

Foreign Exchange Calculation Manual

Revision Number	Date	Change	Location	Author
0	4-16-2016	1. Original content	N/A	Todd Sadler
1	5-13-2016	<ol style="list-style-type: none"> 1. Exchange rate calculation: Previously manually entered. This calculation is now based on the currency amounts sold and bought. 2. Addition of field to calculate coinage that could not be exchanged due to rounding down. 3. Added how to itemize expenses on the 'Detail Page' sheet. 4. Addition of Appendix with "Best Practices" 	<ol style="list-style-type: none"> 1. See 'Currency Exchange Worksheet', 3 and 8. 2. See 'Currency Exchange Worksheet', 11 and 'Reconcile Exchange Fees and Unexchanged Coin', 3. 3. See 'Itemizing Expenses' on page 4. 4. Appendix 	Todd Sadler

THINGS YOU'LL NEED:

- Successful completion of Finance 220
 - INFOR: Reconciling Expense Reports Manual
- Successful completion of Finance 225
 - INFOR: Processing Cash Advance & Payment Requests Manual
- All applicable receipts to include Currency Exchange receipts

Purpose: The purpose of this manual is to provide step-by step procedures to help you reconcile a trip where you have exchanged US Dollars (USD) for foreign currency and then exchanged the same back to USD's. This manual is not intended to be a comprehensive guide to complete your entire reconciliation, but rather, just the portion that pertains to your expenses, gains/losses, and fees associated with the currency exchange. Questions or concerns related to the reconciliation process in their entirety are addressed in Finance 220 and 225 in the classroom, or can be inquired about by emailing FinanceTraining@liberty.edu.

Currency Exchange - Getting Started:

1. **This process must be completed for every currency exchange you executed while traveling. So, if you exchanged USD's to Foreign Currency three times during the course of your travels, you must complete three of these sheets.**
2. The first step is to either select an existing Expense Report, or create a new one. Please see page 6 of your Finance 220: Reconciling Expense Reports manual.
3. Next, open and save a copy of the Exchange Rate Worksheet (in excel workbook format) located on INFOR's "My Inbox" screen. It is located under "Web Links" on the right hand side of the screen.
 - a. It is our recommendation that you save this document as "Currency Exchange_ERxxxxxxx"

Currency Exchange Worksheet

1	How many US Dollars did you exchange for foreign	\$ 3,500.00	How much Foreign Currency did you exchange to US Dollars?	130	6
2	How much Foreign Currency did you receive?	3256.00	How much currency did you receive?	146	7
3	Exchange Rate	0.9302857	Exchange Rate	1.123076923	8
4	Did you pay any fees with this transfer from USD to Foreign Currency? If so, please enter the amount here:	1.50	Did you pay any fees with this transfer from Foreign Currency to USD? If so, please enter the amount here:	2.95	9
5	If you did pay a fee, in what currency was it charged? (Please select from the drop-down selection provided)	US Dollars	If you did pay a fee, in what currency was it charged? (Please select from the drop-down selection provided)	Foreign Currency	10
			Do you have any foreign coin remaining that you were unable to exchange? Enter the Foreign Currency Amount *Please do NOT include personal exchanges.	0.85	11
	T(x)GRND	\$ 526.72	<p style="text-align: center;">Expenses grouped by Commodity Code from the Detail Page</p> <p>Enter this amount as a University Expense in</p> <p>Enter this amount as a separate University Expense in INFOR.</p> <p>Create a new expense and enter this negative amount in INFOR using Commodity Code MCEXDIFF to declare that Liberty University gained money in the exchange. Please return this difference to the cashier.</p>		
	T(x)AIR	\$ 1,339.33			
	T(x)LDG	\$ 914.60			
	T(x)INC	\$ 577.19			
	T(x)MEAL	\$ -			
	Other	\$ -			
	MCEXCHNG (Fees)	\$ 4.81			
	MCEXCHNG (Unexchanged Coin)	\$ 0.95			
	MCEXDIFF (Difference Gain or Loss)	\$ (6.30)			

