# Sage Fixed Assets

**Lite Depreciation, Lite Depreciation for Sage 50, Sage 50 Fixed Assets**

## User guide

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# Chapter 1
# Introduction

## Welcome to Sage Fixed Assets

Welcome to the world of Sage Fixed Assets! Understanding fixed asset management takes the right experience. For information about the rest of the Sage Fixed Assets line of fixed asset management solutions, contact your Sage Fixed Assets sales representative, or visit our web site at www.SageFixedAssets.com.

### About this Guide

This guide is applicable to Sage Fixed Assets—Lite Depreciation, Sage Fixed Assets—Lite Depreciation for Sage 50, and Sage 50 Fixed Assets. Sections that are specific to the Sage 50 versions of the program are noted. Sage Fixed Assets—Lite Depreciation users can skip those sections.

**Note:** In areas that discuss the asset count, the limit for Sage Fixed Assets—Lite Depreciation and Sage Fixed Assets—Lite Depreciation for Sage 50 is 1,000. The limit for Sage 50 Fixed Assets is 200. Please contact your sales representative if you would like to upgrade to increase your limit.

## Key Steps in Implementing the Application

There are numerous implementation plans you can develop in order to get the application up and running and working efficiently with your existing fixed asset management solution. Two benefits of the product are its extreme flexibility and its customization features. The following is just one implementation plan example.

- **Navigate through the Application**
  Familiarize yourself with the application's interface and two views of your assets. Learn how to accomplish some basic tasks. For more information, see Chapter 3, "Navigating the Application Interface."

■ **Set Preferences**
For full instructions on setting up preferences, see Chapter 4, "Setting Up the Product."

■ **Set Up a Company/Define Books**
Create and set up a new company to store your asset data. When creating a new company you can also set up the seven accounting books necessary for your individual accounting needs, from the Internal and Tax books to the two user-defined books. For full instructions on setting up a company and the seven depreciation books, see Chapter 4, "Setting Up the Product."

■ **Customize Fields**
The application has numerous fields you can use to describe your assets (most of which are fully customizable). The majority of fields are pre-defined, using common fixed asset terminology. It also contains seven user-defined fields, so you can tailor the application to meet the specific needs of your company. Since there are so many user-defined fields, you might not find it necessary to change any of the pre-defined fields. You can also create lists of valid entries for each of these fields. These lists are called SmartLists. For details on the customization process, see Chapter 4, "Setting Up the Product."

■ **Enter Asset Data Information**
If your asset data is not already contained in some electronic form, then you must enter your asset data from scratch. If this is the case, be sure to take advantage of the Template Manager, which allows you to create templates for easy data entry of similar assets. To help you gather your asset information, you can print blank forms of the data entry fields in Asset Detail. For details on entering asset information and using templates, see Chapter 6, "Working with Assets." If you currently use a spreadsheet to track your assets, you can quickly import your data using Custom Import. For more information on importing your data, see Appendix B, "Custom Import Helper."

■ **Create Groups**
Use Group Manager to divide your assets into useful groups. Groups logically divide and order your assets, and make reporting on assets much easier. For a full conceptual discussion of groups, see "Understanding Groups," page 1-4. For detailed instructions on how to create groups, see Chapter 4, "Setting Up the Product."

■ **Perform Asset Maintenance**
Perform basic asset maintenance, such as adding assets or disposing of assets. For information about the disposing of assets, see Chapter 7, "Performing Advanced Asset Functions."

■ **Perform Depreciation-Related Tasks and Budgetary Projections**
Calculate depreciation for the current period, past periods, and future periods. You can also reset depreciation, make changes to assets, and then recalculate depreciation. For details on running depreciation-related tasks, see Chapter 8.

■ **Run Reports**
Run any or all of the reports. These reports provide information on every aspect of your asset maintenance, including, of course, budgetary projections and depreciation. For report information, see Chapter 9, "Standard Reports."

## Understanding Databases

The application stores your asset data in an internal software structure called a database. A database holds data in a way that makes it extremely easy to search, sort, organize, and retrieve. Additionally, you can create many databases to further organize your data.

Each company you create is stored in a database. You can store one or more companies in one database, or you can create multiple databases for storing multiple companies. To optimize application processing speed and convenience, determine which number of databases is best for you.

Storing all your companies in one database is convenient because you do all your work in one place. However, distributing your companies among multiple databases optimizes application processing speed.

You can create more than one database in each directory (or file folder) on your computer. The database is a file with a BDB extension. You can give this file any name that conforms to Windows file naming standards. You can assign each database a unique name that you use to reference the database within the application. For example, you might create two databases named MACHINES and OFFICE.

# Understanding Companies

A company is a collection of assets that you define as you prefer—it is not necessarily a legal entity. For example, you might want to define a company for the assets in each department or in each location of your organization. You store companies in one or more databases.

## Why Use More than One Company?

Even though you can group assets within a company, there are still many reasons to create separate companies for different groups of assets. Reasons for organizing your assets into multiple companies include the following:

- **Multiple Legal Entities**
  The most obvious reason for creating multiple companies to track assets is if your organization tracks or owns assets for separate legal entities. In this case, you would want to create at least one company for each of the legal entities. You might also want to create more than one company for a legal entity if it meets other criteria as listed below.

- **Mergers or Acquisitions**
  If the legal entity that is your organization has merged with another organization or has acquired one, you might want to maintain the assets for these entities in separate companies within the application.

- **Different Fiscal Year Ends or Short Years**
  Fiscal year ends and short years must be the same within a single company. If this is not true for the different reporting units within your organization, you must create separate companies for each reporting unit. For example, if one organization with a December year-end acquired another organization with a September year-end, you might want to maintain the assets in two separate organizations.

- **Decentralized Corporate Structure**
  If the culture of your organization is decentralized, or if different organizational units maintain autonomous jurisdiction over assets or accounting, or if they track and report to a central authority separately, then you will want to create separate companies for each of these organizational units.

- **Multi-State Organization**
  If your organization owns assets in multiple states that require unique calculations, then you might need to enter these assets into different companies. Within the application you have one default state tax book. You also have two user-defined books that you can use for different state tax books. So, depending on how many states your organization has assets in and how many user-defined books you have used for purposes other than state tax books, you might need to create separate companies for those assets or for additional State books.

■ **Large Number of Assets**
The application processing speed depends on how many assets you store in your working database. Many functions in the application process *all* data in *all* companies in the working database. Therefore, if you maintain many assets (more than about thirty thousand), to gain optimal processing speed you should organize them into multiple companies stored in multiple databases. For example, you might organize your assets according to the reporting structure for different areas of your organization based on accounting principles.

■ **Strict Separation of Asset Classifications/Diversified Products or Markets**
Even if your organization is centralized, and accounting is controlled by one umbrella administrative unit, you might want to create separate companies for your assets if the assets are strictly divided by classification. For instance, one arm of your organization may be devoted to manufacturing and another to medical supplies.

## When to Keep Assets in One Company?

Many of the situations outlined above are *special* situations. If your organization does not fit into any of the above situations, then you probably want to store all your assets in one company.

Use one company to store assets, if:

• Your organization is a single legal entity.

• Your organization has a centralized management and accounting structure.

• Your organization does not have diversified products or markets.

• All units in your organization have the same fiscal year end and short years.

# Understanding Groups

A group is a logical—not physical—subset of assets within a company. Groups are viewed in the Asset List. A group is a collection of assets grouped together for the purpose of tracking them, working on them, or reporting on them collectively.

You create groups using the Group Manager option. By specifying one or more criteria, you define which type(s) of assets to include in the group. For example, you might create a group that includes only the assets of a specific location during a specific time period. Defining a group is flexible; you can pinpoint your group with various types of criteria. You can also hand-pick individual assets for a group, and change a group definition at any time.

You can define multiple groups per company, and include any asset in multiple groups. For example, you might want to organize your assets into several groups because you have different reporting requirements for each group. In addition, because a group is simply a logical view of a company, it is always current—you never have to update a group created with Group Manager. (Groups created by selecting assets are not updated automatically.)

It is important that you understand how assets are grouped within the same company and why you would want to group your assets.

## Using Groups

Creating a variety of distinct, logical groups gives you greater control of managing and reporting on your assets. For example, you might create groups to more precisely accomplish the following tasks:

- Calculate depreciation

- Run reports

- Browse your asset list

- Sort your assets

- Find a specific asset

- Activate or inactivate assets

- Dispose of assets

- Replace data

- Perform a 168 Allowance Switch

- Reset depreciation

## How the Application Updates Groups

The illustration below shows how the application processes your requests for a group.
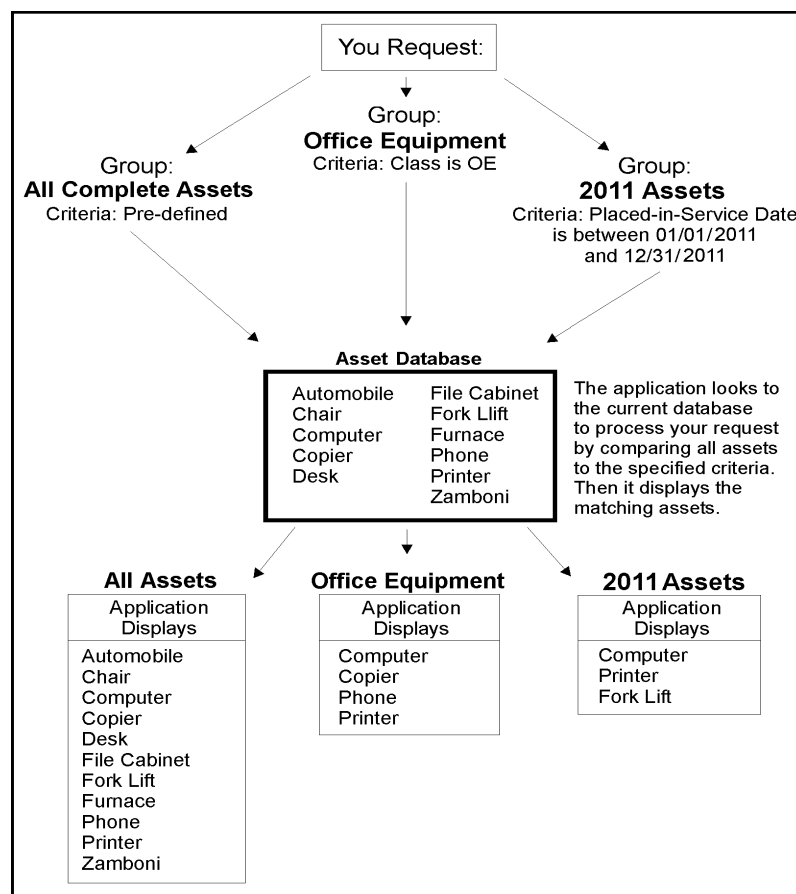
# Understanding Asset Fields and SmartLists

Nearly everything you do in asset management is based on information about your assets. In order to identify an asset you must know its description, classification, location, serial number, purchase order number, or any of a myriad of bits of information available on an asset. The application contains asset fields for each of these bits of information and many more.

Nearly all of these asset fields are fully customizable. In addition, you can create SmartLists of valid entries for the descriptive fields of assets. For instance, you can create a SmartList for the Location field that lists the locations in your company. You might only have three locations in your organization: Administration, Warehouse, and Machining. Why allow users to add other locations? Or to add them at random? Field entries are a prominent part of reports. Allowing users to add their own location at random can cause you to end up with a report that has this many variations of the same location:

- Machining

- machining

- MACHINING

- Mach

- Mchng

- MAC

- Machineing

- Masheening

There is beauty in consistency. In addition to the aesthetic problem posed by the above entries, it would not be possible for you to perform accurate sorts or create valid groups with these types of entries. To avoid this situation, you should create SmartLists from which the user can select a valid entry when needed. For details on customizing your fields and creating SmartLists, see Chapter 4, "Setting Up the Product."

# Chapter 2
# Getting Started

This chapter guides you through the initial tasks involved in getting the application up and running.

## Starting the Application

The program icon appears in the Sage Fixed Assets program group by default.

**Note:** You can also start the application by double-clicking the software icon on your desktop.

### *To start the application*

1. Click the Start button on the Windows taskbar, and then select Programs (or All Programs) from the Start menu.

2. Select the Sage Fixed Assets program group and then click the program icon. The first time you start the application, the Update User Information dialog appears.

   **Note:** The Update User Information dialog does not open automatically if you are using Sage 50 Fixed Assets. Select Help/Update User Information to open it.

3. Complete the Update User Information dialog, and then click OK.

   **Note:** Some users may have a field to enter their customer number, which is located on the package list that comes with your software. If you cannot find your customer number, you can call Customer Service at 800-368-2405.

4. The application opens and displays the main window.

### Using Demonstration Data

The application contains demonstration data for a sample company, which makes it easier for new users to learn the application. Depending on whether you are a new user, or the first user of the product for your company, a sample company might open automatically after startup. If not, you can open it as you would any other company.

# Opening an Existing Company

You can have only one company open at a time.

### To open an existing company

1. Select File/Open Company from the menu bar. The Open Company dialog appears.

2. Complete the Open Company dialog:

   • **Companies** - Select the company you want to open from the list of existing companies. If the company you want to open is not displayed, you might be looking in the wrong database. To change the list of companies, select a different database in the Database field.

