



Multi-currency

This option is currently available only to sites in Papua New Guinea, but can easily be extended to other countries if the need arises.

PNG in particular often employ ex-pats and want either:

- local currency earnings converted to the equivalent in their home currency (**a gross earnings currency adjustment**), or
- payment of a local or currency-adjusted **fixed-net pay** based on taxable earnings minus tax and super, if any (**a net pay adjustment**)

NOTE: goPayroll does not automatically maintain currency rates, as there are often different "interpretations", BSP in PNG doesn't provide an API, and other exchange rate services are not necessarily the same or as accurate or distinguish between TT and Note rates.

You are responsible for setting the exchange rates when preparing pay.

Setup

- **Settings..Misc:** tick the *multi-currency* option to make this feature available

BSP Exchange rates are available here: <https://www.bsp.com.pg/International/Exchange-Rates/> and you can open that page from goPayroll using the *Tools* menu option (*countries other than PNG link instead to [xe.com](https://www.xe.com) via the Tools menu*)

- **Codes..Currency:** establish currency codes and exchange rates
 - if you're buying TT value from BSP (*and you'll TT funds to an overseas bank*) then use the ***TT Sell*** rates
 - if you're paying the PGK equivalent to a local bank account then you should probably use the ***Notes Sell*** rates
 - **if you use both methods** then you'll need two currency codes set up (*e.g. AUD or AUDTT for the TT rate, and AUD/PGK for the cash rate*) and assign as needed to your employee's Contract settings
- **Staff..Contract..Employment:** set up salary and/or payrate as if you were working in the target currency and **Save**, then
 - Click the "currency" button and select the required options (*currency selection, option to process a fixed net pay based on taxable earnings and the fixed net pay amount*)
 - The "currency" button will be labelled according to the currency selected (*default is "Local currency"*)

Gross taxable currency conversion

When you process a pay for an employee with Gross taxable currency conversion, you'll enter the pay entries as usual and the software will calculate a gross adjustment:

- *gross taxable earnings / exchange rate - gross taxable earnings*, that is: a total conversion, less the amount already calculated in the detail transactions
- the result will be automatically added as a **Currency conversion adjustment** transaction with the currency code and exchange rate shown as a comment (a *system paycode is automatically maintained to cater for this*)

Acme Widgets Pty Ltd		Page 1		
Payslip for Brown, Adrienne to 17.06.2022 payday 21.06.2022		18 Oct 22 11:47 AM		
		22.10.18		
Adrienne Brown 1024 Main Highway Smallcity		Pay for	1 Fortnight	
		Period ending	17.06.2022	
		Pay day	21.06.2022	
		Pay group	Technician	
		Tax code: Resident+1		
	Date	Units	Rate	Value
Time				
Ordinary time	17.06.2022	1.00	899.00	899.00
		1.00		899.00
Allowances				
Exchange rate adjustment: AUD @ .4537	17.06.2022	1.00	1082.49	1082.49
		1.00		1082.49
Deductions				
TAX				400.44
Staff debt: Bal K60.00		1.00	10.00	10.00
		1.00		410.44
Net Pay				
***4875		1.00	1571.05	1571.05
		1.00		1571.05
Status		YTD Tax	YTD Gross	
Permanent, Full time, Waged		400.44	1981.49	
<small>Job title: Technician Recreation Leave balance to period end (before leave taken) 103.565 Days Sick Leave balance at start of pay period: 6.693 Days, next accrual of 6 Days is due 07.09.2017 Total employer funded superannuation payable to NASFUND: for this pay K89.90, for paydays this month K89.90, for paydays since 01.01.2022 K89.90</small>				

Example with gross currency conversion

In this example the exchange rate is 0.4537 and the gross earnings, pre-adjustment, are 899.

