



QAD Enterprise Applications  
Standard Edition

# Training Guide **Fixed Assets**

70-3060-2013SE  
QAD 2013 Standard Edition  
Workspace: Training  
June 2013

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# Change Summary

The following table summarizes significant differences between this document and the last published version.

<b>Date/Version</b>	<b>Description</b>	<b>Reference</b>
June 2013/2013 SE	Rebranded for QAD 2013 SE	--
Sept 2012/ 2012 SE	Republished for Standard Edition only; consistency edit	--
April 2012/2012 SE	Rebranded for QAD 2012 SE	--



# **About This Course**

### Course Description

This course covers implementing the Fixed Assets module of QAD Enterprise Applications. It includes:

- An introduction to the Fixed Assets module
- An overview of key business issues
- Setting up the Fixed Assets module
- Operating the Fixed Assets module
- Activities and exercises throughout the course let students practice key concepts and processes in the Fixed Assets module

Students learn how to:

- Analyze key business decisions before setting up the Fixed Assets module
- Set up and operate the Fixed Assets module

### Course Objectives

By the end of this class, students will:

- Complete setup activities:
  - Configure Fixed Assets Control settings
  - Create an optional fixed asset calendar
  - Set up posting and non-posting books
  - Define depreciation methods and conventions
  - Define asset classes
  - Define fixed asset locations
  - Set up meters
  - Create fixed asset records
- Complete basic fixed asset operations:
  - Transfer assets
  - Retire or dispose of assets
  - Post depreciation expense
  - Void a fixed asset GL transaction
  - Report on assets

### Audience

- Implementation consultants
- Members of implementation teams
- Operators
- Accountants

## Prerequisites

- Basic knowledge of:
  - Hardware and network configurations
  - QAD Enterprise Applications Standard Edition as it is used in the business
  - Students unfamiliar with QAD Standard Edition should work through *User Guide: Introduction* before attending this class.
- Working knowledge of:
  - Accounting principles
  - The manufacturing industry in general

## Course Credit and Scheduling

This course is one of several courses designed to assist students in preparing for QAD certification examinations. QAD does not guarantee anyone a passing grade as a result of having taken this course.

This course is designed to be taught in one day.

## Virtual Environment Information

The hands-on exercises in this book should be used with the latest Standard Edition learning environment in the Training workspace. When prompted to log in, specify *demo* for user ID and *qad* for password.

## Additional Resources

If you encounter questions on QAD software that are not addressed in this book, several resources are available. The QAD corporate Web site provides product and company overviews. From the main site, you can access the QAD Learning or Support site and the QAD Document Library. Access to some portions of these sites depends on having a registered account.

<http://www.qad.com/>

### QAD Learning Center

To view available training courses, locations, and materials, use the QAD Learning Center. Choose Education under the Services tab to access this resource. In the Learning Center, you can reserve a learning environment if you want to perform self-study and follow a training guide on your own.

### QAD Document Library

To access release notes, user guides, training guides, and installation and conversion guides by product and release, visit the QAD Document Library. Choose Document Library under the Support tab. In the QAD Document Library, you can view HTML pages online, print specific pages, or download a PDF of an entire book.

To find a resource, you can use the navigation tree on the left or use a powerful cross-document search, which finds all documents with your search terms and lets you refine the search by book type, product suite or module, and date published.

### **QAD Support**

Support also offers an array of tools depending on your company's maintenance agreement with QAD. These include the Knowledgebase and QAD Forums, where you can post questions and search for topics of interest. To access these, choose Visit Online Support Center under the Support tab.

Chapter 1

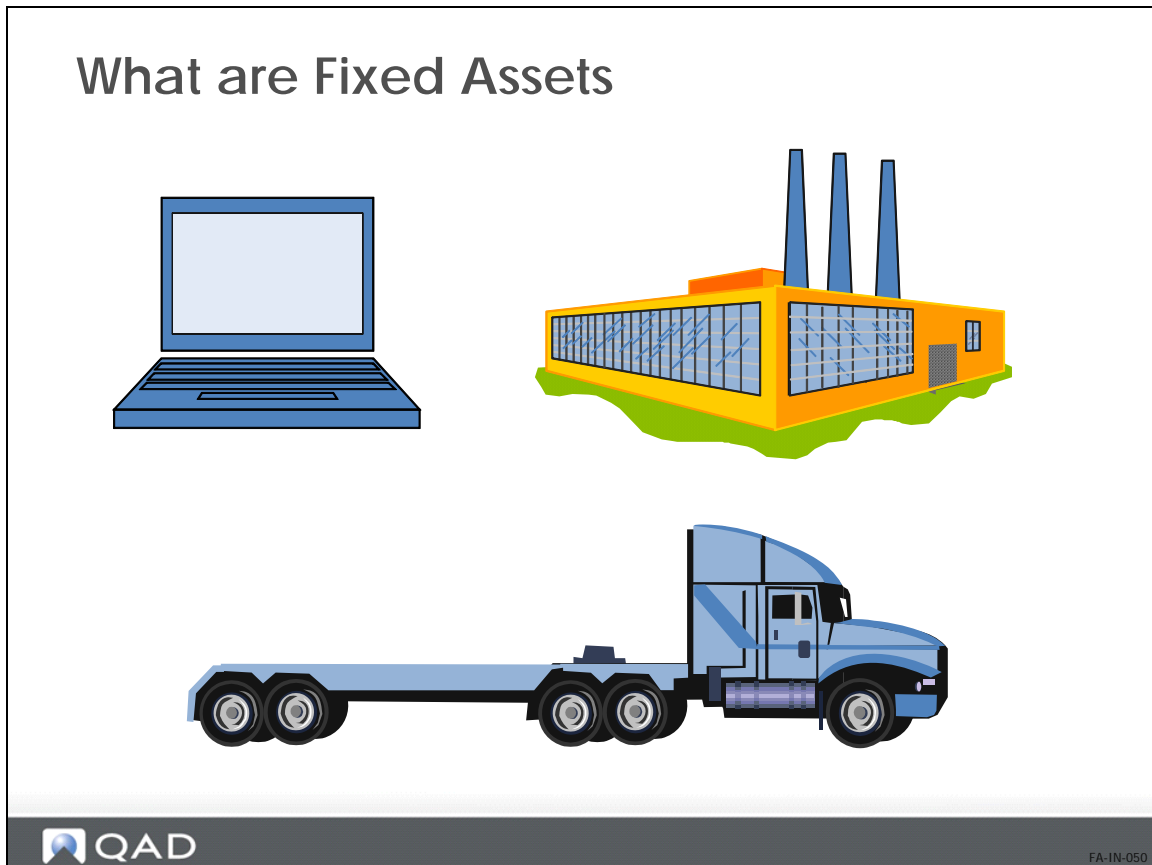
# **Introduction to Fixed Assets**

## Overview

### Course Overview

- Introduction to Fixed Assets
- Business Considerations
- Set up Fixed Assets
- Process Fixed Assets

## What are Fixed Assets?



Fixed assets are tangible assets that are used by a business to produce income. Some examples are:

- Plant
- Equipment
- Machinery
- Computers
- Anything that may bring future economic benefits

Fixed assets share common characteristics. They:

- Are used in the production of business income
- Have a useful economic life of at least one year
- Are used up or wear out over time

Assets can be tangible or intangible. Tangible assets have a physical substance to them. Intangible assets cannot be seen, touched or physically measured. Examples of intangible assets include:

- Software
- Goodwill
- Patents
- Copyrights

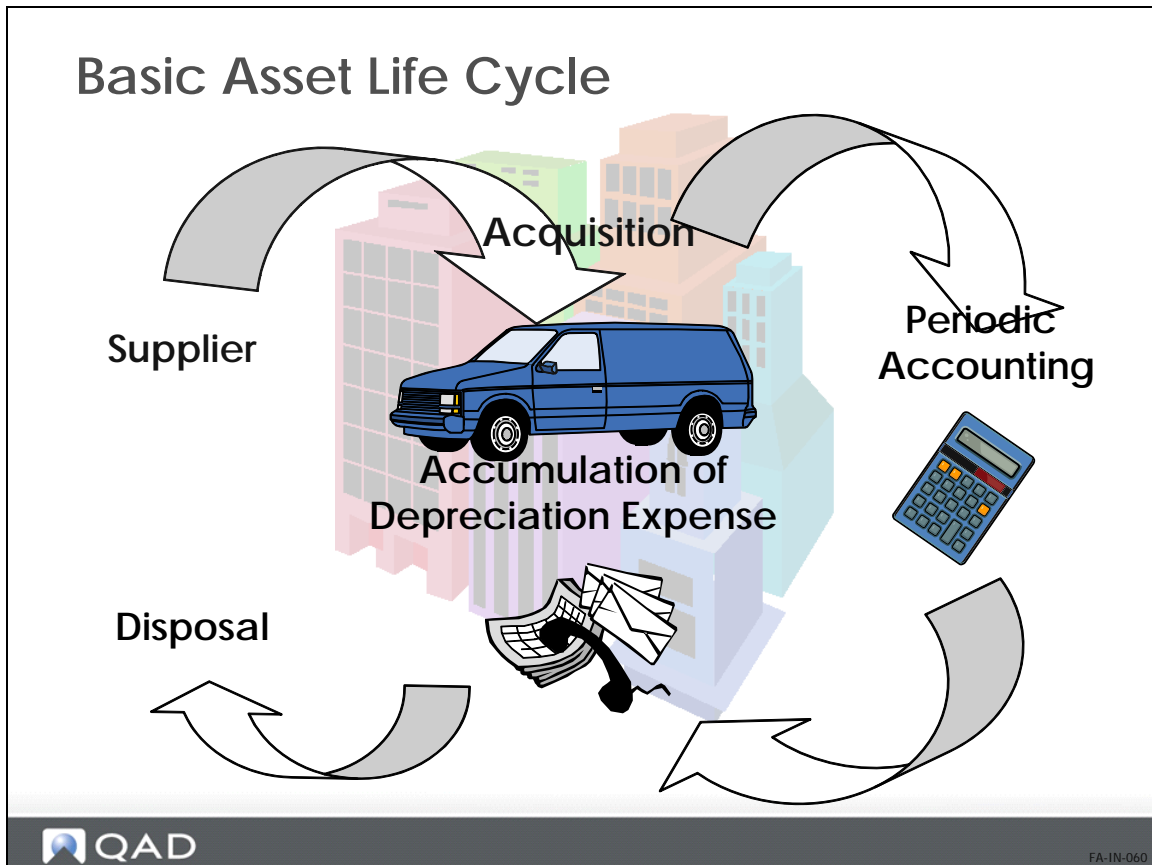
## 8 Training Guide — Fixed Assets

Depreciation is the process of allocating asset costs over its life. This allocation is done in a way that the cost of the asset (depreciation expense) is charged to the accounting periods during the economic life of the asset.

**Note** Specific questions regarding whether or not an asset should be depreciated should be referred to an accounting or tax professional.

The purpose of these training materials are to familiarize you with the fixed assets application.

## Basic Asset Life Cycle



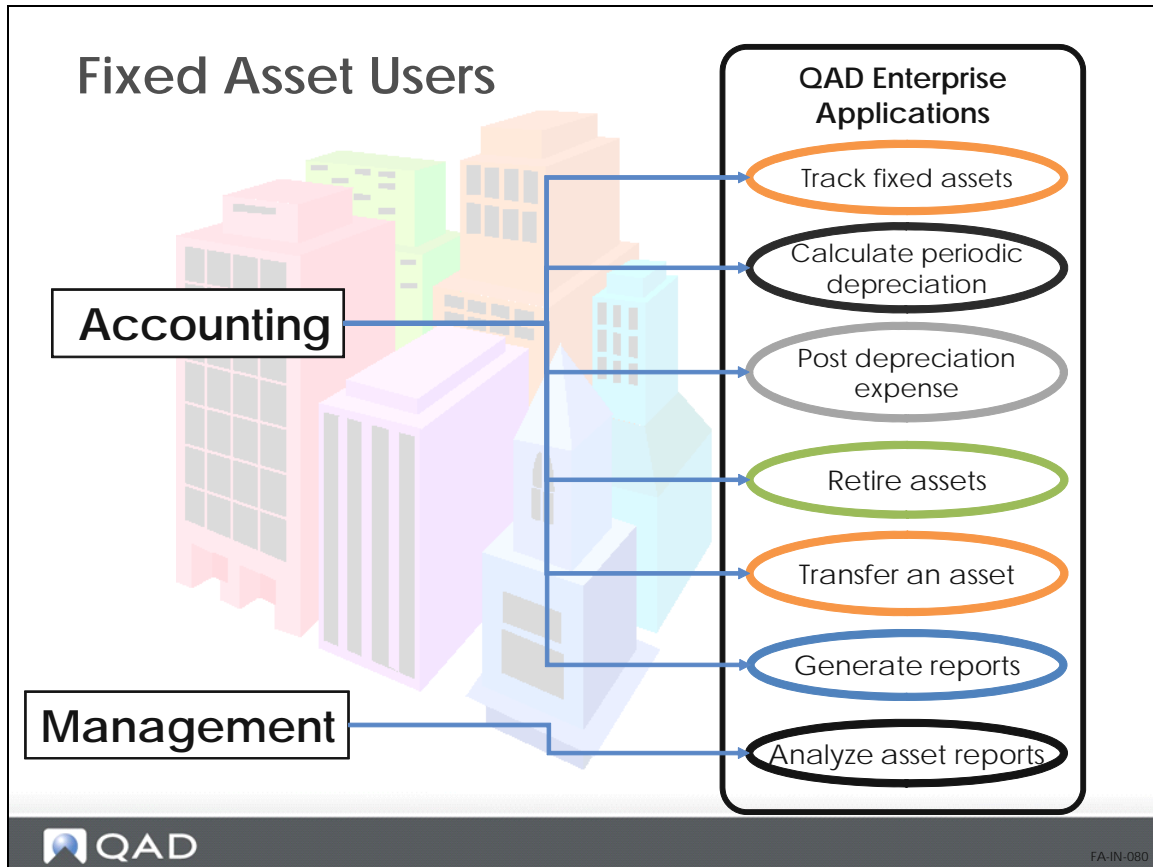
- An asset is acquired and added to the asset ledger
- At end of each period, depreciation expense for qualifying assets is recorded for each book
- Journal entries are generated for the posting book to specified accounts in the General Ledger
- At some point, ownership interest in the asset is relinquished and the asset is disposed.

## Fixed Asset Workflow



- Set up Fixed Assets Control
- Set up the business rules, which include:
  - Defining locations
  - Setting up a fixed assets calendar
  - Setting up books
  - Setting up methods
  - Setting up classes
- Create, add, and manage fixed assets
- Maintain fixed assets
- Periodically generate fixed asset reports

## Fixed Asset Users



Various people typically control key tasks.

- Accounting tracks fixed assets, calculates periodic depreciation, posts depreciation expense, retire assets as they are disposed of, transfer assets within the company, and generates various asset reports
- Management analyzes these asset reports

## Course Objectives

### Course Objectives

- Identify key business considerations before setting up Fixed Assets in QAD Enterprise Applications
- Set up Fixed Assets in QAD Enterprise Applications
- Process Fixed Assets in QAD Enterprise Applications

Chapter 2

# **Business Issues**

## Business Issues

### Business Considerations

- Identify key business considerations before setting up Fixed Assets in QAD Enterprise Applications
- Set Up Fixed Assets in QAD Enterprise Applications
- Process Fixed Assets in QAD Enterprise Applications

## Fixed Asset Calendar

### Fixed Asset Concepts

- Fixed Asset Calendar
- Books
- Depreciation Method
- Conventions
- Classes
- Asset Locations



FA-BU-020

An optional calendar can be used with non-posting books in Book Maintenance that use a calendar different from the GL Calendar.

### Setup Implications

- Optional
- Cannot associate a fixed asset calendar with posting book, which automatically use the GL Calendar
- Cannot modify a fixed asset calendar after an asset has been assigned to a book that uses the calendar

## Books

### Fixed Asset Concepts

- Fixed Asset Calendar
- **Books**
- Depreciation Method
- Conventions
- Classes
- Asset Locations



FA-BU-021

Depreciation books are used for assets that are depreciated.

- Holds information relating to the asset and depreciation information
- A minimum of one posting book is required—usually a financial book
- Any assets that are depreciated must be assigned to a posting book
- You can set up unlimited non-posting books, but can only set up one posting book

### Setup Implications

- For each book, you specify:
  - If a book is the posting book that updates the GL
  - User-defined fixed asset calendars associated with non-posting books
  - The unique sort sequence used for reporting
- A depreciable asset must be assigned to a posting book for fixed asset transactions to be recorded in the GL
- Only one posting book affects the GL

## Depreciation Method

### Fixed Asset Concepts

- Fixed Asset Calendar
- Books
- **Depreciation Method**
- Conventions
- Classes
- Asset Locations



FA-BU-022

Depreciation allocates an asset's cost to periods units service life. Methods identify how annual depreciation is calculated for an asset.

- Methods are required to calculate depreciation over the life of an asset
- Active methods can be assigned to assets in Fixed Asset Maintenance
- Can be assigned as class defaults in Class Maintenance

### Setup Implications

- Cannot modify methods that are assigned to assets

## Conventions

### Fixed Asset Concepts

- Fixed Asset Calendar
- Books
- Depreciation Method
- **Conventions**
- Classes
- Asset Locations



FA-BU-023

Conventions are used for averaging depreciation in the first and last years of an asset's life.

Full Period	Half Period
Next Period	Full Quarter
Half Quarter	Full Year
Half Year	Modified Mid Year Version 1
Modified Mid Year Version 2	

## Classes

### Fixed Asset Concepts

- Fixed Asset Calendar
- Books
- Depreciation Method
- Conventions
- **Classes**
- Asset Locations



FA-BU-024

Classes are used to define default asset information that can be used on assets that affect the same GL accounts.

- Makes data entry easier
- Creates more meaningful reports
- After a class has been set up, assets can be assigned to it in Fixed Asset Maintenance
- Information in the classes provide default book and account information for assets
- Classes group similar fixed assets together and define:
  - GL accounts
  - Depreciation books
  - Service lives for calculating depreciation
  - Depreciation methods
- Class Maintenance to define classes
- Fixed Asset Maintenance to provide default book and account information

### Setup Implications

- In Fixed Asset Maintenance, accounts default from Class Maintenance
- Sub-accounts and cost centers default from the location

## Asset Locations

### Fixed Asset Concepts

- Fixed Asset Calendar
- Books
- Depreciation Method
- Conventions
- Classes
- **Asset Locations**



FA-BU-025

Asset locations identify the accounting location and entity of the fixed asset and the default sub-accounts and cost centers for depreciation reporting.

#### Why Consider?

- Used to locate an asset for tax and asset tracking purposes
- Defines defaults for entity, sub-account, and cost center information for assets
- Helps minimize data entry and errors
- Fixed asset setup
- Location maintenance

#### Setup Implications

- Location IDs have no connection with locations used elsewhere in QAD Enterprise Applications. For example, you cannot issue inventory from a fixed asset location

## Course Overview

### Course Overview

- Introduction to Fixed Assets
- Business Considerations
- Set up Fixed Assets
- Process Fixed Assets



Chapter 3

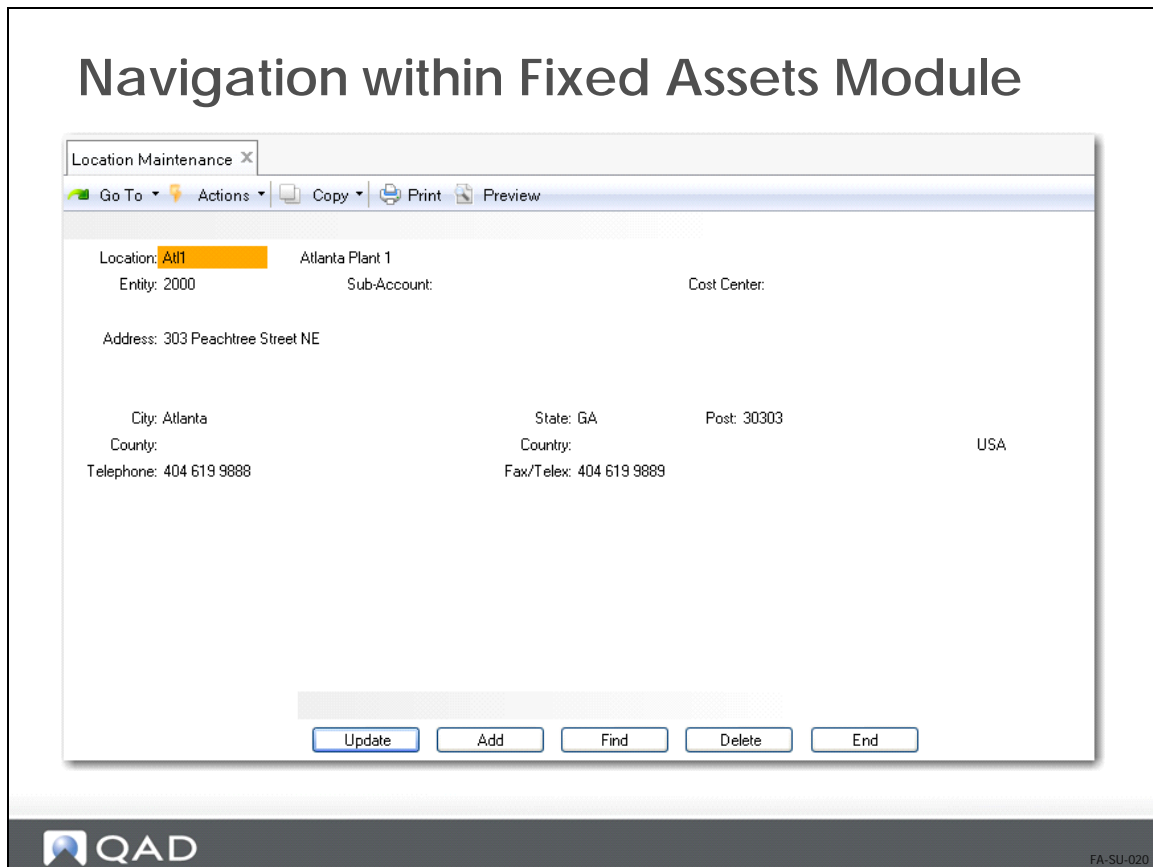
# **Set Up Fixed Assets**

## Set Up Fixed Assets

### Set Up Fixed Assets

- ✓ Identify key business considerations before setting up Fixed Assets in QAD Enterprise Applications
- **Set Up Fixed Assets in QAD Enterprise Applications**
- Process Fixed Assets in QAD Enterprise Applications

## Navigation



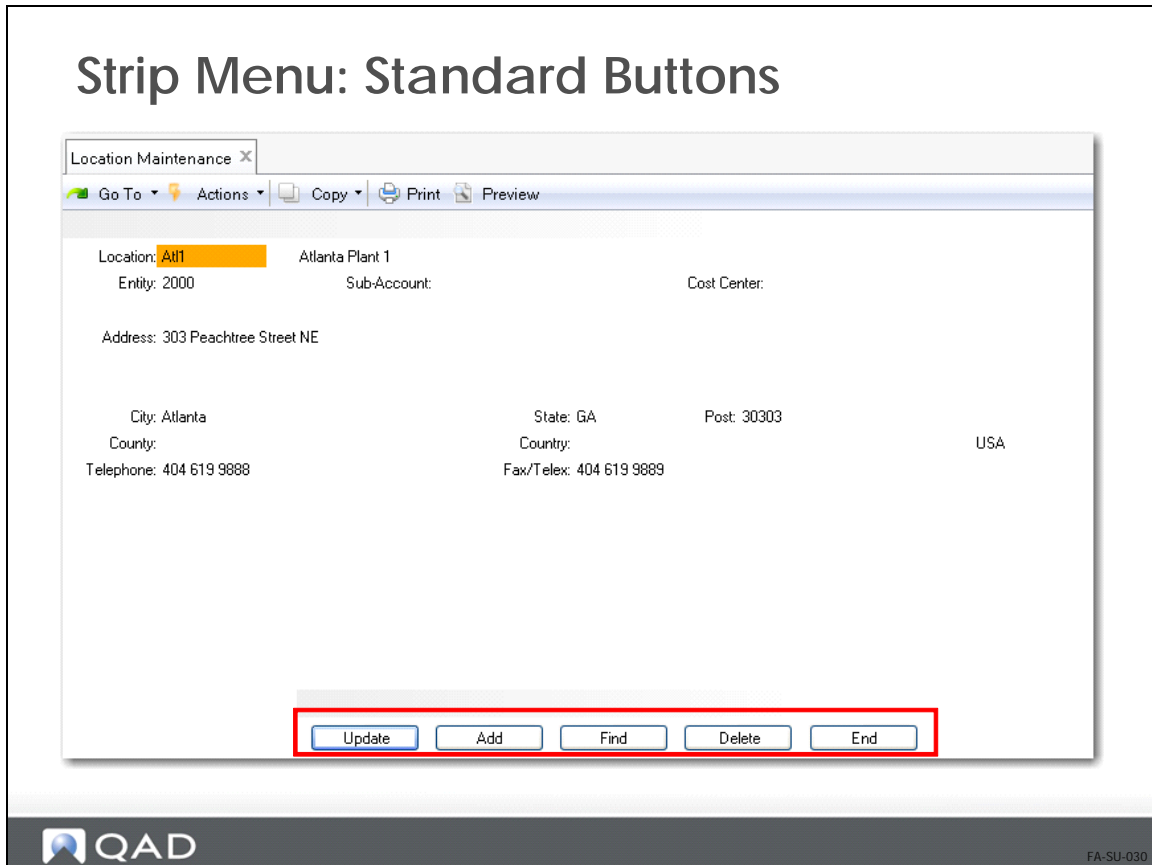
### Strip Menu

All fixed asset screens have a strip menu to improve navigation within the application.