From USD's to Foreign Currency

1. **How many US Dollars did you exchange for foreign currency?** Enter the exact amount on your receipt.
2. **How much currency did you receive?**¹ Enter the pre-fee amount on your exchange receipt.
3. **Exchange Rate:** This is an auto-calculation based upon the divisor of #1 and #2 above.
4. **Did you pay any fees with this transfer from USD to Foreign Currency? If so, please enter the amount here:** Sometimes, you are required to pay an additional processing fee. Please enter that from your receipt.
5. **If you did pay a fee, in what currency was it charged? (Please select from the drop-down selection provided)** If you did pay a fee, determine whether or not this was paid in the foreign currency or in USD's. There is a drop-down selection provided for you that will convert your choice into USD's.

¹ Exchange Rates can be found <http://www.xe.com/>
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From Foreign Currency to USD's

6. **How much Foreign Currency did you exchange to US Dollars?** This is the remainder of what you exchanged and should be the full amount on your receipt. Please enter the FULL amount of exchanged money so that this figure will match your receipt regardless of whether or not you included non-university money (i.e. personal money) in the exchange. The worksheet will calculate for this contingency.
7. **How much currency did you receive?** Enter the pre-fee amount on your exchange receipt.
8. **Exchange Rate:** This is an auto-calculation based upon the divisor of #6 and #7 above.
9. **Did you pay any fees with this transfer from Foreign Currency to USD? If so, please enter the amount here:** Sometimes, you are required to pay an additional processing fee. Please enter that from your receipt.
10. **If you did pay a fee, in what currency was it charged? (Please select from the drop-down selection provided)** If you did pay a fee, determine whether or not this was paid in the foreign currency or in USD's. There is a drop-down selection provided for you that will convert your choice into USD's.
11. **Do you have any foreign coin remaining that you were unable to exchange?** Many times, exchanges are rounded down so that the traveler is left with a certain amount of coinage at the end of their trip. This currency cannot be exchanged, and thus, must be returned to the university and written off as an expense to the department budget.

Expense Details

1. Once you have completed boxes 1-11 of the worksheet, you will need to select the tab at the bottom entitled 'Detail Page'. This tab will allow you to list your expenses, assign an expense type, and convert the foreign currency into its equivalent USD amount.
2. Fill in the columns with your receipt information. Be sure that you use whatever level of detail your approver might want since this will be an item you will use to justify your INFOR reconciliation amount (**See 'Itemize Expenses' below, if necessary**)
 - a. **NOTE:** Under the Commodity column, you will have a choice of expense type. Please select the one that best defines your transaction.
 - b. **NOTE:** Most of your expenses will be in foreign currency, and therefore, convert for you. In this case, please leave the selection blank. If you have an expense paid in USD, please select the drop down selection and choose 'USD'.
3. Your total foreign currency and USD conversion will display at the bottom of the sheet in row 103.
4. When you have completed listing your expenses, you can return back to the 'Summary' tab. As you assign an expense type (e.g. Airfare Costs, Ground Transportation, Incidentals, etc...), the spreadsheet will group these costs together for you.
5. Save your work.

MCEXCHNG (Fees)	\$ 25.00	Enter this amount as a U
MCEXCHNG (Difference Gain or Loss)	\$ 122.29	Enter this amount in INFC MCEX

Summary | Detail Page | +

	A	B	C	D	E
	Receipt Details	Commodity	Foreign Currency Costs	USD? Leave Blank if Foreign	USD Conversion
3	Luggage	Airfare Costs	169.00	\$	210.58
4	Luggage	Airfare Costs	169.00	\$	210.58
5	Taxi	Ground Transportation	150.00		186.90
6	Taxi	Ground Transportation	13.00	USD	22.43
7	Taxi	Ground Transportation	41.80	\$	52.08

Itemizing Expenses

1. For certain expenses (lodging, car rentals, etc.), it is necessary to itemize in INFOR. To accomplish this on the worksheet, you will need to create individual lines in the 'Detail Page' sheet.
2. If you have a daily lodging expense of 500 euros, but the daily itemization is:
 - a. Hotel Room Rate: 450
 - b. Hotel Tax: 30
 - c. Hotel Parking: 15
 - d. Hotel Internet: 5

Total 500
3. The stay at the hotel was 6 days (@500) and so the total cost of lodging was 3000 euros. Itemize this in the worksheet so you can input the proper amount in INFOR later in USD. Create a daily itemization in the worksheet.