   • **Database** - Select the database that contains the company you want to open. Click the down arrow to view a drop-down list of available databases. If you do not see the database you want, click the Find Database button to locate and add the database to the system.

   • **Find Database** - Click this button to locate and add a database to the system. The Find Databases dialog appears. For more information, see "Completing the Find Databases Dialog," page 5-13.

3. Click OK to open the company and to display the Asset List.

# Getting Help

Use the Help menu in the program to access product resources including:

• The online Help system

• All product documentation

• Product community and home

• Links for training and supplies

• Support contact information

• Sage Live Connect

## Using Online Help

Sometimes the quickest way to get help with the application is to use its extensive online Help. All Windows-based online Help systems contain three main sections—Contents, Index, and Search. The Contents section presents the information contained within the online system in an easy-to-follow manner. The Index and Search features allow you to quickly locate specific information.

### To access the online Help

1. Select Help/Help Topics from the menu bar. The online Help window appears.

2. Do one of the following:

   • Click the Contents tab to explore the Table of Contents.

   • Click the Index tab to find a topic by entering an index key word.

   • Click the Search tab to search for any word or phrase in the online Help.

### Viewing Sage Fixed Assets - Depreciation Fundamentals

*Sage Fixed Assets - Depreciation Fundamentals* is a portable document (PDF) that contains everything you need to know about depreciation for both Tax and GAAP purposes, written in easy-to-understand language. You must have Adobe Reader installed on your computer to view the PDF file. You can download the Adobe Reader software from the Adobe website (www.adobe.com). Select Help/Product Documents/<program version>\Depreciation Fundamentals to open the document.

### Sage Live Connect

The Sage Live Connect option on the Help menu allows you to connect your computer directly to a Sage Fixed Assets Customer Support representative. The Customer Support representative can then take control of your computer to more quickly diagnose your computer's problem. If the Customer Support representative decides that taking control of your computer would be helpful, the representative will tell you when and how to open a session.

## Setting Up Your Printer

The Print Setup option is a standard Windows option. It allows you to select a printer that you want to use to print asset information, asset images, and reports, and change the orientation of the printed page (portrait or landscape).

When you open the application the first time, the system registers your default printer from your operating system. It will automatically use your default printer if you do not select a different printer.

### *To set up your printer*

1.  Select File/Print Setup from the menu bar. The Print Setup dialog appears.

2.  Complete the Print Setup dialog, and then click OK.

The selected orientation on this dialog is the default setting for the standard Report Definition dialog. Once you change and save the setting on your Report Definition dialog, it overrides the Print Setup option for that specific report.

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**Note:** For details about completing the Print Setup dialog, see your Windows documentation.

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# Chapter 3
# Navigating the Application Interface

This chapter introduces you to the application and describes the application's interface. You'll learn about the two views of your assets—the Asset List for looking at a group of assets and Asset Detail for looking at a single asset. You'll also learn how to accomplish some basic tasks, such as finding and selecting assets, replacing asset data, entering dates in date fields, and browsing the currently selected group of assets.

The main dialog contains all the elements of a standard Windows application, plus many features that are specific to the application.

## Elements of the Main Application Window

Following are the most important elements of the main application window in both the Asset List and Asset Detail.

■ **Menu Bar**
The menu bar is a standard Windows interface tool used to access specific areas of an application. The menu bar contains menu headings that list specific functions or actions in the application. To initiate an action, click the menu heading that corresponds to the desired action, or use keyboard commands to access the menu heading. For more information, see "Keyboard Shortcuts," page 3-27.

■ **Navigation Pane**
The navigation pane contains tasks and buttons that give you quick access to many features in the application. The list of tasks changes, depending on what is currently displayed in the working area. For more information, see "Using the Navigation Pane," page 3-2.

■ **System Number/Asset ID**
To find an asset quickly, enter its System Number or Asset ID in this field. You choose whether to use System Number or Asset ID by selecting the Go option in the Preferences dialog.

■ **Go Button**

After you enter the System Number or Asset ID, click the Go button. If you are viewing the Asset List, the application finds and highlights the asset. If you are in Asset Detail, the application finds the asset and displays it in Asset Detail view.

■ **Asset List**

In the Asset List, the application displays all assets in your database that are contained in the currently selected group. A single horizontal row represents one asset. General information fields, which contain information about the asset, appear at the top of each vertical row. Use the horizontal scroll bar to view all general information field information. For more information, see "Asset List," page 3-10.

■ **Asset Detail**

In Asset Detail, the application displays detailed information about your assets. The Asset tabs display the following pages of detailed information about your assets: Main, Transactions, History, and Notes. For more information, see "Asset Detail," page 3-18.

■ **Asset Detail/Asset List Button**

When you are in the Asset List, click this button to switch the view of your asset group to a detailed view of the selected asset. When you are in Asset Detail, this button changes to Asset List. Click this button to return to the Asset List.

# Navigating the Application

It's easy to navigate to the various areas of the application using the buttons at the bottom of the navigation pane. Once you are in the appropriate work area, you can use either the menu bar or the tasks on the navigation pane to perform the desired functions.

## Using the Navigation Pane

You navigate the application using the navigation pane.
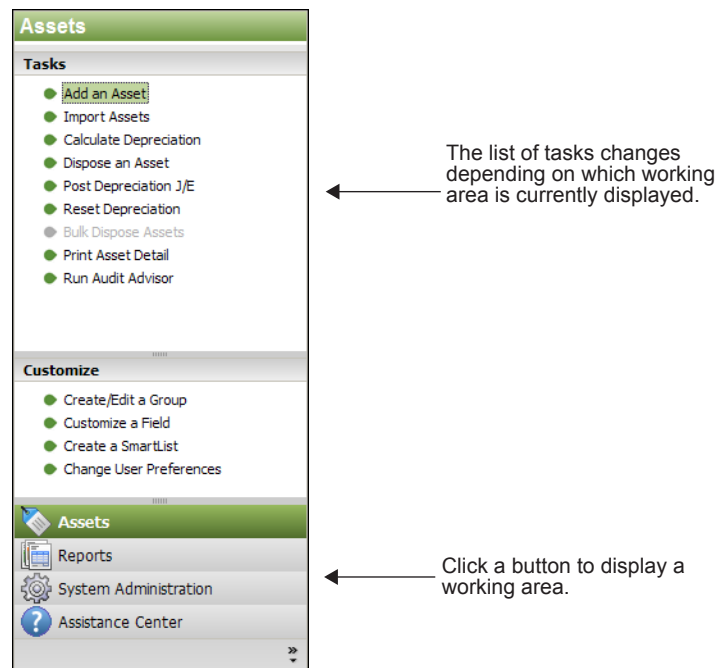
To navigate to different areas of the application, click the buttons at the bottom of the navigation pane.

• For example, click the Assets button to view the Asset List.

The Asset List displays the current group of assets in the working area of the application. For more information, see "Assets Area," page 3-4.

To view information about a single asset, double-click the asset, or click the Asset Detail button at the bottom of the Asset List. The asset information appears in the Asset Detail view.

To perform a task, such as adding an asset, disposing an asset, or calculating depreciation, use the task list on the navigation pane.

The list of tasks changes depending on what is currently displayed in the working area.

• Click the Reports button to view the Reports working area.

In the Reports working area, you can run the reports, create a list of favorite reports, and view the report layout. For more information, see "Reports Area," page 3-5.

• Click the System Administration button to view the System Administration working area.

In the System Administration working area, you can perform tasks that relate to the entire system, such as managing your databases, and backing up and restoring data. For more information, see "System Administration Area," page 3-6.

• Click the Assistance Center button to view the Assistance Center working area.

In the Assistance Center, you can find answers to frequently asked questions and links for contacting customer support, sales, and training. For more information, see "Assistance Center Area," page 3-7.

## Assets Area

Some commands on the Assets task list may be enabled or disabled based on whether you select an asset from the Asset List.



For more information, see "Viewing Your Assets - Asset List, Asset Detail," page 3-9.

## Reports Area

To access the Reports area, click the Reports button on the navigation pane. The application displays the Reports area.



For more information, see "Running a Standard Report," page 9-4.

## System Administration Area

To access the System Administration area, click the System Administration button on the navigation pane. The application displays the System Administration area.
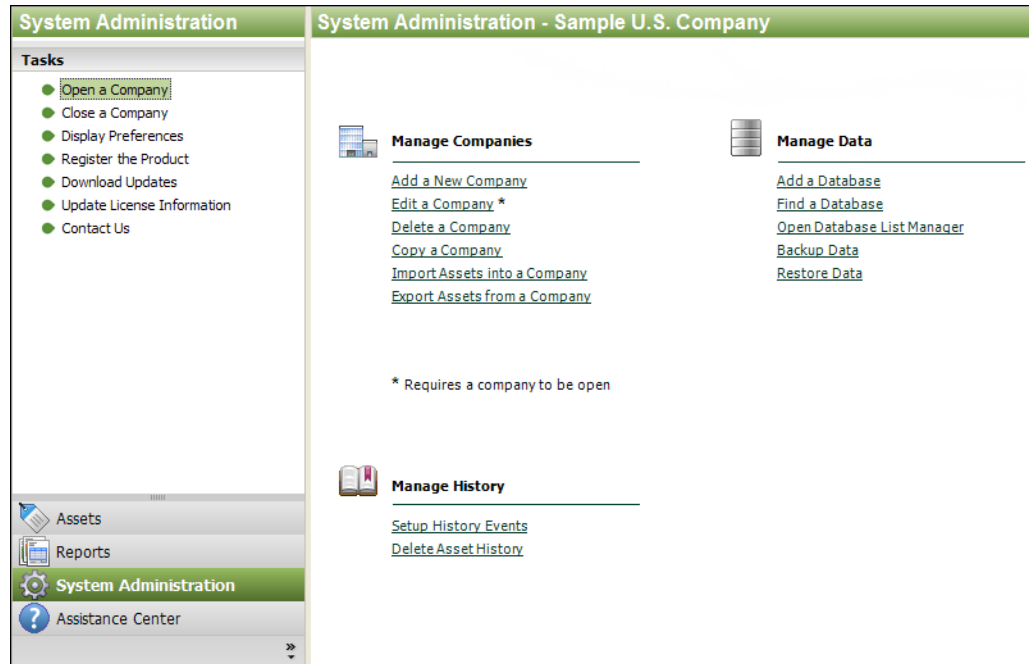


The System Administration area provides quick access to many of the administrative features of the application. System administration functions, such as managing databases, companies, and history events, can be performed using this shortcut.

## Assistance Center Area

In the Assistance Center, you can find answers to frequently asked questions and links for contacting customer support, sales, and training.



## Using the Right Mouse Button

You can use the right mouse button to print the Asset List, navigate from Asset Detail to the Asset List, save an asset as a template, and more.

In the Asset List, right-click anywhere on the list assets to display the following menu:

In Asset Detail, right-click anywhere on the Main tab of the current asset to display the following menu:

| Asset Detail |
|---|
| Copy |
| Paste |
| Save as Template |
| Print Asset Detail |
| Asset List |
| Customize Fields |
| Refresh |
| Hide Navigation Pane |
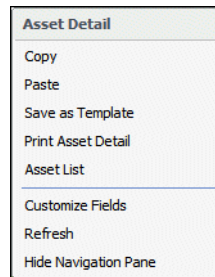
## Browsing Your Assets

The application uses scroll buttons so you can easily browse the assets in the currently active group.

### Asset List

In the Asset List, use the scroll buttons located on the right side of the screen as follows:

Use this button to display the top of the asset list.

Use this button to display the bottom of the asset list.

Use this button to move up through the assets one *row* at a time.

Use this button to move down through the assets one *row* at a time.

### Asset Detail

In Asset Detail, you can use the scroll buttons next to the Go button, as shown below.

System Number: 10    Go  ◄  ►

The Go field scroll buttons move forward or backward as follows:

Use this button to move to the *previous* asset in the currently active group.

Use this button to move to the *next* asset in the currently active group.

# Viewing Your Assets - Asset List, Asset Detail

In the main application dialog, there are two ways you can view your assets - the Asset List and Asset Detail. The Asset List displays all assets in the currently selected group. Asset Detail displays four tabbed pages of information about a single selected asset.

The application opens the company in the Asset List view. For information how to open an existing company, see "Opening an Existing Company," page 2-2.

### To navigate to Asset Detail

1.  Do any of the following:

    *   Click the Asset Detail button at the bottom of the Assets working area.

    *   Select Asset/Asset Detail from the menu bar.

    *   Double-click on any asset in the Asset List.

    *   Select any asset in the Asset List, then press Enter.

### To navigate to the Asset List

1.  Do any of the following:

    *   Click the Asset List button at the bottom of the Assets working area.

    *   Select Asset/Asset List from the menu bar.

    *   On the navigation pane, click the Assets button.

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**Note:** If you don't have any asset selected, the application displays Asset Detail of the first asset listed in the Asset List view.

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The diagrams on the following pages illustrate the most important elements of the main dialog in both the Asset List, page 3-10, and Asset Detail, page 3-18. Following the diagrams are brief explanations of most elements.