- Strip menu is active when entering a screen
- First button on left side of the strip menu is highlighted, indicating the button is active
- User can move the cursor left or right with the left and right arrow keys
- Buttons are executed by highlighting it and pressing return or Go

The strip menu may contain Standard or Navigation buttons. When a button is activated, the functionality associated with that button is executed.

## Strip Menu: Standard Buttons



The standard buttons are:

- Add – Add a new record
- Update – Change fields in an existing record
- Delete – Delete the record displayed
- Find – Locate a different record other than the one displayed, invoking a standard browse
- End – Exit the screen and return to the previous screen

**Note** Not every standard button appears on every screen.

## Strip Menu: Navigation Buttons

The screenshot displays the 'Fixed Asset Maintenance' window. At the top, there is a title bar and a menu bar with options: Go To, Actions, Copy, Print, and Preview. The main area shows asset details for 'Asset: 12345' (new asset). Below this, there are fields for Class (Equip), Location (Corp), Entity (1000), Service Date (1/1/2005), Cost (12,000.00), Salvage (0.00), Replacement (12,000.00), Components (1), Depreciate Asset (checked), Posted (unchecked), Authorization Number, Disposition Date, Disposition Reason, and Sold For (0.00). A 'Depreciation Books' table is also present:

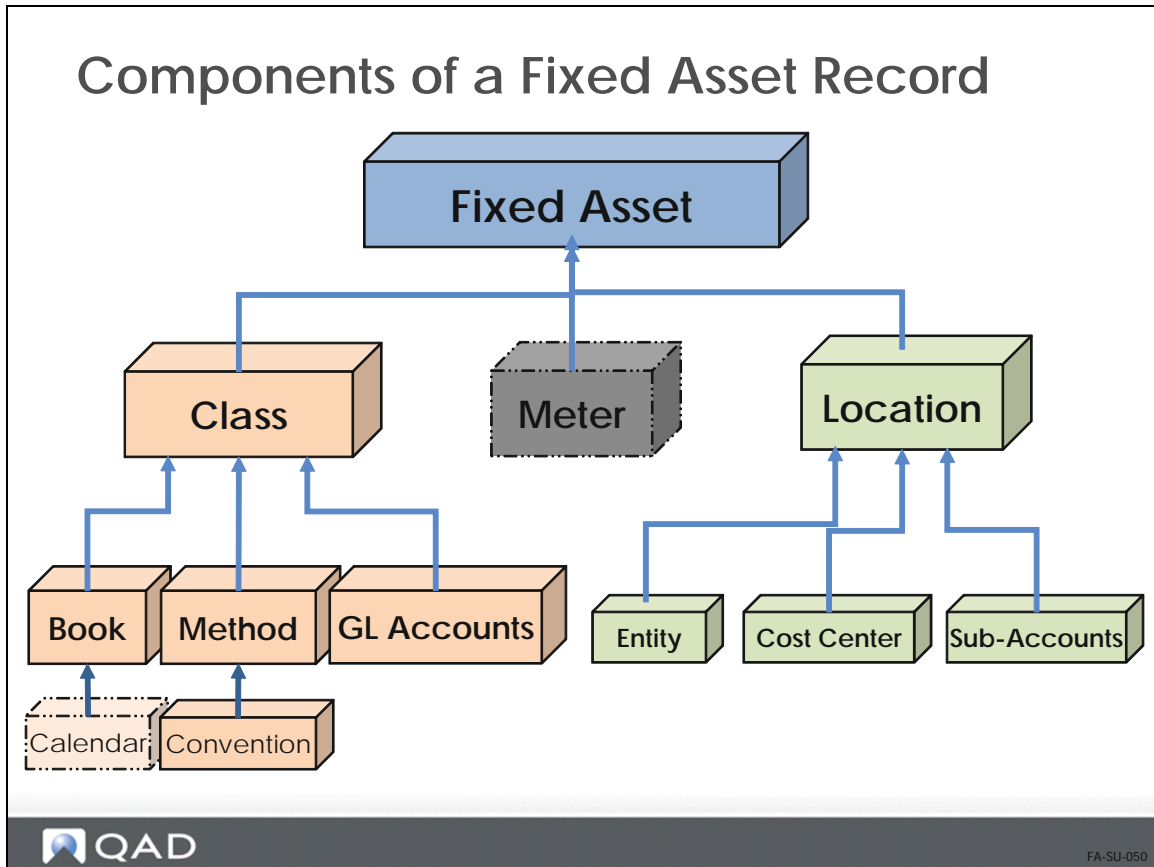
Book	Serv Date	Method	Life	Cost	Net Book Value	As Of
Reg	1/1/2005	SL	10.00	12,000.00	12,000.00	

At the bottom of the window, there is a strip menu with buttons: Update, Add, Option, Books, Detail, Find, Delete, and End. The 'Option' button is highlighted with a red box.

**QAD** FA-SU-040

The navigation buttons are used to access additional functionality within fixed assets. In some screens, business logic may be associated with the button. In other instances, a new screen is activated. For example, in the Fixed Asset Maintenance screen, the Option button displays a screen with optional information about an asset.

## Components of a Fixed Asset Record




A fixed asset record is made up of several components. These components must be created before creating a fixed asset record. In other words, the fixed asset record is built from the bottom up.


The boxes surrounded by a broken line indicate optional functionality.

## Fixed Assets Setup

### Fixed Asset Setup




- Fixed Asset Control
- Fixed Asset Calendar (Optional)
- Books
- Depreciation Methods
- Classes
- Fixed Asset Locations
- Meters (Optional)
- Fixed Assets

 QAD FA-SU-060


This slide illustrates a suggested sequence for setting up Fixed Asset data. Following this order ensures that data required by a step has already been defined.

## Fixed Asset Control

### Fixed Asset Setup



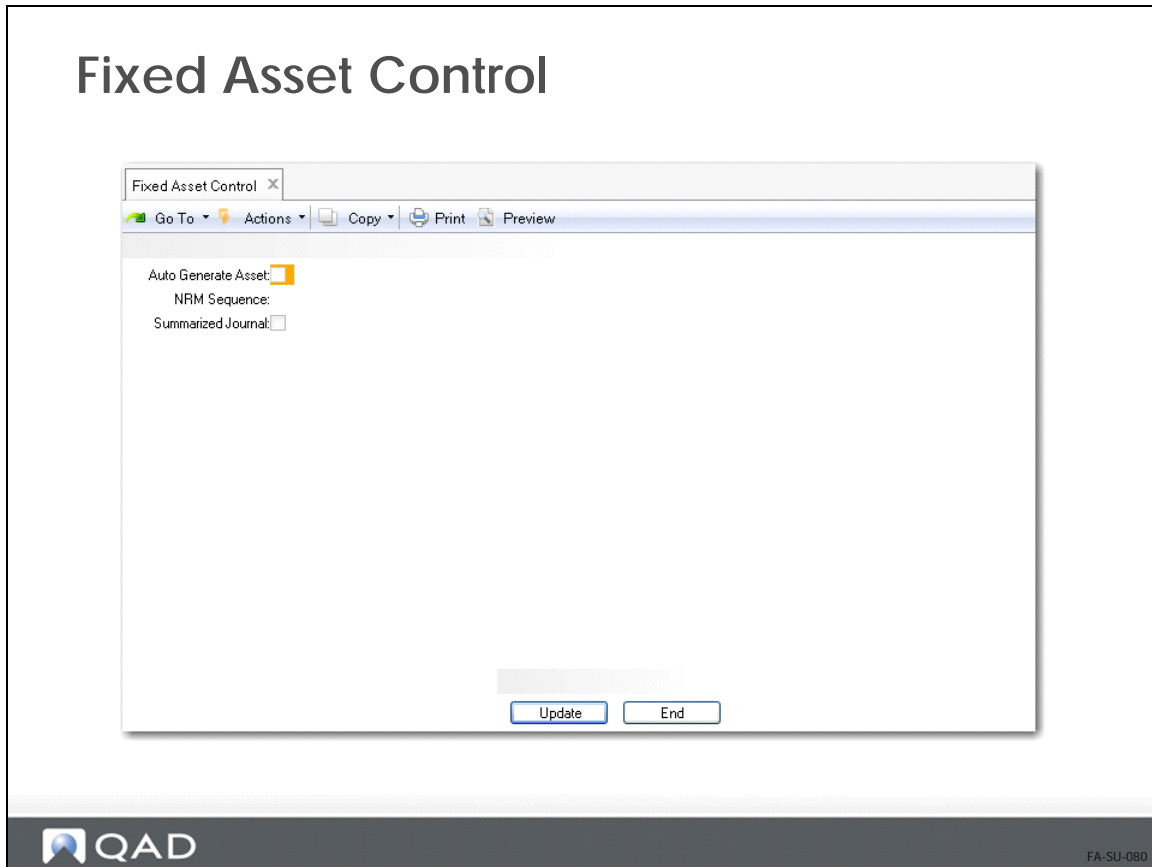
- **Fixed Asset Control**
- Fixed Asset Calendar
- Books
- Depreciation Methods
- Classes
- Fixed Asset Locations
- Meters
- Fixed Assets

 FA-SU-070

Use Fixed Asset Control to specify:

- If asset IDs are generated by the system or assigned manually
- If the system creates summary or detailed journal entries for fixed asset GL transactions

## Fixed Asset Control



### Fixed Asset Control (32.24)

*Auto Generate Asset ID.* If Yes, system assigns unique asset IDs. Number Range Management (NRM) sequence is used to generate, control, and audit sequence numbers

*NRM Sequence ID.* If Auto Generate Asset ID is Yes, enter the predefined NRM sequence ID with the target dataset of `fa_id`. The sequence must be 12 characters or less

*Summarized Journal.* If Yes, Fixed Asset Transaction Post posts totals by account, sub-account, cost center, and project combination. It is recommended to create detailed journal entries when first implementing Fixed Assets and:

- Verify that transactions are being processed correctly with right accounts
- Ability to correct mistakes

You can switch to summarized journal later, if to save space and reduce the number of transactions in the GL.

### Exercise: Preliminary Setup

- 1 Verify Domain: From the workspace menu select Training.
  - a Note the domain name appears in the top window frame.
- 2 Run Database Sequence Initialization (36.16.17).

- 3 Verify GL Calendar Period.
  - a Use GL Calendar Browse (25.3.5).
  - b Start search at current year.
  - c If you find no records continue to step 4.
- 4 Use GL Calendar Maintenance (25.3.4).  
Enter the 12 periods for the current year.

### Exercise: Set Up Fixed Asset Business Rules

In these exercises, you set up the business rules necessary for using the Fixed Assets module. You define the Fixed asset account codes needed for posting to the GL, and choose control options. You can optionally create a fixed asset calendar for non-posting books, set up books, methods, classes, locations, meters and fixed asset records.

**Note** If a field is not specified, accept the default.

#### Define Fixed Asset Accounts

- 1 GL accounts are needed to record your fixed asset transactions. Review the GL accounts for Fixed Assets in Account Code Maintenance (25.3.13). If any do not exist, create them using the following information:

Field	Data
Account	1204
Description	Intercompany FA Debtors
Type	A
Format Position	12000

Set Active to Yes.

Field	Data
Account	1214
Description	Intercompany FA Creditors
Type	A
Format Position	12000

Set Active to Yes.

Field	Data
Account	1800
Description	Fixed Assets
Type	A
Format Position	12000

Set Active to Yes.

Field	Data
Account	1810
Description	FA Depreciation
Type	A
Format Position	12000

Set Active to Yes.

Field	Data
Account	1830
Description	Periodic Expense
Type	E
Format Position	72000

Set Active to Yes.

Field	Data
Account	5300
Description	Depreciation Expense
Type	E
Format Position	72000

Set Active to Yes.

Field	Data
Account	1840
Description	Construction in Progress
Type	A
Format Position	12000

Set Active to Yes.

Field	Data
Account	7800
Description	Gain/Loss on disposal
Type	I
Format Position	81000

Set Active to Yes.

Field	Data
Account	1890
Description	Asset Suspense
Type	A
Format Position	12000

Set Active to Yes

- 2 Create the following sub-accounts using Sub-Account Maintenance (25.3.17).

To make valid against all accounts, leave the range fields blank; select Next twice, the word All appears under Account Ranges. If finished, end by selecting the Back button.

Sub-Account	Description	Active	Range
1000	Quality Products Company	Yes	Make valid against all accounts
2000	East Coast Division	Yes	Make valid against all accounts

### Define Intercompany Accounts as set in the Entities T100 and T200

The entity specifies the intercompany accounts, including the Fixed Assets intercompany account, sub-account, and cost center. Make sure the following fields are set as specified:

**Note** FA refers to the Fixed Asset debit and credit account numbers.

Entity	Description	M	Dr Acct	Sub-Acct	Cr Acct	Sub-Acct
T100	Quality Products Company	FA	1204	1000	1214	1000
T200	East Coast Division	FA	1204	2000	1214	2000

3 Use Intercompany Accounts Inquiry (25.3.1.3).

4 Should the accounts not be like above, use Entity Code Maintenance (25.3.1.1).

**Note** If there are existing account numbers, replace them with the above.

### Define/Review Fixed Assets Control

The control program specifies whether to automatically or manually create asset IDs, and to create summary or detail GL transactions for fixed assets. Review Fixed Assets Control (32.24).


5 Make sure the following fields are set as specified:

Field	Data
Auto Generate Asset ID	No
Summarized Journal	No


**Note** Fixed Asset Control (32.24)

## Define Fixed Asset Calendar

### Fixed Asset Setup



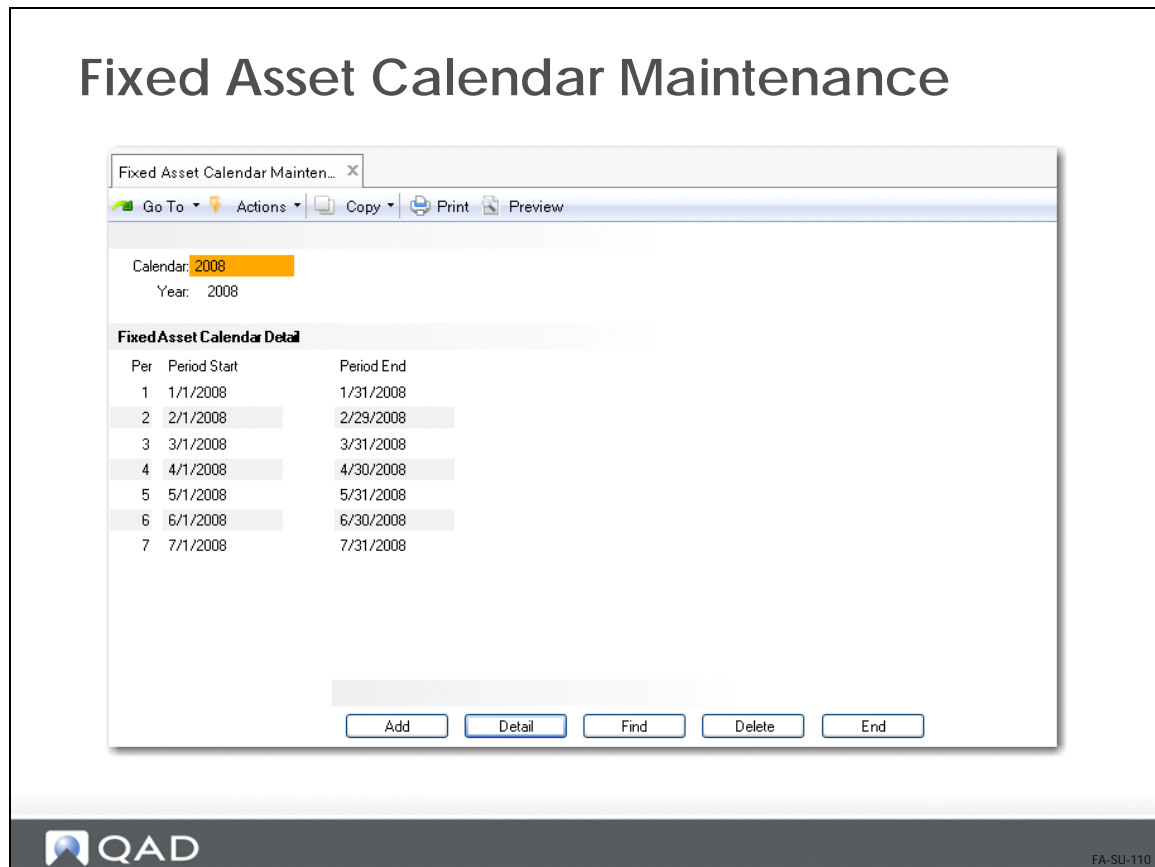
- Fixed Asset Control
- **Fixed Asset Calendar Maintenance**
- Books
- Depreciation Methods
- Classes
- Fixed Asset Locations
- Meters
- Fixed Assets

 FA-SU-100

Occasionally assets assigned to non-posting books use a calendar other than the GL calendar. A fixed asset calendar can be set up to use in those instances. This information is used as the default when setting up assets in Fixed Asset Maintenance (32.3).

**Note** A fixed asset calendar cannot be associated with posting books. Posting books automatically follow the fiscal calendar as defined in GL Calendar Maintenance (25.3.4). Non-posting books can use a fixed asset calendar.

## Fixed Asset Calendar Maintenance



Use Fixed Asset Calendar Maintenance (32.1.5) to set up optional calendars for non-posting books.

- Associate a fixed asset calendar with non-posting books in Book Maintenance (32.1.9)
- Fixed asset calendars are optional
- Fixed asset calendar determines which periods are active

*Calendar ID.* A unique ID identifying this calendar, up to eight characters. Used when specifying a calendar for non-posting books in Book Maintenance (32.1.9)

*Year.* The year that applies to this calendar

*Period Start.* Start date for this period. Default is one day after the previous Period Finish date; periods cannot overlap

*Period End.* Ending date for this period; periods cannot overlap


### Exercise: Fixed Asset Calendar

- 1 Create a fixed asset calendar for non-posting books. Which calendars might apply to your company? Set up a calendar for the current year, giving it twelve months, each period starting on the first of the month and ending on the last day of the month.


**Note** Fixed Asset Calendar Maintenance (32.1.5)

## Define Posting and Non-Posting Books

### Fixed Asset Setup



- Fixed Asset Control File
- Fixed Asset Calendar
- **Book Maintenance**
- Depreciation Methods
- Classes
- Fixed Asset Locations
- Meters
- Fixed Assets

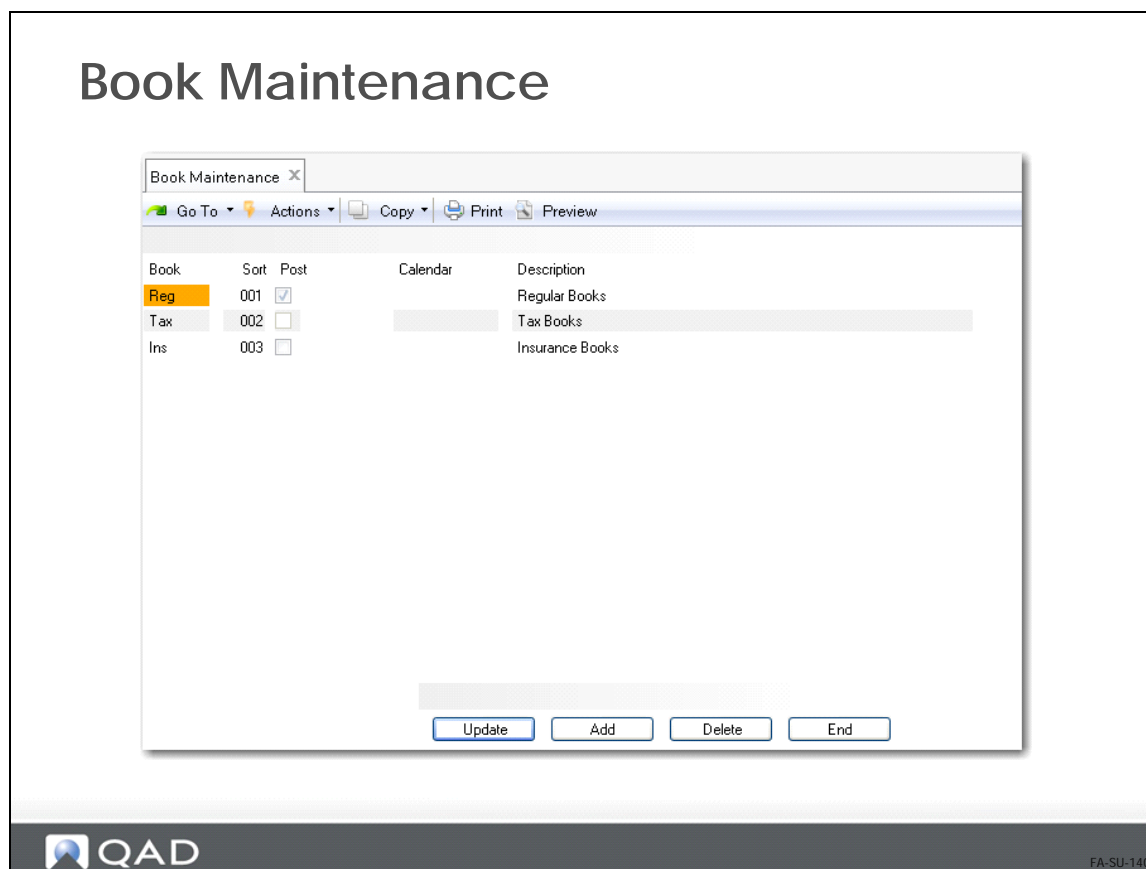
 FA-SU-130

Any fixed assets that are depreciated must be assigned to a posting book. You can set up unlimited non-posting books, but can only set up one posting book.

For each book, specify:

- If it is a posting book that updates the GL
- Any user-defined fixed asset calendars associated with non-posting books
- The unique sort sequence used for reporting

## Book Maintenance



Use Book Maintenance (32.1.9) to set up depreciation books for fixed assets.

**Book.** Unique ID identifying the fixed asset book

**Sort.** The order in which the system should display this book in browses, reports, and on Depreciation Books screen in Fixed Asset Maintenance

**Posting.** If Yes, this book posts to the GL and is referred to as the posting book. Posting books always follow the GL calendar

A depreciable asset must be assigned to a posting book for fixed asset transactions to be recorded in the GL. Multiple depreciation books are often required to meet different reporting needs. An asset can be depreciated under an unlimited number of non-posting books.

**Calendar.** If a non-posting book, enter the calendar ID for the calendar you want associated with this non-posting book

**Description.** Description of this book, up to 30 characters. Displays on reports and inquiries

Update function modifies an existing book. The Add button is used to create a new book. Use Delete to delete a book.

**Note** You cannot delete a book that is associated with an asset.

Once a book is set up, assign assets to it in Fixed Asset Maintenance (32.3) or assign it to classes in Class Maintenance (32.1.17).

## Exercise: Create Books

Create two books, one posting and one non-posting.

