



Workday Finance, configured by a Chartered Accountant.

ABHAYJAISWAL.COM

■ WORKDAY FINANCE · STEP BY STEP

Multi-Currency Setup

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■ Purpose

This guide provides step-by-step instructions for Multi-Currency Setup in Workday. This process is used to initialize the multi-currency environment, allowing the system to bridge the gap between transaction currencies and the primary ledger currency. Establishing these settings is a critical prerequisite for calculating currency fluctuations and automating the translation of foreign subsidiary balances into a consolidated reporting format.

■ Prerequisites

Before performing revaluation, ensure the following:

- You have the appropriate Workday Security Role (e.g., Accounting Configurator / Common Finance Configurator)
- You have required information:
 - Currency Conversion Rates
 - Currency Translation Method
 - Account Translation Rules Set

■ Terminology

- Conversion
 - This is what you see on transactions where the line currency is different from the header currency. This process occurs at the transaction line.
- Revaluation
 - This process revalues balance sheet balances at the end of a period. Assets/Liabilities are revalued at Current, Equity is revalued at Historic and Revenue/Expense are revalued at Average.
- Currency Translation Adjustment Account
 - Used to account for differences in currency translations.

■ Currency Types

- Company Currency
 - Base Currency for each company. Also known as the Ledger Currency.
 - This is assigned at the company level.

Edit Company Accounting Details
IDEO GmbH
⋮
👤

Currency	* EUR
Currency Rate Type Override	⋮
Fiscal Schedule	YE Dec
Alternate Fiscal Schedule	⋮
Account Set	Standard
Alternate Account Set	⋮
Default Account Set	(empty)
Account Control Rule Set	⋮
Account Posting Rule Set	✕ Standard ... ⋮
Account Translation Rule Set	✕ Standard - P&L at Average YTD Rate ... ⋮
Average Daily Balance Rule	⋮
Average Daily Balance Start Date	MM/DD/YYYY 📅

■ Currency Types

- Transaction Currency
 - For each transaction, the currency will default in from the company, but can be overridden at the transaction level. This currency remains in place throughout the lifecycle of the transaction.
 - Workday persists the transaction currency throughout the lifecycle of a transaction, thus the currency for an invoice and its payment must match.
 - Upon transaction approval, Workday generates accounting entries in the company currency. If the transaction and company currencies differ, Workday automatically converts the transaction currency into the company currency.

■ Currency Types

- Reporting Currency
 - The currency for which you create reports. Workday uses translation rules to determine conversion rates, then uses these rates to translate the company currency into a reporting currency.
- Translation Currency
 - The currency to which you translate financial balances.
 - You can specify a translation currency when you run:
 - Financial statements and consolidated financial statements
 - Trial balance and consolidated trial balance
 - Consolidated plan summaries and plan details
 - You can run these reports in any currency in which you have exchange rates for conversion. Each time you run a financial report, Workday recalculates the translated amounts based on the translation rule set.
 - Note: Workday supports 12 decimal precision for currency exchange rates.

■ Currency Types

- Functional Currency
 - Company primary accounting currency.
 - If this currency is not the same as Company Base Currency, you will have to do remeasurement.
- Bank Account Currency
 - Currency in which the bank account stores funds. Funds are converted using the account currency.
- Item Currency
 - Sales items, purchase items and expense items can have their own currencies that define the value of the item. If the item and transaction currencies differ, Workday automatically converts the item currency into the transaction currency.

■ Currency Types

- Expense Report Currency
 - When the company currency differs from the payment election currency for a worker, Workday reimburses the worker using their preferred currency.
- Entry Currency
 - Currency that the expense report occurs in and Workday converts it to the default reimbursement currency of the expense report. Can be overridden on each expense line.
- Billing Currency
 - Currency that the credit card company uses to bill your company. Workday uses the billing amount as the reimbursement amount and you can't change it. If the billing currency and the reimbursement currency differ, you can override the reimbursement amount.