# Asset List

The Asset List displays all assets of the currently selected group in your database. A single horizontal row represents one asset. General information fields, which contain information about the asset, appear at the top of each vertical row. Use the horizontal scroll bar to view all general information field information.
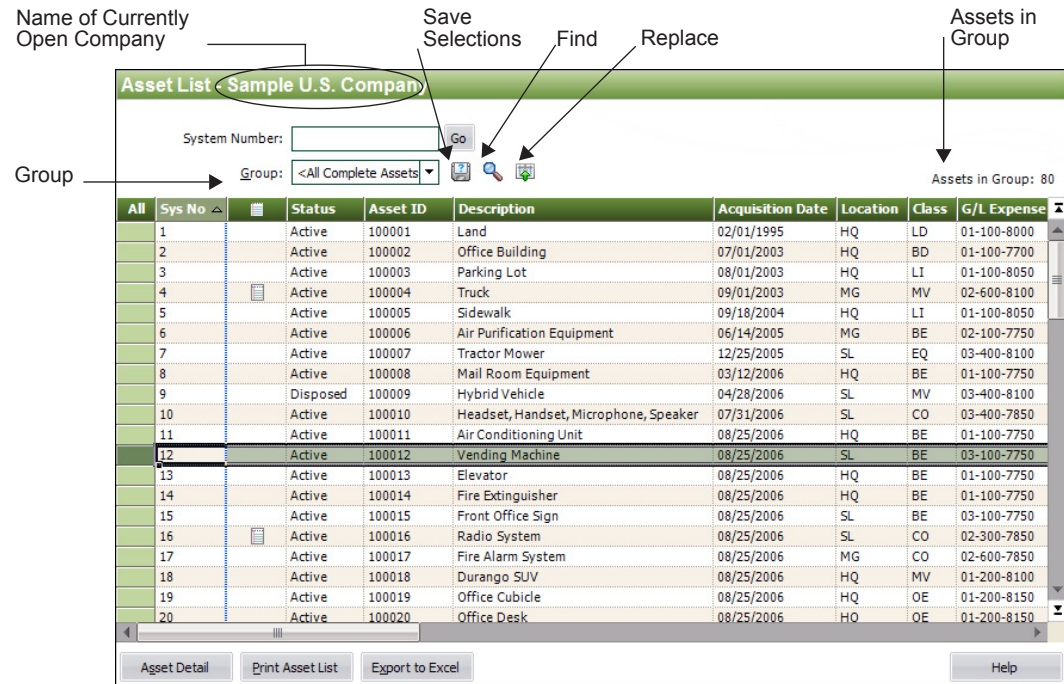


The following describes the elements of the Asset List.

- **Group**
  This field provides easy access to the complete list of available asset groups. An asset group is a group of assets that you design for specific purposes such as running reports, calculating depreciation, and performing depreciation projections. The Asset List displays only the assets contained in the currently selected group.

- **Save Selections Icon**
  Create a group quickly by selecting assets. Select the assets in the Asset List that you want to save as a group, and then click this icon. For more information, see "Completing the Save Selections Dialog," page 4-23.

- **Find Icon**
  Use this icon to find one or more assets in the current group based on search criteria that you specify. For more information, see "Completing the Find Dialog," page 3-25.

- **Replace Icon**
  Use this icon to replace data in one or more assets in the current group. For more information, see "Completing the Replace on Selected Assets Dialog," page 3-17.

- **Assets in Group**
  This field displays the number of assets in the current group.

- **Asset Detail Button**
  Click this button to go to Asset Detail view for a selected asset. For more information, see "Asset Detail," page 3-18.

■ **Print Asset List Button**
Click this button to send the list of assets in the current group to the printer. For more information, see "Printing the Asset List," page 6-24.

■ **Export to Excel Button**
Click this button to export the list of assets in the current group to a file that can be opened in Microsoft Excel. For more information, see "Exporting the Asset List to Microsoft Excel," page 3-16.

## Viewing Asset Groups

You can view all assets within a company by selecting the All Complete Assets group in the Group field at the top of the Asset List.

The application creates four default groups when a company is created:

• All Complete Assets

• Active Assets

• Disposed Assets

• Inactive Assets

You can select one of these groups to see a subset of the assets within the company that qualify for the group. For more information, see "Predefined Groups," page 4-19.

In addition, you can create your own groups using Group Manager. For more information, see "Creating Groups," page 4-22.

To view the assets in the group, you can scroll through the assets by using the scroll bar to the right of the spreadsheet, or use the Go field at the top to locate a specific asset within the group. When you select a group of assets, the Assets in Group field at the top of the view indicates how many assets qualify for the group.

Use the Group field in the Asset List to switch between groups.

### *To switch between groups*

1. In the Group field, click the down arrow to display the list of available groups.
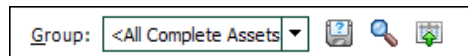


2. Select the group you want displayed from the list. The assets in the group appear in the Asset List view.

## Selecting Assets

The Asset List allows you to select one or more assets in the view to perform asset functions, such as disposals or calculating depreciation using standard Windows controls. For more information, see "Disposing Individual Assets," page 7-2, and "Calculating Depreciation for Your Assets," page 8-4.

To select an asset, simply click anywhere within the row. To select multiple assets, you can use the Ctrl and Shift keys.

If you want to edit the attributes displayed in the list or view the asset in greater detail, you can switch to Asset Detail by double-clicking in a row or clicking the Asset Detail button. For more information, see "Asset Detail," page 3-18.

### To select an individual asset from the Asset List

1.  Do any one of the following:

    *   Click anywhere in the row that contains the asset you want to select.

    *   Use the Go field to find and select the asset.

    The application highlights the asset you select.

### To select all assets in the current group from the Asset List

You navigate the asset grid in a similar way as an Excel spreadsheet.

1.  Do any one of the following:

    *   Select Edit/Select All from the menu bar.

    *   Click the Select All box in the upper-left corner of the Asset List.
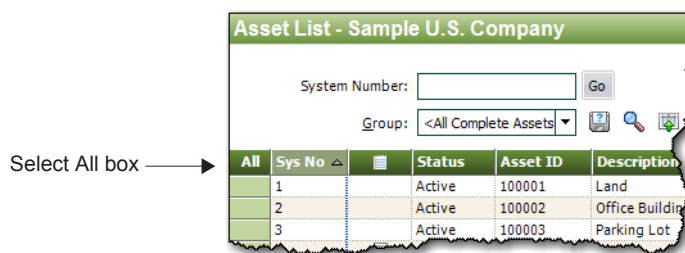


The application highlights all assets in the current group.

### To unselect all assets in the current group from the Asset List

1.  Do any one of the following:

    *   Select Edit/Unselect All from the menu bar.

    *   Click the Select All box in the upper-left corner of the Asset List.

    The application removes the highlight bar from all the assets in the current group.

### To select contiguous assets

1.  Select the first asset by clicking anywhere in the row that contains the asset.

2.  Press and hold the Shift key on the keyboard.

3.  Select the last asset by clicking anywhere in the row that contains the asset.

    The first and last assets and all of the assets in between are highlighted.

### *To select noncontiguous assets*

1. Select the first asset by clicking anywhere in the row that contains the asset.

2. Press and hold the Ctrl key on the keyboard.

3. Select the next asset by clicking anywhere in the row that contains the asset.

   Each asset that you select is highlighted.

## Customizing the Asset List View

You can customize the view of your assets in the Asset List by doing the following:

- Changing the order of the columns by moving them. See "Moving a Column in the Asset List," page 3-13.

- Sorting the assets temporarily by viewing any column in ascending or descending order. See "Temporarily Changing the Asset Sort Order," page 3-13.

- Freezing a column to keep it in view as you scroll through the columns. See "Freezing a Column in the Asset List," page 3-14.

- Changing the width of columns. See "Changing the Column Width," page 3-15.

- Hiding fields by removing them from the Asset List view. See "Removing a Field," page 3-15.

For information about restoring your Asset List view, see "Restoring Your Asset List View," page 3-15.

### Moving a Column in the Asset List

### *To move a column in the Asset List*

1. Click on the column header of the column that you want to move.

2. Drag the column header to its new location. Two red arrows indicate the new location of the column.

3. Release the mouse button.

**Note:** The column remains in its new position, even if you close the company. The column order is specific to each company; you can have a different column order in each company.

### Temporarily Changing the Asset Sort Order

You can temporarily change the sort order of your assets in the Asset List.

The assets in the Asset List are displayed according to the Sort Criteria tab of the currently active group (most often by System Number). For more information, see "Completing the Sort Criteria Tab," page 4-26. To temporarily change asset sort order, select another general information field by which to sort the group. The general information field names are listed at the top of each column in the Asset List.

### *To temporarily change asset sort order*

1.  Do one of the following:

    *   Double-click the column header of the field by which you want to sort the assets. The assets are sorted in ascending order by the selected field. Double-click the column header again to sort the assets in descending order.

    *   Right-click the column header, and from the pop-up menu select **Sort By**. The assets are sorted in ascending order by the selected field. Right-click the column header and select Sort By again to sort the assets in descending order.

### *To return to the default sort order*

1.  Select Window/Restore Group Sort from the menu bar. The Asset List displays the original sort order of the current group, which could consist of more than one sort level.

---

**Tip:** You can use this procedure to find out if any asset fields are blank. For example, to quickly discover if any assets have blank entries in the G/L Expense Account field, sort your assets by that field. Any assets with blank entries in the G/L Expense Account field will appear at the top of the list.

---

---

**Note:** When you use this method to sort assets, the new sort order is only temporary. When you close the company and then re-open it, or you select another group to display, the assets will be sorted in their original order.

---

## Freezing a Column in the Asset List

You can freeze a column in the Asset List so that it remains visible as you scroll to the right.

### *To freeze a column*

1.  Right-click the column header of the column that you want to freeze.

2.  From the pop-up menu, select Freeze Column.

---

**Note:** The column remains frozen, even if you close the company. To unfreeze the column, follow the steps below.

---

### *To unfreeze the column*

1.  Right-click the column header of the column that you want to unfreeze.

2.  From the pop-up menu, select Unfreeze Column.

---

**Tip:** Be careful about scrolling to the right and freezing a column. You may freeze a column and not be able to scroll to that column to see it. If this happens, you must unfreeze the column. Right-click anywhere in the Asset List, and select Unfreeze Column from the pop-up menu. To freeze the desired column, first move the column within the visible range of columns and then freeze it.

---

## Changing the Column Width

You can change the width of columns in the Asset List. The columns retain their new width when you move between companies, as well as when you exit from the application and start it again.

### *To change the column width*

1. Click and hold the vertical line separating the columns you want to change.

2. Drag the line left or right to decrease or increase the width of the column, and then release the line.

**Note:** The Asset List keeps the change made to the column width, even if you close the company.

### *To restore the column width*

1. Select Window/Restore Default View from the menu bar. The columns return to their default widths.

### *To size the column to the data*

1. Double-click the column divider to the right of the column header. The column enlarges or contracts so that the column header and the longest piece of data in the column are completely visible.

## Removing a Field

You can remove a field from the Asset List by hiding it from view.

### *To remove a field from view*

1. Select Customize/Customize Fields from the menu bar.

2. From the Asset Field list box, select the field that you want to remove from view.

3. From the View field drop-down list, select Hide.

4. Click OK.

# Restoring Your Asset List View

If you have customized the Asset List, you can restore the default view of your assets.

Select Window/Restore Default View from the menu bar. The default view of the Asset List appears.

# Exporting the Asset List to Microsoft Excel

The asset information in the Asset List view can be saved in a file that you can open in Microsoft Excel. After you save the file, the system opens the file in Microsoft Excel.

### To export the Asset List to Microsoft Excel

1. In the Asset List, select the assets that you want to save to a file.

   ---

   **Note:** If no assets are selected, then the application saves all of the assets in the currently displayed group to the file.

   ---

2. Click the Export to Excel button located at the bottom of the main application window. The application displays a dialog that allows you to select the folder where you want to save the Microsoft Excel file.

3. In the File Name field, enter a name for the Microsoft Excel file.

4. Click the Save button. The system saves the file and then attempts to launch Microsoft Excel and open the file.

---

**Note:** The version of Microsoft Excel installed on your computer determines the version(s) available in the Save as Type drop-down list. If Microsoft Excel is not on your machine, an error message appears, but the file is still saved. You can copy the file to another machine that has Microsoft Excel to view the file.

---

# Replacing Asset Data

You can replace data in any one of the general information fields for *selected* assets. The Replace feature is only available from the Asset List, and it operates only on assets that have been selected from the currently active group. That is, you must first select the assets from the currently active group before using the Replace command. For information on selecting assets, see "Selecting Assets," page 3-11.

### To replace asset data

1. In the Asset List, select the assets in which you want to replace data. (To replace data for all assets in a company, make sure the currently active group in the Asset List is All Complete Assets.)

2. Select Edit/Replace from the menu bar. The Replace on Selected Assets dialog appears.

3. Complete the Replace on Selected Assets dialog, then click the Replace button. A message asks you to confirm your intention to replace the data. After you confirm your intention, a message tells you how many replacements were made, and then the Asset List appears. For more information, see "Completing the Replace on Selected Assets Dialog," page 3-17.

---

**Note:** The application reserves the word *Null* when you are using the Replace feature. Therefore, you cannot enter this word in the Look For field or the Replace With field on the Replace on Selected Assets dialog.