**Note** Remember to choose the Add navigation button to add a new book.

### 1 Posting book

Field	Data
Book	FIN
Sort	<Default>
Post	Yes
Calendar	<blank>
Description	Financial Posting Book


### 2 Non-Posting book

Field	Data
Book	TAX
Sort	<Default>
Post	No
Calendar	<blank>
Description	Tax Non-Posting Book


**Note** Book Maintenance (32.1.9)

## Define Depreciation Methods

### Fixed Asset Setup



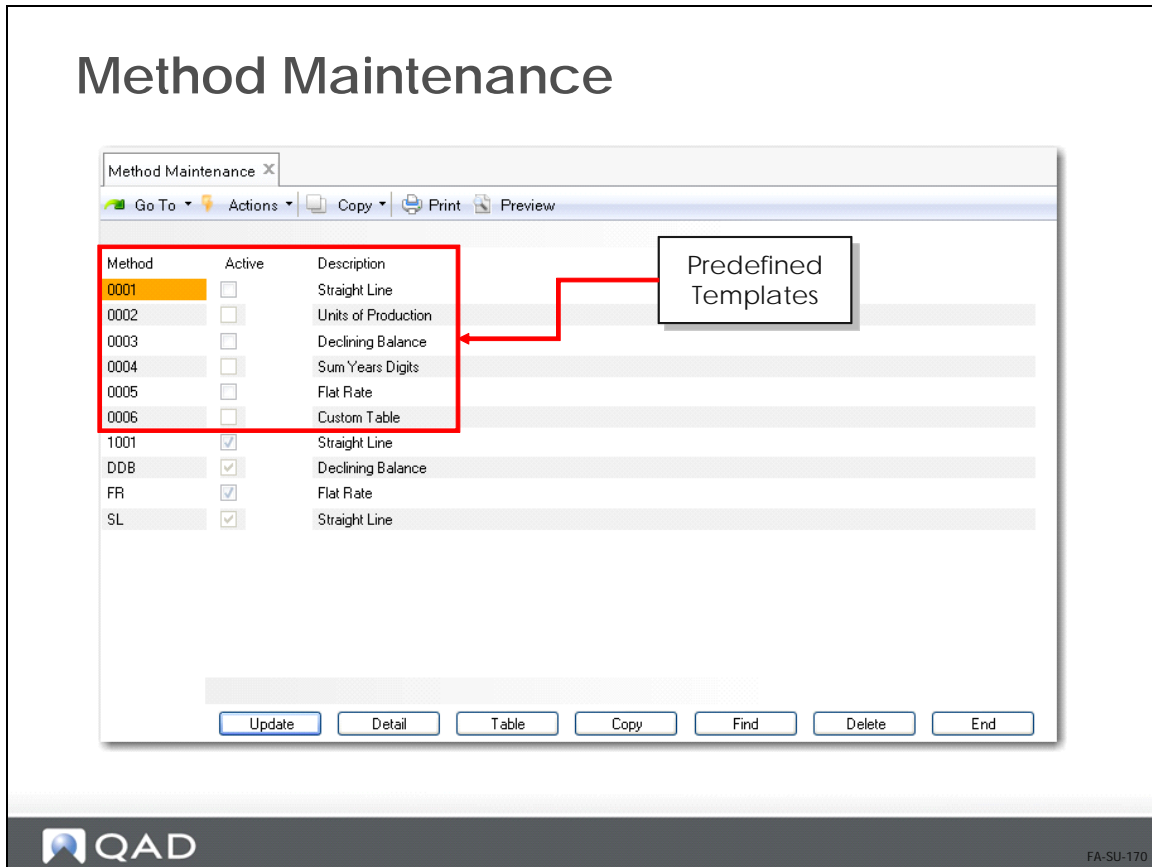
- Fixed Asset Control
- Fixed Asset Calendar
- Books
- **Method Maintenance**
- Classes
- Fixed Asset Locations
- Meters
- Fixed Assets

 FA-SU-160

Methods identify how annual depreciation is calculated for the asset.

- There are several methods for calculating depreciation
- Assets can have depreciation calculated one way for tax reporting purposes. Depreciation methods for tax purposes are usually based on the type of asset and the tax laws in effect when the asset was placed in service
- Assets can have depreciation calculated another way for financial purposes. Depreciation methods for financial or management purposes usually follow generally accepted accounting practices and policies

## Method Maintenance



Use Method Maintenance (32.1.1) to specify the depreciation methods to be used.

- Depreciation allocates an asset's cost to periods in its service life
- Depreciation effects both tax and financial reporting
- Active depreciation methods are assigned to an asset in Fixed Asset Maintenance (32.3) and can be assigned as class defaults in Class Maintenance (32.1.17)
- Cannot modify methods that are assigned to assets

QAD Enterprise Applications supports the following depreciation methods:

- Straight-Line
- Declining Balance
- Sum-of-Years'-Digits
- Flat Rate
- Units of Production
- Custom Table

**Method.** A four-character alphanumeric ID that is the identifier for the copied depreciation method. The ID cannot start with a zero

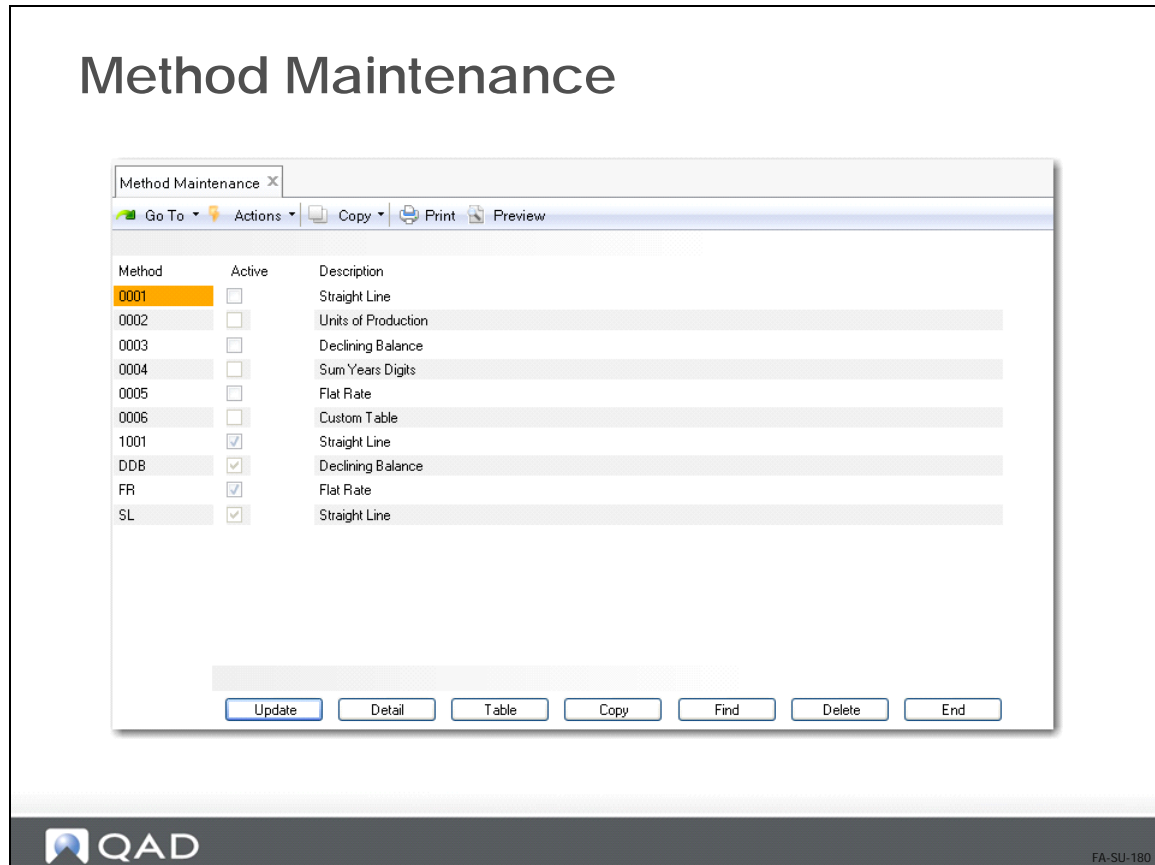
**Note** Methods starting with a zero are system supplied. To use a supplied depreciation method, you must copy it and then make it active.

*Active.* Yes indicates that this method is active

Enter No if it is not active. Active is always set to No for system-supplied depreciation methods and cannot be changed

If the field is changed from Yes to No and this method is used by any classes, update the classes to use another active method. If classes are not updated, an error appears that the method is inactive

## Method Detail



To get to Method Detail, use the Detail button in Method Maintenance (32.1.1).

**Convention.** Determines how much depreciation is taken in the first and last period of an asset's life. Specific numbers correspond to one of the system-supplied conventions

- 1: Full Period
- 2: Half Period
- 3: Next Period
- 4: Full Quarter
- 5: Half Quarter
- 6: Full Year
- 7: Half Year
- 8: Modified Half Year Version 1
- 9: Modified Half Year Version 2

**Switch to Straight Line.** If Yes, the declining-balance depreciation method switches to the straight-line method when the depreciation calculated using the straight-line method is greater than the depreciation calculated using the declining balance method

**Factor.** A percentage used to calculate the depreciation per period

- Factor only applies to declining-balance and flat-rate depreciation methods

- Declining balance uses the factor percentage against the net book value of the asset at the beginning of each fiscal year

*Use Salvage.* Indicates whether the depreciation method reduces the cost by the salvage value to calculate the depreciation basis. Salvage value is the book value the asset is expected to have at the end of its expected life

*Actual Days.* If Yes, the actual calendar days in the period that the asset is put into service are used when calculating the depreciation expense

- After the annual depreciation is calculated, it is divided by a standard 365 to determine the calendar-day depreciable expense
- Depreciation expense for each period is defined as the number of calendar days in the period times the daily depreciation expense

*Expected Life.* This is the expected useful life for assets depreciated by this method; expected life is used in calculating depreciation over the life of the asset

This field is required if the depreciation method is a custom table; otherwise, it is used as the default life for the method in Class Maintenance 32.1.17 and Fixed Asset Maintenance 32.3

## Depreciation Methods

### Depreciation Methods

#### Straight-Line

---

*Depreciation Charge = Depreciable Basis / Service Life*

*Depreciable Basis = Cost - Salvage*



FA-SU-190

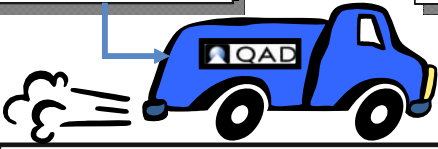
#### Straight-Line

- Allocates the asset's cost evenly over its service life

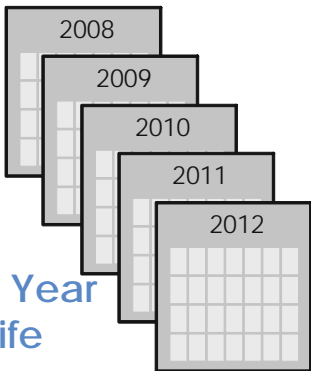
### Example – Straight-Line Depreciation Schedule

Purchase for  
\$20,000


– Salvage  
of (\$2,000)



Five Year  
Life



Year	Calculation	Depreciation Expense
1	$\$18,000/5$	\$3,600
2	$\$18,000/5$	\$3,600
3	$\$18,000/5$	\$3,600
4	$\$18,000/5$	\$3,600
5	$\$18,000/5$	\$3,600


FA-SU-200

**Example** A company purchases a \$20,000 car that has a \$2,000 salvage value and a 5 year service life.

## Declining Balance

# Depreciation Methods

## Declining Balance

---

*Depreciation Rate = Percentage Multiplier/Service Life*

*Depreciation Charge = Depreciation Rate \* Net Book Value*

Each year:

*Net Book Value = Net Book Value - Depreciation Expense*



FA-SU-210

- An accelerated method that provides higher depreciation charges in the earlier years of the asset's life
- Lower depreciation charges in the later years
- Annual depreciation is calculated by using a constant depreciation percentage rate and multiplying it by the remaining net book value each year of the asset's service life

## Example – Declining Balance



Year	Net Book Value	Depreciation Rate	Calculation	Depreciation Expense
1	\$20,000	30%	\$20,000 * 30%	\$6,000
2	\$14,000	30%	\$14,000 * 30%	\$4,200
3	\$9,800	30%	\$9,800 * 30%	\$2,940
4	\$6,860	30%	\$6,860 * 30%	\$2,058
5	\$4,802	30%	\$4,802 * 30%	\$1,440.60
	\$4,802.00			
	<u>- 1,440.60</u>			
	3,361.40		Left on the Books till Asset Retired	



FA-SU-220

**Example** A company purchases a \$20,000 car that has a \$2,000 salvage value and a 5 year service life. The company uses a percentage multiplier of 150% to calculate the depreciation for the automobile. The annual depreciation rate is calculated by annualizing the percentage multiplier over the automobile’s service life.

With the declining balance method, \$3,361.40 (\$4,802 - \$1,440.60) of the asset’s cost is not depreciated.

## Declining Balance Switch to Straight-Line

### Depreciation Methods

#### Declining Balance Switch to Straight-Line

##### Declining Balance

$Depreciation Rate = Percentage Multiplier / Service Life$

$Depreciation Charge = Depreciation Rate * Net Book Value$

Each year:

$Net Book Value = Net Book Value - Depreciation Expense$

*When declining balance depreciation charge is less than straight-line, method switches to straight-line*

##### Straight-Line

$Depreciation Charge = Depreciable Basis / Service Life$

$Depreciable Basis = Cost - Salvage$



FA-SU-230

- Declining balance does not depreciate the asset to zero
- Can choose to switch the declining balance method to straight-line when the depreciation calculated by straight-line is greater than the amount calculated by the declining balance method
  - Change the Switch to Straight Line field to Yes in Method Maintenance Detail 32.1.1
  - This method fully depreciates the asset
- Uses the same equations as the standard declining balance and straight-line methods
- The above illustrated equation is used when the sum of the depreciation is greater than the basis amount

The Switch to Straight Line option must be set to Yes to use Declining Balance Switch to Straight-Line Method.

## Method Detail

Method Maintenance x

Go To Actions Copy Print Preview

**Method Detail**

Method: 0001 Straight Line

Depreciation Type: 1

Convention: 1 Full Period

Switch to SL:

Factor: 0.0%

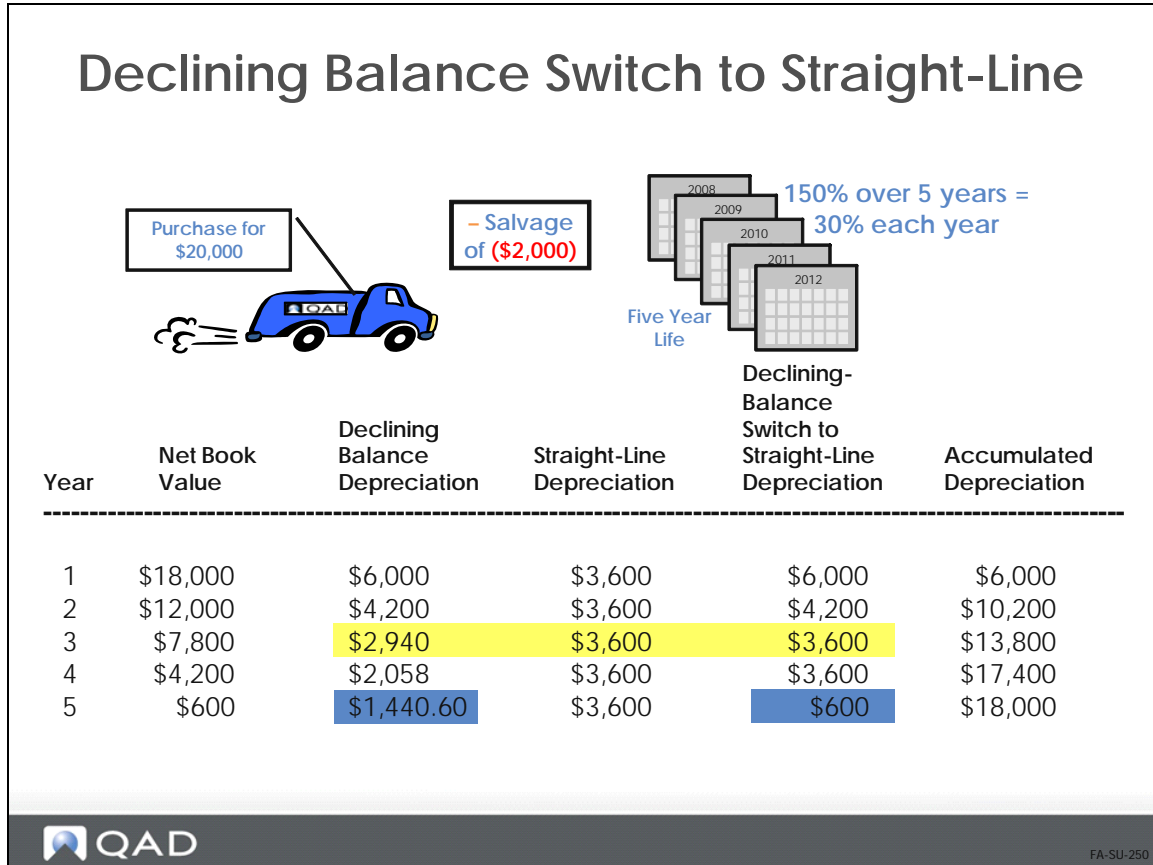
Use Salvage:

Actual Days:

Expected Life: 0.00

Field is set to Yes to Switch to Straight Line

Update End



**Example** A company purchases a \$20,000 car that has a \$2,000 salvage value and a 5 year service life. The company uses a percentage multiplier of 150% to calculate the depreciation for the automobile. The annual depreciation rate is calculated by annualizing the percentage multiplier over the automobile's service life.

In year 3, the declining balance depreciation charge is less than the straight-line. Therefore, the method switches to straight-line.

In year 5, the accumulated depreciation exceeds the asset's depreciable basis and therefore must be adjusted. The following equation is used:

$$\text{Depreciation Charge} = \$18,000 - \$17,400 = \$600$$

## Sum-of-the-Years'-Digits

### Depreciation Methods

#### Sum-of-the-Years'-Digits

*Depreciation Charge = Depreciable Basis \*  
(Number of Years Remaining / Sum-of-the-Years'-  
Digits)*

*Depreciable Basis = Cost - Salvage*

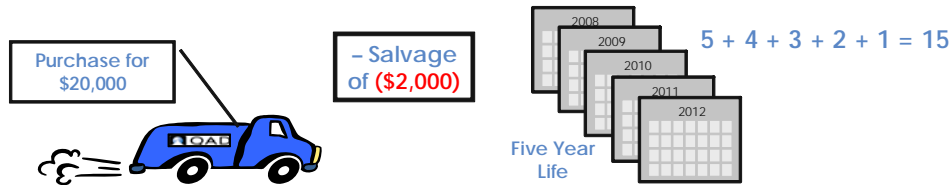
*Sum-of-Years'-Digits = 1 + 2 + n...*



FA-SU-260

- An accelerated method that provides a decreasing fraction to the asset's depreciable basis
- Annual depreciation is calculated by applying a fraction to the assets depreciable basis
- Each fraction uses the sum of the years' digits as the denominator
- Remaining years in the asset's service life is the numerator
  - Numerator decreases each year while the denominator remains constant

## Example – Sum-of-the-Years'-Digits



Year	Remaining Life	Depreciation Fraction	Calculation	Depreciation Expense
1	5	5/15	\$18,000 * (5/15)	\$6,000
2	4	4/15	\$18,000 * (4/15)	\$4,800
3	3	3/15	\$18,000 * (3/15)	\$3,600
4	2	2/15	\$18,000 * (2/15)	\$2,400
5	1	1/15	\$18,000 * (1/15)	\$1,200

**Example** A company purchases a \$20,000 car that has a \$2,000 salvage value.

## Units of Production

# Depreciation Methods

## Units of Production

---

*Depreciation Per Unit of Production = Depreciable Basis / Total Units of Production*

*Depreciable Basis = Cost - Salvage*

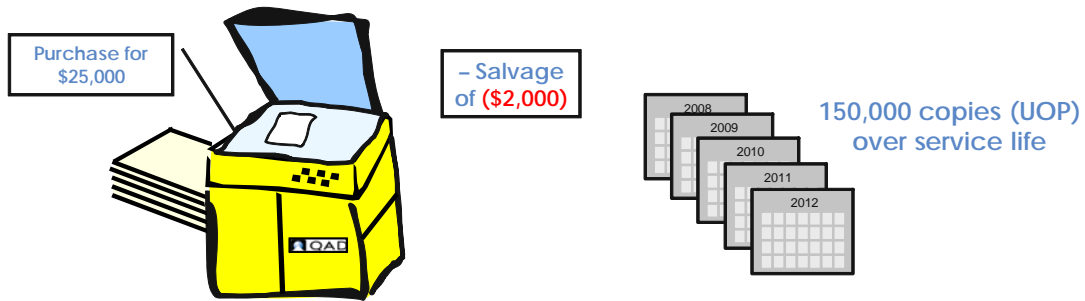
*Depreciation Charge = Units of Production Per Period \* Depreciation Per Unit of Production*



FA-SU-280

- Calculates depreciation based on items produced or units consumed from the asset

## Example – Units of Production



Year	Units of Production Per Period	Calculation	Depreciation Expense
1	30,000	$30,000 * \$0.15$	\$4,500
2	25,000	$25,000 * \$0.15$	\$3,750
3	20,000	$20,000 * \$0.15$	\$3,000
4	40,000	$40,000 * \$0.15$	\$6,000
5	30,000	$30,000 * \$0.15$	\$4,500

**Example** A company purchases a \$25,000 copier with a \$2,000 salvage value. The machine is expected to produce 150,000 units over its service life.

## Flat Rate

# Depreciation Methods

## Flat Rate

---

*Depreciation Charge = Depreciable Basis \* Flat Rate Percentage*

*Depreciable Basis = Cost - Salvage*

Use this equation to calculate the last year of depreciation:

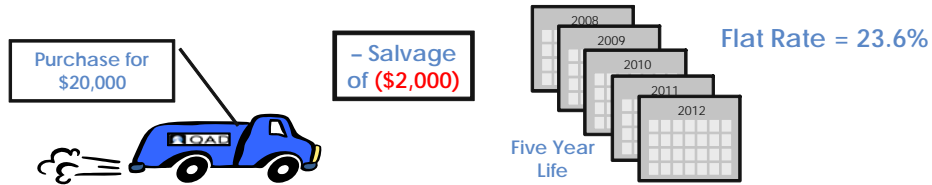
*Depreciation Charge = Depreciable Basis - Accumulated Depreciation*



FA-SU-300

- Calculates depreciation by using a constant percentage and multiplying it by the depreciable basis over the asset's service life until the sum of the depreciation is greater than the basis amount
- The final year of depreciation is adjusted so that the total of depreciation equals the basis amount

## Example – Flat Rate



Year	Flat Rate	Calculation	Depreciation Expense	Accumulated Depreciation
1	23.6%	$\$18,000 * 23.6\%$	\$4,248	\$4,248
2	23.6%	$\$18,000 * 23.6\%$	\$4,248	\$8,496
3	23.6%	$\$18,000 * 23.6\%$	\$4,248	\$12,744
4	23.6%	$\$18,000 * 23.6\%$	\$4,248	\$16,992
5	23.6%	$\$18,000 * 23.6\%$	\$1,008	\$18,000



FA-SU-310

**Example** A company purchases a \$20,000 car that has a \$2,000 salvage value and a 5 year service life. The flat rate is 23.6%.

In year 5, the accumulated depreciation exceeds the asset's depreciable basis. The depreciation charge is adjusted in year 5.

## Custom Table

# Depreciation Methods

## Custom Table

---

$$\text{Depreciation Charge} = \frac{\text{Depreciable Basis}^*}{\text{Depreciation Factor}}$$

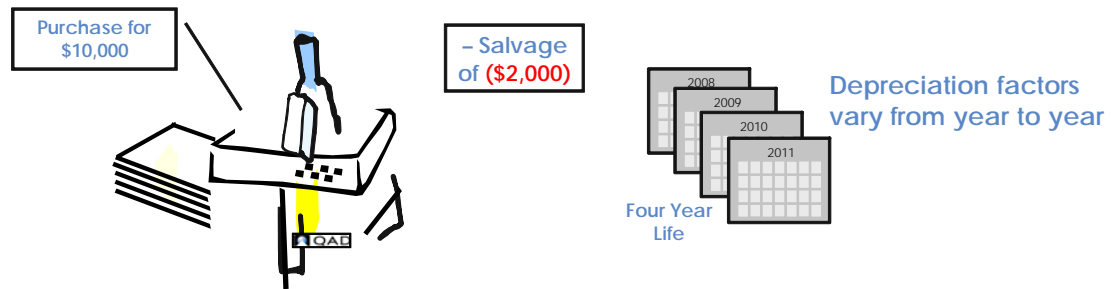
$$\text{Depreciable Basis} = \text{Cost} - \text{Salvage}$$



FA-SU-320

- Can be used as a substitute to the standard depreciation methods for calculating depreciation
- Depreciation is calculated by specifying a depreciation factor for each period and year of the asset's life
- Depreciation factors are user-defined and must equal 100% at the end of the asset's service life

## Example – Custom Table



Year	Depreciation Rate	Calculation	Depreciation Expense
1	7%	$\$8,000 * 7\%$	\$560
2	9.5%	$\$8,000 * 9.5\%$	\$760
3	27%	$\$8,000 * 27\%$	\$2,160
4	56.5%	$\$8,000 * 56.5\%$	\$4,520



FA-SU-330

**Example** A company purchases a \$10,000 copier that has a \$2,000 salvage value and a 4 year service life. The depreciation factors for each year of the asset's service life are:

Year	Depreciation Rate
1	7%
2	9.5%
3	27%
4	56.5%
Total	100%

## Conventions

### Conventions

- Full Period
- Half Period
- Next Period
- Full Quarter
- Half Quarter
- Full Year
- Half Year
- Modified Half Year Version 1
- Modified Half Year Version 2





FA-SU-340


Fixed assets are not always acquired on the first day of the year, nor are they always retired on the last day of the year. Fixed asset conventions are used for averaging depreciation in the first and last years of an asset's life.