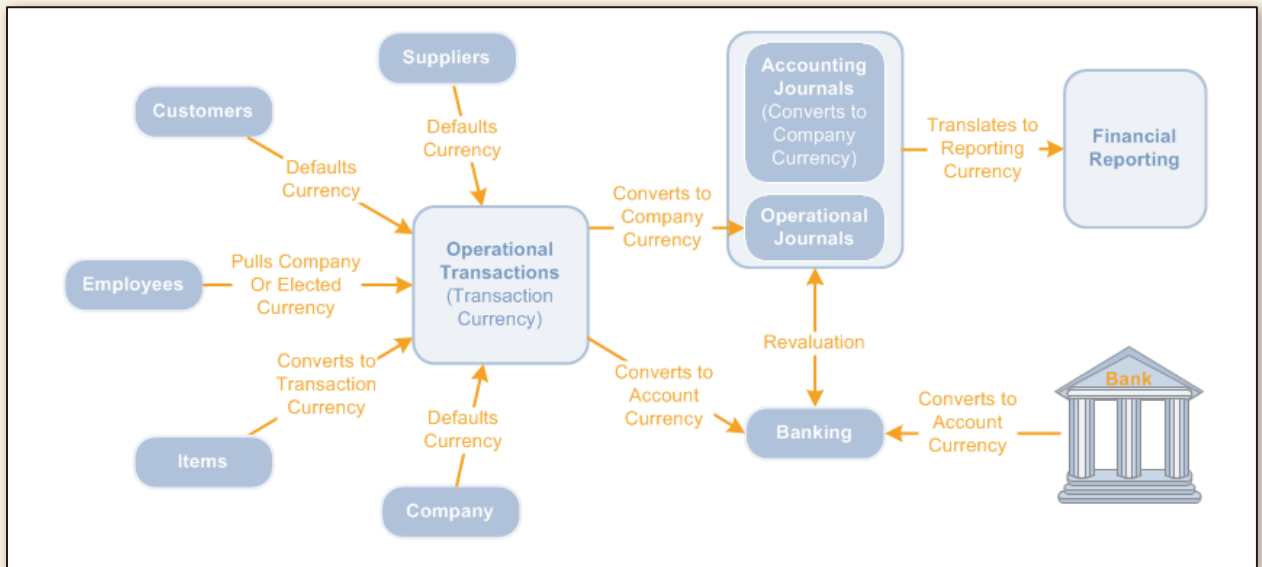
■ Currency Types

- Customer and Supplier Currency
 - For each customer and supplier, you can assign a default currency (preferred currency for transactions) and accepted currencies (currencies that they accept).
 - Whenever you create a transaction in a transaction currency different than the ledger currency, you can override the default currency with any accepted currency based on your currency rate configuration.
 - The selected currency becomes the transaction currency.

■ Currency Types

➤ Key Points

- When Workday generates operational journals from transactions, the journals are created in both transaction currency and ledger currency.
- At the end of the month, you perform revaluation to recalculate foreign currency amounts in your ledger currency. You can then use an adjustment entry to record gains and losses caused by fluctuating exchange rates.



■ Rate Types

- Access the Maintain Currency Rate Types task from the Global Search Bar.
- This table is what is delivered in Workday. You can also use the Default checkbox here.

Maintain Currency Rate Types			
5 items			
	Currency Rate Type	Description	Default
	Q	Average YTD	☐
	Q	Budget	☐
	Q	Current	☒
	Q	Month End Rate	☐
	Q	Monthly Average	☐

■ Rate Types

- From the Global Search Bar, Access the Edit Tenant Setup - System
- Assign the default rate type at the tenant level.

Edit Tenant Setup - System

Tenant: **ideo1**

Information

System Title:

Signon Formal Note:

Format **B I U**   

Signon Custom Message:

Format **B I U**   

Welcome IDEO Team!
[URR Tenant](#)

Default Values

Instructions: Default values for Data Entry.

Default Currency: *

Default Currency Rate Type:

Preferred Currency Rate Type:

Default Country for Name and Address:

Country Phone Code:

Phone Number View Format: *

Default Locale:

Default Display Language: English (United States)

Preferred Display Language:

■ Rate Types

➤ Currency Conversion Rates

- These can be defined directly in Workday or using an integration to import from an outside search such as OANDA.
- When you enter or load currency conversion rates, Workday automatically converts the timestamp to PST.
 - Workday Therefore recommends that you enter the timestamp to adjust for the difference between your time and PST.