---

# Replacing Data for All Assets

You can globally replace data in any one of the general information fields for *selected* assets. The Replace feature is only available in the Asset List, and it operates only on assets that have been selected from the currently active group. That is, you must first select the assets from the currently active group before using the Replace command. For information on selecting assets, see "Selecting Assets," page 3-11.

## *To replace data for all assets*

1. Make sure the currently active group in the Asset List is All Complete Assets.

2. Select Edit/Select All from the menu bar.

3. Select Edit/Replace from the menu bar. The Replace on Selected Assets dialog appears.

4. Complete the Replace on Selected Assets dialog, and then click the Replace All button. A message asks you to confirm your intention to replace the data. After you confirm your intention, a message tells you how many replacements were made, and then the Asset List appears.

## Completing the Replace on Selected Assets Dialog

Follow the guidelines below to complete the Replace on Selected Assets dialog.

---

**Tip:** The application replaces data only in *selected* assets of the currently active group. You must first select the assets in the currently active group before using the Replace command. For information on selecting assets, see "Selecting Assets," page 3-11.

---

■ **Look In**
Use this field to select the General Information field for which you want to replace data.

■ **Look For**
Use this field to enter or select the specific data you want to replace in the selected field. If the field you selected contains a SmartList, you can select the value from a drop-down list.

❑ **All Values in Field**
Select this check box if you do not want to enter data in the Look For field, and you would rather have all data replaced in the specified field. If you select this check box, the Look For field is no longer available.

❑ **Blank Values in Field**
Select this check box if you want to replace fields that are blank. If you select this check box, the Look For field is no longer available.

■ **Replace With**
Use this field to enter or select the specific data you want to use to replace the old data. If the field you selected contains a SmartList, you can select the value from a drop-down list.

❑ **Blank Values in Field**
Select this check box to replace the old data with a blank field. If you select this check box, the Replace With field is no longer available.

---

**Note:** You cannot enter the word *Null* in the Look For or Replace With fields because it is reserved by the application.

---

■ **Find Next Button**

Click this button to display the next selected asset in the Asset List containing the old data that you want to replace. The application scrolls so that you can view the field that you selected in the Look In field, if necessary. You can move the Replace on Selected Assets dialog to view this asset. If you decide you want to replace the data, click the Replace button.

■ **Replace Button**

Click this button to replace the value entered in the Look For field with the value entered in the Replace With field. This button is not available until you have clicked the Find Next button. When you click the Replace button, the application replaces data for one field at a time. Therefore, after you replace the data for one asset, you must click the Find Next button again before you can click the Replace button for another asset.

■ **Replace All Button**

Click this button to replace the value entered in the Look For field with the value entered in the Replace With field for all selected assets in the Asset List.

**Note:** It is possible that after you replace data, one or more assets may no longer qualify for the group currently displayed in the Asset List. In that case, the asset will not appear in the Asset List when you close the Replace on Selected Assets dialog.

## Asset Detail

Asset Detail allows you to view and/or edit the information for each asset individually. Asset Detail contains four asset pages. You can access the pages by clicking the corresponding tabs. For more information, see "Using the Tabs in Asset Detail," page 3-20.



The following describes the elements of Asset Detail.

■ **Asset System Number and Description**
The application displays the System Number and the contents of the Description field at the top of Asset Detail.

■ **Status**
This field displays the status of the asset (Active, Inactive, or Disposed).

■ **Go**
Use this field to navigate to another asset while remaining in Asset Detail view. For more information, see "Browsing Your Assets," page 3-8.

■ **Group**
This field displays the most recently displayed group in the Asset List.

■ **Asset Tabs**
Asset tabs display additional information about your assets, such as disposals, history, and more. For more information, see "Using the Tabs in Asset Detail," page 3-20.

■ **General Information Fields**
The general information fields contain general business information about your assets. These fields do not affect depreciation calculations. Whenever you add a new asset into the application, you enter data into the general information fields. These fields can be used to create asset groups. For more information, see "Completing the General Information Fields," page 6-3.

■ **Apply Template**
This field allows you to select from a list of available asset templates that you can apply to an existing asset or use to create a new asset. An asset template is a set of standard general-information-field and book-information-field entries that you create.

■ **Book Information Fields**
The book information fields display depreciation data specific to each book displayed in the column headings. In Asset Detail, you can view all depreciation data for a single asset. Use the scroll bars to the right to scroll through all available fields. For more information, see "Completing the Book Information Fields," page 6-4.

■ **Sage Fixed Assets Depreciation Books**
The seven depreciation books available in the application are displayed across each of these column headings. Data in each column relates to the book listed at the top of the column. For more information, see "Sage Fixed Assets Depreciation Books," page A-2.

■ **Asset List Button**
Click this button to go to the Asset List and view the current group of assets.

■ **Print Detail Button**
Click this button to send the information for the current asset to the printer. For more information, see "Completing the Print Asset Information Dialog," page 6-24.

■ **Save Asset Button**
Click this button to save changes made to the current asset.

■ **IRS Table Link**
The IRS Table link provides an easy-to-access method for determining an asset's MACRS GDS or ADS life for the Tax book. Click the link to display the IRS ADR Class Life Table, per Revenue Procedure 87-56, which we have reformatted and alphabetized for ease of use. By clicking the See Also button, you can navigate to three different tables:

• Commonly used assets.

• Assets used in manufacturing, alphabetized by end product. (For example, assets used to manufacture photographic equipment are listed under "P" in this table.)

- Assets used in specialized businesses. (For example, assets used in recreational services are listed under "R" in this table.)

By locating an asset in the appropriate table and entering both its MACRS GDS life and ADS life, the application will default the correct lives into both the AMT and ACE books as needed.

## Using the Tabs in Asset Detail

Asset tabs display detailed information about each asset, such as depreciation amounts, disposal information, history events, and more.

Asset Detail contains the following tabs:

- Main tab,

- Transactions tab,

- Notes tab,

- History tab,

### The Main Tab of Asset Detail



The Main tab of Asset Detail contains two categories of fields:

■ **General Information Fields**
Fields on the main system window that contain general business information about your assets; for example, G/L Asset Account and Purchase Order. This information does not affect the depreciation calculations, but is useful for asset management. You can customize these fields and also define and use 6 additional fields for your own purposes. For more information, see "Completing the General Information Fields," page 6-3.

■ **Book Information Fields**
Data entry fields that accept or display depreciation data specific to each book displayed in the column headings. All of these fields affect the depreciation calculations. Examples include the Depreciation Method field and the Acquisition Value field. For more information, see "Completing the Book Information Fields," page 6-4.

---

**Tip:** You can move the gray divider between the General Information and Book Information fields to display more or fewer fields in each section.

---

## The Transactions Tab of Asset Detail



The Transactions tab displays information about disposals for the selected asset. From this tab, you can:

* Make changes to the disposal.

* Delete the disposal.

* View the disposal calculation for any disposal.

■ **View Transaction Button**
Click this button to edit or view information about a disposal.

■ **Delete Last Transaction Button**
Click this button to delete the disposal. For more information, see "Deleting Asset Transactions," page 7-14.

■ **Disposal Worksheet**
Click this button to view the Disposal Worksheet. For more information, see "Viewing the Disposal Calculation," page 7-12.

## The Notes Tab of Asset Detail



The Notes tab provides additional space for you to enter any notes or special information about the asset. You can document certain changes made to the asset or the reasons for the changes, or provide further detail on asset maintenance information.

### To add a note to the asset

1.  Select the Notes tab.

2.  Enter the note in the upper section.

3.  Click the Add Note button. The note is saved in the lower section of the tab.

4.  Click the Save Asset button to save the note.

After a note has been added and saved, you cannot edit or delete it.

### To edit a note

1.  Click the Edit Note button on the Notes tab.

2.  Make the desired changes to the note.

3.  Click the Save Asset button to save your changes.

### The History Tab of Asset Detail



The History tab provides a history of major milestones and actions performed on an asset. The application automatically records and tracks specified actions, including the date and time they occurred.

You can decide which events in an asset's life you want to track. For more information, see "Setting Up History Events," page 5-4.

There are two different views you can use to view the History tab.

◼ **Summary Button**
Click this button to see a quick look at asset history.

◼ **Detail Button**
Click this button to view more in-depth historical information about individual events.

For a description of the historical actions that the application tracks and more information, see "Asset History Events," page 6-25.

## Finding Specific Assets or Specific Data

The application provides two tools to help you find specific assets. The two tools are the Go field and the Find feature. The Find feature helps you find specific data in the general information or book information fields of an asset.

• **Go field**
The Go field is available in both the Asset List and Asset Detail. It is useful when you know the System Number or the user-entered Asset ID of an asset you want to display in Asset Detail. (You use the Go Options field on the Preferences dialog to specify which of the two types of numbers you want to use. For more information, see "Setting Preferences," page 4-1.

Here is an illustration of the Go field.



• **Find feature**
The Find feature is only available from the Asset List. It is useful when you do not know the System Number or the Asset ID for an asset, but you do know other information about the asset. You search for an asset or a group of assets based on data in the general information or book information fields.

### *To find an asset using the Go field*

**Tip:** You may want to select the All Complete Assets group in the Group field before you follow the steps below.

1.  In the Go field, enter the System Number or the Asset ID of the asset you want to find, and then click the Go button. (In the Go field, you must use the same number type you specified on the Preferences dialog.)

    The application highlights the asset if it is found in the currently active group.

2.  Press Enter to go to Asset Detail for the found asset.

    The Asset Detail of the specified asset appears. Once in Asset Detail, you can use the Go field scroll buttons to scroll through the assets in the currently active group. For more information, see "Browsing Your Assets," page 3-8.

### *To find an asset using the Find feature*

When using the Find feature, do not worry about entering upper- or lowercase letters. This feature is not case-sensitive.

1.  Select Edit/Find from the menu bar. The Find dialog appears.

2.  Complete the Find dialog, and then click the Find All button. For more information, see "Completing the Find Dialog," page 3-25.

    The application displays the assets that meet the Find criteria in a group called <Temporary Group> in the Asset List view. You can select one of the assets that meet the criteria and view it in Asset Detail. You must return to the Asset List before you can use the Find command to perform another search.

**Note:** The application reserves the word *Null* when you are using the Find feature. Therefore, you cannot enter this word in the Find What field on the Find dialog.

### *To find an asset using a wildcard character*

The asterisk (*) is a wildcard character that can help you search for assets. The asterisk represents any letter combination.

For example, to search for asset descriptions containing the letters D-E-S-K, follow these steps:

1.  Go to the Asset List view.

2.  Select Edit/Find from the menu bar. The Find dialog appears.

3.  From the Look In drop-down list, select the Description field.

4.  From the Select an Operator drop-down list, select one of the following:

    *   contains (*abc*)

    *   ends with (*abc)

    *   begins with (abc*)

    If you select **contains (*abc*)** in the Find What field, the application finds assets with the letters D-E-S-K- anywhere in their descriptions.

If you select **ends with (*abc)** in the Find What field, the application finds asset descriptions that end with the letters D-E-S-K.

If you select **begins with (abc*)** in the Find What field, the application finds every asset description beginning with the letters D-E-S-K.

5.   In the Find What field, enter the letters `D-E-S-K`.

6.   Click the Find All button. The system displays the Find results in the Asset List.

### Completing the Find Dialog

Follow the guidelines below to complete the Find dialog.

■   **Look In**
Use this field to select the field in which you want to look for specific data.

   ❑   **For Book**
   Use this field to specify the book that contains the field you selected above. This field appears only if you select a book information field in the Look In drop-down list box.

■   **Select an Operator**
Use this field to specify the operator you want to use for the expression you are building to find the data. Operators are very much like mathematical symbols. For a full discussion of operators, see "Understanding and Specifying Criteria," page 4-19.

■   **Find What**
Use this field to type the specific value you want to find in the selected field.

   **Note:** You cannot enter the word *Null* in the Find What field because it is reserved by the application.

■   **And**
Use this field when you select an operator that requires a range of data, such as the between operator. The between operator looks for data between two values; for example, all assets with a System Number between 4 and 7. In this case, you would enter the 7 in this field. This field appears only if you select an operator that requires a range of data.

■   **Find All Button**
Click this button to find all assets in the currently displayed group that contain the specified data in the selected field. The application displays the assets in a group called <Temporary Group> in the Asset List view.

# Entering Dates in Date Fields

There are several ways you can enter the date in the date fields.

•   Simply type the date.

•   Use the built-in calendar.

The application contains an easy-to-use calendar that you can access in any date field.

### *To use the built-in calendar*

1. Move the cursor to any date field, then click the down arrow button that appears in the field. The calendar appears.



2. Select a date from the calendar. For more information, see .

   The date you selected is entered in the date field.

## Selecting Dates in the Calendar

To move the calendar to the next month, click the arrow in the upper-right corner of the calendar. To move the calendar to the previous month, click the arrow in the upper-left corner.

After you've displayed the appropriate year and month, click on the desired date.

You can also quickly change the month by clicking the month displayed in the center top of the calendar, and selecting a different month from the drop-down list. To quickly change the year, click the year displayed, and select the year by clicking the up or down arrows.

