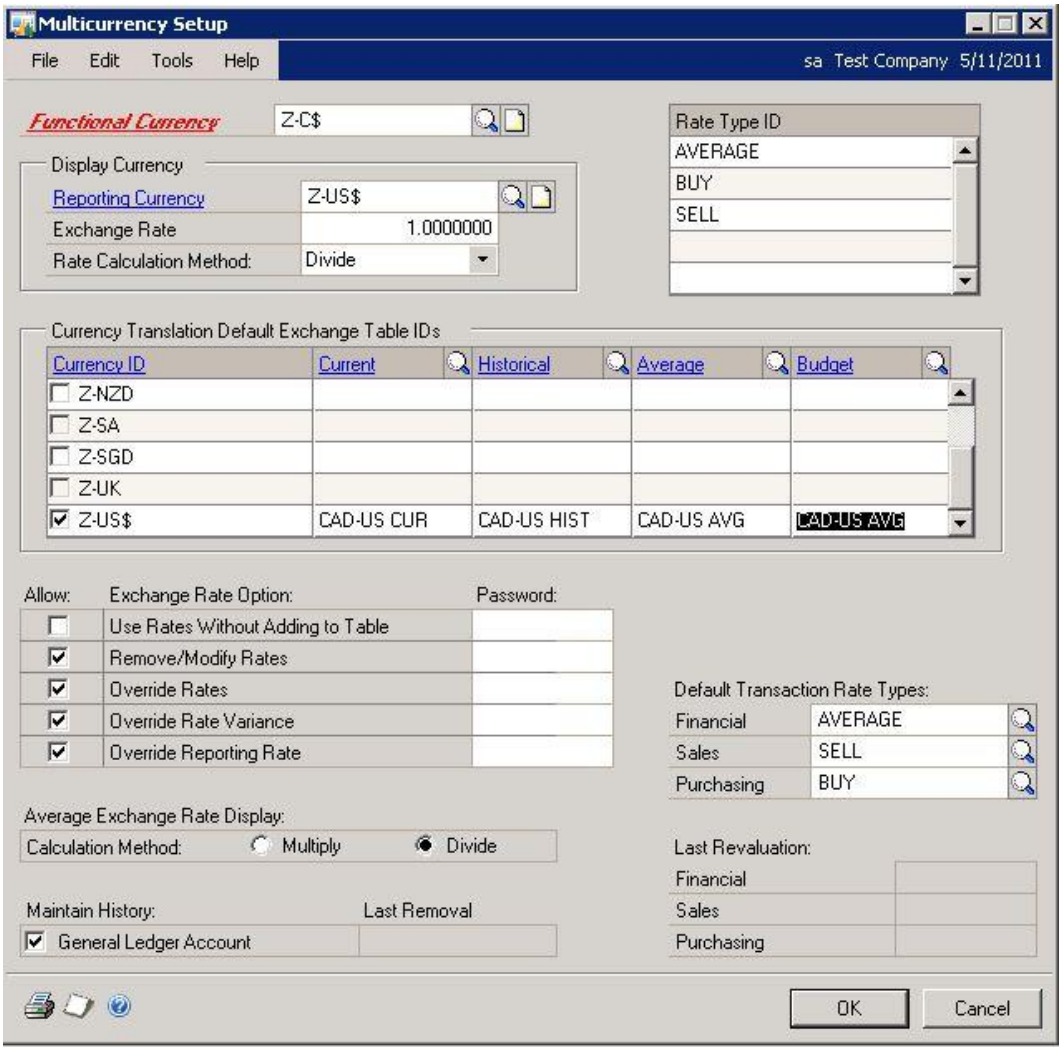
Microsoft Dynamics GP menu >> Tools >> Setup >> System >> Multicurrency Access



D. Multicurrency Setup

Set up the Multicurrency Setup window.

