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CONSULTING



# Getting Started With Fixed Assets

# Today's Presenter



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# Agenda

- ✓ Information needed to start a Fixed Asset implementation
- ✓ Managing your Fixed Assets
  - ✓ Acquiring
  - ✓ Disposing
  - ✓ Month End



# What to Expect When You're Expecting

A Fixed Asset Implementation



# Fixed Assets in BC

- ✓ For Finance Purposes – not operational
- ✓ Can be used to track Insurance & Maintenance (if applied correctly)
- ✓ The original setup is done in the subledger and must be turned on to post to the Balance Sheet/Income Statement
- ✓ Cannot partially dispose of an asset; can only write the value down
- ✓ Doesn't store policies – such as \$1K or above acquisition values; or Computers are 3 year and Buildings are 20 year
- ✓ Can be used for Tangible and Intangible Assets



# Data Points

- ✓ **Numbering Series:** you can use the standard FA000001 or have your own asset numbering methodology
- ✓ **A Description:** up to 100 characters – should be descriptive! Not all things can be a “Box Truck”
- ✓ **FA Subclasses:** these should match your BS Fixed Asset Accounts (or have more that ties to one account)
- ✓ **Required Dimensions for Posting**
- ✓ **Optional:** Responsible Employees, Location, Serial Number (also used for FA Tag numbers)

General		Show less
No. ....	<input type="text" value="FA000117"/>	...
Description .....	<input type="text" value="Golf Cart"/>	Component of Main Asset .....
FA Class Code .....	<input type="text" value="TANGIBLE"/>	Search Description .....
FA Subclass Code .....	<input type="text" value="EQUIP"/>	Responsible Employee .....
FA Location Code .....	<input type="text"/>	Inactive .....
Budgeted Asset .....	<input type="checkbox"/>	Blocked .....
Serial No. ....	<input type="text"/>	Acquired .....
Main Asset/Component .....	<input type="text"/>	Last Date Modified .....



# More Data Points

- ✓ Depreciation Method(s): Normal and Tax
- ✓ Type of Depreciation Method
- ✓ Depreciation Start Date – Month in Service; recommend full month 1/1 vs 1/15 date here unless partial month
- ✓ # of Depreciation Years – cannot auto set; need a policy
- ✓ Acquisition Date
- ✓ Acquisition Amount
- ✓ Salvage Value
- ✓ Depreciation to Date

Depreciation Book Show less

Depreciation Book Code	COMPANY	Book Value	0.00
Posting Group	EQUIP	Depreciation Table Code	
Depreciation Method	Straight-Line	Use Half-Year Convention	<input type="checkbox"/>
Depreciation Starting Date	10/1/2013	<a href="#">Add More Depreciation Books</a>	
No. of Depreciation Years	6.00		
Depreciation Ending Date	9/30/2019		

# Example

F20    v    :    X    ✓    fx

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
	FA Number	FA Name	FA Class Code	Serial No	Dept	Location	DEP Method	Dep Start	No of Dep Years	Acquisition Date	Acquisition Amount (\$)	Salvage Value	Dep to Date	NBV as of Date Above	Optional
	Example	Choppy	LAB				Straight-Line	1/1/2023	5	12/15/2022	\$ 200,000.00	\$ 5,000.00	\$ 10,000.00	\$ 190,000.00	





# What to watch for?

- ✓ All assets that are on the Balance Sheet – even fully depreciated, just not anything disposed of
- ✓ Acquisition Value should match your Balance Sheet Fixed Assets account by Subcategory
  - ✓ Ex: \$500K of Assets in Vehicles, should have \$500K on the spreadsheet
- ✓ Accumulated Depreciation should also match – as of date; true-up entry might be needed depending on the gap between providing the data and go live
  - ✓ Can have one account for this or one per FA category
- ✓ Assets acquired in the interim



# How Long should this take?

- ✓ Depends on your asset quantity
- ✓ How much historical data? NBV as of a data or every month's acquisition
- ✓ Formatted as requested or using your workbook



# Fixed Asset Management



# Acquire An Asset

- ✓ Set up the Fixed Asset Card First
- ✓ As a Purchase Order or Purchase Invoice
- ✓ Top-side entry out of an account with a Fixed Asset G/L Journal
- ✓ Salvage Value must be done in a Fixed Asset G/L Journal



# Repairs/Maintenance or Improvements

- ✓ Repairs, maintenance or improvements that increase an asset's useful life or adds value per GAAP can be added the same way as acquiring an asset. Be sure to update the FA card for that extended life.
- ✓ Repairs/maintenance should be expensed as incurred and can be tracked against the FA card. Instead of using FA Posting Type of Acquisition, use Maintenance.