The following examples illustrate how each convention works.

## Full Period

### Example – Full Period

	Period	2008	2009
 Purchased	January	0	\$100
	February	0	\$100
	March	\$100	\$100
	April	\$100	\$100
	May	\$100	\$100
	June	\$100	\$100
	July	\$100	\$100
	August	\$100	\$100
	September	\$100	\$100
	October	\$100	0
November	\$100	0	
December	\$100	0	
			 Retire


FA-SU-350

- Depreciation is calculated for the full period for the first period of an asset's life
- No depreciation is calculated for the last period
- Depreciation is calculated as if the asset was put into and taken out of service the first day of the month



**Example** A company purchases a \$3,600 computer that has a 3 year service life and does not have a salvage value. The computer is depreciated using the straight-line method.


The first year depreciation calculation is \$1,200 and the depreciation per period is \$100.

The computer is placed into service on March 14, 2008 and retired on October 13, 2009.

## Half Period

### Example – Half Period

Period	2008	2009
 Purchased		
January	0	\$100
February	0	\$100
March	\$50	\$100
April	\$100	\$100
May	\$100	\$100
June	\$100	\$100
July	\$100	\$100
August	\$100	\$100
September	\$100	\$50
October	\$100	0
November	\$100	0
December	\$100	0
		 Retire

 FA-SU-360

- Depreciation is calculated for a half period for the first and last period of the asset's life


**Example** A company purchases a \$3,600 computer that has a 3 year service life and does not have a salvage value. The computer is depreciated using the straight-line method.


The first year depreciation calculation is \$1,200 and the depreciation per period is \$100.


The computer is placed into service on March 14, 2008 and retired on October 13, 2009.

## Next Period

### Example – Next Period

	Period	2008	2009
 Purchased	January	0	\$100
	February	0	\$100
	March	0	\$100
	April	\$100	\$100
	May	\$100	\$100
	June	\$100	\$100
	July	\$100	\$100
	August	\$100	\$100
	September	\$100	\$100
	October	\$100	\$100
	November	\$100	0
	December	\$100	0

  
 Retire


FA-SU-370

- Depreciation is calculated for the full period following the period that the asset was placed into service
- Depreciation is calculated for the full period in the last period of the asset's life

**Example** A company purchases a \$3,600 computer that has a 3 year service life and does not have a salvage value. The computer is depreciated using the straight-line method.

The first year depreciation calculation is \$1,200 and the depreciation per period is \$100.


The computer is placed into service on March 14, 2008 and retired on October 13, 2009.


## Full Quarter

### Example – Full Quarter

Period	2008	2009
January	0	\$100
February	0	\$100
March	0	\$100
April	0	\$100
May	0	\$100
June	0	\$100
July	0	\$100
August	0	\$100
September	\$150	\$100
October	\$150	\$100
November	\$150	-\$100
December	\$150	0

3rd Qtr &  
 4th Qtr = \$600  
 Over 4 months  
 = \$150/mo

  
 Purchased

  
 Retire

QAD FA-SU-380

- Depreciation is calculated for the full quarter in the first quarter of the asset's life
- No depreciation is calculated in the last quarter

**Example** A computer is placed into service in the third quarter on September 14, 2008 and retired in the fourth quarter on November 13, 2009.

The following factors are used for calculating depreciation:

Quarter in Service	Acquisition Factor	Retirement Factor
1	100%	0
2	75%	25%
3	50%	50%
4	25%	75%

- First year depreciation and depreciation per period calculations are:

$$\text{annual depreciation} = \$1,200 * 50\% = \$600$$

$$\text{depreciation per period} = \$600 / 4 = \$150$$

- Retirement depreciation calculation is:

$$\text{depreciation} = \$1,200 * 75\% = \$900$$

- When the computer is retired, \$1,100 has already been taken in depreciation
- Difference of \$200 (\$1,100 - \$900) in the depreciation calculation due to early retirement



- Depreciation expense credit of \$100 is applied in the retirement period


**Note** Depreciation would have already been taken for the month of November. Because no depreciation is taken in the last quarter when an asset is retired early, using the full-quarter convention, the depreciation expense is credited.

## Half Quarter

### Example – Half Quarter

Period	2008	2009
January	0	\$100
February	0	\$100
March	0	\$100
April	0	\$100
May	0	\$100
June	0	\$100
July	0	\$100
August	0	\$100
September	\$112.50	\$100
October	\$112.50	\$100
November	\$112.50	-\$50
December	\$112.50	0


Purchased
Retire



FA-SU-390

- Depreciation is calculated for a half quarter in the first and last quarter of the asset's life

**Example** The computer is placed into service in the third quarter on September 14, 2008 and retired in the fourth quarter on November 13, 2009.

The following factors are used for calculation depreciation:

Quarter in Service	Acquisition Factor	Retirement Factor
1	87.5%	12.5%
2	62.5%	37.5%
3	37.5%	62.5%
4	12.5%	87.5%

- First year depreciation and depreciation per period calculations are:

$$\text{annual depreciation} = \$1,200 * 37.5\% = \$450$$

$$\text{depreciation per period} = \$450 / 4 = \$112.50$$

- Retirement depreciation calculation is:


$$\text{depreciation} = \$1,200 * 87.5\% = \$1,050$$


- When computer is retired, \$1,100 has already been taken in depreciation
- Difference of 450 (\$1,100 - \$1,050) in the depreciation calculation due to early retirement
  - Depreciation expense credit of \$50 is applied in retirement period


**Note** Depreciation would have already been taken for the month of November. When the asset is retired early on November 13, only a half-quarter depreciation is taken in the last quarter, when using the half-quarter convention. Therefore, half the depreciation expense is credited.

## Full Year

### Example – Full Year

Period	2008	2009
January	0	\$100
February	0	\$100
March	0	\$100
April	0	\$100
May	0	\$100
June	0	\$100
 Purchased July	\$200	\$100
August	\$200	\$100
September	\$200	\$100
October	\$200	-\$900
November	\$200	0
December	\$200	0

 Retire


FA-SU-400

- A full year of depreciation is taken regardless of the period that the asset was put into service
- No depreciation is calculated for the last year of the asset's life

**Example**

- Computer is placed into service on July 14, 2008
- Retired on October 13, 2009
- First year of depreciation is allocated to 6 remaining periods



$$\text{depreciation per period} = \$1,200 / 6 = \$200$$

- When computer is retired, \$1000 has already been taken in depreciation
- Depreciation must be reversed in retirement period
  - A depreciation expense credit of \$900 is applied in the retirement period

**Note** Depreciation would have already been taken for the month of October. When the asset is retired early on October 13, depreciation for the full year must be reversed in the retirement period, since no depreciation is taken in the last year of an asset's life, using the full-year convention.

## Half Year

### Example – Half Year

	Period	2008	2009
	January	0	\$100
	February	0	\$100
 Purchased	March	\$60	\$100
	April	\$60	\$100
	May	\$60	\$100
	June	\$60	\$100
	July	\$60	\$100
	August	\$60	\$100
	September	\$60	\$100
	October	\$60	-\$300
	November	\$60	0
	December	\$60	0
			 Retire

QAD FA-SU-410

- Depreciation is calculated for a half year for the first and last year of the asset's life

**Example**

- Computer is placed into service on March 14, 2008
- Retired on October 13, 2009
- First year depreciation and depreciation for the 10 periods of ownership calculations are:

$$\text{annual depreciation} = \$1,200 / 2 = \$600$$

$$\text{depreciation per period} = \$600 / 10 = \$60$$


- Retirement depreciation calculation is:


$$\text{depreciation} = \$1,200 / 2 = \$600$$


- When computer is retired \$900 of depreciation has already been taken
  - Only \$600 allowed in retirement year
  - Depreciation expense credit of \$300 (\$900 - \$600) is applied in the retirement period

## Modified Half Year Version 1

### Example – Modified Half Year Version 1

Period	2008	2009
January	0	\$100
February	0	\$100
 Purchased March	\$120	\$100
April	\$120	\$100
May	\$120	\$100
June	\$120	\$100
July	\$120	\$100
August	\$120	\$100
September	\$120	\$100
Retired October	\$120	\$300
November	\$120	0
December	\$120	0

 Retire

 FA-SU-420

- If the asset is put into service in the first half of the year, a full year of depreciation is calculated for the year
- If the asset is put in service in the second half of the year, no depreciation is taken
- If the asset is disposed of in the first half of the year, no depreciation is calculated for the year
- If the asset is disposed of in the second half of the year, a full year's depreciation is taken



**Example**

- Computer placed into service March 14, 2008
- Retired on October 13, 2009
- Depreciation for 10 periods of ownership calculation is:

$$\text{depreciation per period} = \$1,200 / 10 = \$120$$

- Full year of depreciation is taken, since computer is retired in second half of year
- Remaining depreciation for the year is added to the retirement period

## Modified Half Year Version 2

Example – Modified Half Year Version 2			
	Period	2008	2009
	January	0	\$100
	February	0	\$100
 Purchased	March	\$120	\$100
	April	\$120	\$100
	May	\$120	\$100
	June	\$120	\$100
	July	\$120	\$100
	August	\$120	\$100
	September	\$120	\$100
	October	\$120	-\$300
	November	\$120	0
	December	\$120	0
			 Retire



FA-SU-430

- If the asset is put into service in the first half of the year, depreciation is calculated and taken for the full year
- If the asset is put in service in the second half of the year, a half year's depreciation is calculated
- If the asset is disposed of in the first half of the year, no depreciation is calculated for the year
- If the asset is disposed of in the second half of the year, a half year's depreciation is calculated

**Example**

- Computer placed into service March 14, 2008
- Retired on October 13, 2009
- Depreciation for 10 periods of ownership calculation is:
 
$$\text{depreciation per period} = \$1,200 / 10 = \$120$$
- Retirement depreciation calculation is:
 
$$\text{depreciation} = \$1,200 / 2 = \$600$$
- When computer is retired, \$900 of depreciation has already been taken
  - Only \$600 is allowed in the retirement year
  - Depreciation must be reversed in retirement period
- Depreciation expense credit of \$300 (\$900 - \$600) is applied in retirement period

## Exercise: Create Depreciation Methods

Create depreciation methods using the following information.

**Note** Remember to copy an existing method and modify it as specified.

- 1 Choose Method 0001 Straight Line, then choose COPY.

Field	Data
Method	1001
Active	Yes
Description	Straight Line

- 2 Choose Detail button.


Field	Data
Convention	1
Use Salvage	No
Actual Days	No
Expected life	3

- a Create a Declining balance, switch to straight line method; Method ID 1002, 200% declining, 5 year life. Be sure to set Switch to Straight Line field to Yes.
- b Create a UOP method; Method ID 1003. Be sure to copy the existing method for UOP (0002). Set Use Salvage to No, Actual to No.


**Note** Method Maintenance (32.1.1)

## Set Up Classes

### Fixed Asset Setup



- Fixed Asset Control
- Fixed Asset Calendar
- Books
- Depreciation Methods
- **Class Maintenance**
- Fixed Asset Locations
- Meters
- Fixed Assets


FA-SU-450

Classes provide default book and account information for assets. Depreciation for assets in the same class generally affects the same GL accounts for the asset investment, accumulated depreciation, and depreciation expense.

Criteria for setting up a class are:

- Items are similar and grouping is reasonable
- Items are related for accounting purposes (use the same GL accounts)
- Items use the same book
- Items have the same service lives for calculating depreciation
- Items use the same depreciation methods for both book and tax purposes

Classes are assigned to assets in Fixed Asset Maintenance (32.3).

## Class Maintenance

# Class Maintenance

Class Maintenance x

Go To
Actions
Copy
Print
Preview

Class: **Bldg**

Description: Buildings

Depreciate Assets:

**Default Books**

Book	Method	Life	Posting Book
Ins	SL	20.00	<input type="checkbox"/>
Reg	SL	30.00	<input checked="" type="checkbox"/>
Tax	DDB	30.00	<input type="checkbox"/>

Update
Add
Books
Accts
Find
Delete
End

FA-SU-460

Create classes in Class Maintenance (32.1.17).

**Class ID.** A unique name that identifies the class

**Description.** Describes the fixed asset class and displays on various reports and inquiries

**Depreciate Assets.** Determines if assets using this class are depreciated. If Yes, this class is depreciated

**Book.** A pre-defined book for this class; any assets that are depreciated must be assigned to a posting book

**Method.** The depreciation method used for fixed assets assigned to this class; it cannot begin with a zero. depreciation methods are set up in Method Maintenance (32.1.1)

**Life.** Identifies the number of years for the book's life and is used as a basis for depreciation calculations

## Class Accounts


### Class Account Default Maintenance

Class Maintenance
Go To Actions Copy Print Preview

Class: **Bldg**  
 Description: Buildings  
 Depreciate Assets:

**Class Account Default Maintenance**

Label	Account	Description
Asset Account	1800	FIXED ASSETS
Accumulated Expense	1810	LESS: DEPRECIATION
Periodic Expense	5300	DEPRECIATION EXPENSE
Construction in Process	1890	CONSTRUCTION IN PROCESS
Gain on Disposal	7800	GAIN/LOSS ON DISPOSAL
Loss on Disposal	7800	GAIN/LOSS ON DISPOSAL
Asset Suspense	1880	ASSET SUSPENSE


FA-SU-470

Access this function by choosing Accts on the Class Maintenance header.

- The default GL accounts for this class
- Assign GL accounts to the following fixed asset accounts:
  - Asset Account
  - Accumulated Expense
  - Construction in Process
  - Gain on Disposal
  - Loss on Disposal
  - Asset Suspense

### Exercise: Create Classes

Classes provide default book and account information for assets.

- 1 Set up a class, and assign it to two books: FIN and TAX.

Field	Data
Class ID	OFFICE
Description	Office Equipment
Depreciate Asset	Yes

## 2 Choose Books button; then Add.

Field	Data
Book	FIN
Method	1001
Life	3

Field	Data
Book	TAX
Method	1002
Life	5

## 3 Choose Accts button; then Update.

Field	Account	Account Description
Asset Account	1800	Assets
Accumulated Expense	1810	Less: Depreciation
Periodic Expense	1830	Depreciation Expense
Construction in Progress	1840	Construction in Progress
Gain on Disposal	7800	Gain/Loss on Disposal
Loss on Disposal	7800	Gain/Loss on Disposal
Asset Suspense	1890	Asset Suspense

## 4 Set up another class, and assign it to two books, FIN and TAX.

Field	Data
Class ID	MACH
Description	Machine
Depreciate Asset	Yes

## 5 Choose Books button; then Add.

Field	Data
Book	FIN
Method	1003
Life	3

Field	Data
Book	TAX
Method	1002
Life	3

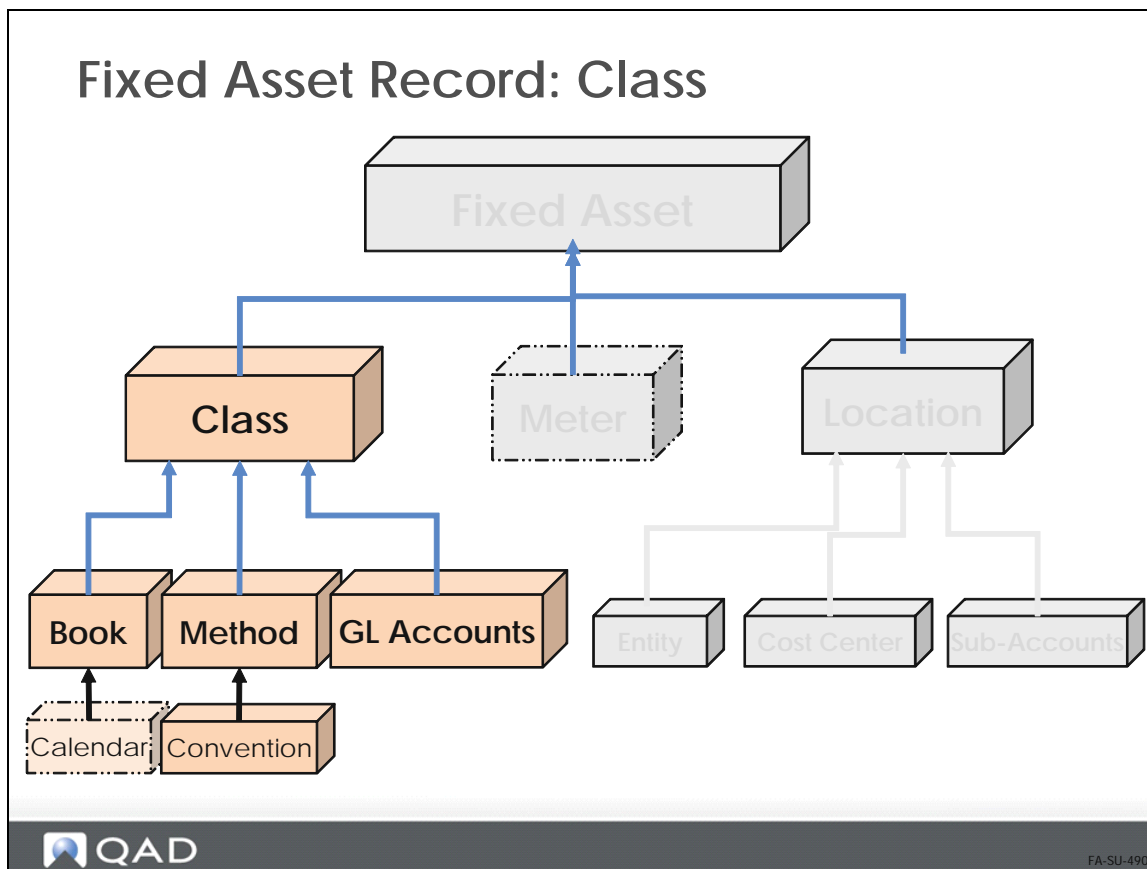
## c Choose Accts button; then Update.

Field	Account	Account Description
Asset Account	1800	Assets
Accumulated Expense	1810	Less: Depreciation
Periodic Expense	1830	Depreciation Expense
Construction in Progress	1840	Construction in Progress
Gain on Disposal	7800	Gain/Loss on Disposal

<b>Field</b>	<b>Account</b>	<b>Account Description</b>
Loss on Disposal	7800	Gain/Loss on Disposal
Asset Suspense	1890	Asset Suspense

**Note** Class Maintenance 32.1.17

## Fixed Asset Record Summary




The items that make up Fixed Assets classes are:


- Book
- Method
- GL Accounts
- Calendar (optional for non-posting books)
- Convention

## Set Up Locations

### Fixed Asset Setup



- Fixed Asset Control
- Fixed Asset Calendar
- Books
- Depreciation Methods
- Classes
- **Location Maintenance**
- Meters
- Fixed Assets

 FA-SU-500

Asset locations identify the accounting location and entity of a fixed asset. They also identify the default sub-accounts and cost centers for depreciation reporting.

Fixed asset location IDs are generally used to locate an asset for tax and asset tracking purposes.

**Note** There is no connection between fixed asset locations and locations used elsewhere in the system, such as inventory locations.

## Location Maintenance

Location Maintenance

Go To Actions Copy Print Preview

Location: **Alt1** Atlanta Plant 1  
 Entity: 2000 Sub-Account: Cost Center:  
 Address: 303 Peachtree Street NE  
 City: Atlanta State: GA Post: 30303  
 County: Country: USA  
 Telephone: 404 619 9888 Fax/Telex: 404 619 9889

Update Add Find Delete End

QAD FA-SU-510

Use Location Maintenance (32.1.13) to set up fixed asset locations.

*Location ID.* A unique ID that identifies a fixed asset location

*Description.* Describes this fixed asset location; can be up to 32 characters

*Entity.* The predefined entity code for this location

*Sub-Account.* Identifies the default sub-account for assets in this location; optional

*Cost Center.* Identifies the default cost center for assets in this location; optional

In Fixed Asset Maintenance (32.3), each asset is assigned to a location. The location determines default asset values.

Use the Update function to modify an existing location. The Add button allows you to create a new location. Use Delete to delete an existing location.

**Note** You cannot delete location IDs that are associated with an asset.

## Exercise: Create Fixed Asset Locations

Fixed Asset Locations determine default asset values.

- 1 Set up locations in two different entities. Remember that fixed asset locations are not related to locations elsewhere in the system.

Field	Data
Location ID	LOC1
Description	Location 1
Entity	T100

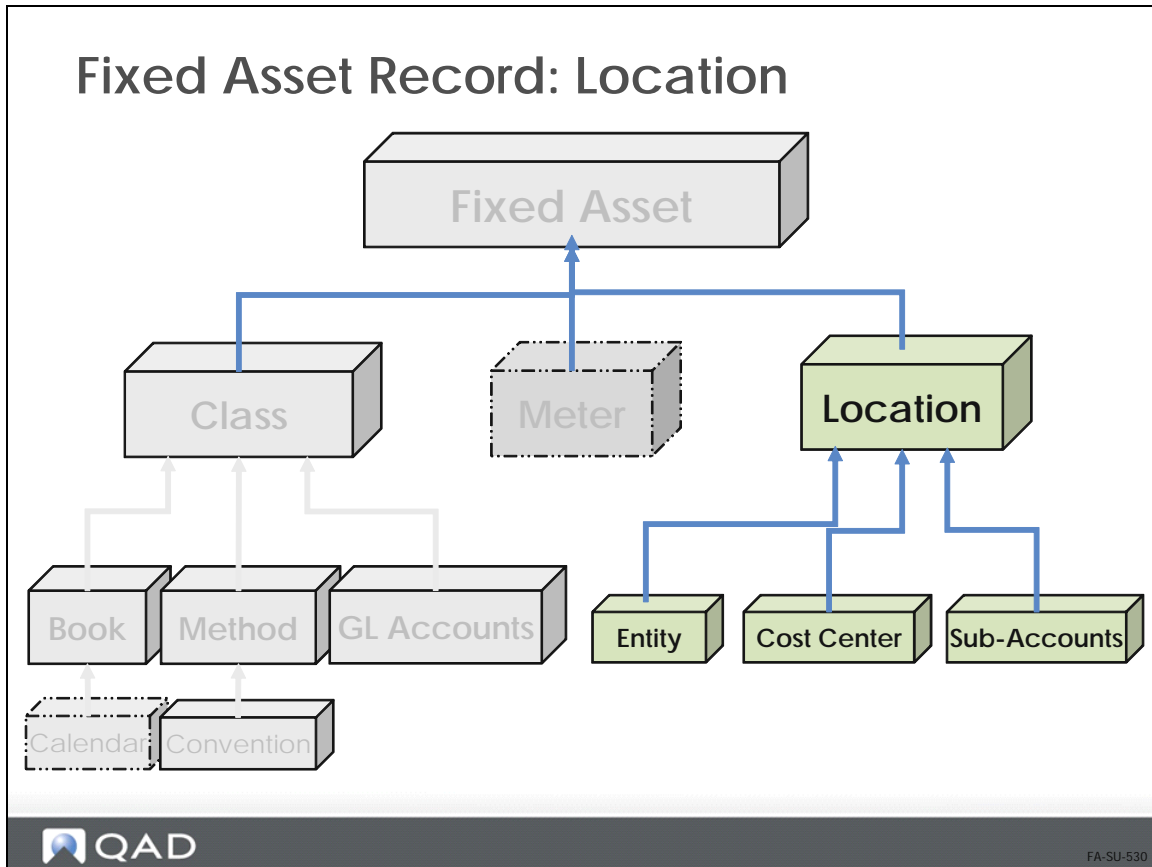
Enter your own address information.

Field	Data
Location ID	LOC2
Description	Location 2
Entity	T200

Enter your own address information.