# Keyboard Shortcuts

Keyboard commands are sometimes faster than using the mouse. The following table shows keyboard commands specific to the application.

| Key Combination | Feature |
|---|---|
| **Working with Assets:** | |
| **Ctrl+R** | Refresh the selected group |
| **Ctrl+A** | Create new asset |
| **Ctrl+S** | Save changes to an asset, or save a new asset |
| **Ctrl+P** | Print the detail of an asset |
| **Moving between Fields in Asset Detail:** | |
| **Tab** | Move to next entry field or button |
| **Shift+Tab** | Move to previous entry field or button |
| **Ctrl+Right Arrow** | Skip to next depreciation book |
| **Ctrl+Left Arrow** | Skip to previous depreciation book |
| **Editing a Field in Asset Detail:** | |
| **Alt+Down Arrow** | Open a drop-down list box, calendar, or other special function |
| **Working with Depreciation Books in Asset Detail:** | |
| **Ctrl+D** | Force defaults |
| **Ctrl+Q** | Quick depreciation projection |
| **Standard Windows key combinations:** | |
| **Space** | Toggle a check box |
| **F1** | Open the Help index |
| **Ctrl+K** | Launch the online calculator |
| **Alt+A, Alt+B (etc.)** | Execute the command that contains the underscored letter |
| **Cut/Copy/Paste:** | |
| **Ctrl+X** | Edit/Cut |
| **Ctrl+C** | Edit/Copy |
| **Ctrl+V** | Edit/Paste |
| **Moving between Dialogs/Applications:** | |
| **Alt+F4** | Exit the application |

# Accessing the Windows Calculator

You can easily access the Windows calculator while using the application.

### To access the Windows calculator

1. Select Window/Calculator from the menu bar. The Windows calculator appears.

2. Click the Close button in the upper-right corner of the calculator dialog to close the calculator.

# Chapter 4
# Setting Up the Product

In Chapter 3 you learned about the most important elements of the application and about how those elements work together to make the application work for you. In this chapter you'll learn the steps necessary to making each of those elements a reality. Specifically, you'll learn how to fine-tune the application by selecting preferences and creating databases, companies, and groups. You'll also learn how to customize your asset fields to suit your needs and create valid field entries with the SmartList feature.

# Setting Preferences

You can use the Preferences dialog to make several decisions about how your application operates. You can increase your efficiency by changing the settings in the Preferences dialog. For more information, see "Setting Preferences to Increase Efficiency," page 4-2.

### *To set your preferences*

1. Select File/Preferences from the menu bar. The Preferences dialog appears.

2. Complete the Preferences dialog. For more information, see "Completing the Preferences Dialog," page 4-2.

3. Click OK to exit the Preferences dialog.

## Setting the Default Folder for File Creation

You can specify a default folder for files created by the application. After you specify the folder, it becomes the default folder for the following activities:

* Exporting data to a file

* Saving export field map files

* Importing files

* Saving import field map files

* Backing up and restoring companies

### *To specify the default folder for file creation*

1. Select File/Preferences from the menu bar. The Preferences dialog appears.

2. Click the Browse button to select the default folder. After you select the folder, the directory path to the folder appears in the Default Path for File Creation field.

3. Click OK to close the Preferences dialog.

## Setting Preferences to Increase Efficiency

You can use the Preferences dialog to make several decisions about how your application operates. Here are a few suggestions for using this dialog to increase your efficiency.

• Select the Activate Company on Startup check box. The last company opened will open automatically when you start the application.

• Clear the Group Refresh on Save option. This check box determines when the application updates the assets shown in the Asset List. Suppose you edit an asset in Asset Detail so that the asset no longer qualifies for the current group displayed in the Asset List. (For example, the current group shows assets in Location A, and you change the location of the asset to Location B.) If you select this check box, the application refreshes the Asset List every time you save changes to an asset in Asset Detail. You can save time by clearing this check box. You can then change as many assets as you want in Asset Detail, without waiting for the application to refresh the data shown in the Asset List. When you are ready to refresh the data, select View/Refresh View from the menu bar, or simply return to the Asset List.

• Select the Automatic Book Defaults check box. When you finish entering asset information in the Tax book, the application will enter default information in the other open books.

### Completing the Preferences Dialog

Follow the guidelines below to complete the Preferences dialog.

■ **Application Option**
  ❑ **Activate Company on Startup**
  Select this check box if you want the last open company to open when you start the application.

■ **Refresh Option**
  ❑ **Group Refresh on Save**
  If you select this check box, the list of assets in the current group is automatically refreshed when you save new assets or changes to existing assets. If the additions or changes do not meet the criteria of the current group, you will no longer be able to locate the assets using the previous and next (arrow) buttons in the Go field. If you clear this check box, you can continue to use the Go field to find the assets until a refresh occurs. You can manually refresh the current group by selecting View/Refresh View from the menu bar.See "Updating Groups," page 4-26.

■ **Data Entry Options**
  ❑ **Automatic Book Defaults**
  Select this check box to enable the automatic defaulting feature. This feature defaults information you've entered from the Tax book into the other open books. This is an extremely useful feature when you are adding a new asset. It saves data entry time.

❑ **Display Asset Warnings**
Select this check box if you want warning messages displayed each time you enter data that is inconsistent with depreciation concepts and rules. For more information, see "Setting Asset Warning Preference," page B-2.

❑ **Disable Report Definition Warnings**
Click this check box if you want a warning message displayed when you select another report without saving your changes in the Report Definition dialog. Clear this check box if you do *not* want the warning message displayed.

■ **Go Options**
Use this field to specify which of the two available fields you want to use as a search mechanism in the Go field. The Go field is a quick-find feature that allows you to enter a System Number or an Asset ID number, which is then located and displayed.

❑ **System Number**
Click this option button if you want to enter System Numbers in the Go field when switching between assets.

❑ **Asset ID**
Click this option button if you want to enter Asset ID numbers in the Go field when switching between assets.

■ **Default Path for File Creation**
Use this field to specify the default folder for creating files in the application. The folder that you select becomes the default folder for exporting data to a file, saving export field map files, importing files, saving import field map files, and backing up and restoring companies. See "Setting the Default Folder for File Creation," page 4-1.

❑ **Browse Button**
Click this button to select the default folder for file creation.

■ **Favorite Link**
This option displays if you are using Sage Fixed Assets—Lite Depreciation. Use this field to select the general ledger link that you use most often. The selected link appears at the bottom of the Links menu, making it easier to access. For instructions on using all of the Sage Fixed Assets links, refer to the *Sage Fixed Assets - Links Guide*, which is available from the Help/Product Documents menu.

# Creating a New Database

The application already has a default database containing the demonstration data for a sample company. You can store your new company in the default database, but you might also want to start creating databases with unique names to assist your database management.

Before creating your first database, make sure you read "Understanding Databases," page 1-2. A folder can contain two or more databases.

### *To create a new database*

1.  Select File/Database List Manager from the menu bar.

    If you currently have a company open, a message asks if you want to close the currently open company.

2.  Click Yes to continue. The Database List Manager dialog appears. See "Completing the Database List Manager Dialog," page 5-12.

3.  Click the New Database button. The New Database dialog appears.

4.  Complete the New Database dialog, and then click OK. See "Completing the New Database Dialog," page 4-4.

    You should now see your new database name displayed in the Database Name field on the Database List Manager dialog.

5.  Click the Close button to exit the Database List Manager dialog.

### Completing the New Database Dialog

Follow the guidelines below to complete the New Database dialog. A folder can contain two or more databases.

■   **Database Name**
    Use this field to enter a name for the database you are creating. This is the name that appears in the Database field of other dialogs in the application.

■   **Database File Name**
    Use this field to enter the file name for the database you are creating. This is the name of the file as it appears in the Windows Explorer software. You do not need to enter a file extension because the application automatically adds a BDB extension to the file name.

■   **Database Location**
    This field displays the folder where you want to store the database. (Long file names for folder names are supported by the application.)

    ❑   **Browse Button**
        Click this button to select the folder.

**Note:** Each database name in the application must be unique. You cannot enter a database name that already exists in the Database List Manager.

## Creating a New Company

There are many fields available to you when setting up a new company. Many of these fields do not have to be completed immediately. Depending on your implementation plan, you might want to set up a company quickly so you can begin data entry. If so, you can go back later and complete the rest of the fields in the company setup.

The most important fields are the book information fields. These fields set up your company so that the application can properly depreciate all assets in the company.

**Note:** If your company uses short fiscal years, make sure you complete the Short Years tab before you calculate depreciation. For more information, see "The Short Years Tab," page 4-10.

Before creating your first company, make sure you read "Understanding Companies," page 1-3.

### *To create a new company*

1. Select File/New Company from the menu bar. The New Company dialog appears. If you are using:

   • Lite Depreciation - Complete the New Company dialog, and then click OK. See "Completing the New Company Dialog," page 4-5.

   • Sage 50 Fixed Assets or Lite Depreciation for Sage 50 - Click the Map to Sage 50 button to display a dialog that allows you to connect the company to a Sage 50 company. Save your mapping then click OK to close the New Company dialog. For more information, see "Mapping the Company to a Sage 50 Company (Sage 50 Fixed Assets or Lite Depreciation for Sage 50 Users Only)," page 4-17.

2. The new company is opened showing the Asset List, so you can begin adding assets.

## Completing the New Company Dialog

Follow the guidelines below to complete the New Company or Edit Company dialog.

The dialog is divided into the following sections:

- Company Information at the top. See "The Company Information Section," page 4-6.

- Setup information. See "The Setup Information Section," page 4-6.

- Tabs in the middle: Book Defaults, page 4-8, Short Years, page 4-10, Book Overrides, page 4-12, Contact Information, page 4-15, and Notes, page 4-16.

Database information at the bottom. See "The Database Information Section and Map to Sage 50 Button," page 4-7.

## The Company Information Section

Follow the guidelines below to complete the company information section of the New Company or Edit Company dialog.

- **Name (Required Field)**
  Use this field to enter a unique name for the company you are creating (up to 32 characters). This name appears in the title bar of dialogs and reports. You can change the company name, if desired.

- **Identification Number (EIN)**
  Use this field to enter the EIN for the company. Enter the EIN as a 9-digit number in NN-NNNNNNN format. You must enter the first two digits, followed by a hyphen, and then enter the remaining seven digits.

## The Setup Information Section

Follow the guidelines below to complete the setup information section of the New Company or Edit Company dialog.

- **Business Start Date (Required Field)**
  Use this field to specify the start date of your company. Enter the date in MM/YYYY format. For more information, see "Entering Dates in Date Fields," page 3-25. The date entered in this field cannot be later than the placed-in-service date of the company's oldest asset.

---

**Note:** If you have entered assets in a company, changing the Business Start Date affects your short years, which in turn may affect depreciation calculations. You may need to reset depreciation to the beginning date and recalculate depreciation for all seven books. For information on Resetting Depreciation, see "Resetting Depreciation," page 8-8.

---

- **Starting System Number**
  Use this field to type the starting System Number. The application assigns a unique System Number to each asset you enter into the application. The System Number initially begins with 1. However, if you have more than one company, you might want your assets' System Numbers to remain unique. To ensure unique System Numbers, start the System Numbers for additional companies at a much higher level.

  For example, Company #1 might start at 1, Company #2 at 1,001, and Company #3 at 2,001. The highest available system number is 999,999.

---

**Note:** This field is only available until the first asset is entered in a new company. You cannot change the starting System Number after you begin adding assets.

---

■ **Round Tax Reports and Worksheets to Whole Dollars?**
Select this check box if you want dollar amounts to print as whole dollars on tax reports (other than the Form 4562). This field does not affect dollar amounts in calculations and quick projections, because these amounts are never rounded.

■ **Include Section 168 Allowance and Section 179 in Expense**
Select this check box if you want to include the Section 168 Allowance and Section 179 expense in depreciation expense for reporting purposes.

- If you select the check box, these two amounts are included when displaying the following columns on reports: Prior Accum Depreciation, Depreciation This Run, Current YTD, and Current Accum. Both the Section 179 expense and the Section 168 Allowance are claimed on the first day of the placed-in-service month.

- If you clear the check box, the Section 168 Allowance and Section 179 expense are not included in depreciation expense on reports, they are stated separately.

Whether you select the check box or not, the acquisition value is always reduced by the Section 168 Allowance and Section 179 expense, if applicable, when calculating the depreciable basis. Also, because the Section 168 Allowance and Sec. 179 expense can be both basis reductions and included in expense, selecting the check box does not change the amounts displayed in the Current YTD field and Current Accum field in Asset Detail. The Current YTD field and the Current Accum field in Asset Detail always display depreciation without inclusion of the Section 168 Allowance and Section 179 expense, which are displayed separately.

Changing the selection in this field will affect the depreciation expense amounts shown on reports. However, you do not need to recalculate depreciation after changing the selection in this field because it does not affect the depreciation calculations displayed in Asset Detail.

## The Database Information Section and Map to Sage 50 Button

Follow the guidelines below to complete the database information section of the New Company or Edit Company dialog.

■ **Database**
Use this field to select the database in which you want to store the company you are creating. You can select a database only when you first create a company.

■ **New Database Button**
Click this button if you want to create a new database to store the company you are creating. The application displays the New Database dialog. This button is available only when you first create a company. See "Completing the New Database Dialog," page 4-4.

■ **Map to Sage 50 Button**
If you are using Sage 50 Fixed Assets or Lite Depreciation for Sage 50, click this button to display a dialog that allows you to map the currently open company to a Sage 50 company. For more information, see "Mapping the Company to a Sage 50 Company (Sage 50 Fixed Assets or Lite Depreciation for Sage 50 Users Only)," page 4-17.