# Salvage Value

- ✓ Done as a Fixed Asset Journal
- ✓ Type: Salvage Value
- ✓ Entered as a negative
- ✓ Will reduce Depreciation per month as you cannot depreciate past the salvage value

Fixed Asset Journals

Batch Name ..... ASSETS

Manage Process Line | Actions ▾ Related ▾ Automate ▾ Fewer options

FA Posting Date	Document Type	Document No.	FA No.	Depreciation Book Code	FA Posting Type	Description	Amount	No Depreciat D
11/23/2022		F00301	FA000001	COMPANY	Salvage Value	Aircraft N225SB N225SB	-20,000.00	



# Disposing of An Asset

- ✓ Sales Order/Sales Invoice – preferred if you are getting cash (sold the asset)
- ✓ Fixed Asset G/L Journals - this is the preferred method if disposing without cash (asset is impaired/trash)

Sales Invoice

SI38404 · Ace Hardware - Galena Blvd.

Posting Prepare Invoice Release Request Approval Navigate Document Output Actions Related Fewer op

**General** Show m

No. SI38404 Posting Date 2/11/2022

Customer Name Ace Hardware - Galena Blvd. Due Date 2/21/2022

Contact Accounts Payable Status **Open**

Gen. Bus. Posting Group

Lines Manage More options

Type	No.	Item Reference No.	Description	Location Code	Quantity	Unit of Measure
→ Fixed Asset	FAPRO00003		PRO Overhead Door		1	EA

Fixed Asset G/L Journals

Batch Name CAP

Manage Process More options

Posting Date	Document Type	Document No.	Account Type	Account No.	Depreciation Book Code	FA Posting Type	Description
→ 2/11/2022	:	ASSET	Fixed Asset	FAPRO00003	COMPANY	↓	PRO Ov

Acquisition Cost  
Depreciation  
Write-Down  
Appreciation  
Custom 1  
Custom 2  
Disposal  
Maintenance



# Disposal Entries

- ✓ Reverse out accumulated depreciation and the fixed asset value in the FA account.
- ✓ This will then toss any cash in excess or loss/gain to your setup loss/gain account in the Fixed Asset Posting Group.
- ✓ I.e. disposing of an asset prior to its end of life will result in a loss on your Income Statement of the difference between the Net Amount of the asset – accumulated depreciation – cash = remaining depreciable amount (gain/loss).





# Month End



# Before Running Depreciation

- ✓ Confirm In Service for Deprecation Start Dates on New Assets
- ✓ Confirmed In Service
- ✓ Confirm all assets are accounted for:
  - ✓ Check Balance Sheet for direct post
  - ✓ Check Income Statement for likely Fixed Assets vs Expensed
  - ✓ Check POs Received Not Invoiced for Fixed Assets
  - ✓ Check POs for things that might be Fixed Assets coded incorrectly



## Options

Depreciation Book .....	COMPANY
Posting Date .....	2/28/2022
Document No. ....	DEPFEB2022
Posting Description .....	FEB DEP

# Running Depreciation

- ✓ Use Calculate Depreciation screen in NAV/BC
- ✓ Will flow to the entry – check the entry before re-running! Until you post it will continually make the entry and you could duplicate the deprecation!
- ✓ If one entry has already been run, if there are any changes in value to the asset – the entry will not automatically run again. It will return no results. It will update in the next month, or you must Cancel the depreciation entry on that asset to re-run it. If you only reverse the entry, it will not re-run.

 Cancel Entries...  Reverse Transaction...



# Reconciliation

- ✓ Email Confirmation audit every other year to check for impaired, missing or out of service assets
- ✓ Physical audit every 3-5 years
- ✓ There are tax consequences and reporting issues to having assets on your books that you don't actually have
- ✓ Fixed Asset Tags
- ✓ Fixed Assets Book Value 01 is your subledger – run by Subclass

Fixed Asset Book Value 01

Printer ..... (Handled by the browser) v

Report Layout ..... /FixedAssetBookValue01.rdlc ...

Options

Depreciation Book ..... COMPANY v

Starting Date ..... 1/1/2023

Ending Date ..... 1/31/2023

Group Totals ..... FA Subclass v

Print per Fixed Asset .....



# Any Questions?



# Thanks for Joining Us



Please Use the Code to Access Your Survey