**Note** Location Maintenance (32.1.13)

## Fixed Asset Record Summary




The items that make up Fixed Asset Locations are:


- Entity
- Sub-Accounts
- Cost Centers

## Create Meters

### Fixed Asset Setup



- Fixed Asset Control
- Fixed Asset Calendar
- Books
- Depreciation Methods
- Classes
- Fixed Asset Locations
- **Meter Maintenance**
- Fixed Assets

 QAD FA-SU-540

Meters are used to measure asset usage for the units-of-production depreciation method. A meter is attached to an asset or group of assets to collect the usage in Fixed Asset Maintenance (32.3). Meters do not have to be used with Units of Production method. The actual usage can be entered on the asset record.

## Fixed Asset Meter Maintenance

Fixed Asset Meter Maintenance

Meter ID: 1

Initial Setting: 0      Date: 10/2/2008      Rollover: 0

Reset Setting: 0      Date:

**Meter Readings**

Action	Date	Reading	Accumulated Units
INITIAL	10/2/2008	0	0

Add    Update    Detail    Assets    Delete    Find    End

QAD FA-SU-550

Fixed Asset Meter Maintenance (32.11) is used to create, modify, and delete meters, and to enter meter readings. Assets and fixed asset books that use the meter can also be viewed by choosing the appropriate option at the bottom of the screen.

**Meter.** Unique alphanumeric meter ID

**Initial Setting.** Meter's beginning number, default is zero

**Date.** Date of the meter's initial setting

**Rollover.** Number after which the meter should reset to zero. For example, if the meter can read 99,999, enter 99999. When meter reaches 100,000, it begins again at zero

**Reset Setting.** Initial setting for the new meter. Use this field if the meter needs to be replaced. It represents the previous meter's ending number

**Date.** Date of the reset setting—must be a date after the initial setting date

**Action.** Description of the setting. Choose one of three system-assigned actions:

- Initial: The meter's initial setup number
- Reading: Meter readings
- Reset: The meter's reset number

**Date.** Date of the meter reading; must be later than the previous reading date

*Reading.* Cannot be less than the number in Accumulated Meter. Indicates the total number of units since the last time meter was reset. Only the most recent meter reading can be deleted

*Accumulated Units.* Total number of units since the meter was created

### Exercise: Create Meters

Meters are used to measure asset usage for units-of-production depreciation method. It is attached to an asset or group of assets to collect usages in Fixed Asset Maintenance (32.3).

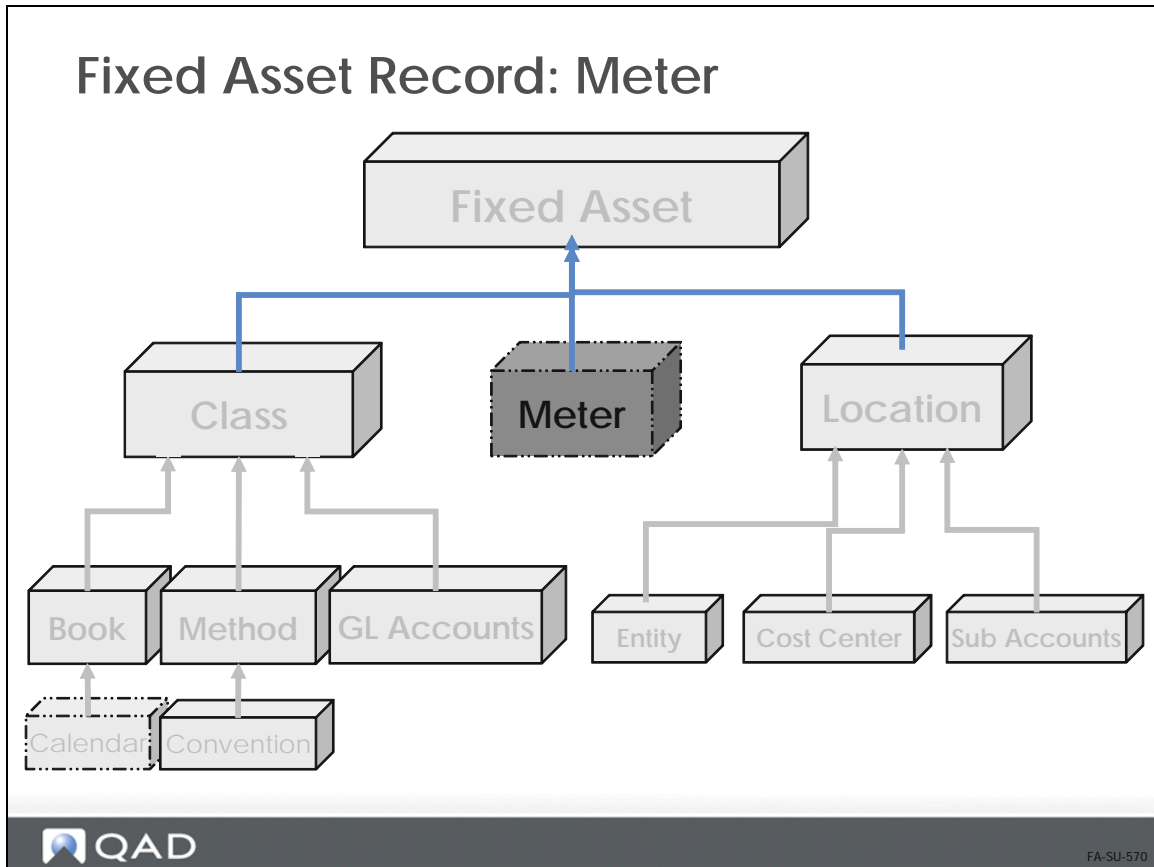
#### 1 Create a meter.

<b>Field</b>	<b>Data</b>
Meter	Mach1
Description	Copy Machine Meter
Initial Setting	0
Date	Today's date
Rollover	9999

**Note** Fixed Asset Meter Maintenance (32.11)

Meters can be set up for tracking usages of an asset when the UOP method is used.

### Fixed Asset Record Summary




Chapter 4


# **Fixed Asset Maintenance**

## Create Fixed Asset Records

### Fixed Asset Setup



- Fixed Asset Control
- Fixed Asset Calendar
- Books
- Depreciation Methods
- Classes
- Fixed Asset Locations
- Meters
- **Fixed Asset Maintenance**

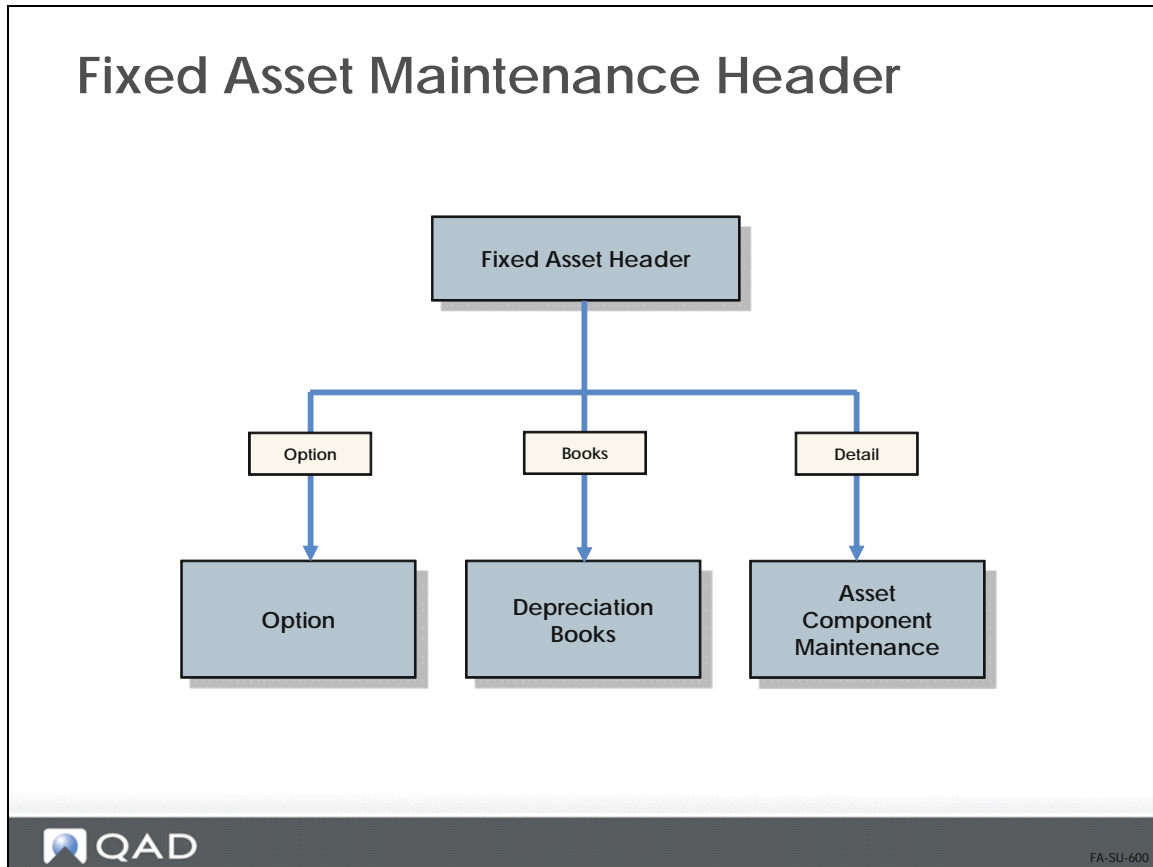
 FA-SU-580

- Fixed assets can be added individually in Fixed Asset Maintenance (32.3) or
- Create a batch of similar assets in Fixed Asset Batch Maintenance (32.7)

Fixed Asset Maintenance consists of several parts:

- Fixed asset header
- Option
- Books
- Detail

## Header



Use the header to enter fixed assets. The header is the only required screen.

From the Header screen you can drill down into Option, Depreciation Books, and Asset Component Maintenance.

## Fixed Asset Maintenance

### Fixed Asset Maintenance

Fixed Asset Maintenance x
Go To Actions Copy Print Preview

Asset: 12345	new asset	Components: 1	
Class: Equip		Depreciate Asset: <input checked="" type="checkbox"/>	
Location: Corp		Posted: <input type="checkbox"/>	
Entity: 1000		Authorization Number:	
Service Date: 1/1/2005		Disposition Date:	
Cost: 12,000.00		Disposition Reason:	
Salvage: 0.00		Sold For: 0.00	
Replacement: 12,000.00			

Depreciation Books						
Book	Serv Date	Method	Life	Cost	Net Book Value	As Of
Reg	1/1/2005	SL	10.00	12,000.00	12,000.00	

Update Add Option Books Detail Find Delete End

FA-SU-610

Use Fixed Asset Maintenance (32.3) to set up and maintain fixed assets.

**Asset ID.** Unique alphanumeric asset ID

- If Auto Generate Asset ID is Yes in Fixed Asset Control (32.24), system automatically assigns the asset ID using the predefined Number Range Management sequence
- Duplicate asset IDs are not allowed

**Description.** Description of the fixed asset; up to 50 characters are allowed

**Location.** A predefined Location ID defined in Location Maintenance (32.1.13). You cannot update the location if asset has been posted to the GL

**Note** If location is changed after an asset is created, sub-accounts and cost centers are not automatically updated. Sub-accounts and cost centers must then be updated in the Asset Account Maintenance screen.

**Class.** A predefined class ID defined in Class Maintenance (32.2.17)

- If class is changed before the asset has been posted, the depreciation schedule is updated with new values
- If class changed after asset is created, the accounts are not automatically updated. You must manually update accounts in Asset Account Maintenance screen

**Service Date.** Date that the fixed asset was put into service; defaults as service date for each of asset's books and is used to calculate depreciation. Service date must exist in GL calendar and any fixed asset calendar associated with default books. You cannot update service date if asset has been posted to GL.

**Cost.** Amount paid to acquire asset. This is not necessarily a basis for depreciation calculation. Defaults as cost for each of asset's books. You cannot update cost if asset has been posted to the GL; instead, make a basis adjustment on Depreciation Adjustments screen.

**Salvage.** Salvage value for this asset, which is the estimated value of property at end of its useful life. This setting is optional. If specified, it must be less than asset cost.

If salvage value is defined at beginning of depreciation calculation, it is used to reduce the depreciable base

Defaults as salvage amount for each of asset's book when depreciation method uses salvage value

Cannot update amount if asset has been posted to GL

**Replacement.** Value to replace this asset. Amount is not used for any calculations; for management reporting

**Components.** Quantity of items that belong to this asset ID. For example, an asset is acquired that consists of 200 chairs. The chairs are grouped as one asset with 200 components.

Automatically updated if number of components is updated in Asset Component Maintenance screen

**Depreciate.** If Yes, asset is depreciable and must be assigned to a posting book

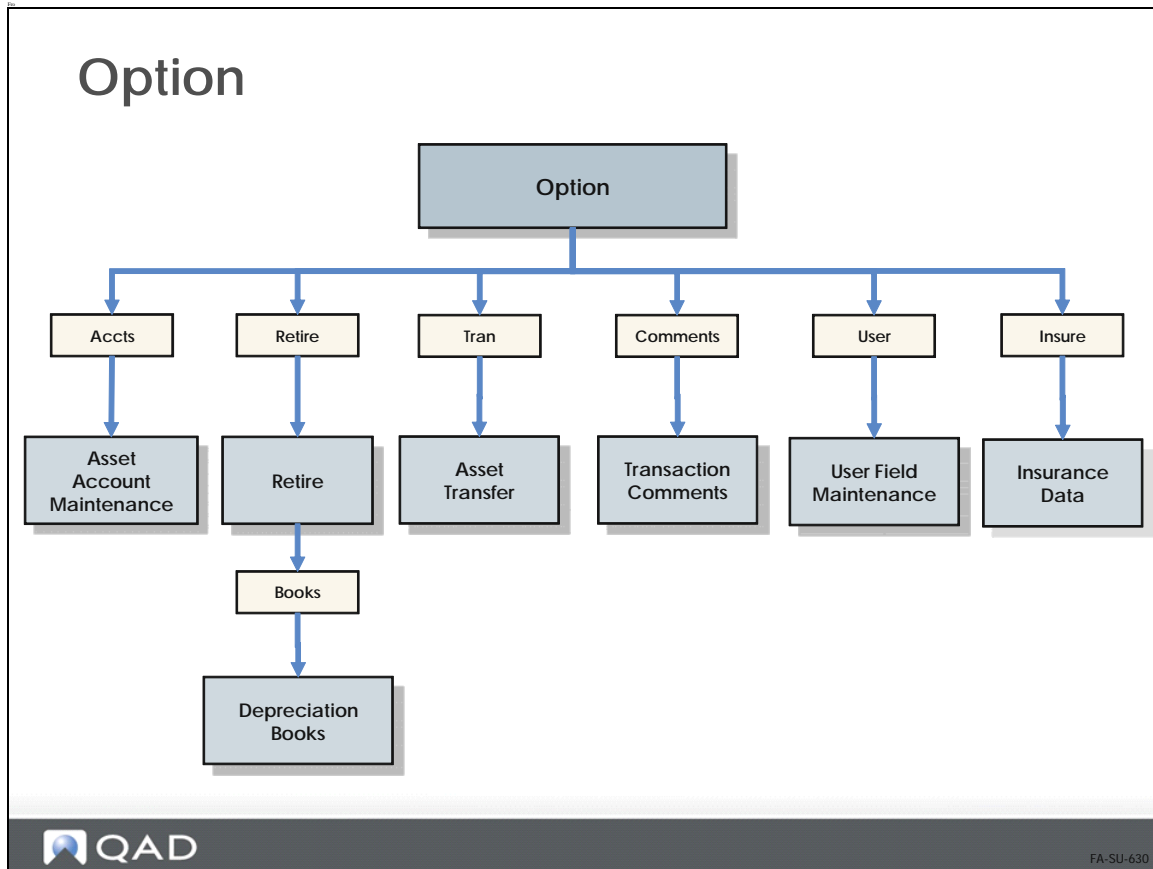
**Auth Number.** An authorization number for this fixed asset; optional setting for reference.

## Option

### Fixed Asset Maintenance



- Fixed Asset Maintenance
- **Fixed Asset Options**
- Asset Accounts
- Asset Retirement
- Asset Transfers
- Asset Data
  - Comments
  - User Fields
  - Insurance Data
- Depreciation Books
- Asset Components
- Batch Maintenance



From the Option screen in Fixed Asset Maintenance (32.3), you can drill down into:

- Asset Account Maintenance
- Retire
- Asset Transfer
- Transaction Comments
- User Field Maintenance
- Insurance Data
- Depreciation Books

## Fixed Asset “Option”

Fixed Asset Maintenance

Go To Actions Copy Print Preview

Asset: 12345 new asset

**Option**

Sort Code: 1

Warranty Date: 10/2/2008

Parent: PC,All

Supplier: Receiver: PO Number:

Custodian: Split From: Split Date:



FA-SU-640

This function is used to maintain optional asset data, such as sort codes, warranty date, asset custodian, supplier, associated PO or receiver number.

**Sort Code.** An optional code used to categorize or assign a type for an asset; can be used in customizing reports. Set up codes in Generalized Code Maintenance (36.2.13) for field `fa_code`.

**Warranty.** An optional expiration date for asset’s warranty.

**Parent.** Parent asset ID for this asset if it is a component of another asset; for example, a refurbished part of another asset that is going to be depreciated separately. Must be an existing asset.

**Supplier.** An optional supplier of this asset defined in Supplier Maintenance (2.3.1).

**Receiver.** An optional receiver number for this asset for reference. When a fixed asset is received, a receiving record is created for verification against the supplier’s invoice in Accounts Payable. If a receiver number is entered, the associated purchase order number defaults in the PO Number field.

**PO Number.** A purchase order number for this asset; default is the PO number associated with the receiver.

**Custodian.** An 8-character name of the asset’s custodian. Custodians are employees responsible for tracking the location of fixed assets.

**Note** There is no interface between the AP module and the Fixed Assets module.

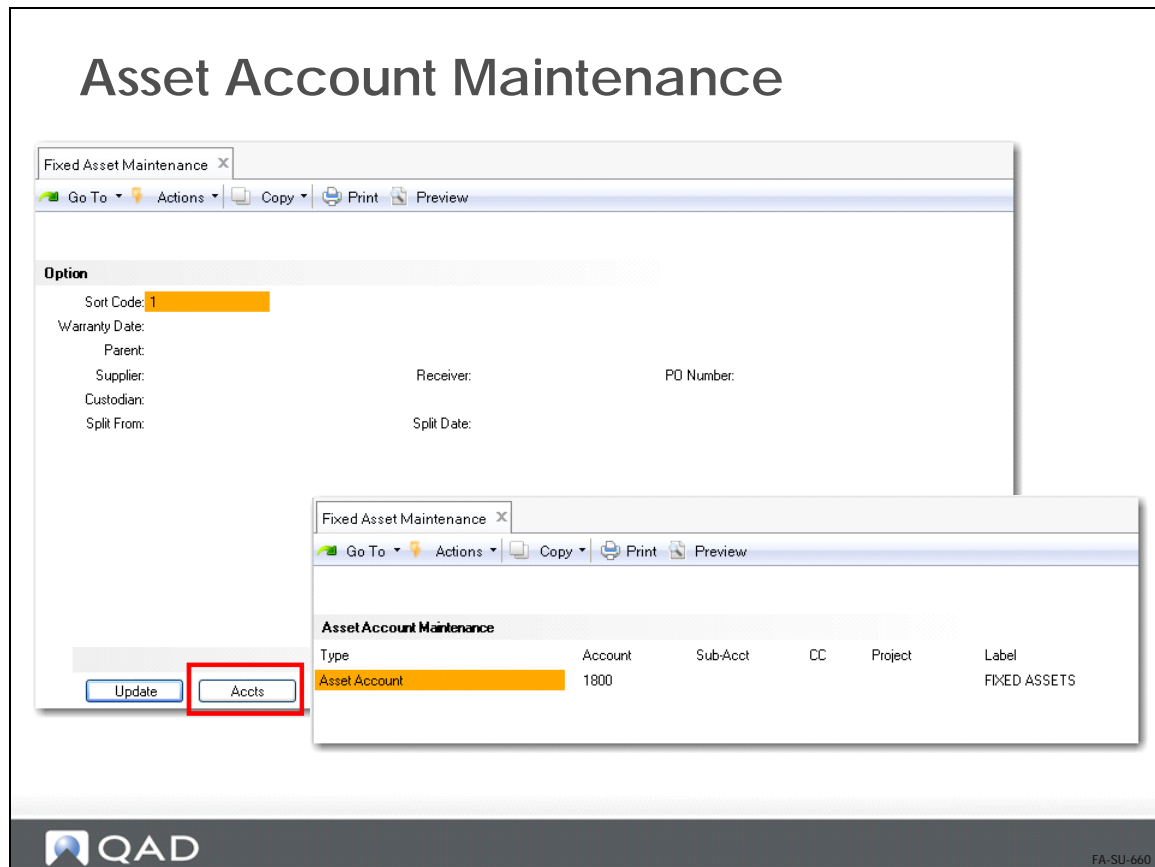
## Asset Accounts

### Fixed Asset Maintenance



- Fixed Asset Maintenance
- Fixed Asset Options
- **Asset Accounts**
- Asset Retirement
- Asset Transfers
- Asset Data
  - Comments
  - User Fields
  - Insurance Data
- Depreciation Books
- Asset Components
- Batch Maintenance

## Asset Account Maintenance



This function is used to change the accounts, sub-accounts, and cost centers that defaulted from the asset's class and location. You can also add an optional project code.

If Verify GL Accounts is Yes in Domain/Account Control (36.1), the account, sub-account, and cost center combination is validated. If Verify Projects is Yes, the project is validated.

**Account.** GL account code that records transactions for this fixed asset book. Accounts are defined in Account Code Maintenance (25.3.13). Fixed asset accounts default from Class Maintenance (32.1.17)

**Sub-Acct.** Optional sub-account code that records transactions for this fixed asset book. Sub-accounts are defined in Sub-Account Code Maintenance (25.3.17). Fixed asset sub-accounts default from Location Maintenance (32.1.13).

**CC.** Optional cost center that records transactions for this fixed asset book. Cost centers are defined in Cost Center Maintenance (25.3.20). Fixed asset cost centers default from Location Maintenance (32.1.13).

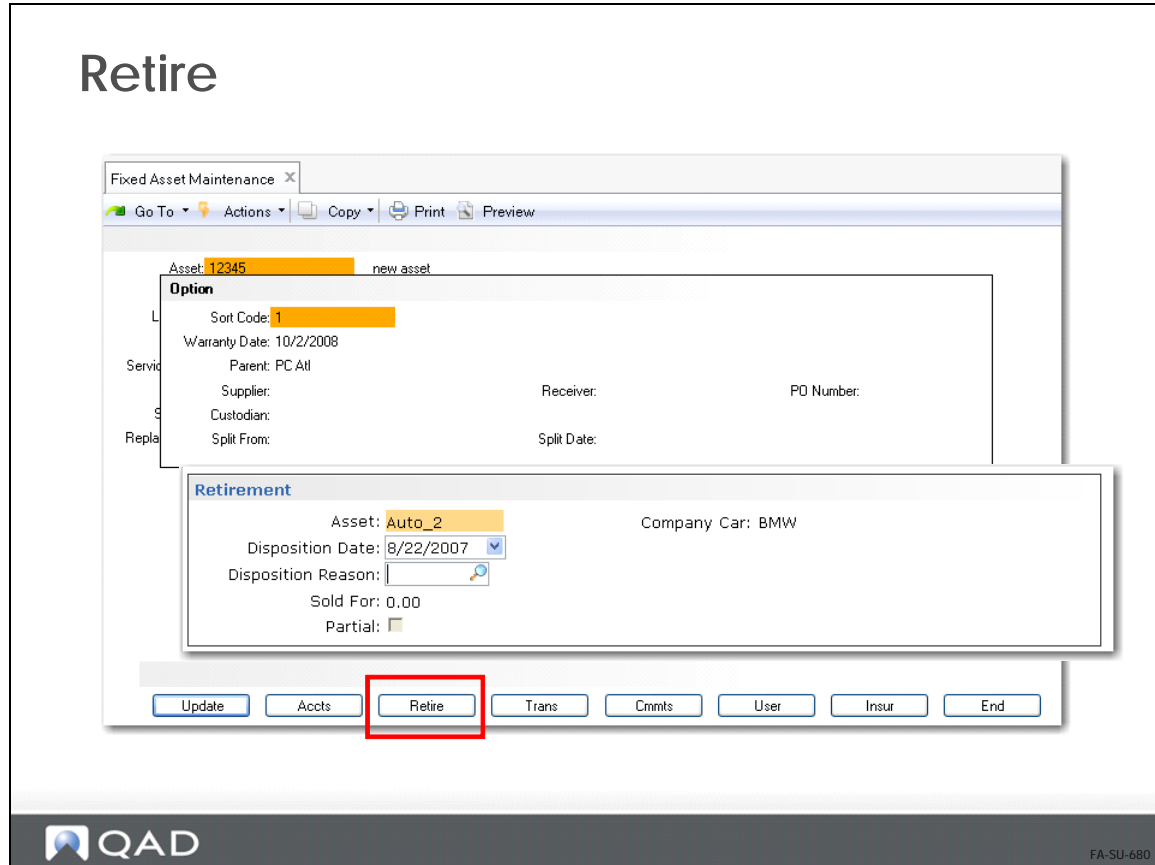
**Project.** An optional project code that records transactions for this fixed asset. Projects are defined in Project Code Maintenance (25.3.11).