## The Book Defaults Tab

Follow the guidelines below to complete the Book Defaults tab of the New Company or Edit Company dialog.

| | Tax | Internal | State | AMT | ACE | Custom 1 | Custom 2 |
|---|---|---|---|---|---|---|---|
| Open Book | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Book Title | Tax | Internal | State | AMT | ACE | Budget 1 | Budget 2 |
| Fiscal Year End | December | December | December | December | December | December | December |
| Emulate Book | N/A | None | N/A | N/A | AMT:Post-1993 | None | None |
| Default Method | N/A | SF | N/A | N/A | N/A | SL | SL |
| Enable Begin Fields | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

(Tabs: Book Defaults | Short Years | Book Overrides | Contact Information | Notes)

The application can keep as many as seven depreciation books for each company. In brief, these books are:

| Name | Description |
|---|---|
| Tax | For federal tax reporting |
| Internal | For internal depreciation calculations (GAAP) |
| State | For state tax reporting |
| AMT | For depreciation under the Alternative Minimum Tax rules |
| ACE | For Adjusted Current Earnings depreciation under Code Section 56(g) |
| Custom 1 | For use as desired |
| Custom 2 | For use as desired |

The fields on the Book Defaults tab are arranged in columns and rows. One field is duplicated across a row and corresponds to the book listed at the top of each column. The information you enter on the Book Defaults tab affects the book information fields you access when adding a new asset. For more information, see "Completing the Book Information Fields," page 6-4.

■ **Open Book**
Use this field to specify whether you want to use the book listed at the top of the column.

You can open and close individual books at any time. Closing a book does not affect data already entered, but you cannot access the data until you reopen the book. Also, the application will not enter default information in closed books.

The Alternative Minimum Tax (AMT) was repealed for corporations by the Tax Cuts and Jobs Act of 2017, effective for tax years beginning January 1, 2018 and later. AMT is still in effect for individuals.  If your business no longer needs to use the AMT book or related ACE book, you can close the books. The existing data in the books will remain and the books can be re-opened if desired (to close a book, select No in the Open Book field).

**Note:** The FASB 109 Projection report and the Form 4626 AMT worksheet require at least one financial statement book to be open before you can define and run the reports. The financial statement book can be the Internal book or the user-defined Custom 1 or Custom 2 books.

■ **Book Title**
This field displays the name of the book in the current column. You cannot edit the book title for the Tax, Internal, State, AMT, and ACE books because the purpose of these books is predefined. For the Custom 1 and Custom 2 books, you can change the title to identify your use of the book (for example, a state name).

■ **Fiscal Year End**
This field displays the last month of the company's *original* fiscal year. The end of the fiscal year may be different in different books. The default fiscal year-end is December.

---

**Note:** If the end of the fiscal year has changed since the company's first year, click the Short Years tab and enter the change(s) there. Afterwards, the fiscal year-end field will reflect the current fiscal year-end.

---

For information about this field when a short year has been entered, see "Short Years Example," page 4-11.

If the company's first year of business was less than 12 months and you later need to correct the original fiscal year-end date, you must first clear all the short years. The best way to do this is to select the Short Years tab and click the Clear Short Years button. The application clears the short years entered in Years 2 to 20 (if any). You can now return to the Book Defaults tab and enter the correct year-end dates for the company's first year in the Fiscal Year End field. For information on clearing short years, see "Clearing Short Years," page 4-11. If you have already calculated depreciation, you must also reset depreciation. See "Resetting Depreciation," page 8-8.

■ **Emulate Book**
Use this field to specify whether you want a book to emulate another book's default information.

When you enter data into the Tax book, the application automatically applies data to the other books based on GAAP principles or IRS rules and regulations that pertain to the destination book. This procedure is referred to as setting the book defaults. You can also force the application to update default data anytime you change asset information. See "Applying Book Defaults," page 6-17.

This feature is only effective if both the emulated book and the destination book are open. Book emulation is available for the Internal book, for Custom 1 and Custom 2 books, and for the ACE book (the ACE book can emulate only the AMT book and only for post-1993 assets). To make the ACE book emulate the AMT book, see "Book Emulation for the ACE Book," page 4-16.

After defaulting the Tax book data into the other open books, you can override the applied data if appropriate. Enter the override data directly in the field you want to change.

When the application defaults Tax book data into other books, you can tell the application you want one of those books to receive the same data as another book, rather than receiving it directly from the Tax book. This is called book emulation. For instance, you can set Custom 1 book to emulate the AMT book. When you default the Tax book data, the application applies the default data to the AMT book, which is then copied into the Custom 1 book.

Generally, once the defaults are applied, any changes you make to the emulated book are not applied to the destination book. In the above example, this means that if you make changes to the AMT book, the changes will not automatically be applied to the Custom 1 book.

There is one exception: When you make changes to the Tax book and then use the Apply Book Defaults feature, all data is changed as specified. In the above example, the application would default data to the AMT book and then copy the AMT book defaults to the Custom 1 book.

When you apply the defaults, the application overwrites all data previously entered. It also clears any depreciation that was calculated in all books except the Tax book.

---

**Note:** This feature does not affect previously existing assets, except in the case as specified in the above paragraph where you have used the Apply Book Defaults feature after changing Tax book data (or when making the ACE book emulate the AMT book). Therefore, you should specify your preferences in this field prior to adding assets.

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■ **Default Method**
Use this field to select a default depreciation method for the user books (Internal, Custom 1, and Custom 2). The default method for the user books is the straight-line method (method SL). This field is disabled if the Emulate Book field is set to anything but None. For more information, see "Depreciation Method," page 6-6.

■ **Enable Begin Fields**
Use this field to specify whether you want the application to allow users to enter beginning depreciation amounts for assets. The default allows users to enter beginning amounts in all books.

---

**Note:** After you have entered all assets previously maintained on another fixed asset system, you may want to disallow entry of beginning amounts in order to protect the data; these fields are not required for newly acquired assets.

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## The Short Years Tab

Follow the guidelines below to complete the Short Years tab of the New Company dialog or Edit Company dialog.

| | Tax | Internal | State | AMT | ACE | Custom 1 | Custom 2 |
|--------|---------|----------|---------|---------|---------|----------|----------|
| Year 1 | 12/1968 | 12/1968 | 12/1968 | 12/1968 | 12/1968 | 12/1968 | 12/1968 |
| Year 2 | | | | | | | |
| Year 3 | | | | | | | |
| Year 4 | | | | | | | |
| Year 5 | | | | | | | |

You need to use the Short Years tab only if you are entering a company's past history, or if you are editing a company setup and want to enter the dates of current or future short years. An initial short year is completed automatically if you complete the Book Defaults tab and indicate that the first year of business is less than 12 months.

You can enter up to five different short years for each book. If the first year of business was a short year, its fiscal year-end date appears in the dialog and is disabled. All fields on this tab are date fields. Enter dates in the MM/YYYY format, or use the calendar to select the fiscal year-end. For more information on entering dates, see "Entering Dates in Date Fields," page 3-25.

■ **Year 1**
When setting up a company that has a *first* year of less than 12 months duration based on the Business Start Date, this field is completed automatically based on the entries you made in the Company Information fields. If the *first* year of business is not a short year, this field is available for use in the future. See the explanation for Years 2-5, below.

■ **Years 2-5**
Use the fields in each row to enter the month and year of the new fiscal year-end for each book listed at the top of the column.

---

The application assumes that a fiscal year ends with the last day of the month. It also assumes the new fiscal year-end is in effect for subsequent years, unless you enter another new fiscal year-end.

---

**Note:** Ideally, you should enter a short year before you calculate depreciation for the given year. However, if you need to enter a short year after you've initially calculated depreciation for the year, or if you need to change a short-year date you've entered (including a short first year of business), you must clear all previously calculated depreciation figures by resetting depreciation. See "Resetting Depreciation," page 8-8. You do not need to reset depreciation if you are adding a short-year date later than the date(s) through which you have calculated current depreciation for all assets.

**Example:** Company A has a fiscal year-end of December 2010. They have calculated depreciation through June when they realize they will have a short year ending in August 2010. Company A should reset depreciation on all active assets that were previously calculated through June because the original calculations assumed a full 12-month fiscal year.

---

### Short Years Example

Suppose that the Original Company was established in May 2002 and decided to use a fiscal year-end of April. In 2005, the company adopted a new fiscal year-end of December. In 2010, the Bigger Company bought the Original Company and required that it change its fiscal year-end to September, to match its own. How would you enter this in the application?

Note that the first year of business for the Original Company was not a short year. Enter a Business Start Date of 5/2002. For the fiscal year-end, on the Book Defaults tab, you enter April. The company had two subsequent short years, so you select the Short Years tab. In the Year 1 field, you enter the first new fiscal year-end date, 12/2005. Then you enter the second new fiscal year-end date of 09/2010 in the Year 2 field.

The application considers the fiscal year-end from 12/2005 through 2009 to be December, and the fiscal year-end after 12/2009 to be September. The Fiscal Year End field on the Book Defaults tab now shows September. The application automatically makes all adjustments necessary to prorate depreciation for the short years when you update depreciation.

### Clearing Short Years

You can click the Clear Short Years button to clear the short years entered in Years 2 to 5 on the Short Years tab. A message asks for your confirmation before clearing the short years.

To clear the Year 1 field, you must select the Book Defaults tab and enter a month in the Fiscal Year End field that is 12 months after the Business Start Date. For example, if the Business Start Date is 01/2010, then enter December in the Fiscal Year End field. Because the fiscal year-end is now 12 months after the date the business began, the application clears the short years in the Year 1 field on the Short Years tab.

If you clear short years, you must also reset depreciation for all assets that have system-calculated depreciation. For more information, see "Resetting Depreciation," page 8-8.

## The Book Overrides Tab

Follow the guidelines below to complete the Book Overrides tab of the New Company or Edit Company dialog.

| | Tax | Internal | State | AMT | ACE | Custom 1 | Custom 2 |
|---|---|---|---|---|---|---|---|
| Midquarter | Half Year | Half Year | Half Year | Half Year | Half Year | Half Year | Half Year |
| Adjustments | Immediate | Immediate | Immediate | Immediate | Immediate | Immediate | Immediate |
| Reduce by ITC | Yes | No | Yes | Yes | Yes | Yes | Yes |

The Book Overrides tab displays some of the default settings used to calculate the depreciation of your assets. You should review the Midquarter field annually to decide whether the midquarter convention applies to the current year asset additions. You can override any of the defaults on this tab by selecting another valid option.

The book default values for the fields are as follows:

- The application uses the half-year convention unless you specify the midquarter convention. See Midquarter below for a detailed explanation of the midquarter convention and for an important note concerning this field.

- The application does not take a depreciation adjustment amount into the accumulated depreciation calculations. The depreciation adjustment amount is the difference between the user-entered beginning depreciation amounts and the amounts the application calculates for the same period.

- The application reduces the asset's basis in all books except the Internal book if you take full Investment Tax Credit (ITC) for an asset.

You may want to change the default settings applied by the application.

■ **Midquarter**
**Important**: This field is extremely important to depreciation calculations for the tax-related books. It controls which averaging convention is used. After you select the midquarter convention and calculate depreciation, you cannot undo the depreciation results unless you reset depreciation for the asset. However, this does not apply to depreciation projections. To change the application of the midquarter convention after calculating depreciation, first reset the application-calculated depreciation for the asset. See .

Under the Tax Reform Act of 1986, if during the last three months of the tax year you place in service more than 40% of the aggregate basis of newly acquired qualifying MACRS property (generally, personal property), you must treat all such newly acquired MACRS property as though you placed in service in the middle of the quarter in which you purchased it.

**Note:** If you need help determining whether you should apply the midquarter convention, run the Midquarter Applicability report (accessible through the Reports menu). If the report indicates that the company's acquisitions of qualifying property in the last three months of the tax year exceed 40 percent, and you have not calculated depreciation on them yet, you must change this field to Midquarter and depreciate the assets. If you have already calculated depreciation on any assets placed in service in the current year, you must reset depreciation on them before recalculating depreciation. You should review midquarter applicability on an annual basis whenever you acquire new assets.

**Note:** For assets previously depreciated outside of a Sage Fixed Assets application, when you enter a date in the Beginning Date field in Asset Detail, the application asks you if you used the midquarter convention.

■ **Adjustments**
Use this field to specify how you want the application to adjust incorrect depreciation calculation amounts that result from mixing past calculation amounts (calculated outside of Sage Fixed Assets application) with current Sage Fixed Assets calculations. You need only concern yourself with this field if you added assets to Sage Fixed Assets for which another system previously calculated depreciation. Note that this option only affects assets that were underdepreciated before they were added to the application.

When you add previously depreciated assets to the application, you can enter beginning depreciation amounts. These are the amounts previously calculated by another accounting system.

The application then calculates depreciation for the same dates and arrives at its own depreciation amount. The difference between the two amounts, if any, is called the depreciation adjustment amount. The Depreciation Adjustment report lists all depreciation adjustment amounts for all assets in the application.

After you know that you have depreciation adjustment amounts in the application, you might want to reconcile them.