Le Somme Hotel Rate	Lodging	400.00		\$	429.98
Le Somme Hotel Tax	Lodging	30.00		\$	32.25
Le Somme Hotel Parking	Lodging	15.00		\$	16.12
Le Somme Hotel Internet	Lodging	5.00		\$	5.37

4. Highlight the costs for the day and copy them using **Ctrl+C**. Do **NOT** drag the cells down or the formulas will error. You must copy and paste (**Ctrl+V**).
 - a. Copy and paste the number of times you incurred the charge.

Le Somme Hotel Rate	Lodging	400.00		\$	429.98
Le Somme Hotel Tax	Lodging	30.00		\$	32.25
Le Somme Hotel	Lodging	15.00		\$	16.12
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Entering Information in INFOR

Summary Sheet

1. When you look back at the 'Summary' sheet now, you'll see the expenses you annotated in the Detail Page are now calculated for you and ready to be input into INFOR as individual Commodity Codes (also called 'Expense Types')
 - a. Example: All of your individual ground expenses add up to \$526.72 in the table to the right. Instead of creating multiple expenses under TPGRND, you can simply make one in the amount of \$526.72. (Be sure to attach all receipts for these expenses, though.)
2. **MCEXCHNG**: This new commodity code will log any transactions you may have had where **fees** were associated.
3. **MCEXCHNG**: Any remaining unexchanged coinage will appear here.
4. **MCEXDIFF**: The 'Difference or Gain' is the amount of money gained or lost when exchanging money from Foreign Currency back to USD's.
 - a. Based upon whether the exchange rate was favorable or not, you will have to enter the amount in positive or negative numbers. A red box will show to the right of the amount telling you how to enter the amount in INFOR.

T(x)GRND	\$	526.72
T(x)AIR	\$	1,339.33
T(x)LDG	\$	914.60
T(x)INC	\$	577.19
T(x)MEAL	\$	-
Other	\$	-
MCEXCHNG (Fees)	\$	4.81
MCEXCHNG (Unexchanged Coin)	\$	0.95
MCEXDIFF (Difference Gain or Loss)	\$	(6.30)

- i. If entering a positive amount, it will read:

MCEXDIFF (Difference Gain or Loss)	\$	7.79	Create a new expense for this amount in INFOR using Commodity Code MCEXDIFF
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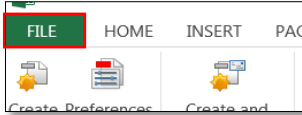
- ii. If entering a negative amount, it will read:

MCEXDIFF (Difference Gain or Loss)	\$	(6.30)	Create a new expense and enter this negative amount in INFOR using Commodity Code MCEXDIFF to declare that Liberty University gained money in the exchange. Please return this difference to the cashier.
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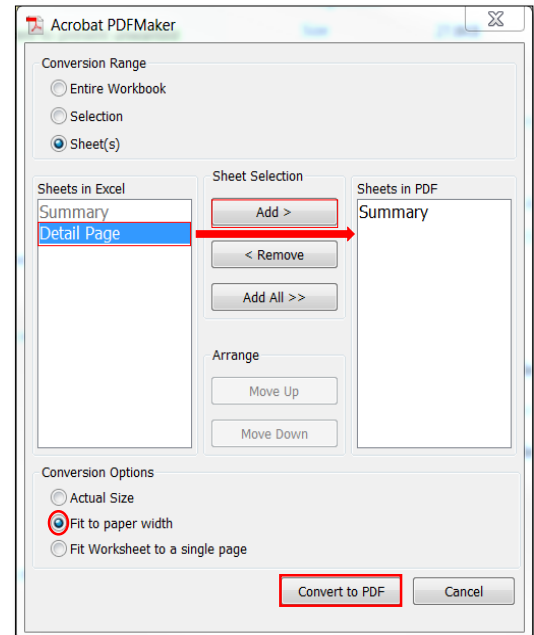
Save Workbook to .PDF

You will need to provide this workbook as a receipt when you reconcile in INFOR, so you will need to convert it from an Excel document to a .PDF.

