





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

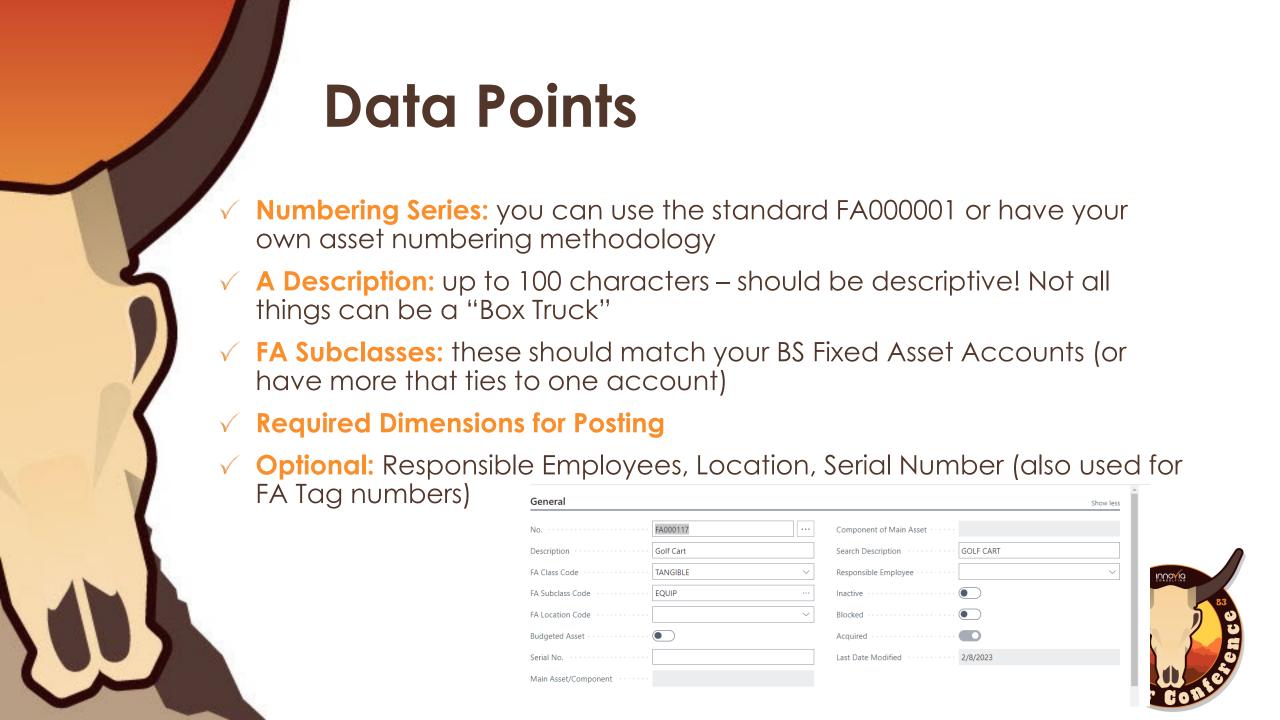


Fixed Assets in BC

- √ 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

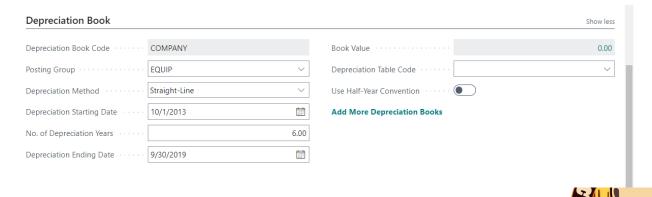






More Data Points

- ✓ 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





Example

Α	В	С	D	E	F	G	Н	1	J	K	L	M	N	0
												Date of Dep Amount:		Optiona
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	
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



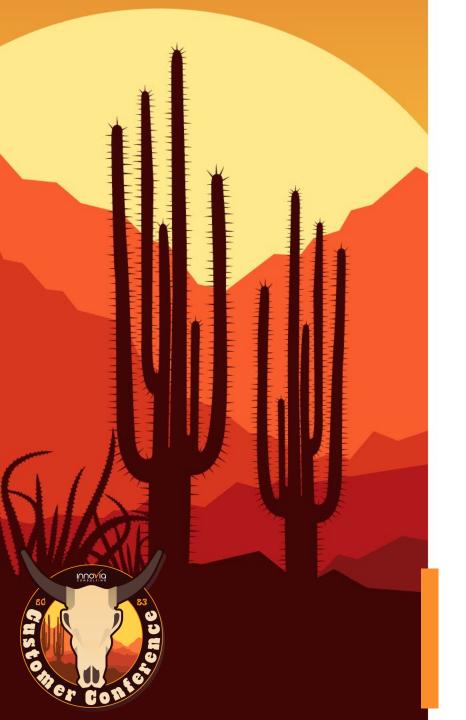
How Long should this take?

- 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









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 Journ	als							
Batch Name · · · ·						ASSETS		
Manage Proc	ess Line	Actions ∨	Related ∨ Au	utomate ∨ F	ewer 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	

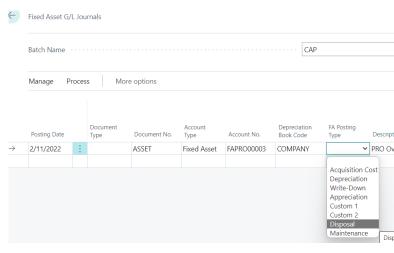




Disposing of An Asset

- √ 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)

Posting Prepare Invo	ice Release	Request Appro	val Na	vigate Document Out	put	Actions	Related	Fewer op
General								Show m
No. · · · · · · · · · · · · · · · · · · ·	SI38404			Posting Date · · · · ·		2/11/2022		Ē
Customer Name · · · · · · ·	Ace Hardware	- Galena Blvd.		Due Date · · · · · · ·		2/21/2022		Ē
Contact · · · · · · · · · · · · · · · · · · ·	Accounts Paya	ble		Status · · · · · · · · ·		Open		
Gen. Bus. Posting Group			~					
ien. Bus. Posting Group								
Lines Manage N	lore options							B E
Туре	No.	Item Reference No.	Descriptio	on	Locati	on Code	Quantity	Unit of Measure
	FAPRO00003		T	rhead Door			1	EA





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 deprecation 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



Running Depreciation

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

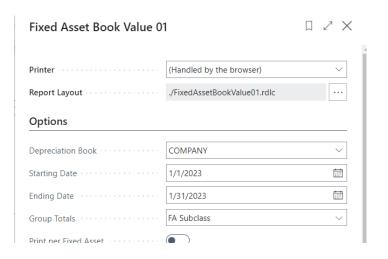
- ✓ Use Calculate Depreciation screen in NAV/BC
- ✓ Will flow to the entry check the entry before re-running! Until you post it will continually make the entry and you could duplicate the deprecation!
- ✓ If one entry has already been run, if there are any changes in value to the asset the entry will 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.





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







Any Questions?



Thanks for Joining Us