There are two kinds of depreciation adjustment amounts, only one of which you can do anything about (i.e., underdepreciated assets):

❑ **Overdepreciated Assets**
If you entered a Beginning Date and a Beginning Depreciation amount that is more than the application calculates to be correct, the asset is considered overdepreciated. The application continues to correctly calculate as much depreciation as you would be entitled to for that asset for each subsequent year. The application stops calculating depreciation when the asset is fully depreciated, thereby actually taking less depreciation than you would otherwise be entitled to in the last year of the asset's life. This is because you took that depreciation earlier in the asset's life than you should have.

❑ **Underdepreciated Assets**
If you entered a Beginning Date and a Beginning Depreciation amount that is less than the application calculates to be correct, the asset is considered underdepreciated. Again, the application continues to correctly calculate as much depreciation as you would be entitled to for that asset for each subsequent year. However, because it generally does not calculate depreciation beyond an asset's estimated life, the asset might remain on the books indefinitely with a net book value remaining unless you set an adjustment convention. There are a number of ways you can handle the adjustment, depending on which depreciation method you are using.

You have three options for handling underdepreciated assets. Each of these options contains at least one exception. The exceptions are explained below.

• **None**: Select this option to take no adjustment. The asset will never be fully depreciated, leaving a residual value of the adjustment amount. (This is not the case for the depreciation methods listed below. These methods handle the None option differently, as explained.)

• **Immediate**: Select this option to take an immediate adjustment. After entering the beginning depreciation amount, the application takes the adjustment amount the next time you calculate depreciation. The adjustment is included in the Depreciation This

Run values. The adjustment is recorded in the month following the beginning date. If you run depreciation within the same fiscal year as the beginning date, it will be included in the Current Year to Date values. If the next time you run depreciation you skip the fiscal year of the beginning date, (for example, you calculate depreciation for a future period), then the adjustment will display in the Prior Accum Depreciation values. In reports, the Key Code column displays an "a" for adjustment.
**Note:** This is not the case for depreciation method RV, which handles this adjustment type the same as it does for None and Postrecovery, as explained below.

- **Postrecovery**: Select this option to take a postrecovery period adjustment. The application takes the adjustment amount in the first period in the next fiscal year after the end of the asset's life. The asset is then fully depreciated. On the Depreciation Expense report for the postrecovery period, the Year-to-Date columns reflect the adjustment amount, and the Key column displays an "a" for adjustment. (This is not the case for the depreciation methods listed below. These methods handle this adjustment type differently, as explained.)

If you are using the depreciation methods listed below, both the None and Post Recovery adjustment types prorate the adjustment amount over the asset's remaining life. These methods do not make the adjustment as explained above, because the calculations are based on the remaining net book value.

- MACRS (MF, MA, MI, MR, AD, and AA)

- Declining-balance (DB)

- Declining-balance half-year (DH)

- Declining-balance modified half-year (DD)

- Declining balance, no switch to SL (DC)

- Declining-balance, half-year, no switch to SL (DI)

- Declining-balance, modified half-year, no switch to SL (DE)

- Remaining value over remaining life (RV)

There is an exception to how the application applies a Post Recovery adjustment for the MACRS and declining-balance depreciation methods listed above.

When an asset's Beginning Date is during the fiscal year in which the asset's life ends, the application takes the Post Recovery adjustment in the first period of the following fiscal year.

When an asset's Beginning Date is after the fiscal year in which the asset's life ends, the application takes the Post Recovery adjustment in the period following the Beginning Date.

Here are some examples:

An asset's life ends on 6/30/10, at which point it should be fully depreciated. XYZ Manufacturing, a calendar year company, has under-depreciated the asset in another product and now enters it in the application.

**Example A:** XYZ Manufacturing enters a Beginning Date of 03/10 (that is, in the last year of the asset's life). The application takes the adjustment amount when it calculates depreciation for 1/31/11, the first period in the following fiscal year.

**Example B:** XYZ Manufacturing enters a Beginning Date of 03/11 (that is, in the fiscal year following the fiscal year in which the asset's life ends). The application takes the adjustment amount when it calculates depreciation for 4/30/11, the first period following the Beginning Date.

■ **Reduce by ITC**
Use this field to select which of the two ITC options you want to apply: reduce or not reduce the basis of assets qualifying for the Investment Tax Credit. The selection you make here applies to all assets in the application, whether previously depreciated or not.

For assets that were placed in service after 1982 and before 1986, companies taking an Investment Tax Credit (ITC) had two choices:

- Take the full ITC but reduce the basis of the asset.

- Take a reduced ITC without adjusting the basis.

For assets that were placed in service after 1985, only the first option applies.

The default setting is to reduce the basis of all assets for which the full ITC was taken. This reduction is taken for all books except the Internal book, to which the ITC does not apply.

If you do not want the application to reduce the basis of appropriate assets in a book, select No.

Depending on the book and the ITC option you choose for an asset, you may need to override the system-calculated ITC percentage and ITC amount in Asset Detail to conform to IRS regulations.

## The Contact Information Tab

Follow the guidelines below to complete the Contact Information tab of the New Company or Edit Company dialog.



■ **Contact Name**
Use this field to enter the name of a contact person for the company you are creating.

■ **Address**
Use this field to enter the address of the company you are creating.

■ **City**
Use this field to enter the city in which the company you are creating is located.

■ **State**
From the drop-down list, select the state or territory in which the company you are creating is located.

■ **Zip Code**
Use this field to enter the zip code in which the company you are creating is located.

■ **Country**
Use this field to enter the country in which the company you are created is located.

■ **Phone**
Use this field to enter the phone number of the company you are creating.

■ **Fax**
Use this field to enter the fax number of the company you are creating.

### The Notes Tab

Use the Notes tab of the New Company or Edit Company dialog to enter any notes or special information about the company.



## Book Emulation for the ACE Book

The Revenue Reconciliation Act of 1993 changed the tax rules for ACE depreciation when it eliminated the ACE Depreciation Adjustment for property placed in service after December 31, 1993. Although all property with a placed-in-service date prior to 1994 continues to be depreciated under the pre-Tax Act ACE rules, post-1993 property is handled differently.

In your company setup, if you have not specified a book emulation for the ACE book, then the Depreciation Method field automatically defaults to "No" in the ACE book for these assets. Therefore, in some reports, the application does not provide detail on these assets. Additionally, ACE depreciation information for these assets is not available in Asset Detail. All post-1993 assets display a zero in report columns referring to ACE Depreciation Adjustment amounts.

You can force the application to display depreciation information in reports and in Asset Detail by making the ACE book emulate the AMT book. If you choose to do so, the application still displays a zero in report columns referring to ACE Depreciation Adjustment amounts. The application does this in order to comply with the rule that post-1993 assets cannot have an ACE Depreciation Adjustment amount.

No matter which method you select, the application calculates the ACE Depreciation Adjustment by subtracting an asset's ACE depreciation amount from its AMT depreciation amount. The difference is in how the information is presented. Both methods provide the same result, a zero ACE Depreciation Adjustment amount for post-1993 property.

Once you've set this option in the Emulate Book field, it affects only new assets added into the application. However, when you are actually setting this option, you have the opportunity to copy existing AMT book data into the ACE book for any previously-entered, post-1993 property. This process can take a long time if you have a great number of assets. You can return to this option later, if desired.

### *To display depreciation information for post-1993 assets in the ACE book*

1. Select File/Edit Company from the menu bar if you are not already in the Edit Company or New Company dialog. The Edit Company dialog appears.

2. On the Book Defaults tab, change the Emulate Book field for the ACE book from None to AMT: Post-1993. A message appears asking you to confirm your intention.

3. Click OK to continue. The application returns to the Edit Company dialog.

4.   Click OK to save your changes to the company. The Confirm ACE Book Updates message appears if you are editing an already existing company:

5.   Click Yes or No based on the information below:

- Click Yes to override existing data (including depreciation and gain/loss calculations) in the ACE book for any previously entered, post-1993 assets with AMT information.

- Click No if you do not want to override existing data. This action does not void the AMT book emulation in the ACE book for newly entered assets.

The application copies data into the ACE book, then returns to your previous view.

# Mapping the Company to a Sage 50 Company (Sage 50 Fixed Assets or Lite Depreciation for Sage 50 Users Only)

When you create a company, you must connect (or map) it to a company in Sage 50.

After you create this connection between a Sage Fixed Assets company and a Sage 50 company, you can exchange the following information between the two companies.

- **General Ledger Account Fields:** The application imports the general ledger account names and numbers automatically from the Sage 50 company. You can access them from the general ledger account fields in Asset Detail.

- **Depreciation Expense:** You can post the depreciation expense journal entry from the Sage Fixed Assets company directly into the Sage 50 company.

You can map a Sage Fixed Assets company to only one Sage 50 company.

### *To map a Sage Fixed Assets company to a Sage 50 company*

1.   Start Sage 50. The application must be open before you can map a Sage Fixed Assets company to a Sage 50 company.

2.   In Sage Fixed Assets, select File/New Company from the menu bar. The New Company dialog appears.

3.   Complete the fields on the New Company dialog.

4.   Click the Map to Sage 50 button. The Link to Sage 50 Company dialog appears.

5.   Select the Sage 50 company to which you want to map and then click OK. The application returns to the New Company dialog.

6.   Click OK to close the New Company dialog.

The Sage 50 company that you selected is now mapped to the currently open Sage Fixed Assets company. Every time you open the Sage Fixed Assets company, the application automatically updates the company's general ledger account numbers so they match the general ledger account numbers in the Sage 50 company.

Also, when you post depreciation expense from the Sage Fixed Assets company, the application posts the depreciation directly to the mapped company in Sage 50.

**Note:** You can also map an existing Sage Fixed Assets company to a Sage 50 company. Follow the instructions below.

### To map an existing Sage Fixed Assets company

1. Start Sage 50. The application must be open before you can map a Sage Fixed Assets company to a Sage 50 company.

2. In Sage Fixed Assets, open the company that you want to map to a Sage 50 company.

3. Select File/Edit Company from the menu bar. The Edit Company dialog appears.

4. Click the Map to Sage 50 button. The Link to Sage 50 Company dialog appears.

5. Select the Sage 50 company to which you want to map the Sage Fixed Assets company, and then click OK. The application returns to the Edit Company dialog.

6. Click OK to close the Edit Company dialog.

## Updating General Ledger Accounts

By now you have mapped a Sage Fixed Assets company to a Sage 50 company. When you open the company, the application automatically compares the general ledger account numbers of the Sage Fixed Assets company to the chart of accounts in the Sage 50 company to make sure they match. If they do not match, the application updates the general ledger fields in the Sage Fixed Assets company.

You can also manually update the general ledger account numbers after you have opened the Sage Fixed Assets company. You might want to do this if you think the chart of accounts has changed in the mapped Sage 50 company after you opened the Sage Fixed Assets company.

The general ledger fields in Sage Fixed Assets appear in the left-hand column in Asset Detail. When you select one of these fields, the application displays a list of the valid entries for the field. This list of valid field entries is called a SmartList.

The image below shows the SmartList for the G/L Accum Account field.

| G/L Accum Account | | Class |
|---|---|---|
| G/L Expense Account | 100-15150 | AD - Bakery Buildings |
| Vendor | 100-15250 | AD - Bakery Furn & Fix |
| Owner | 100-15350 | AD - Bakery M&E |
| Custom Field 2 | 100-15450 | AD - Bakery Comp\Periph |
| Custom Field 4 | 100-15650 | AA - Bakery Software |
| Custom Date 1 | 100-15750 | AD - Bakery Auto&Truck |
| | 200-15150 | AD - Store #1 Buildings |

A user can simply select an entry from the available list, rather than having to enter data in the field manually. In addition to saving on data entry time, SmartLists also ensure consistency.

Follow the instructions below to manually update the SmartList entries in the Sage Fixed Assets general ledger fields. This ensures that the general ledger account numbers match the most recent changes to the chart of accounts in Sage 50.

---

**Note:** Before you can follow the instructions in this section, you must have already mapped a Sage Fixed Assets company to a Sage 50 company.

---

### *To manually update the general ledger fields*

1.  Select Customize/Refresh from Sage 50 from the menu bar.

    The application updates the SmartList entries for the general ledger fields, if necessary.

For more information about SmartLists, see "Understanding Asset Fields and SmartLists," page 1-6, and "Creating Valid Field Entries with SmartLists," page 4-32.

# Predefined Groups

The ability to create groups is a very powerful feature for managing a company's fixed assets. By using a predefined group you can quickly and efficiently view information, run reports, and project depreciation for a very select group of assets. After you identify the assets to define as a group, you can also decide the order in which you want them to appear. In addition, you can decide whether you want to subtotal the assets in a group during reports.

The more groups you have, the more control you have over your assets. Groups provide you with a way to permanently sort selected assets into logical formations. Groups can also narrow-down the number of assets you have to browse in order to find a specific asset. The application contains four predefined groups for you to use:

*   All Complete Assets: Activity codes A, D, and I. For a description of each activity code, see "Understanding Activity Codes," page 7-1.

*   Active Assets: Activity codes A and D. (Disposals are included in the Active Assets group because they are considered to have current activity in the year of disposal.)

*   Disposed Assets: Activity code D.

*   Inactive Assets: Activity code I.