1. Be sure that you have completed and saved the excel document to your file location of choice.
2. Select 'File'



3. Select 'Save as Adobe PDF'
 - a. An Acrobat PDFMaker box will pop up.
 - b. You will see two boxes. One will be entitled, "Sheets in Excel", while the other is "Sheets in PDF"
 - c. Both "Summary" and "Detail Page" should be exported to the PDF document.
 - d. To add, select your desired sheet so it highlights and select the button 'Add >'. This will move the sheet to "Sheets in PDF".
 - e. Under 'Conversion Options' at the bottom left of the box, select 'Fit to paper width'
 - f. Select 'Convert to PDF'.
 - i. NOTE: a message will pop up asking you to save and continue with your PDFMaker.
 1. Select 'YES'.
 - ii. NOTE: a message will pop up informing you that you may not be able to convert comments and some links without unprotecting the workbook.
 1. Select 'YES'.
 - g. Save the document. You'll attach this to your Expense Report later.

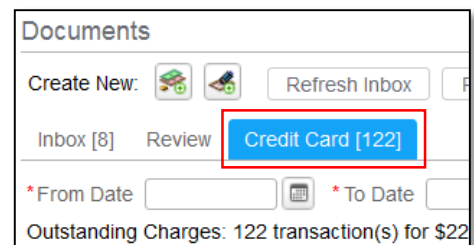


INFOR Reconciliation

1. Log into INFOR
2. Create an Expense Report or use an existing Expense Report

Reconcile Cash Advance(s)

1. Add the Cash Advance expenses from the 'Transactions' icon or attach them from the 'Credit Card' tab by selecting the check box and clicking the 'Attach' icon at the top of the column header.
2. Reconcile the Cash Advance (See 'Processing Cash Advances & Payment Requests Manual' provided in Finance 225)



Reconcile Expenses

(NOTE: All expenses should be entered in US Dollars (USD). The spreadsheet will calculate these for you. No other calculations are necessary on your part.)

- Using the Summary Sheet of the Exchange Rate Worksheet, 'Add Expense' for each Commodity Type.
 - For instance, if the Summary Sheet shows that TPGRND accumulated \$1,099.64 in expenses, you need only to create one expense for the total shown (See example above under 'Enter Information in INFOR')

- Continue as needed until the expense listed on the Summary Page have been accounted for.

Reconcile *Per Diem* (if applicable)

- Create the appropriate expense for *Per Diem* remembering to **deduct first day/last day and any meals** that are applicable to the Travel, Meals, and Entertainment Policy and Procedures for Liberty University.
- These steps are outlined in the 'Reconciling Expense Reports' manual provided in Finance 220.
- Once added, this payment 'due employee' will serve to offset the amount due back to the university.

Reconcile Exchange Fees and Unexchanged Coin


- Using the Summary Sheet of the Exchange Rate Worksheet, 'Add Expense' and assign the Commodity Code 'MCEXCHNG'. This will apply the exchange fees to the appropriate account line in your budget.

- Enter the total amount of Exchange **Fees** (keep in mind that 'Exchange Difference Gain or Loss' is different).
- Repeat this step to expense any **Unexchanged Coinage**. Be sure to get a receipt for the unexchanged foreign currency to attach with the Expense Report. Ensure that you make a detailed explanation in the notes field.
- Once all details are completed, select 'Save'.

Reconcile Exchange Difference Gain or Loss

1. Using the Summary Sheet of the Exchange Rate Worksheet, 'Add Expense' and assign the Commodity Code 'MCEXDIFF'. This will apply the exchange gain or loss to the appropriate account line in your budget and will ensure that you do not have to pay this difference.

