FX Variances

Last updated: May 28, 2024

A situation might occur when the purchase cost remains the same in original currency but changes in functional currency due to updated exchange rate. If the processing route is configured to create variances, an FX Variance purchase cost record will be created.

FX variance can be allocated or unallocated.

The FX variance will be allocated if the FX rate is taken from Vendor Bill/Credit, without Invoice consideration. That means, the variance will increase the purchase cost. In other cases, it will be unallocated, which means the purchase cost is not affected, only the difference is recorded.

Along the FX rate used for currency conversion, SMT also records the actual NS FX rate for reconciliation purposes in the SMT Purchase Cost record (*NetSuite FX Rate* field). It also calculates *FX Amount Difference* as Extended Cost (OCY) * (FX Rate Used - NetSuite FX Rate).