## Asset Retirement

### Fixed Asset Maintenance



- Fixed Asset Maintenance
- Fixed Asset Options
- Asset Accounts
- **Asset Retirement**
- Asset Transfers
- Asset Data
  - Comments
  - User Fields
  - Insurance Data
- Depreciation Books
- Asset Components
- Batch Maintenance



This function is used to retire an asset. Retirement:

- Removes the asset's acquisition cost from the books
- Posts any gains or losses to the GL

**Note** If depreciation has not been posted for this asset, delete the asset instead of retiring it.

Disposition Date and Partial are the only required fields for this function. The system validates that depreciation or retirement journal entries have not already been posted to the GL based on the disposal date

After retiring an asset, the system calculates and displays values for:

- Basis Amount
- Accumulated Depreciation
- Net Amount
- Gain/Loss on Disposal

Appropriate GL retirement transactions and reversing transactions are created to void future depreciation periods. Adjustments can be viewed on Depreciation Query screen by choosing Audit function on the Depreciation Books screen. Run Fixed Asset Transaction Post to create GL entries

*Disposition Date.* Date the asset is removed from service, and ownership interest is relinquished. If asset is suspended as of disposal date, asset must be reinstated before retiring it. Must be a valid date in the GL calendar or any fixed asset calendar associated with the book in an open GL period and must be later than the service date.

*Disposition Reason.* Why the asset is being removed from service and ownership interest relinquished. Reasons can be defined in Generalized Codes (36.2.13) for field `fa_disp_rsn`. Examples are, Sold, Stolen, Destroyed, Donated, Impaired.

*Sold For.* Amount received for the disposal of the asset. This field is optional and used when calculating the gain or loss on the disposition of an asset.

*Partial.* If Yes, this is a partial retirement and split the existing asset into two separate assets. The new asset created is retired.

## Asset Transfers

### Fixed Asset Maintenance



- Fixed Asset Maintenance
- Fixed Asset Options
- Asset Accounts
- Asset Retirement
- **Asset Transfers**
- Asset Data
  - Comments
  - User Fields
  - Insurance Data
- Depreciation Books
- Asset Components
- Batch Maintenance

## Transfer

The screenshot shows a software window titled 'Fixed Asset Maintenance' with a menu bar containing 'Go To', 'Actions', 'Copy', 'Print', and 'Preview'. Below the menu bar, there is a section for 'Asset: 12345' and 'new asset'. A dialog box titled 'Asset Transfer' is open, displaying the following fields:

- Asset: Auto\_2
- Old Entity: 1000
- Old Location: FA\_LOC1 Fixed Asset Location 1
- New Location: [text box with search icon]
- New Entity:
- New Sub-Account:
- New Cost Center:
- Partial:
- Transfer Date:

At the bottom of the dialog box, there are several buttons: 'Update', 'Accts', 'Retire', 'Trans' (highlighted with a red box), 'Cmmts', 'User', 'Insur', and 'End'.

This function is used to transfer an asset from one predefined location to another. The asset is transferred when Move is chosen. Appropriate GL entries are created when Fixed Asset Transaction Post (32.13) is run.

**New Location.** Location for the transferred asset. Locations are defined in Location Maintenance (32.1.13). Entity, cost center, and sub-account associated with this new location default for the transferred asset

**New Sub-Account.** Sub-account for this asset. Sub-accounts are defined in Sub-Account Code Maintenance (25.3.17). Default is the new location's sub-account

**New Cost Center.** Cost center for this asset. Cost centers are set up in Cost Center Code Maintenance (25.3.20). Default is the new location's cost center

**Partial.** If Yes, this is a partial transfer. Split the existing asset into two separate assets and the new asset created is transferred

**Transfer Date.** Effective date for the transfer. Determines the period and year of the GL transaction. Must be a valid date in an open GL period of the GL calendar or fixed asset calendar associated with asset's books and must be after service date

## Asset Data

### Fixed Asset Maintenance



- Fixed Asset Maintenance
- Fixed Asset Options
- Asset Accounts
- Asset Retirement
- Asset Transfers
- **Asset Data**
  - Comments
  - User Fields
  - Insurance Data
- Depreciation Books
- Asset Components
- Batch Maintenance

## Transaction Comments

The screenshot shows the 'Fixed Asset Maintenance' application window. The main window displays asset information for 'Asset: 12345 new asset'. A 'Transaction Comments' dialog box is open, showing the following fields:

- Page: 1
- Master Reference:
- Type:
- Language:
- Page: 1

An 'Update' button is located at the bottom left of the dialog box. The QAD logo is visible in the bottom left corner of the application window, and the text 'FA-SU-720' is in the bottom right corner.

This function is used to enter comments about the asset, which print on various fixed asset reports.

**Master Reference.** A reference code for this master comment that identifies a master comment topic; for example, the item number or address code to which the comment applies

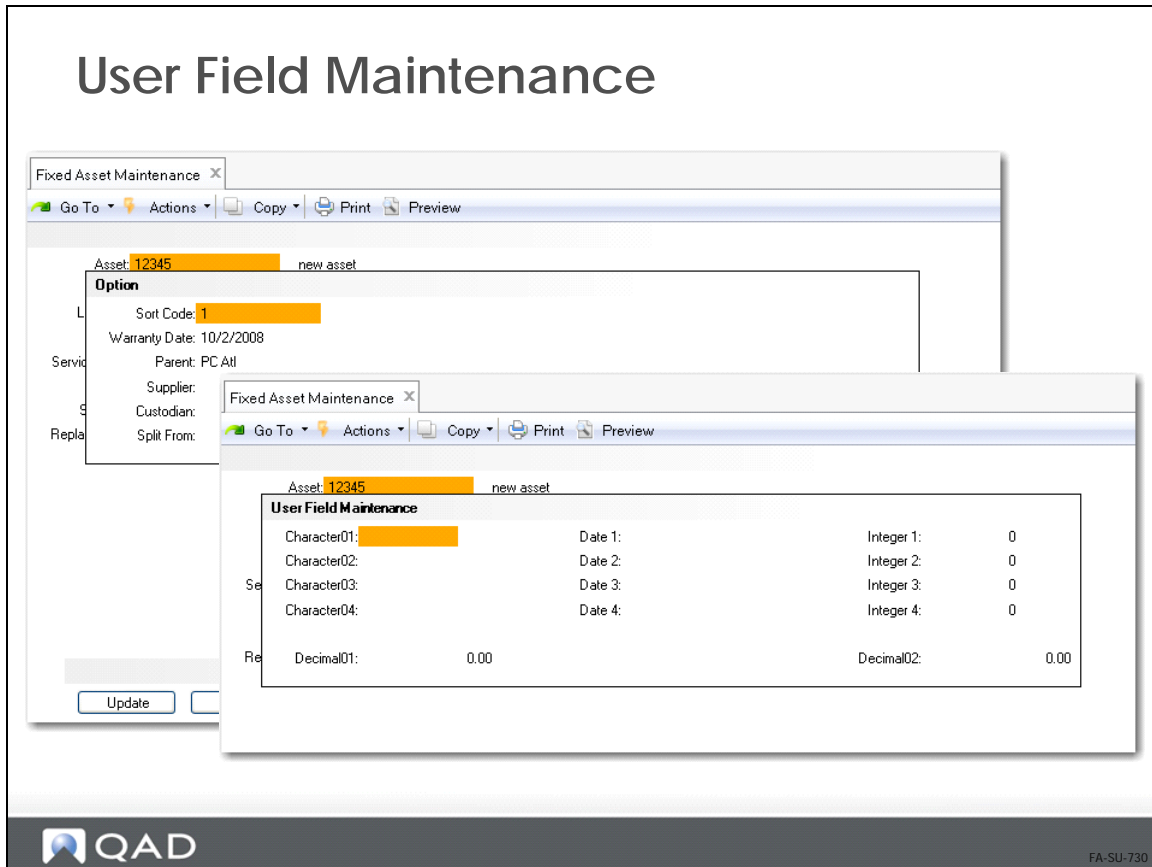
**Type.** An optional code to group similar comments. Can identify the source or use of the comment. Validated against codes in Generalized Code Maintenance (36.2.13) for field `cd_type`

**Language.** Language code for this comment. Leave blank if not using multiple languages. Validated against codes in Generalized Code Maintenance (36.2.13) for field `cd_lang`

**Page.** Page number for the comment. Multiple pages of text can be stored for comment. You can identify and access pages by page number

**Comments.** The actual comments, up to 15 lines of text per page

## User Field Maintenance



- User fields can be customized
- Fields are user defined
- Can be used in custom reports

## Insurance Data

The screenshot displays two overlapping windows from the 'Fixed Asset Maintenance' application. The background window shows the main asset record for 'Asset: 12345' with various fields like 'Sort Code: 1', 'Warranty Date: 10/2/2008', and 'Parent: PC All'. The foreground window is the 'Insurance Data' form, which is populated with the following information:

Insurance Data	
Insurance Company:	AIG
Insurance Number:	25468975-9
Insurance Date:	10/2/2008
Insurance Value:	12,000.00
Sold For:	0.00

Other asset details visible in the background window include: Class: Equip, Location: Corp, Entity: 1000, Service Date: 1/1/2005, Cost: 12,000, Salvage: 0, and Replacement: 12,000.00.

This function is used to set up insurance information for the asset, such as:

- Insurance company
- Policy number
- Insurance value

This information is for reference only.

*Insurance Company.* Name of the company that insures the asset

*Insurance Number.* Insurance policy number for this asset

*Insurance Date.* Date that insurance coverage begins or ends on the asset

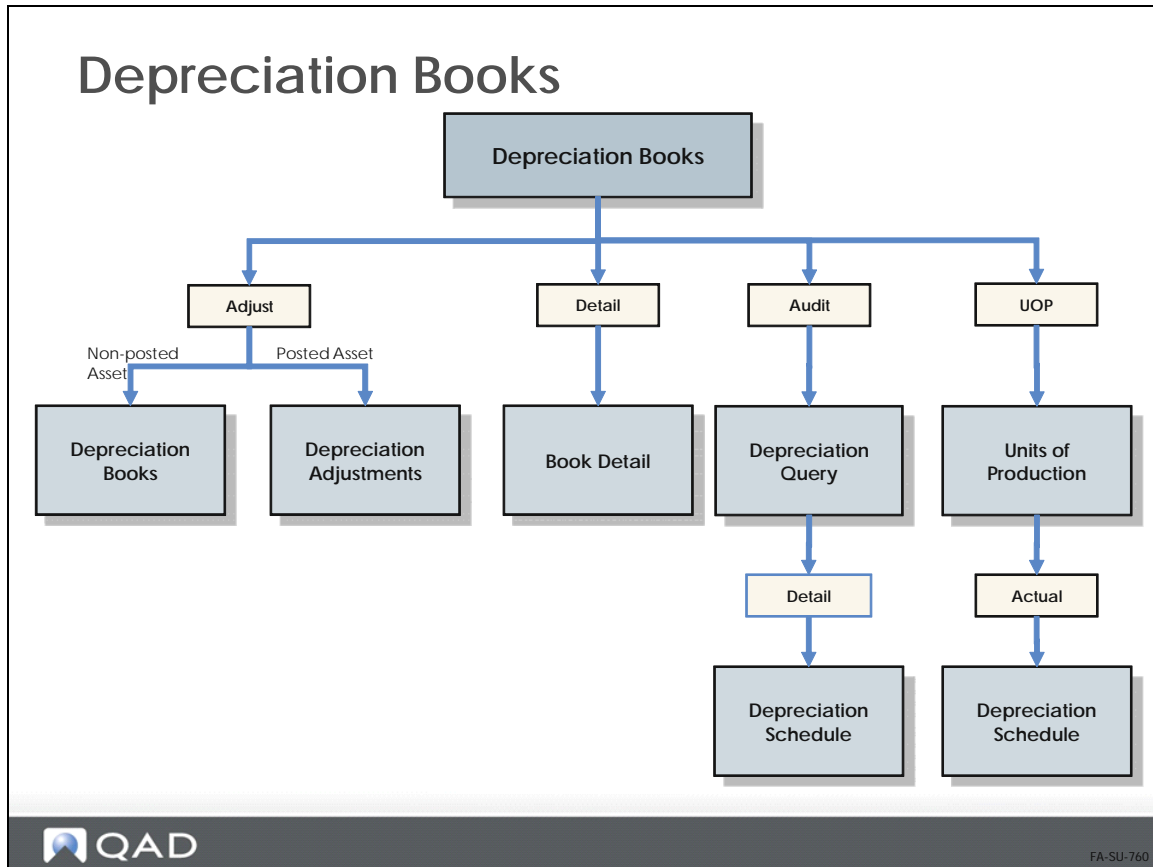
*Insurance Value.* Insurance value or replacement cost of the asset

## Depreciation Books

### Fixed Asset Maintenance



- Fixed Asset Maintenance
- Fixed Asset Options
- Asset Accounts
- Asset Retirement
- Asset Transfers
- Asset Data
  - Comments
  - User Fields
  - Insurance Data
- **Depreciation Books**
- Asset Components
- Batch Maintenance



This illustration shows the different screens that can be accessed using the navigation buttons.

This function is used to access:

- Adjustments
- Book Detail
- Audit information
- Units of Production information

## Depreciation Books

### Depreciation Books

Fixed Asset Maintenance x

Go To Actions Copy Print Preview

Asset: 12345	new asset	Components: 1
Class: Equip		Depreciate Asset: <input checked="" type="checkbox"/>
Location: Corp		Posted: <input type="checkbox"/>
Entity: 1000		Authorization Number:
Service Date: 1/1/2005		Disposition Date:
Cost: 12,000.00		Disposition Reason:
Salvage: 0.00		Sold For: 0.00
Replacement: 12,000.00		

Depreciation Books						
Book	Serv Date	Method	Life	Cost	Net Book Value	As Of
Reg	1/1/2005	SL	10.00	12,000.00	12,000.00	

Add Adjust Detail Audit UOP Find Delete End

FA-SU-770

Access Depreciation Books by choosing Books on the Fixed Asset Maintenance header. This function is used to assign or change depreciation books for an asset.

- Books default from the asset's class
- Books can be added or changed
- If asset has been posted to the GL, depreciation books cannot be modified

**Book.** Book ID for this asset defined in Book Maintenance (32.1.9). A posting book is required to record fixed asset transactions in GL. An asset can be depreciated under an unlimited number of non-posting books

**Service.** Service date that depreciation calculation begins. Must be a valid date in GL calendar or fixed asset calendar associated with a non-posting book

**Method.** Depreciation method ID defined in Method Maintenance (32.1.1); cannot start with a zero

**Life.** The expect useful life for assets depreciated by this method used in calculating depreciation over the life of the asset

**Cost.** Acquisition cost used to determine the basis for the book; default is the cost from the Fixed Asset header

## Depreciation Adjustment

### Depreciation Adjustment


Fixed Asset Maintenance

Go To Actions Copy Print Preview

Asset: 12345	new asset	Components: 1
Class: Equip		Depreciate Asset: <input checked="" type="checkbox"/>
Location: Corp		Posted: <input type="checkbox"/>
Entity: 1000		Authorization Number:
Service Date: 1/1/2005		Disposition Date:
Cost: 12,000.00		Disposition Reason:
Salvage: 0.00		Sold For: 0.00
Replacement: 12,000.00		

**Depreciation Books**

Book	Serv Date	Method	Life	Cost	Net Book Value	As Of
Reg	1/1/2005	SL	10.00	12,000.00	12,000.00	


FA-SU-780

Choose Adjust on the Depreciation Books screen to access this screen. It can only be accessed if the asset has been posted to the GL.

- Add adjustments to the depreciation schedule
- Run Fixed Asset Transaction Post to create GL transactions
- An audit trail is maintained showing a history of the depreciation activity

**Note** You cannot undo an adjustment for an asset that has been converted from a previous fixed asset system.

*Type.* The adjustment type for the posted asset

*Basis.* Change the cost of the asset after depreciation has been posted. The new basis is used to recalculate the depreciation schedule for the life of the asset. Difference between old and new costs is calculated. Adjustments to posted periods are posted in the first open period. New basis must be greater than the posted depreciation and cannot be negative

*Bonus.* Record additional depreciation for an asset; for example, bonus depreciation is used to indicate that an asset has become obsolete. Not allowed in posted, suspended, or final periods of the depreciation schedule. Amount must not exceed the remaining total of the depreciation schedule

*Life.* Change the estimated life of an asset after depreciation has been posted. Difference between the old and new depreciation schedule is calculated. New depreciation schedule begins in the first open period

*Method.* Change the depreciation method after depreciation has been posted. Difference between old and new depreciation schedule is calculated. New depreciation schedule begins in the first open period

*Reinstate.* Reinstate the asset into service. Reinstate date must be after the suspension date

*Suspend.* Suspend the asset from service. Suspensions are not allowed if the asset is already suspended or the starting period is posted

*Method ID.* If adjusting the method, enter a depreciation method ID

*Life.* If adjusting the life, enter the new expected useful life for this asset. Expected life is used in calculating depreciation over the life of the asset

*Amount.* If bonus adjustment, this is the bonus amount. If basis adjustment, this is the new asset basis

*YrPer.* Year and period for this adjustment. Format is XXXXYY where XXXX is the year and YY is the period. This field can only be modified if the adjustment type is Bonus, Suspend or Reinstate

## Book Detail

## Book Detail

Fixed Asset Maintenance
Go To Actions Copy Print Preview

Asset: 12345	new asset		
Class: Equip			
Location: Corp			
Entity: 1000			
Service Date: 1/1/2005			
Cost: 12,000.00			
Salvage: 0.00			
Replacement: 12,000.00			
<b>Depreciation Books</b>			
Book	Serv Date	Method	
Reg	1/1/2005	SL	

**Book Detail**

Book: Reg

Service Date: 1/1/2005

Method: SL

Life: 10.00

Cost: 12,000.00

Salvage: 0.00

Basis Amount: 12,000.00

Override Accumulated Dep: 0.00

Override Depreciation Date:

	0.00	
Net Book Value	12,000.00	As Of

QAD

FA-SU-790

Choose Detail on the Depreciation Books screen to access this function, which is used to view book detail information and to optionally override accumulated depreciation.

- It may be necessary to override accumulated depreciation if you convert from another fixed assets system
- Any difference would be reconciled in the last period of depreciation

*Override Accumulated Dep.* Amount of depreciation that was taken between the service date and the override depreciation date. Can update this amount only if the asset has not been posted to the GL

*Override Depreciation Date.* Date that the override depreciation calculation begins. Can update this date only if the asset has not been posted to the GL

If, at the end of the asset's life, there is any difference in the total depreciation and the actual amount that was taken, it is added to the final period depreciation amount.

## Depreciation Query

Fixed Asset Maintenance

Go To Actions Copy Print Preview

Asset: 12345      Asset: 12345      Book: Reg  
Class: Equip

Depreciation Query					
Yr-Per	Location	Period Depreciation	Accum Dep Amt	Net Book Value	Posted
200501	Corp	50.00	50.00	11,950.00	<input checked="" type="checkbox"/>
200502	Corp	100.00	150.00	11,850.00	<input type="checkbox"/>
200503	Corp	100.00	250.00	11,750.00	<input type="checkbox"/>
200504	Corp	100.00	350.00	11,650.00	<input type="checkbox"/>
200505	Corp	100.00	450.00	11,550.00	<input type="checkbox"/>
200506	Corp	100.00	550.00	11,450.00	<input type="checkbox"/>
200507	Corp	100.00	650.00	11,350.00	<input type="checkbox"/>
200508	Corp	100.00	750.00	11,250.00	<input type="checkbox"/>

Detail UOP End

QAD FA-SU-800

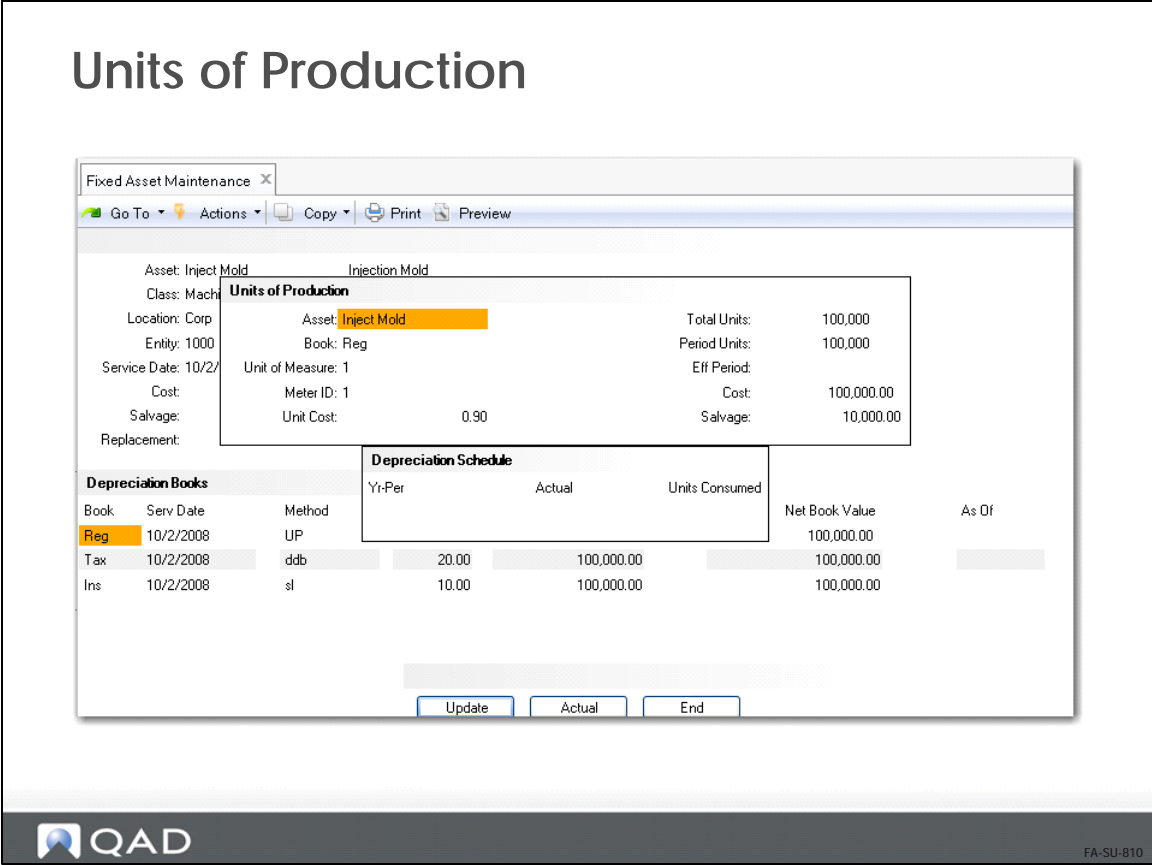
This screen is accessed by choosing Audit on the Depreciation Books screen. Use this function to view the original depreciation schedule and any adjustments.

Information can be viewed in a rolled-up or detailed version.

- Rolled-up schedule displays the calculated depreciation amount
- Detailed schedule displays the original depreciation calculation and any adjustments

If using the units-of-production depreciation method, the estimated, actual, and estimated accumulated units for each period. Choose the UOP button to view the units of production information.

### Units of Production and Depreciation Schedule



Access this function by choosing UOP on the Depreciation Books screen.

This function can be used to update the total and estimated units of production for those assets that used the UOP depreciation method. If a meter is used, the Depreciation Schedule cannot be edited. This screen is used for entering actual units of production.