Use the Items tab to view your expense report items, or add a new item by clicking Add Expense.

MCEXDIFF: Currency Exchange with Gain or Loss of LU Funds 

2. If the amount in cell C14 is positive, the Worksheet will instruct you to enter this as a positive number.

Standard Information

* Expense Type: MCEXDIFF: Currency Exchange with Gain or Loss of LU Funds * Date: 3/5/16 * Amount: 103.79 * Currency: US Dollar

* Vendor: Philadelphia Airport Xchng * Payment Type: Cash * Description: Currency Test

3. If the amount in cell C14 is negative, the Worksheet will instruct you to enter this as a negative number. This signifies, as described, that the university benefited from a gain in the exchange rate. This amount of money should be returned to the university cashier's office in accordance with the Travel, Meals, and Entertainment Policy and Procedures.
 - a. **NOTE:** Be certain that you get a receipt for your records.

Standard Information

* Expense Type: MCEXDIFF: Currency Exchange with Gain or Loss of LU Funds * Date: 3/5/16 * Amount: -30.79 * Currency: US Dollar

* Vendor: Philadelphia Airport Xchng * Payment Type: Cash * Description: Currency Test

Final Considerations

1. The owner of the account will then need to comply with the final overview of the report
2. Navigate to the 'Overview' tab and look at the bottom left hand corner
3. If there is a 'Due Employee' amount, the owner will receive notification when a refund check is available for pick up from Accounts Payable.
4. When you are completed, please attach your applicable receipts (including the saved copy of the Exchange Rate Worksheet).
5. If there is a 'Due Company', the employee is responsible to make payment within 10 days to the cashier's office in accordance with the INFOR/Procurement policy.
 - a. **NOTE:** be sure to get a receipt as proof of return

Points of Contact

Finance Infrastructure

- o Email: FinanceTraining@liberty.edu
- o Phone: 434-582-7979

P-Card Office

- o Email: pcard@liberty.edu
- o Phone: 434-592-3012

Overview	Summary	Items [3]
Document Header		
Tracking #: ER00003307		
Purpose: University Expenses		
From Date: 10/27/15		
To Date: 12/8/15		
View/Edit Header		
Status/History		
Status: Create		
Owner: Test User		
Created By: Test User		
Status Details		
Cumulative Miles/Km		
Financial Overview		
Report Total: \$1,054.62		
Due Employee: \$554.62		
Due Company: \$0.00		
Financial Details		

Appendix

Best Practices

1. **Exchange large amounts of cash when possible** – In order to reduce the number of exchanges, we recommend the traveler exchange the amount they believe they will need for their time in the foreign country. Making multiple exchanges of small amounts of currency will require complex reconciliations upon returning.
2. **Get receipts for everything** – Whether the traveler is exchanging money or purchasing a good or service, receipts must be acquired, stored, and accounted for upon return from travel. Failure to procure the necessary receipts may result in extra cost to the employee.
3. **Make all exchanges from Foreign Currency to US Dollars and vice versa** – Certain exchange locations will offer the traveler the opportunity to exchange into multiple currencies before finally exchanging to USD. We recommend that the traveler decline and exchange directly from their present currency to USD.
4. **Write your own receipts when your vendor doesn't provide one (Example: tips)** – There are times when the traveler will not receive an official receipt, such as when tipping, or when in a country where receipting is not generally required. In these cases, it is important that the traveler document their expense with their own receipt. Talk with the department approver to determine cash amounts that require official receipting.
5. **Catalog your expenses each day** – It is recommended that the traveler organize their expenses at the end of each day of travel. This will help keep expenses in order when the expense is fresh in their mind.
6. **For larger groups, assign a delegate to handle financial reporting (cataloging expenses, tipping, receipting, etc.)** – For larger groups of travelers (Team Travel, Student Mission Trips, etc.), the group leader should assign a delegate responsible for organizing the financial expenses of the trip. The reality of handling all logistics of the trip will likely become more than one can accomplish effectively.