

How Default Rate Type works

The **Default Rate Types** are used to set defaults to Forex Rate Type field when creating multi-currency transactions.
Example:

- 1. In Inventory, Spot is set as Default Rate Type.

The screenshot shows the 'Company Configuration' window with the 'Multi Currency' tab selected. A red box highlights the 'Default Rate Types' section, which lists several accounts and their corresponding default rate types:

Account	Default Rate Type
Accounts Payable	Spot
Cash Management	Spot
Inventory	Spot
Contract	Spot
Accounts Receivable	Spot
General Journal	Spot

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- 2. Vendor is set with currency other than functional currency (USD). In this example, INR is setup for this Vendor.

The screenshot shows the 'Vendor - The Manchester Company, Inc.' window. The 'Currency' field is highlighted with a red box and set to 'INR'.

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- 3. When you create any inventory transaction, in this example, Inventory Receipt,
 - a. As **Vendor** is selected, **Currency** field will automatically show the Currency setup for the vendor. You can opt to modify it if necessary.

The screenshot shows the 'Inventory Receipt' window. The 'Currency' field is highlighted with a red box and set to 'INR'.

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- b. As Item is selected in the Items grid,

The screenshot shows the 'Inventory Receipt' window. The 'Forex Rate Type' field is highlighted with a red box and set to 'Spot'.

- 1. **Forex Rate Type** setup for Inventory will automatically be shown.

Company Configuration

Done Save Close

System Manager

General Ledger

Credit Card Recon

Inventory

Purchasing

Sales

Payroll

Notes Receivable

Ticket Management

System Manager Keyboard Shortcuts Audit Log (59) Attachment (11)

Details Pricing Level Multi Currency

Default Rate Types

Accounts Payable	Spot
Cash Management	Spot
Inventory	Spot
Contract	Spot
Accounts Receivable	Spot
General Journal	Spot

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2. **Forex Rate** that matched the Rate Type and Date of transaction will be used. In this example, since the date of the Inventory Receipt is 11/10/2017, therefore 0.015678 is used.

Currency Exchange Rates

Save Undo Close

Details Audit Log (1)

From Currency*	To Currency*	Rate*	Rate Type*	Effective Date*	Source	Created Date
INR	USD	0.020000	Spot	11/1/2017	User Input	11/10/2017 14:52:56
ZAR	USD	0.015678	Spot	11/10/2017	User Input	11/10/2017 13:45:25
USD	ZAR					

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3. Though you can change the Forex Rate Type if you need to.