Maintain Currency Conversion Rates

Edit as of Date Time ▼

06/30/2022 📅

x 18:30 ⌕ ⋮

Calculate Inverse Rate ☐

Calculate Cross Rates ☐

Currency Rate Type *

x Monthly Average ... ⋮

Source Currencies

x CNY ... ⋮

Target Currencies

x USD ... ⋮

Cross Rates Anchor Currency

(empty)

■ Rate Types

➤ Currency Conversion Rates

- In order to delete rows, change the Currency Rate field to 0.
- Then, review the rate via the Historic Currency Rates report to verify that the duplicate has been deleted.
- Note: Typically, Customer would load Current Rate daily and Average Rate monthly.

Maintain Currency Conversion Rates

Effective Date Time

08/31/2022 05:00 AM

Currency Rate Type

Monthly Average

Calculate Inverse Rate

☐

Calculate Cross Rates

☐

Cross Rates Anchor Currency

(empty)

Currency Conversion Rates

1 item

	*Source Currency	*Target Currency	Currency Rate	Previous Rate Effective Date Time	Previous Currency Rate
	CNY	USD	0	08/31/2022 12:00 AM	0.1471

■ Rate Types

- Historic Currency Rates
 - Use this page to see the currency rates and currency rate types between different currencies.

Historic Currency Rates

...

01/01

Source Currency

USD

Target Currency

JPY

625 Items

Currency Conversion Rate	Source Currency	Target Currency	Currency Rate Type	Currency Rate Timestamp
Q	USD	JPY	Average YTD	01/31/2021 08:00 AM
Q	USD	JPY	Average YTD	02/28/2021 08:00 AM
Q	USD	JPY	Average YTD	03/31/2021 07:00 AM
Q	USD	JPY	Average YTD	04/30/2021 07:00 AM
Q	USD	JPY	Average YTD	05/31/2021 07:00 AM
Q	USD	JPY	Average YTD	06/30/2021 07:00 AM

■ Currency Translation

- Currency Translation Overview
 - This process enables you to report on financial balances and activity in a currency other than the company currency.
 - This is used for reporting only and does not store the data nor does it create a transaction for the translation.

■ Currency Translation

- Currency Translation Configuration
 - Account Posting Rules – set up translation gain/loss rules
 - Maintain Currency Rate Types – define rates for your companies
 - Set up Currency Translation Methods (Account Translation Method) – create methods for translating from company currency to translation currency for reporting
 - Create Rules for Translating Ledger Accounts (Account Translation Rule Set) – define rule sets to determine which translation method each account uses
 - Assign Company Accounting Details (optional)
 - Maintain Currency Conversion Rates – conversion rates for each currency rate type
- This would be applicable if a customer has companies with different ledger currencies and needs to report in one currency at a consolidated level. Customer would typically create a Currency Translation Gain/Loss Ledger Account.

■ Currency Translation

- Currency Translation Method
 - Uses delivered translation types (current, average, historic, custom) to determine how Workday calculates translate accounts.

View Account Translation Method 01/01/2017

Account Translation Method Q

Account Translation Method Name Average

Translation Type Average

Used By 5

Fiscal Year Beginning Balance

Use Historic Translation Amounts

Currency Rate Type (empty)

Currency Rate As of Date (empty)

Fiscal Year Activity

Currency Rate Type Average

Currency Rate As of Date Transaction Period End Date

View Account Translation Method 01/01/2017

Account Translation Method Q

Account Translation Method Name Current

Translation Type Current

Used By 5

Fiscal Year Beginning Balance

Use Historic Translation Amounts

Currency Rate Type Current

Currency Rate As of Date Report End Date

Fiscal Year Activity

Currency Rate Type Current

Currency Rate As of Date Report End Date

View Account Translation Method 01/01/2017

Account Translation Method Q

Account Translation Method Name Historic Equity

Translation Type Historic

Used By 6

Fiscal Year Beginning Balance

Use Historic Translation Amounts Yes

Currency Rate Type (empty)

Currency Rate As of Date (empty)

Fiscal Year Activity

Currency Rate Type Current

Currency Rate As of Date Transaction Date

■ Currency Translation

- You use the Historic Account Translation Method rate type for:
 - Beginning balances that use either a blended historic rate or manual entry of translated amounts.
 - Activity that uses the Current rate type as of the specific transaction date.
- You can specify a translation currency when you run:
 - Financial statements and consolidated financial statements.
 - Trial balance and consolidated trial balance.
 - Consolidated plan summaries and plan details.
- You can run these reports in any currency in which you have exchange rates for conversion. Each time you run a financial report, Workday recalculates the translated amounts based on the translation rule set. Workday does not store the calculated amounts for future use.