- $899 / 0.4537 = 1981.49$ (PGK to equivalent AUD value)
- $899 + 1082.49$ adjustment = 1981.49

Fixed net pay conversion

If you ticked the fixed net pay option and set a net value target then:

- the PGK target value is calculated as: net pay target / exchange rate
- a net to gross calculation is performed (excluding non-taxable allowances and any recurring or sundry deductions as these will be local currency and will affect the final net pay value separately)
- the result will be a **Net pay adjustment transaction** made up of calculated gross minus any other taxable earnings transactions (a system paycode is automatically maintained to cater for this).

WARNING: This method incurs a heavy processing time penalty as it generally takes numerous calculation iterations to produce the required result with any accuracy.

Each employee requiring fixed net calculations is equivalent to 15-20 normal employee pay calculations.

Results are generally accurate to +/- 0.05 which is the industry norm for net to gross calculations.

This method cannot be used in a termination pay - you must change the employee's currency settings to gross taxable currency conversion.

Acme Widgets Pty Ltd		Page 1		
Pay slip for Brown, Justin to 17.06.2022 payday 21.06.2022		18 Oct 22 11:45 AM		
		22.10.18		
Justin Brown 7a Victoria Street Bigcity		Pay for 1 Fortnight Period ending 17.06.2022 Pay day 21.06.2022 Pay group Reception		
		Tax code: Resident+0		
	Date	Units	Rate	Value
Time				
Ordinary time	12.06.2022	32.00	21.00	672.00
		32.00		672.00
Allowances				
Fixed net pay adjustment: to produce K2000.00	17.06.2022	1.00	2270.96	2270.96
		1.00		2270.96
Deductions				
TAX				766.41
NASFUND		2942.96	0.06	176.58
		2942.96		942.99
Net Pay				
***45678		1.00	1999.97	1999.97
		1.00		1999.97
Status		YTD Tax	YTD Gross	
Permanent, Full time, Waged		766.41	2942.96	
<small>Job title: Reception/Admin Recreation Leave balance to period end (before leave taken) 112.693 Days Sick Leave balance at start of pay period: 6.693 Days, next accrual of 6 Days is due 13.01.2017 Total employer funded superannuation payable to NASFUND: for this pay K247.21, for paydays this month K247.21, for paydays since 01.01.2022 K247.21</small>				

Example fixed-net pay (local currency)

In this example the goal is to produce a local currency equivalent net pay of K2000 (+/- 0.05).

(And, yes, this works for local currency net adjustment if a currency code isn't specified.)

Acme Widgets Pty Ltd		Page 1		
Payslip for Brown, Justin to 17.06.2022 payday 21.06.2022		18 Oct 22 4:52 PM		
		22.10.18		
Justin Brown 7a Victoria Street Bigcity		Pay for 1 Fortnight		
		Period ending 17.06.2022		
		Pay day 21.06.2022		
		Pay group Reception		
		Tax code: Resident+0		
	Date	Units	Rate	Value
Time				
Ordinary time	12.06.2022	32.00	21.00	672.00
		32.00		672.00
Allowances				
Fixed net pay adjustment: AUD2000.00 @ .4537 to produce K4408.20 (+/- .05)		1.00	6730.72	6730.72
		1.00		6730.72
Deductions				
TAX				2550.32
NASFUND		7402.72	0.06	444.16
		7402.72		2994.48
Net Pay				
***45678		1.00	4408.24	4408.24
		1.00		4408.24
Status		YTD Tax	YTD Gross	
Permanent, Full time, Waged		2550.32	7402.72	

Example fixed-net (PGK to equivalent based on AUD)

In this example, the employee's agreement is for PGK equivalent of AUD\$2000 net

- $2000 / 0.4537 = K4408.20$ (our target net value)
- a fixed net pay adjustment of K6730.72 plus other taxable earnings is required to produce a net value (after tax and super) of K4408.20 (+/- 0.05)

Feedback

We're always keen to do better!

Any and all feedback is appreciated and if you feel we could include better examples, provide more explanation, provide references to additional information, make a process easier to use, or you spot something that isn't working the way it's supposed to - please let us know.