*Eff Period.* Effective period to use to adjust the total and estimated units of production. Format is XXXXYY where XXXX is the year and YY is the period

*Meter.* Meters are used to measure asset usage for the units-of-production depreciation method. Attach meter to an asset or group of assets to collect the usage

*Total Units.* The estimated total number of units that this asset is expected to produce during its service life. If this number is changed, all unposted periods are automatically adjusted

*Estimated Units.* Estimated number of units that this asset is expected to produce each period. Amount must be less than the total units

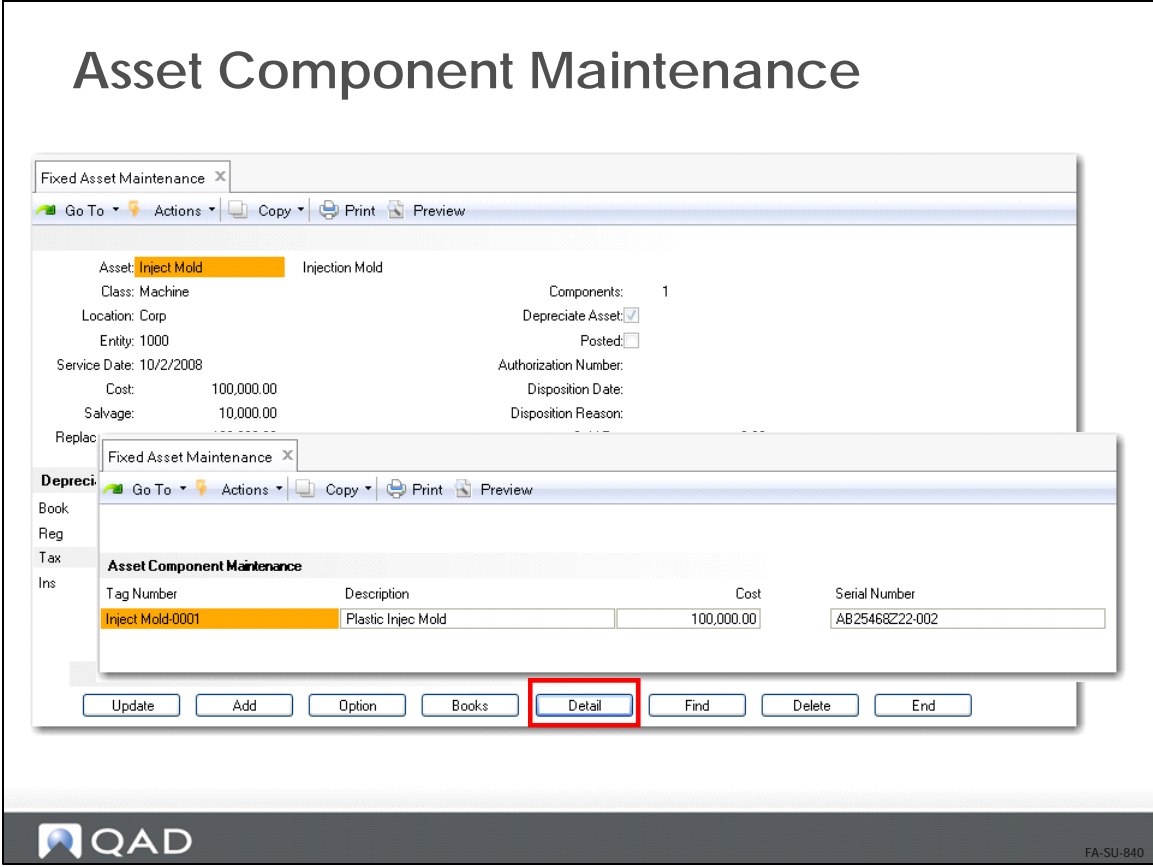
## Asset Components

### Fixed Asset Maintenance



- Fixed Asset Maintenance
- Fixed Asset Options
- Asset Accounts
- Asset Retirement
- Asset Transfers
- Asset Data
  - Comments
  - User Fields
  - Insurance Data
- Depreciation Books
- **Asset Components**
- Batch Maintenance

Asset Component Maintenance



Access Asset Component Maintenance by choosing Detail on the Fixed Asset Maintenance header. This function is used to maintain:

- Serial numbers
- Tag numbers
- Costs for each asset or component

If a fixed asset has separate components, you can track the asset and all of its components. When a asset is created, the asset component records are automatically created based on the value entered in the Components field.

*Tag.* A unique tag number for this asset component; can access this field only if adding a tag

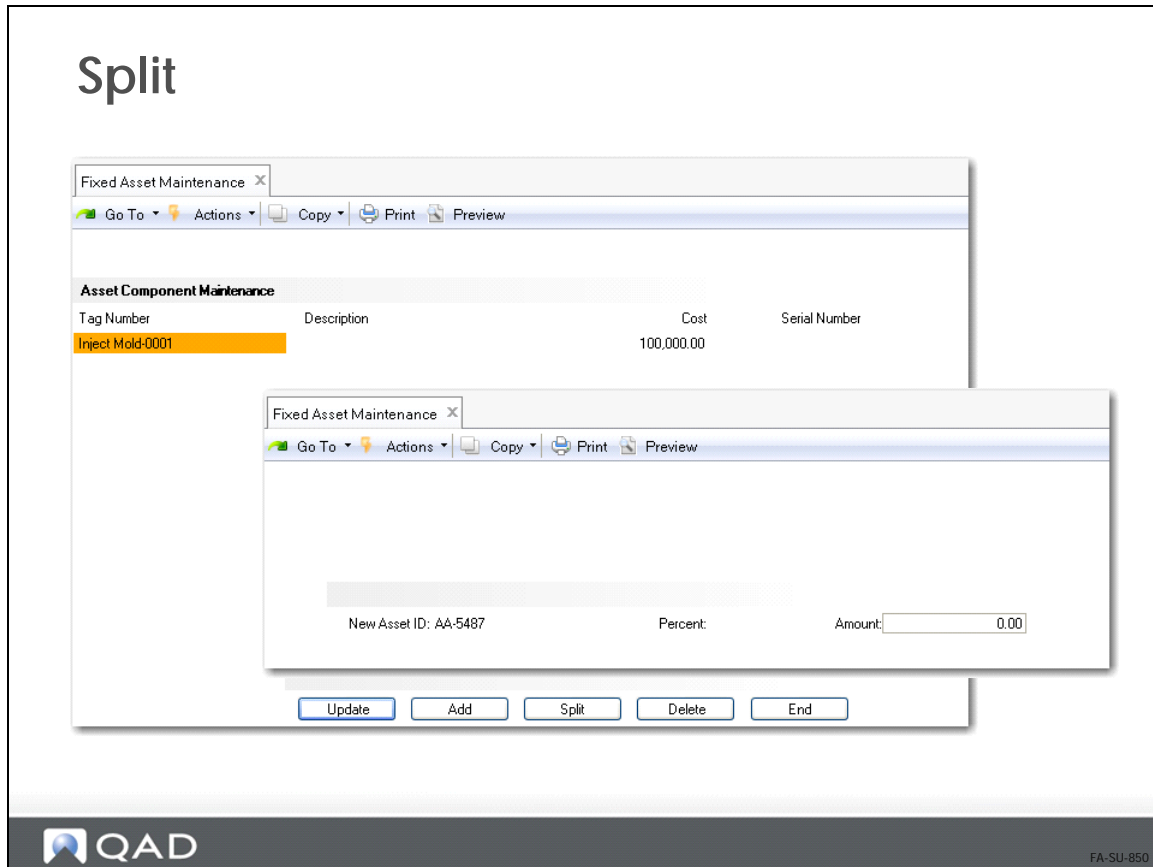
*Description.* A description of this asset component; can be up to 20 characters

*Amount.* The amount paid to acquire the asset component. Amount is automatically calculated by dividing the cost by the number of components entered on the Fixed Asset Maintenance (32.3) screen. If this amount is changed, the total amounts for all asset components must equal the value in the Cost field on the Fixed Asset Maintenance (32.3) header

*Serial Number.* A serial number that uniquely identifies the asset; not necessarily the same as the asset ID

**Note** To modify an existing tag, you must first delete it and then create a new tag.

## Split



Access this function by choosing Split on the Asset Component Maintenance screen. This function is used to divide an asset into two separate assets.

- Referred to as splitting
- Used to divide an asset containing a group of individual items into two separate assets
- Also used for partial retirements and transfers

**New Asset ID.** A unique ID for the components being removed from the asset. If Auto Generate Asset ID is Yes in Fixed Asset Control (32.24), the system automatically assigns an asset ID using the predefined Number Range Management sequence

**Percent.** The percentage of the original asset's cost that is to be assigned to the new asset. Only used if asset has one component. You can also enter a currency amount of the original cost in the Amount field

**Amount.** Base currency amount assigned to the new asset. Only used if asset has one component. You can also enter a percentage of the original cost in Percent field

If the asset has multiple components, choose from a list of components. By default, all components are selected.

**Sel.** Indicates whether to split this component. Press the spacebar or Enter key to select or unselect components. An asterisk appears next to selected components

## Exercise: Create Fixed Assets

Fixed assets can be added one at a time or in a batch of similar assets.

1 In this exercise, create assets one at a time.

**Note** Fixed Asset Maintenance (32.3)

Field	Data
Asset Id	COMP1
Description	Laptop Computer
Class	OFFICE
Location	LOC1
Entity	T100
Service Date	<One month ago>
Cost	\$2500
Salvage	\$100
Replacement	3000
Components	1
Depreciate	Yes
Auth Number	<Your initials>

2 Choose Detail button on the Fixed Asset header.

- a Review the tag information that is automatically created, based on the number of components entered on the header screen.

3 Choose Update Button.

- a Add a Description and Serial Number.

4 Choose Book button on the Fixed Asset header.

- a The Book information defaults from the Class assigned to this asset.

5 Choose the End Button.

6 Choose Option button on the Fixed Asset header.

Field	Data
Sort Code	Computer
Warranty	<One year from today

7 Choose Accts button within the Option function.

- a Review the accounts that defaulted from the class assigned to this asset. If you edited the class after creating the asset, the accounts do not default. You must enter them manually.

8 Create another asset.

Field	Data
Asset Id	COMP2
Description	Desktop Computer
Class	OFFICE

Field	Data
Location	LOC2
Entity	T200
Service Date	<One month ago>
Cost	\$5000
Salvage	\$250
Replacement	6000
Components	1
Depreciate	Yes
Auth Number	<Your initials>

9 Choose Detail button on the Fixed Asset header.

- a Review the tag information that is automatically created, based on the number of components entered on the header screen.
- b Add a Description and Serial Number.

10 Choose Books button on the Fixed Asset header.

- a The Book information defaults from the Class assigned to this asset.

11 Choose Option button on the Fixed Asset header.

Field	Data
Sort Code	Computer
Warranty	<One year from today>

12 Choose Accts button within the Option function.

- a Review the accounts that defaulted from the class assigned to this asset. If you edited the class after creating the asset, the accounts do not default. You must enter them manually.

13 Create another fixed asset.

Field	Data
Asset Id	COMP3
Description	Laser Jet Printer
Class	OFFICE
Location	LOC1
Entity	1000
Service Date	<One month ago>
Cost	\$2000
Salvage	\$100
Replacement	\$3000
Components	1
Depreciate	Yes
Auth Number	<Your initials>

- 14 Choose Detail button on the Fixed Asset header.
  - a Review the tag information that is automatically created, based on the number of components entered on the header screen.
- 15 Choose the Update button.
  - a Add a Description and Serial Number.
- 16 Choose Books button on the Fixed Asset header.
  - a The Book information defaults from the Class assigned to this asset.
- 17 Choose Option button on the Fixed Asset header.

Field	Data
Sort Code	Computer
Warranty	<One year from today>

- 18 Choose Accts button within the Books function.
  - a Review the accounts that defaulted from the class assigned to this asset. If you edited the class after creating the asset, the accounts do not default. You must enter them manually.
- 19 Create one more asset to be used with the UOP depreciation method.

Field	Data
Asset Id	COPIER1
Description	Copy Machine
Class	MACH
Location	LOC1
Entity	1000
Service Date	<One month ago>
Cost	\$10,000
Salvage	\$250
Replacement	\$11,000
Components	1
Depreciate	Yes
Auth Number	<Your initials>

- 20 UOP Detail; Update button.

Field	Data
Total Units	0
Period Units	0
Unit of Measure	EA

- 21 Choose Books button on the Fixed Asset header, then UOP button.

Field	Data
Meter	MACH1
Total Units	150,000
Period Units	50,000

**Note** The Meter ID is created in Fixed Asset Meter Maintenance (32.11)

**22** Choose the Audit button on the Fixed Asset header, then the UOP button.  
Review the UOP Audit screen for this machine.

**23** Choose Detail button on the Fixed Asset header.

- a** Review the tag information that is automatically created, based on the number of components entered on the header screen.
- b** Add a Description and Serial Number.

**24** Choose Book button on the Fixed Asset header.

- a** The Book information defaults from the Class assigned to this asset.

**25** Choose Option button on the Fixed Asset header.

Field	Data
Sort Code	Copier
Warranty	<One year from today>

**26** Choose Accts button within the Option function.

Review the accounts that defaulted from the class assigned to this asset. If you edited the class after creating the asset, the accounts do not default. You must enter them manually.

The Reading for a machine would be entered in Meter Maintenance (32.11). This reading would be used in the UOP calculation for depreciation. If using actuals, the actual number would be entered in the asset record in Fixed Asset Maintenance (32.3). Use Actuals field would have to be set to Yes in the asset record.

**27** Record a meter reading for the meter you created.

- a** Where would you record this reading?
- b** What action code would you use?

## Fixed Asset Batch Maintenance

### Fixed Asset Maintenance



- Fixed Asset Maintenance
- Fixed Asset Options
- Asset Accounts
- Asset Retirement
- Asset Transfers
- Asset Data
  - Comments
  - User Fields
  - Insurance Data
- Depreciation Books
- Asset Components
- **Batch Maintenance**

## Fixed Asset Batch Maintenance

Asset	Class	Location	Service Date	Cost	Salvage	Components	Total Units	Units/Period	UM
Inject Mold	Machine	All	10/2/2008	100,000.00	10,000.00	1			



FA-SU-880

Use Fixed Asset Batch Maintenance (32.7) to group similar fixed assets together in a batch and add them to the system as individual asset records. Batch processing lets you group up to 25 fixed assets and add them to the system as individual asset records.

**Note** Fixed asset batches have no relation or similarity to batches used in other QAD Enterprise Applications financial modules.

Once fixed assets are created, they can be modified individually in Fixed Asset Maintenance (32.3).

**Batch ID.** The batch ID for this group of assets. Enter manually or press Go for a system-assigned batch ID in the format YYMMDDNN

- YY is the year
- MM is the month
- DD is the day
- NN is the next batch number for the day

**Control.** The total value for all the assets in the batch. Control amount is used to set a minimum or maximum amount allowed for the batch

**Asset ID.** A unique ID identifying a fixed asset that is part of the batch. Can be up to 12 characters

**Asset Description.** A description of the asset for reference

*Class ID.* A predefined class ID defined in Class Maintenance (32.1.17) that determines the default account codes for the asset

*Location.* A predefined location ID defined in Location Maintenance (32.1.13)

*Service Date.* Date the fixed asset was put into service, which is the default date used to calculate depreciation. Must be in an open GL calendar period and must exist in any fixed asset calendars associated with default books in the class

*Cost.* Amount paid to acquire the asset and used to calculate the basis amount for each default book created for the asset

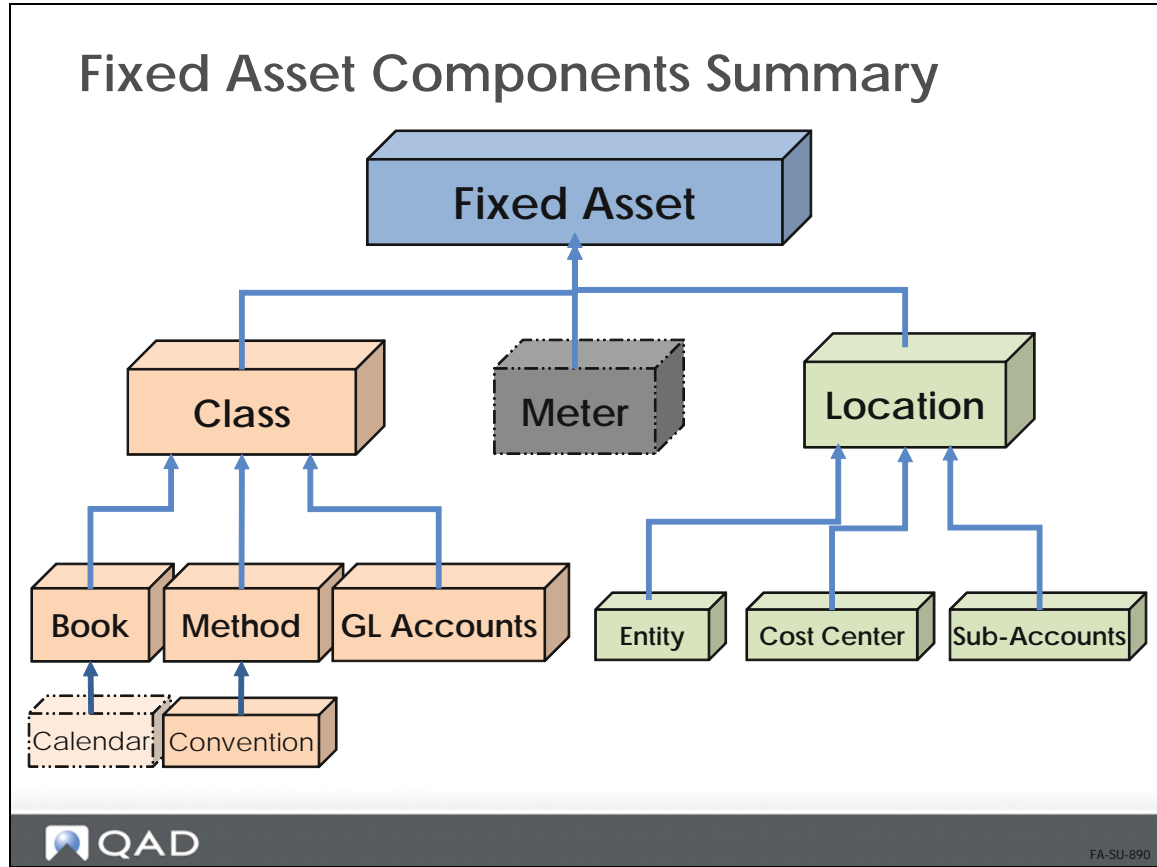
*Salvage.* An optional salvage value for this asset, which is the estimated value of property at the end of its useful life. If a salvage value is defined at the beginning of the depreciation calculation, it is used to reduce the depreciable basis

*Components.* The number of components that belong to this asset ID. If updating an asset, the new value cannot be less than the original value entered. Cannot enter a value less than 1

*Total Units.* Used with the units-of-production depreciation method. The estimated total number of units that this asset is expected to produce during its service life

*Units/Period.* Used with the units-of-production depreciation method. The estimated number of units that this asset is expected to produce each period

*UM.* Used with the units-of-production depreciation method. The unit of measure for this asset's units; for example, inch or foot



## Fixed Asset Setup Summary



- Fixed Asset Control
- Fixed Asset Calendar
- Books
- Depreciation Methods
- Classes
- Fixed Asset Locations
- Meters
- Fixed Assets



Chapter 5

# Processing Fixed Assets

## Process Fixed Assets

- ✓ Identify key business considerations before setting up Fixed Assets in QAD Enterprise Applications
- ✓ Set up Fixed Assets in QAD Enterprise Applications
- **Process Fixed Assets in QAD Enterprise Applications**

## Fixed Asset Processing

### Fixed Asset Processing




- Fixed Asset Transaction Post
- General Ledger Transaction Void \*
- Fixed Asset Maintenance, Split \*
- Fixed Asset Maintenance, Adjust \*
- Fixed Asset Transfer \*
- Fixed Asset Retirement/Disposal \*
- Fixed Asset Reports

\* Optional

This slide shows the various functions related to maintaining a fixed asset.


## Fixed Asset Transaction Post

### Fixed Asset Processing



- Fixed Asset Transaction Post
- General Ledger Transaction Void \*
- Fixed Asset Maintenance, Split \*
- Fixed Asset Maintenance, Adjust \*
- Fixed Asset Transfer \*
- Fixed Asset Retirement/Disposal \*
- Fixed Asset Reports

\* Optional


FA-PR-030

This function creates unposted transactions (type FA glt\_det records) that are later posted to the general ledger through the regular GL Transaction Post (25.13.7).

**Note** This function does not post transactions to the general ledger. It transfers fixed asset unposted transactions to the GL for posting.

Create GL entries for assets by entity in Fixed Asset Transaction Post (32.13). GL entries are created for:

- Acquisition
- Depreciation expense
- Transfer
- Retirement of assets
- Adjustments


**Note** When Fixed Asset Transaction Post is run, it creates entries for the earliest fixed asset transactions before creating transactions for the current period. For example, depreciation for asset AD-0101-0001 was last posted in 07/08. The current period is 10/08. This means that depreciation transactions for 08/08 and 09/08 are created and must be posted in the GL before posting depreciation for 10/08.

## Fixed Asset Transaction Post

### Fixed Asset Transaction Post

Fixed Asset Transaction Post
Go To ▾ Actions ▾ Copy ▾ Print ▾ Preview

Entity: 1000	To: 1000
Asset:	To:
Year/Period: 199301	
Effective Date: 10/2/2008	
Daybook: SYSTEM	
Post Transactions: <input type="checkbox"/>	Output: <input type="text" value="page"/>
	Batch ID: <input type="text"/>


FA-PR-040

At the end of each reporting period, run Fixed Asset Transaction Post (32.13) to post the period depreciation for each asset.

- Audit trail report is created before posting GL entries
- Make necessary adjustments in Fixed Asset Maintenance (32.3)
- Fixed Asset Transaction Post must be rerun for that period

Accumulated depreciation and depreciation expenses from the posting book update the asset's accounts, sub-accounts, cost centers, and projects.

GL Entries are created for these fixed asset accounts:

- Asset
- Accumulated Expense
- Periodic Expense
- Construction in Process
- Gain on Disposal
- Loss on Disposal
- Asset Suspense

*Entity.* Entities of selected assets to be posted

*Asset ID.* Asset IDs of selected assets to be posted

*Effective Date.* Date when fixed asset transactions affect the GL. Entries are created for the Year/Period and date must be in an open GL period. Default is system date

*Daybook.* Default daybook code for FA transaction types and FA document types; if not defined, the system daybook defaults. Daybooks are defined in Daybook Maintenance (25.8.1) and Default Daybook Maintenance (25.8.4)

*Post Transactions.* If Yes, a journal report is printed and transactions are posted to the GL. If No, a journal report is printed, but transactions are not posted. If any errors occur, an error report is generated with the problematic journals


- No transactions are posted
- Errors must be fixed before posting again

## Asset Acquisition

### GL Transactions in Fixed Assets – Asset Acquired

Asset	
Acquisition Cost	

Construction in Process	
	Acquisition Cost


FA-PR-050

After completing the header, you are prompted to post GL transactions related to acquisition costs. The frame containing these field displays when you click Back or Add.

When an asset is acquired:

- The Asset account is debited for the acquisition cost
- The Construction in Process account is credited for the acquisition cost

Whether you post to GL is determined by how you manage such costs. For example, if you account for the acquisition cost during purchase order receipt, you can enter No in Post to avoid double-booking of the cost.

**Note** You can also post GL transactions when you use the Create function in Fixed Assets Batch Maintenance.

If you choose to generate those transactions when you add the asset, set Post to GL to Yes. You can specify an effective date and daybook, as well as display a report showing an audit trail for the resulting transactions.

**Note** The setting of Summarized Journal in Fixed Asset Control has no effect on transactions created for acquisition costs. These transactions are always created in detail.

## Depreciation

### GL Transactions in Fixed Assets – Depreciation

Periodic Expense		Accumulated Expense	
Depreciation			Depreciation

When depreciation for an asset is posted:

- Depreciation expense debits the Periodic Expense account
- Depreciation expense credits the Accumulated Expense account









## Transaction Void

### Fixed Asset Processing



- Fixed Asset Transaction Post
- **General Ledger Transaction Void \***
- Fixed Asset Maintenance, Split \*
- Fixed Asset Maintenance, Adjust \*
- Fixed Asset Transfer \*
- Fixed Asset Retirement/Disposal \*
- Fixed Asset Reports

\* Optional


FA-PR-110

This function is used to correct errors for:

- Posted depreciation
- Acquisitions
- Transfers
- Adjustments

It finds the last time a fixed asset transaction was created for the assets in the selection criteria and fills in the Year/Period field accordingly. It is used to back out unposted fixed asset transactions only. Fixed Asset transactions already posted in Transaction Post (25.3.7) are not effected.

**Note** You must back out the last posted transaction first. For example, if there is a transaction from last period that needs to be backed out, you must back out the transaction for this period for the asset first.

Reversing transactions are generated for the original GL entries that were created by Fixed Asset Transaction Post (32.13). Transactions can only be voided if the calendar period is open.

