**Short Text**

Post Debit and Credit Memos for Exchange Rate Gain Differences

**Use**

This report helps you in posting the foreign exchange (FX) gain credit/debit memos after clearing the invoices for businesses held in foreign currencies. This report also clears the posted FX credit/debit memos.

Turkish Revenue Administration has made it mandatory to create the foreign exchange FX rate difference invoice, for both accounts payable and accounts receivable, at the time of clearing invoices or payments. A value added tax (VAT) will be levied on the capital gain on this FX rate exchange difference invoice.

**Remember:**

* This report considers the gain realized in FX rate gain obtained from invoice document only.
* For partial payments, the FX rate gain invoice is created based on the final payment date.
* For down payments, the FX rate gain invoice is created based on the clearing payment date of the invoice.
* This report doesn’t facilitate accounting document reversal of the generated FX invoice debit and credit memo. However, the accounting document reversals can be done manually, if required.
* All the FX gain invoice will be posted in the company code local currency only, that is, TRY. The FX gain invoice will have no value for the parallel currencies.
* Invoices posted without tax codes shall not be reported. Tax code must always be specified even when the tax rate is 0 %.
* You must post all the FX invoices that use the existing source and target code combination before you change the combination.
* This report helps in posting the FX gain invoice for payments and invoices created in the same foreign currency only. If the payments and invoices are not created in the same foreign currency, you must post the FX gain invoice manually.
* The final payment’s posting and clearing date must be the same. If the final payment's posting and clearing dates are not the same, the FX gain rate of the clearing date is considered while creating the FX gain invoice.
* Test Mode report run checks the FX invoices only and not the clearing documents. Note that, in the Production Mode report run, if the first FX invoice posted is not cleared, further FX invoices will not be posted. To enable further FX invoice postings, you must correct the error (s) and re-run the report. In cases where the FX gain invoice is created but is not cleared, you must clear it manually.

**Features**

To generate this report, provide required details in each section as described below.

**Remember:**

* You must configure the required Customizing to generate the FX credit/debit memo.

The configuration step is available in the app, using the following information.

a) On the FIORI launchpad, choose the **Manage Your Solution** app.

b) In the new screen, choose **Set Local Version** and select the local version as **Turkey**.

c) Choose **Configure Your Solution**.

d) In the selection screen, choose **Application Area** as **Finance** and **Sub Application Area** as **General Ledger**.

e) In the **All Items** section, choose **Periodic Processing**.

f) In the **Configuration Steps** section, choose **Configure for Map Source and Target Tax Code**.

* For the FX gain, FX invoices need to be posted with the output tax codes. You must maintain the above configuration if the invoice, for which the FX gain is realized, contains the input tax code. You can also maintain the same configuration for the invoice that contains the output tax code, if you want to post the FX gain invoice using a different output tax code.

**Vendor/Customer**

* **Vendor** - Select this radio button if you want to run the report for accounts payables.
* **Customer** - Select this radio button if you want to run the report for accounts receivables.

**Selections**

1. **Foreign Exchange G/L Account -**Enter the FX gain G/L account details in this field.
This is a mandatory field.

2. **Company Code -**The company code is an organizational unit within financial accounting.
This is a mandatory field. Enter a valid company code.

3. **Fiscal Year -**Period, 12 months as a rule, for which the company is to create its inventory and balance sheet. The fiscal year can be the same as the calendar year but does not have to be.
This is a mandatory field. Enter the fiscal year for which you want to retrieve and process transactions with FX gain.

4. **Posting Period -**Account transaction figures are updated per period within the fiscal year. Enter the posting period for which you want to retrieve payment documents and create FX credit/debit memos.
This is a mandatory field.

5. **Customer -**Enter an alphanumeric key, which clearly identifies the customer in the SAP system.
**Remember:** This field is available only if you have chosen to run the report for account receivables, that is, if you have selected the Customer radio button in the Vendor/Customer section

6. **Vendor -**Enter an alphanumeric key that uniquely identifies the vendor in the SAP system.
**Remember:** This field is available only if you have chosen to run the report for account payables, that is, if you have selected the Vendor radio button in the Vendor/Customer section.

7. **Document Date -**Enter the date on which the payment document is issued.

**Posting Controls**

You have the leverage to generate the report in a test mode to view the details of the FX gain invoice.

**Execution Mode**

* **Test Mode** - Select this checkbox if you want to run the report in a test mode. A test mode doesn’t generate the FX gain invoice.
**Remember:** If you deselect this checkbox, the FX gain invoice and the corresponding clearing documents will be posted.

**Posting control for Debit/Credit Memos**

The fields in this section help you in providing details for posting control for debit and credit memos.

1. **Document type** - Specify type of the accounting documents that you are posting to generate FX debit and credit memos.
The document type classifies the accounting documents. It is stored in the document header. Attributes that control the entry of the document, or are themselves noted in the document, are defined for each document type. In particular, the number range assigned to the associated documents is defined based on the document type.
This is a mandatory field.

2. **Post difference to G/L Account** - Enter the G/L account number that you are using to post the gain realized in local currency due to the FX rate fluctuation.
This is a mandatory field.

3. **Posting Date** - Specify the date on which you want to post the debit or credit memos. By default, this field is pre-filled with the current date. However, you can update the date as required.
The posting date can be different from both the entry date (day of entry into the system) and the document date (day of creation of the original document).
This is a mandatory field.

4. **Document Date** - Specify the date on which you want the debit or credit memos to be generated.
This is a mandatory field.

5. **Header Text**- If you don't enter a description in this field, by default, **FRX** is considered.
This is an optional field.

6. **Item Text** - If you don't enter the description in this field, by default **Exchange Rate Difference Invoice** is considered.
This is an optional field.

**Posting control for Clearing Documents**

The fields in this section help you in providing details for posting control for clearing documents. All the fields in this section are mandatory.

1. **Document type** - Specify the document types that are used to post the clearing documents for the generated credit/debit memos.

2. **Posting Date** - Specify the date on which you want to post the clearing documents. This is the clearing date of the FX gain credit/debit.
The posting date can be different from both the entry date (day of entry into the system) and the document date (day of creation of the original document).

3. **Document Date** - Specify the document date.

**Output**

The report generates the output in a table view format that you can review and analyze. Note that, if you run this report in the Test mode, the table view output doesn’t display the document numbers of the FX gain invoices that are to be posted.

This output provides an overview of the FX gain invoice realized and the posted and clearing invoices. You can export the file to Microsoft Word and/or Microsoft Excel for future reference. You can also take a print, save to your local system, or send the file to a recipient, if required.

**Tip:** You can view the elaborated output generation information by using the **Logs** tab.