Microsoft Dynamics GP menu >> Tools >> Setup >> Financial >> Multicurrency

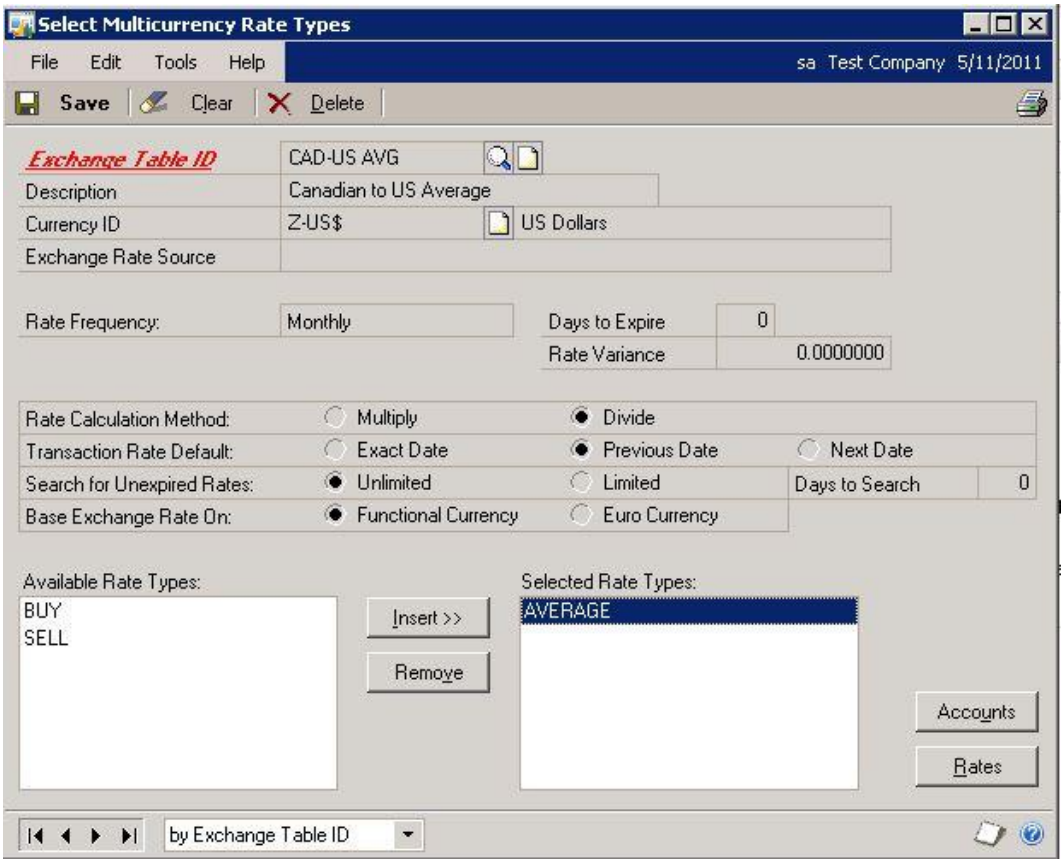


Reporting Currency: Z-US$
Exchange Rate: 1.0000000
Rate Calculation Method: Divide
Currency ID Z-US$:
Default Transaction Rate Types:
Financial: AVERAGE
Sales: SELL
Purchasing: BUY

E. Rate Types

Configure the rate types for the exchange tables.