- Cannot void entries for periods prior to the last posted period
  - Must first void last posted period
- GL entries are created for voids that affect posting books
- For voided depreciation, GL entries reverse the posting for accumulated depreciation and depreciation expense

## General Ledger Transaction Void

### General Ledger Transaction Void

Fixed Asset Transaction Void
X

Go To Actions Copy Print Preview

Entity: 1000	To: 1000
Asset: <input type="text"/>	To: <input type="text"/>
Year/Period:	
Effective Date:	
Daybook:	
Void Transactions: <input type="checkbox"/>	Output:
	Batch ID:

FA-PR-120

Select transactions to void by ranges of entities and asset IDs.

*Entity.* Entities where the GL transactions to be voided exist.

*Asset ID.* Asset IDs to select assets to void

*Effective.* The date that the void transaction should effect the GL; default is the system date

*Daybook.* Default daybook code for FA transaction types and FA document types; if not defined, the system daybook defaults. Daybooks are defined in Daybook Maintenance (25.8.1) and Default Daybook Maintenance (25.8.4)

*Void Transactions.* If Yes, selected transactions are voided and an audit trail is printed. If No, a journal report is generated and the GL transactions are not voided


After transactions to void are selected, the system prompts Is all information correct? Yes voids the selected transactions; No does not void transactions and displays the selection screen.

### Exercise: Void a Fixed Asset Transaction

- 1 Pick one of the transactions just posted and void it. Use the system date as the effective date.
  - a Run Transaction Void (32.14) the first time with Void set to No. Are only the transactions you want to void appearing on the report? If No, check your selection criteria.
  - b Run Transaction Void again with Void set to Yes.


## Split

### Fixed Asset Processing



- Fixed Asset Transaction Post
- General Ledger Transaction Void \*
- **Fixed Asset Maintenance, Split \***
- Fixed Asset Maintenance, Adjust \*
- Fixed Asset Transfer \*
- Fixed Asset Retirement/Disposal \*
- Fixed Asset Reports

\* Optional

 FA-PR-140

This function is used to divide an asset into two separate assets.

- Referred to as splitting
- Used to divide an asset containing a group of individual items into two separate assets
- Also used for partial retirements and transfers

## Fixed Asset Maintenance, Split

**Fixed Asset Split**

Fixed Asset Maintenance x

Go To Actions Copy Print Preview

Asset: 12345 new asset

Class: Equip Components: 1

Location: Corp Depreciate Asset:

Entity: 1000 Posted:

Service Date: 1/1/2005 Authorization Number:

Cost: 12,000.00 Disposition Date:

Salvage: 0.00 Disposition Reason:

Replacement: 12,000.00 Sold For: 0.00

**Depreciation Books**

Book	Serv Date	Method	Life	Cost	Net Book Value	As Of
Reg	1/1/2005	SL				

Add Adjust

Fixed Asset Maintenance x

Go To Actions Copy Print Preview

New Asset ID:  Percent:  Amount:

QAD FA-PR-150

Access this function by choosing the Split button on the Asset Component Maintenance screen in Fixed Asset Maintenance (32.2).

If an asset has only one component, specify a percentage of the original asset's cost to assign to the new asset. Or you can enter an amount to assign to the new asset.

**New Asset ID.** Unique asset ID for the new asset for the components being removed from the original asset. If Auto Generate Asset ID is Yes in Fixed Asset Control (32.24), the asset ID is automatically assigned using the predefined Number Range Management sequence

**Percent.** If asset has only one component, this is the percentage of the original asset's cost that should be assigned to the new asset

**Amount.** If asset has only one component, this is the amount to assign to the new asset


If the asset has multiple components, you can choose from a list. All components are selected by default. Use the spacebar to select or de-select the components.

**Sel.** Indicates whether to split this component. Press the spacebar or Enter key to select the components to be split. An asterisks indicates the component is selected

Pressing the spacebar or Enter key next to a selected component de-selects the component


## Adjust

### Fixed Asset Processing



- Fixed Asset Transaction Post
- General Ledger Transaction Void \*
- Fixed Asset Maintenance, Split \*
- **Fixed Asset Maintenance, Adjust \***
- Fixed Asset Transfer \*
- Fixed Asset Retirement/Disposal \*
- Fixed Asset Reports

\* Optional

 FA-PR-160

This function is used to override certain data in a fixed asset record.

You can override specific fields, depending on whether or not the asset has been posted.

## Fixed Asset Maintenance, Adjust

# Fixed Asset Adjust

Fixed Asset Maintenance
Go To Actions Copy Print Preview

Asset: 12345 new asset  
 Class: Equip Components: 1  
 Location: Corp Depreciate Asset:   
 Entity: 1000 Posted:

Service Date:   
 Cost:   
 Salvage:   
 Replacement:

Fixed Asset Maintenance
Go To Actions Copy Print Preview

Asset: 12345 new asset  
 Class: Equip Components: 1  
 Location: Corp Depreciate Asset:   
 Entity: 1000 Posted:

Service Date: 1/1/2005 Authorization Number:   
 Cost: 12,000.00 Disposition Date:   
 Salvage: 0.00 Disposition Reason:   
 Replacement: 12,000.00 Sold For: 0.00

**Depreciation Books**

Book	Serv Date	Method	Life	Cost	Net Book Value	As Of
Reg	1/1/2005	SL	10.00	12,000.00	12,000.00	


FA-PR-170

Access this function by choosing the Book button on the Fixed Asset header and then the Adjust button on the Depreciation Books screen in Fixed Asset Maintenance (32.3).

If an asset has not been posted, you can override:

- Service date
- Method
- Life
- Cost

## Depreciation Adjustments

### Depreciation Adjustments

Fixed Asset Maintenance
Go To Actions Copy Print Preview

Asset: Atlanta	Atlanta Building	Components: 1
Class: bldg		Depreciate Asset: <input checked="" type="checkbox"/>
Location: Atl1		Posted: <input type="checkbox"/>
Entity: 2000		Authorization Number:
Service Date: 1/1/2000		Disposition Date:
Cost: 4,500,000.00		Disposition Reason:
Salvage: 0.00		Sold For: 0.00
Replacement: 4,500,000.00		

Depreciation Books						
Book	Serv Date	Method	Life	Cost	Net Book Value	As Of
Reg	1/1/2000	SL	30.00	4,500,000.00	4,500,000.00	
Tax	1/1/2000	DDB	30.00	4,500,000.00	4,500,000.00	
Ins	1/1/2000	SL	20.00	4,500,000.00	4,500,000.00	

FA-PR-180

If an asset has been posted, the Depreciation Adjustments screen appears. This function is used to make adjustments to the depreciation schedule of an asset. This is normally only used when migrating assets from another system.

Specify a Type and an adjustment amount. The system automatically fixes the depreciation schedule. If there are any discrepancies, they are figured into the last period of depreciation for the asset.

**Type.** Specify the kind of adjustment being made to an asset: Basis, Life, Method, Reinstate, or Suspend

**Method.** Depreciation method used to depreciate this asset

**Life.** Number of years of service expected from this asset

**Adj Amt.** Change to this amount


**Yr-Per.** Year and period in which this adjustment is being made

Choose the Undo button to undo any adjustments just made to the asset.

Choose the Audit button on the Depreciation Books screen to view a summary of the audit trail for adjustments made to the asset. This is a complete audit trail of what's been done with the asset over it's life. To see detail, choose the Detail button.


## Fixed Asset Transfers

### Fixed Asset Processing



- Fixed Asset Transaction Post
- General Ledger Transaction Void \*
- Fixed Asset Maintenance, Split \*
- Fixed Asset Maintenance, Adjust \*
- **Fixed Asset Transfer \***
- Fixed Asset Retirement/Disposal \*
- Fixed Asset Reports

\* Optional


FA-PR-190

Used to transfer multiple assets from one predefined location to another. Assets can be transferred one at a time within Fixed Asset Maintenance (32.3), using Option function and then Tran.

When an asset is transferred within the same entity and different locations, the following accounts may be affected:

- Credits the old location and debits the new location for the acquisition cost
- Debits the Accumulated Expense account for the old location and credits the Accumulated Expense account for the new location for the accumulated depreciation

When an asset is transferred between two entities, the following accounts may be affected:

- Credits the old entity and debits the new entity for the acquisition cost. Intercompany account is also debited in the old entity and credited in the new entity for the acquisition cost
- Debits Accumulated Expense account for old entity and credits Accumulated Expense account for new entity for the accumulated depreciation. Intercompany account is also credited for the old entity and debited for the new entity for the accumulated depreciation

## Fixed Asset Transfer

### Fixed Asset Transfers

Fixed Asset Transfers
Go To | Actions | Copy | Print | Preview

Asset: Lap Atl	To: Lap Corp
Class: Laptops	To:
Location: Atl1	To: Corp
Service Date: 10/2/2008	To: 10/2/2008
Acquisition Cost: 0.00	To: 0.00

Transfer Date: 10/2/2008	
New Location: Corp	
New Sub-Account:	
New Cost Center:	
Select All: <input type="checkbox"/>	

Output:

FA-PR-200

Fixed Asset Transfer (32.16) consists of two screens. Select the assets to be transferred by filling in the necessary criteria on the first screen.

- Asset IDs
- Classes
- Locations
- Service Dates
- Costs

Also specify:

- Transfer date, which is the effective date of the transfer. No other transfer transactions for these assets can exist in the same period as this date. For example, if depreciation has been posted at the old location for this asset for this effective period, it cannot be transferred
- New location, defined in Location Maintenance (32.1.13)
- New sub-account; the default is new location's sub-account
- New cost center; the default is new location's cost center

**Note** The new sub-account/cost center combination is validated with the accounts assigned in the asset if the Verify GL Accounts field is Yes in Domain/Account Control (36.1). The transfer cannot be completed if the combination is invalid.

## Select Assets to Transfer


### Select Assets to Transfer

Fixed Asset Transfers X
 Go To Actions Copy Print Preview

Asset: <input type="text"/>	To: <input type="text"/>
Class: <input type="text"/>	To: <input type="text"/>
Location: <input type="text"/>	To: <input type="text"/>
Service Date: 10/2/2008	To: 10/2/2008
Acquisition Cost: 0.00	To: 0.00

Transfer Date: 10/2/2008  
 New Location:   
 New Sub-Account:  
 New Cost Center:  
 Select All:

Output:


FA-PR-210

Select Assets to Transfer is the second screen. All the assets that meet the specified criteria are displayed. By default, they are all selected. You can select or de-select assets by hitting the spacebar or Enter key. An asterisk appears next to the selected assets.

Press Go when you have finished selecting assets. The system prompts, Is all information correct?

- Yes means information is correct and transfer can be completed
- No means information isn't correct and the selection screen appears again

Once the transfer is confirmed, an audit trail is printed.

### Exercise: Transfer an Asset

In this exercise, you transfer an asset from one entity and location to a new entity and location.


- 1 Transfer an asset from Entity T100 Location LOC1 to Entity T200 Location LOC2. Choose one of the assets created in the Setup Exercises and use today's date as the transfer date.

Fixed Asset Transfers (32.16)

**Note** When transferring one asset, you can also transfer it through Fixed Asset Maintenance (32.3).


## Retirements

### Fixed Asset Processing



- Fixed Asset Transaction Post
- General Ledger Transaction Void \*
- Fixed Asset Maintenance, Split \*
- Fixed Asset Maintenance, Adjust \*
- Fixed Asset Transfer \*
- **Fixed Asset Retirement/Disposal \***
- Fixed Asset Reports

\* Optional


FA-PR-230

- Use Fixed Asset Retirements (32.19) to dispose of multiple assets at one time. Single assets can be retired in Fixed Asset Maintenance (32.3), using the Option function and then Retire
- Allows you to select assets to retire by ranges of:
  - Asset IDs
  - Classes
  - Locations
  - Service Dates
  - Acquisition Cost

## Fixed Asset Retirements

### Fixed Asset Retirements

Fixed Asset Retirements x
Go To ▾ Actions ▾ Copy ▾ Print Preview

Asset: Inject Mold	To:
Class: Machine	To:
Location: All1	To:
Service Date: 10/2/2008	To: 10/2/2008
Acquisition Cost: 100,000.00	To: 0.00
Entity: 1000	
Disposition Date: 10/2/2008	
Disposition Reason:	
Sold For: 125,000.00	
Select All: <input checked="" type="checkbox"/>	
Output: page	

FA-PR-240

**Entity.** Entity for the assets; this field is required. The default is the primary entity

**Disposition Date.** Effective date of the retirement in an open GL period; this field is required.

**Disposition Reason.** Why the asset is being disposed. Can be validated against codes in Generalized Code Maintenance (36.2.13) for field `fa_disp_rsn`. Examples are sold, stolen, destroyed, donated, impaired

**Disposition Amount.** An optional amount received for the disposal of the asset. Amount is assigned to each asset being retired. Amount is used when calculating gain or loss on disposition of an asset

### Exercise: Retire an Asset

- 1 Before you can retire an asset, depreciation must be posted at least once. Post FA transactions for an asset, just created, to the General Ledger.

**Note** Transaction Post (25.13.7)


- 2 Retire an asset created in the Setup Exercises. Use today's date as the Disposition Date and SOLD as the Disposition Reason

**Note** Fixed Asset Retirements (32.19)

**Note** When retiring one asset, you can also retire it through Fixed Asset Maintenance (32.3.)


## Asset Reporting

### Fixed Asset Processing



- Fixed Asset Transaction Post
- General Ledger Transaction Void \*
- Fixed Asset Maintenance, Split \*
- Fixed Asset Maintenance, Adjust \*
- Fixed Asset Transfer \*
- Fixed Asset Retirement/Disposal \*
- **Fixed Asset Reports**

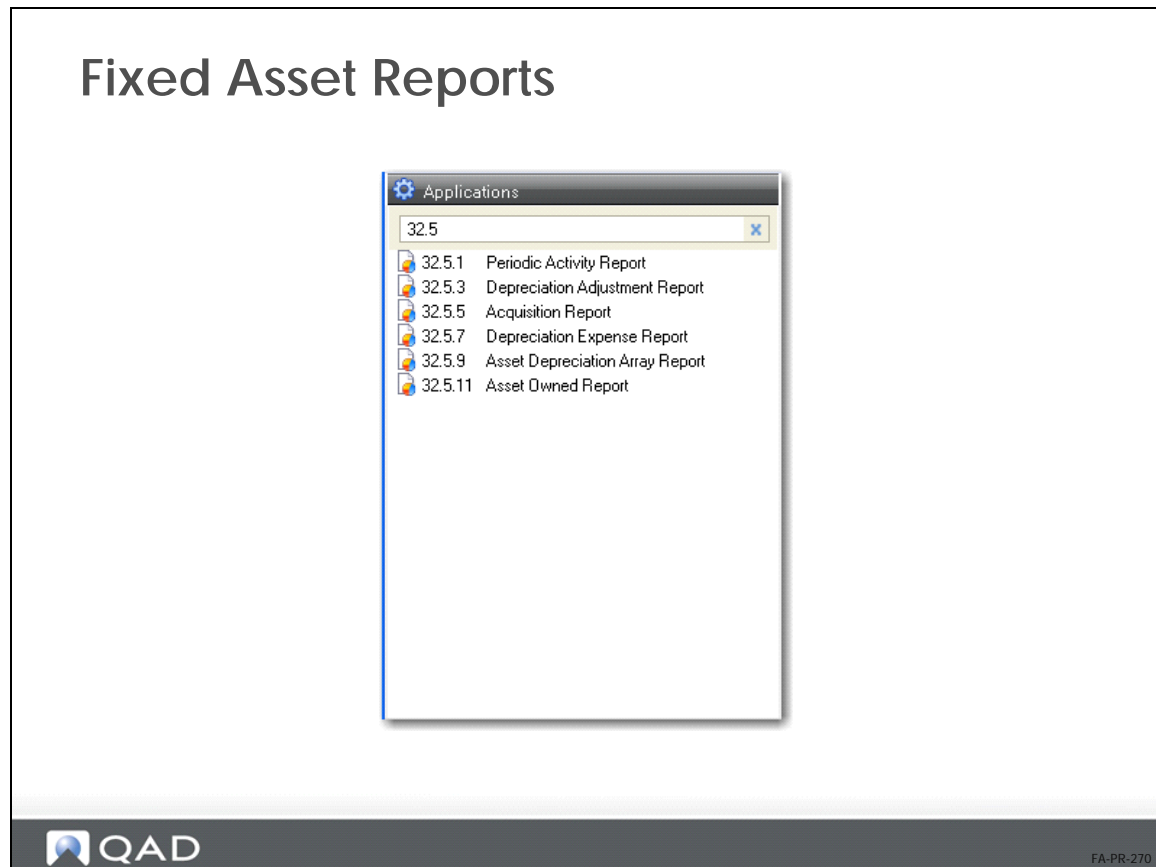
\* Optional

 FA-PR-260

Reports needed to reconcile assets and to provide basic management and accounting information required on a periodic basis are available.

There are no reports that are either country or tax requirement specific.

## Fixed Asset Reports Menu



Standard reports available are:

- Periodic Activity Report
- Depreciation Adjustment Report
- Acquisition Report
- Depreciation Expense Report
- Asset Depreciation Array Report
- Asset Owned Report

## Periodic Activity Report (32.5.1)


# Periodic Activity Report

Periodic Activity Report
x


---

Go To Actions Copy Print Preview

Entity: 1000	To:
Asset: Inject Mold	To:
Year/Period: 2008	To:
Print Totals Only: <input type="checkbox"/>	
Include Non-Depr Assets: <input type="checkbox"/>	
	Output: <input type="text" value="page"/>
	Batch ID: <input type="text"/>


FA-PR-280

- Provides the information required to reconcile fixed assets with GL
- Used to track total activity for a defined period

Sort and select options include:

- Entity
- Asset ID
- Year/Period

*Print Totals Only.* If Yes, report prints totals for all asset activity. If No, report prints each individual asset's activity

*Include Non-Depreciating Assets.* If Yes, includes assets that are set to Yes or No in the Depreciate field in Fixed Asset Maintenance 32.3. If No, prints only those assets where the Depreciate field is Yes in Fixed Asset Maintenance (32.3)

Every transaction for the date range is chosen.

## Depreciation Adjustment Report (32.5.3)

# Depreciation Adjustment Report

Periodic Activity Report ×

Go To Actions Copy Print Preview


Entity: 1000	To:	
Asset: Inject Mold	To:	
Year/Period: 2008	To:	

Print Totals Only:

Include Non-Depr Assets:

Output:  ↗

Batch ID:  ↗

FA-PR-290

This report lists:

- Assets that have been adjusted
- Types of adjustments
- Amount of adjustment

## Acquisition Report (32.5.5)

# Acquisition Report

The screenshot shows a software window titled "Acquisition Report" with a menu bar containing "Go To", "Actions", "Copy", "Print", and "Preview". The main area contains the following fields:

Class:	Machine	To:	
Location:	A11	To:	
Entity:	2000	To:	
Year/Period:	2008	To:	

Below these fields is a checkbox labeled "Include Non-Depr Assets:". To the right of the form, there are labels for "Output: page" and "Batch ID:".

**QAD** FA-PR-300

- Print acquired assets within a specific period
- Lists Posting Book information only

## Depreciation Expense Report (32.5.7)

# Depreciation Expense Report

Depreciation Expense Report
x

Go To Actions Copy Print Preview

Entity: 2000	To: <input type="text"/>
Book: Reg	To: <input type="text"/>
Class: Equip	To: <input type="text"/>
Asset: Atlanta	To: <input type="text"/>
Year/Period: 2008	To: <input type="text"/>

Print Totals Only:

Include Non-Depr Assets:

Print Transfer Details:

Output:

Batch ID:

FA-PR-310

Reports depreciation expenses within a specified period within entity

*Print Totals Only.* Option to print summary or detailed report


- If Yes, prints totals for all depreciation expenses
- If No, prints individual asset's depreciation expense

## Asset Depreciation Array Report (32.5.9)

# Asset Depreciation Array Report

Asset Depreciation Array Report
Go To Actions Copy Print Preview

Asset: Lap Corp		To:	
Book: Reg		To:	
Summary: <input type="checkbox"/>		Output:	
		Batch ID:	


FA-PR-320

- Reports assets' lifetime depreciation expenses
- Prints the original depreciation expense schedule and any adjustments

*Print Totals Only.* Option to print summary or detailed report

- If Yes, prints totals for all lifetime depreciation expenses
- If No, prints individual asset's lifetime depreciation expense

## Asset Owned Report (32.5.11)

## Asset Owned Report


Asset Owned Report
Go To ▾ Actions ▾ Copy ▾ Print ▾ Preview ▾

Location: Corp	To:
Asset: 6450ViaReal	To:
Book: Reg	To:
Class: Bldg	To:
Entity: 1000	To:
Year/Period: 2008	To:
As of Date: 200810	

Print Totals Only:

Include Non-Depr Assets:  
 Include Fully Depreciated Assets:  
 Include Retired Assets:

Output:  
 Batch ID:


FA-PR-330

- Prints all fixed assets within specified criteria

*Year/Period.* Range of periods in which to select assets. Format is XXXXYY where XXXX is the year and YY is the period

*As of Date.* Effective date for this report; the default is system date. Format is same as Year/Period field

*Print Totals Only.* Option to print summary or detailed report

- If Yes, prints summary report for company's assets
- If No, prints details for each individual asset

*Include Non-Depreciated Assets.* If Yes, includes assets that are set to Yes or No in the Depreciate field in Fixed Asset Maintenance (32.3). If No, prints only those assets where the Depreciate field is Yes in Fixed Asset Maintenance (32.2)

Every transaction for the date range is chosen.

*Include Fully Depreciated Assets.* If Yes, includes assets that have fully depreciated. If No, fully depreciated assets do not print

*Include Retired Assets.* If Yes, retired assets print. If No, retired assets do not print

## Exercise: Fixed Asset Reports

In this exercise, run the various fixed asset reports that are available. Run each report a number of times changing the different options to see how they effect the output. Output to Window or Terminal, unless directed otherwise by the instructor.

### Periodic Activity Report

- 1 Run the Periodic Activity Report for the current year/period. How do the Print Totals and Include Non-Depreciating Assets fields effect the output of this report?

**Note** Periodic Activity Report (32.5.1)

### Acquisition Report

- 2 Run the Acquisition Report for Class(es) of assets you created. How does the Include Non-Depreciating Assets field effect the output of this report?

**Note** Acquisition Report (32.5.5)

### Depreciation Expense Report

- 3 Run the Depreciation Expense Report for the Year/Period in which you posted transactions. How does the Print Totals field effect the output of the report?

**Note** Depreciation Expense Report (32.5.7)

### Asset Owned Report

- 4 Run the Asset Owned Report for all your assets. How do the various options effect the output of the report?

**Note** Asset Owned Report (32.5.11)

### For Further Study (Optional)

- 5 Make an adjustment to the depreciation schedule on one of your assets. Then run the Depreciation Adjustment Report. Do you remember where to make depreciation adjustments?

**Note** Fixed Asset Maintenance (32.3) and Depreciation Adjustment Report (32.5.5)

- 6 Run the Asset Depreciation Array Report for the asset you used in the previous step. What information does this report show you?

**Note** Asset Depreciation Array Report (32.5.9)

## Deleting and Archiving Fixed Assets

### Retired Asset Delete/Archive



FA-PR-350

Use Retired Asset Delete/Archive (32.33) to delete and archive retired assets.

The system does not automatically delete historical information at period or year end.

- Run delete/archive twice
  - First run it with Delete set to No and review report
  - Run it a second time with Delete set to Yes to delete selected records

**Delete.** Indicates whether to delete the selected records

If Yes, the selected records are deleted. Selected records are copied to an ASCII file before deletion. Archive File Reload can be used to reload the data, if needed

If No, selected records are not deleted. A report is generated listing the selected records

**Archive.** Indicates whether to archive selected records

If Yes, selected records are copied to an ASCII file. The system creates a file name in the format faYYMMDD.hst, where YYMMDD is the file creation date. If file does not exist, it is created. If file exists, it is modified

If No, selected records are not copied to an ASCII file

## Period End Processing

**Period End Processing**

Debits = Credits

\$\$\$\$\$\$ \$\$\$\$\$\$

QAD FA-PR-360

At the end of each accounting period, the fixed asset accounts must be reconciled, the depreciation expense reviewed, and the depreciation expense posted to the General Ledger.

- 1 Run Periodic Activity Report (32.5.1)
- 2 Run Depreciation Expense Report (32.5.7)
- 3 Reconcile differences between current period and previous period
- 4 Correct any errors
- 5 Run Fixed Asset Transaction Post (32.13)

## Fixed Asset Processing Summary



- Fixed Asset Transaction Post
- General Ledger Transaction Void \*
- Fixed Asset Maintenance, Split \*
- Fixed Asset Maintenance, Adjust \*
- Fixed Asset Transfer \*
- Fixed Asset Retirement/Disposal \*
- Fixed Asset Reports

\* Optional