■ Currency Translation

- Account Translation Rule Set
 - Here you specify the translation method for each account in an account set by defining translation rules.
 - Associate these methods with your ledger accounts in an account set. An account set can have more than one translation rule set. Select one translation rule set as the default for the company.

View Account Translation Rule Set
Standard Account Translation Rule Set

Account Translation Rule Set Name Standard Account Translation Rule Set

Account Set Standard

Company
A Publishing Company
B Publishing Company
Y Publishing Company
Z Publishing Company

Translation Method by Ledger Account Type 6 items

Ledger Account Type	Account Translation Method
Asset	Current (Current)
Equity	Historic Equity (Historic)
Expense	Average (Average)
Income	Average (Average)
Liability	Current (Current)
Statistic	One to One (Current)

■ Currency Translation

- Account Translation Rule Set
 - Note: Even if you only have one currency, this will need to be configured as it is a prompt on some reports and Workday does require this.
 - Note: There is an Account Translation Method called Historic, and this method is what is typically associated to equity accounts. The Account Translation Method tells Workday to translate that equity account based on the current rate in effect in the tenant on the transaction date.
 - You cannot select an account translation method on a journal entry.
 - Instead, use the Current Rate in the tenant on the accounting date you are posting that journal.

■ Currency Translation

- Account Translation Rule Set
 - Occasionally, you may find that the transaction rate (the currency rate they use to book a transaction*) doesn't correspond to the current rate in the tenant on that date. If so, you have the option to book a Translation Adjustment to get the ledger account "pegged" to the correct foreign currency value.
 - These adjustments can only be done on ledger accounts marked to use the Historic Account Translation Method.
 - This will default based on what is in the tenant, but can be overridden at the transaction itself.

■ Currency Translation

- Assign Company Accounting Details
- Assign one default account translation rule set for each company. You can override the default for the selected company with any translation rule set that uses the same account set.
- Note: The following Company Accounting Details cannot be changed after transactions have been posted.
 - Account Set
 - Fiscal Schedule
 - Base Currency

Edit Company Accounting Details
Global Modern Services, PLC (U.K.)

Currency	* GBP
Currency Rate Type Override	
Fiscal Schedule	Standard Corporate Schedule
Alternate Fiscal Schedule	
Account Set	Corporate
Alternate Account Set	(empty)
Default Account Set	(empty)
Account Control Rule Set	x GMS UK Account Controls
Account Posting Rule Set	x Standard Corporate Account Posting Rule
Account Translation Rule Set	x Consolidations
Average Daily Balance Rule	
Average Daily Balance Start Date	MM/DD/YYYY
Default Reporting Book	x IFRS Book
Procurement Tax Option	Calculate Tax Due to Supplier
Translation Currency	x EUR

■ Common Errors and Resolutions

Issue	Description	Resolution
Currency Not Enabled for the Company	A user tries to create an invoice in Euros (€), but the currency does not appear in the drop-down menu for that specific Company.	Navigate to Edit Company and go to the Currency tab. You must explicitly add all "Accepted Currencies" to the company profile.
Missing Currency Exchange Rate Type	When entering a transaction, the user receives an error stating that no exchange rate type is defined, or the field is blank and unselectable.	Access the Maintain Currency Exchange Rate Types task. You must define types for different business needs (e.g., Current, Average, Historical).

■ Best Practices

- Use clear and consistent naming conventions.
- In your Sandbox or Preview Tenant, test the rules before running in your Production environment.
- Define Specific Rate Types for Different Processes



Thank You

abhayjaiswal.com

mail@abhayjaiswal.com

[linkedin.com/in/abhaykj](https://www.linkedin.com/in/abhaykj)

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