Microsoft Dynamics GP menu >> Tools >> Setup >> Financial >> Rate Types

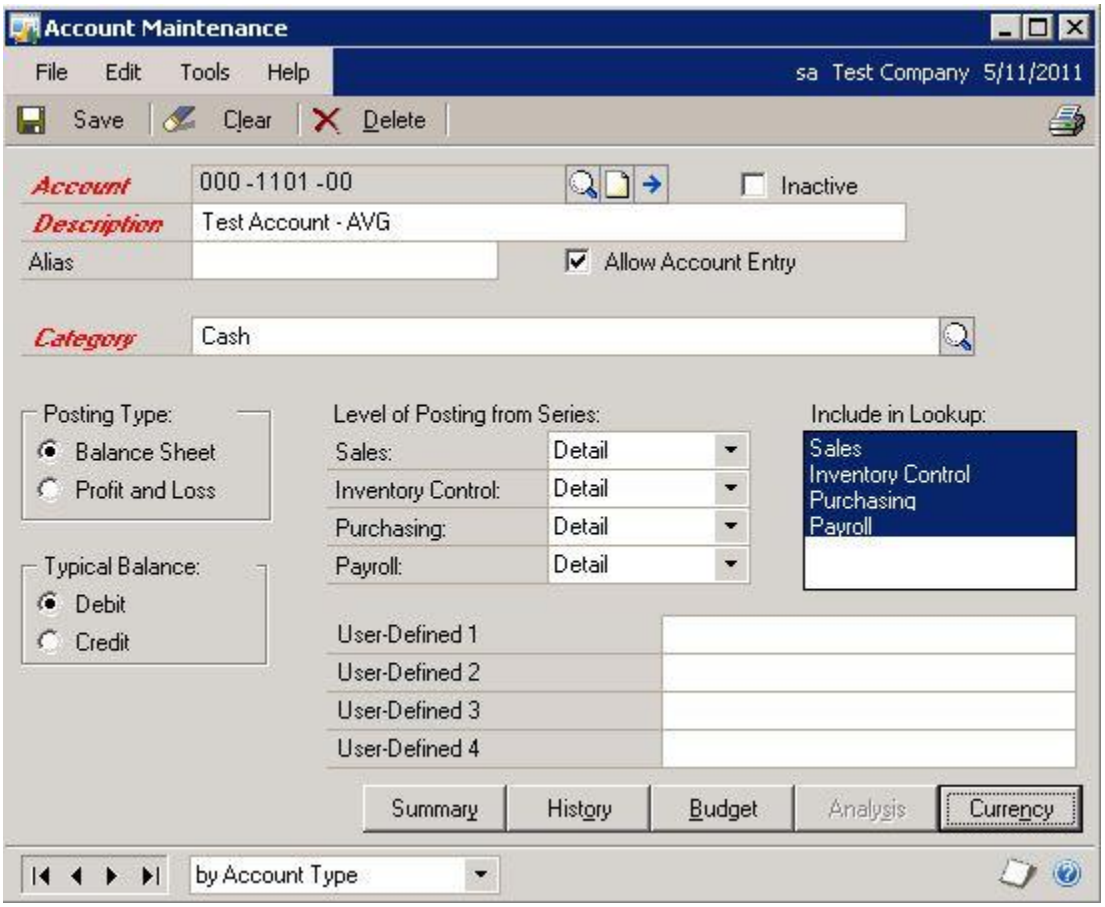


If the AVERAGE, BUY, or SELL rate types are not in the **Available Rate Types** list, then they are assigned to other exchange tables. Unassigning them from those tables will let you assign them to the new tables.

F. Translation Type for Accounts

Set the Currency Translation Type for the accounts that you want to translate. This setting controls whether an account will use an Average, Current, or Historical translation. The setting works with the Multicurrency Setup window (D from earlier) to determine which exchange table to use.

Cards >> Financial >> Account Currencies



Section 2:
Management Reporter Consolidated Report

A. Create Report

This section assumes that both companies have the same chart of accounts. This section also assumes that the segment descriptions are the same for both companies. It is okay if the accounts and descriptions are different; it just requires more design work and is not covered in this document.

1. Create a row that pulls in the desired accounts.

File >> New >> Row

A Row Code	B Description	C Format Code	D Related Formulas / Rows / Units	E Format Override	F rm an	G Print Control	H Column Restriction	I Row Modifier	J Link to Financial Dimensions
100	Test Account - AVG								+Segment2 = [1101]
130	Test Account - CUR								+Segment2 = [1102]
160	Test Account - HIST								+Segment2 = [1103]
190									

2. Create a tree that links to both companies. Dimensions are not required unless you want to break out the data.

File >> New >> Tree

	A Company	B Unit Name	C Unit Description	D Dimensions
1	@ANY	SUMMARY	Summary of All Units	
2	ABC-MR	ABC	ABC	
▶ 3	TEST-MC	Test	Test	
4				

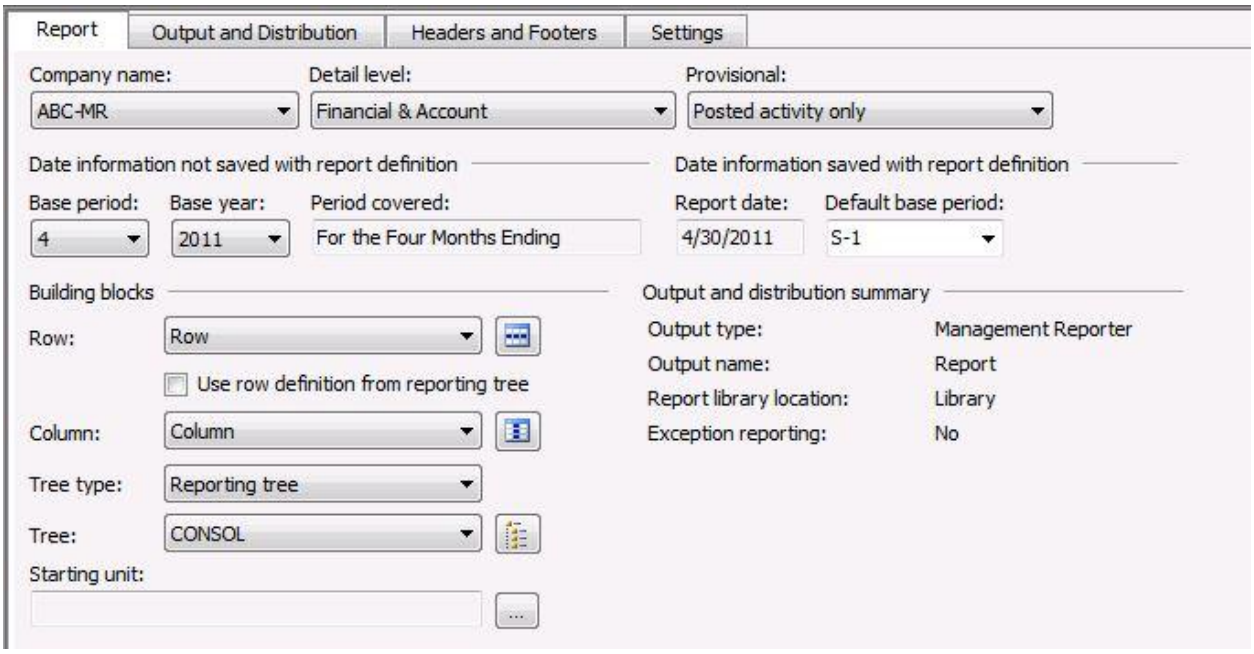
3. Create a column that handles the translation and breaks each company into its own column. In this example, there is a CAD Translated and a CAD Non-Translated column to show the translation in action. The only cell that tells Management Reporter to translate is the **Currency Source** cell.

File >> New >> Column

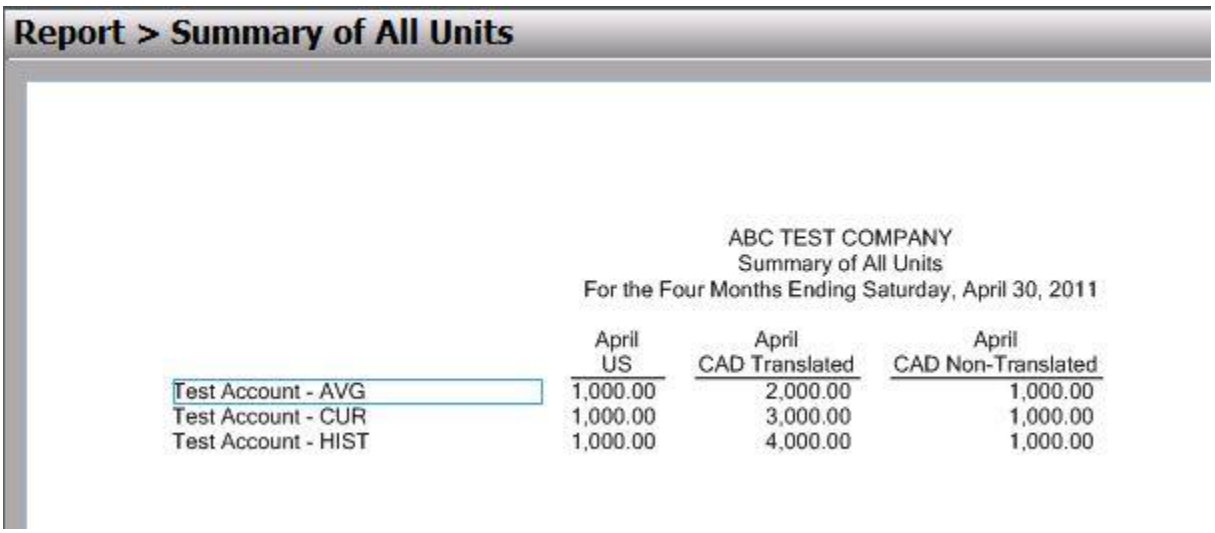
	A	B	C	D	E
Header 1					
Header 2		April	April	April	
Header 3		US	CAD Translated	CAD Non-Translated	
Column Type	DESC	FD	FD	FD	
Book Code / Attribute Category		Actual	Actual	Actual	
Fiscal Year		BASE	BASE	BASE	
Period		BASE	BASE	BASE	
Periods Covered		PERIODIC	PERIODIC	PERIODIC	
Formula					
Column Width	30	AutoFit	AutoFit	AutoFit	
Extra Spaces Before Column					
Format / Currency Override					
Print Control					
Column Restrictions					
Reporting Unit		SUMMARY...	SUMMARY^TEST	SUMMARY^TEST	
Currency Source			Z-US$		
Currency Filter					
XBRL Currency					
XBRL Dimension					
Dimension Filter					
Attribute Filter					
Start Date					
End Date					
Justification					

4. Create a report definition.

File >> New >> Report Definition



5. Generate the report and note the translated results.



Here are some things to note:

1. The first column is $1,000 posted in USD and is a non-translated amount.
2. The second column is the translated amounts for the CAD company.
3. The third column is $1,000 posted in CAD in the CAD company and is a non-translated amount.

B. Translation Types

Here is how each translation type works with Dynamics GP and Management Reporter.

Current – Current is a single exchange rate based on the last date in the report which could be either the report date in the report definition or a future date from the column. The same rate is used for all periods in the report. This translation type is typically used with balance sheet accounts and a YTD column.

Average – Average is a single exchange rate for each period. Management Reporter does not actually calculate an average rate as it is expected that people will enter the average for the period into the exchange table. Each period is calculated at the average rate for that period and any YTD results are summed from the period totals. This translation type is typically used with income statement accounts.

Historical – Historical is an exchange rate based on the transaction date. The transaction date is used to find the rate for that time period and that is the rate used for the translation. This translation type is typically used with non-monetary assets, such as inventory, fixed assets, long term liabilities, or equity / retained earnings.