## Understanding and Specifying Criteria

In the Group Manager, you write a criteria string to specify which assets to include in a group. A criteria string—also known as an expression—is a statement or series of statements that qualifies the characteristics of assets to include in a group. An expression can search for multiple criteria (a complex expression) or just one criterion (a simple expression).

In addition, you can sort groups any way you want. For more information, see "Sorting Groups," page 4-24.

### Simple Expressions

When you specify criteria for a group, only those assets that satisfy the expression criteria are included in the group. For example, to define a group that includes only those assets with the location code *Admin*, you would write the expression *Location is Admin*. The word *is* is an operator, which is equivalent to the mathematical symbol for the EQUAL SIGN (=). Conversely, the operator *is not* would exclude all assets with Location code *Admin*.

The table below lists each available operator and its equivalent mathematical symbol (if any). In addition, the *If* and *Then* columns provide an example of results returned by each operator. The example for the *Is* operator reads: *"If the criteria for the selected field Is 5, then the asset selected for the group will be 5."*

| Operator | Mathematical Symbol | If | (Given a Set of 10) Then |
|---|---|---|---|
| contains (*abc*) | | xyz | All occurrences of the specified string, xyz |
| does not contain | | xyz | All occurrences not containing the string, xyz |
| begins with (abc*) | | xyz | All occurrences beginning with the string, xyz |
| ends with (*abc) | | xyz | All occurrences ending with the string, xyz |
| is | = | 5 | 5 |
| is not | ≠ | 5 | 1, 2, 3, 4, 6, 7, 8, 9, 10 |
| is less than | < | 5 | 1, 2, 3, 4 |
| is greater than | > | 5 | 6, 7, 8, 9, 10 |
| is between [1] | | 5, 8 | 5, 6, 7, 8 |
| is not between [1] | | 5, 8 | 1, 2, 3, 4, 9, 10 |
| is not blank | ∈ | Any | Include all with any data |
| is blank | ∉ | | Include only those with no data |
| equals | = | 5 | 5 |
| does not equal | ≠ | 5 | 1, 2, 3, 4, 6, 7, 8, 9, 10 |
| equals or is less than | ≤ | 5 | 1, 2, 3, 4, 5 |
| equals or is greater than | ≥ | 5 | 5, 6, 7, 8, 9, 10 |

[1] The *is between* and *is not between* operators do not have an equivalent mathematical symbol. They search for all values *through* the specified value range—including the first and last values.

## Complex Expressions

A complex expression is one that searches for multiple criteria. The *and* operator or the *or* operator connect these criteria (much the same way you would connect these types of statements in a sentence).

The decision to use an *and* or an *or* in a sentence specifies the relationship between the two variables. For example, look at these two sentences.

1. For the company retreat, you must bring a flashlight *and* a lantern.

2. For the company retreat, you must bring a flashlight *or* a lantern.

These statements written in the same format as an expression specifying a group would read:

We separated the individuals attending the company retreat into two groups. Group One brought a flashlight *and* a lantern. Group Two brought a flashlight *or* a lantern.

This example illustrates how the use of the *or* statement tends to create a larger group.

The application applies the *and* and *or* statements automatically.

• An *and* operator connects multiple expressions specifying criteria for different fields.

• An *or* operator connects multiple expressions specifying criteria for the same field.

To illustrate this important point further, here is an example of each type.

■ **An *And* Operator Connecting a Complex Expression**
A series of statements connected by the *and* operator indicates that the criteria of all statements must be satisfied. For example, to define a group that includes all assets whose Class is not CE and whose Tax book Depreciation Method is MF, write this expression:

```
Class is not CE

Tax book Depreciation Method is MF
```

Note that you do not have to enter the *and* operator; when you specify two different fields, the application assumes the *and* operator.

■ **An *Or* Operator Connecting a Complex Expression**
A series of statements connected by the *or* operator indicates that the criteria of any one of the statements must be satisfied. For example, to define a group that includes all assets whose Tax book Depreciation Method is either MF or MT, write this expression:

```
Tax book Depreciation Method is MF

Tax book Depreciation Method is MT
```

Note that you do not have to enter the *or* operator; when you specify the same field twice, the application assumes the *or* operator.

---

**Note:** Be careful when you specify criteria for the same field while using the *is not* operator; you may obtain a surprising result. Suppose you create a group using the following expression:

```
Class is not CE

Class is not FF
```

You may be surprised to discover that the group using this expression contains all assets, including assets in the CE class and the FF class. Because you specified the same field (Class), the application employs the *or* operator. An asset in the AA class is not in the CE or FF class, so it satisfies the criteria. An asset in the CE class is not in the FF class, so it satisfies the criteria. And of course, an asset in the FF class is not in the CE class, so the group contains that asset as well. (Remember, when the application employs the *or* operator, the asset is included in the group if one of the criteria is true.)

---

■ **An *And* Operator Connecting Multiple Criteria for a Single Field**
If a single statement searches a single field for multiple criteria connected by the *and* operator, all criteria must be satisfied. For example, to define a group that includes all assets acquired in 2010, you would write the expression:

```
Acquisition Date is between 01/01/2010 and 12/31/2010
```

Note that in this case, you must enter the *and* operator.

You can write an expression combining all search criteria specified above, plus more if needed. Here is an example of a more complex expression:

```
Acquisition Date is between 01/01/2010 and 12/31/2010

Class is not CE

Tax book Depreciation Method is MF
```

`Tax book Depreciation Method *is* MT`

```
Acquisition Date is between 01/01/2010 and 12/31/2010
Class is not CE
Tax Book Depreciation Method is MF
Tax Book Depreciation Method is MT
```

Here is how it reads:

- Create a group where the Acquisition Date *is between* 01/01/2010 and 12/31/2010 AND

- where the Class *is not* equal to CE AND

- where the Tax book Depreciation Method *is* equal to MF *OR*

- where the Tax book Depreciation Method *is* equal to MT.

## Creating Groups

You can create groups of assets based on any asset attributes specified in the general information or book information fields, unless the field has been hidden from view. For more information, see "Removing a Field," page 3-15. Therefore, a group is a request to search the current company for assets matching criteria you specify. To create groups you should understand how to apply criteria to build expressions. See "Understanding and Specifying Criteria," page 4-19.

You can use Group Manager to create a new group, and to edit, rename, delete, or copy an existing group.

**Note:** As a precaution, the application does not permit you to edit or delete the All Complete Assets group.

Before creating your first group, make sure you read "Understanding Groups," page 1-4.

### *To create a group using Group Manager*

1. Select Customize/Group Manager from the menu bar. The Group Manager dialog appears.

2. In the Enter New Group Name field, type a name for the group you are creating, then click the Add button. The Add Group - [*Group Name*] dialog appears.

3. Complete the Field Criteria tab and Sort Criteria tab, then click OK. See "Completing the Field Criteria Tab," page 4-24 and "Completing the Sort Criteria Tab," page 4-26. The application returns to the Group Manager dialog.

4. Click the Close button to close the Group Manager dialog.

### Completing the Group Manager Dialog

Follow the guidelines below to complete the Group Manager dialog. To access this dialog, select Customize/Group Manager from the menu bar.

- **Enter New Group Name**
  Use this field to enter the name of the group you want to add. Choose a unique name that describes the purpose of the group.

■ **Existing Groups**
This list box displays the names of all the groups in the current company. Use this list box to select a group on which to perform one of the functions listed on the buttons to the right of this list box (Edit, Rename, Delete, or Copy).

■ **Add Button**
Click this button to add the group name that you enter in the Enter New Group Name field to the Existing Groups list box. When you add a new group name to the Existing Groups list box, the Add Group - [*Group Name*] dialog appears, which allows you to define the criteria for the new group. See "Completing the Add/Edit Group - [Group Name] Dialog," page 4-24.

■ **Edit Button**
Click this button to display a dialog that allows you to edit the criteria for the selected group. See "Completing the Add/Edit Group - [Group Name] Dialog," page 4-24.

■ **Rename Button**
Click this button to rename the selected group. Select the group you want to rename in the Existing Groups list box. Enter the new name in the Enter New Group Name field, and then click the Rename button.

■ **Delete Button**
Click this button to delete the selected group. When you delete a group, that logical organization of assets is deleted; the assets that belonged to the deleted group are not deleted.

■ **Copy Button**
Click this button to copy the selected group. In the Existing Groups list box, select the group you want to copy. On the Copy Group dialog, enter the name of the new group. The group name is not case-sensitive. That is, "active" and "Active" are names for the same group.

## *To create a group from selected assets*

1. Select the assets in the Asset List that you want to form into a group.

2. Select Asset/Save Selections from the menu bar. The Save Selections dialog appears.

3. Type a name for the group in the Enter New Group Name field, and then click OK. The application saves the selected assets as a group. The application defines the criteria of the group based on the System Numbers of the selected assets.

## Completing the Save Selections Dialog

After you have selected assets in the Asset List, you can save the selected assets as a group. Select Asset/Save Selections from the menu bar, and follow the guidelines below to complete the Save Selections dialog.

■ **Enter New Group Name**
Type a name for the new asset group (25 alphanumeric characters maximum, uppercase or lowercase).

■ **All Available Groups**
This field shows the names of the existing groups in the current company.

# Sorting Groups

You can sort groups any way you want—by any field and any number of fields—using the Sort Criteria tab of the Add/Edit Group - [*Group Name*] dialog. For more information, see "Completing the Sort Criteria Tab," page 4-26. The default sort field is System Number. In addition, you can specify whether to sort in ascending order (the default) or descending order.

After you define your preferred sort order, you can set it permanently (for any group except the All Complete Assets) or temporarily just for the current session. A temporary sort overrides a permanent sort.

## Completing the Add/Edit Group - [*Group Name*] Dialog

The Add/Edit Group - [*Group Name*] dialog contains two tabs:

- On the Field Criteria tab, you define the group. See "Completing the Field Criteria Tab," page 4-24.

- On the Sort Criteria tab, you define how the group is sorted. See "Completing the Sort Criteria Tab," page 4-26.

If you intend to specify complex criteria to build a group, there is information critical to both of these tabs in "Understanding and Specifying Criteria," page 4-19.

## Completing the Field Criteria Tab

You use the fields on the Field Criteria tab of the Add/Edit Group dialog to specify the criteria for building a group.

Think of the fields outlined above as being divided into three sections, like a mathematical equation.



The three sections together form an expression that defines the group.

- The Look In field tells the application where to look for the data you want to use to define the group.

- The Select an Operator field tells the application how to look at the data in the Find What field.

- The Find What field tells the application what specifically to look for in the selected field. The application then compares what it finds based on how it is looking at it as specified in the Select an Operator field.

After you create an expression, you add that expression to the Include Assets that Meet the Following Criteria field. You can create multiple expressions to define a group. Each added expression further restricts the asset selection for the group. For example, suppose you choose to select by date placed-in-service and then by location. The application selects assets that match both criteria. However, if you add two expressions using the same field but requesting different data, the application selects all assets that fall in either range (for instance, location is New York or location is Chicago). For detailed information on criteria expressions, see "Understanding and Specifying Criteria," page 4-19.

Follow the guidelines below to complete the Field Criteria tab of the Add/Edit Group dialog.

■ **Look In**
Use this field to specify the asset field you want to use to define your group. See "Completing the Preferences Dialog," page 4-2.)

■ **For Book**
Use this field to specify the book that contains the field you selected above. This field appears only if you select a book information field in the Look In drop-down list.

■ **Select an Operator**
Use this field to specify the operator you want to use for the expression you are building to define the group. Operators are very much like mathematical symbols. For a full discussion of operators, see "Understanding and Specifying Criteria," page 4-19.

■ **Find What**
Use this field to specify the data you want to find or not find in the field you selected above. This is not a case-sensitive field. That is, if you enter Bakery, the application will find assets that contain BAKERY in their location fields. Enter dates in MM/DD/YYYY format. For operators that require a range, enter the first value in the range in this field (for more information, see below).

■ **And**
Use this field when you select an operator that requires a range of data, such as the between operator. The between operator looks for data between two values; for example, all assets with a System Number between 4 and 7. In this case, you would enter the 7 in this field. Enter dates in MM/DD/YYYY format. This field appears only if you select an operator that requires a range of data.

■ **Include Assets that Meet the Following Criteria**
This field displays all the expressions you created for this group.

■ **Add Button**
Click this button to add an expression you have created into the Include Assets that Meet the Following Criteria field.

■ **Replace Button**
Click this button to replace an expression selected in the Include Assets that Meet the Following Criteria field with a newly created expression. Select the expression you want to change in the Include Assets that Meet the Following Criteria field, make the desired changes, and then click the Replace button.

■ **Delete Button**
Click this button to delete a selected expression from the Include Assets that Meet the Following Criteria field.

■ **Delete All Button**
Click this button to clear the Include Assets that Meet the Following Criteria field of all expressions.

## Completing the Sort Criteria Tab

By default, assets are listed in the Asset List according to System Number. In reports, they are also ordered by book. The Sort Criteria tab of the Add/Edit Group dialog allows you to change the order in which assets are listed in the Asset List and in reports. You can also indicate whether you want subtotals to appear for each sort level in reports. There is information critical to creating complex sort criteria in "Complex Expressions," page 4-20. Refer to it if you plan to build such a sort.

---

**Note:** You can override the sort criteria that you select on the Sort Criteria tab when you run reports.

---

The application sorts fields first by number, then by uppercase letters, and finally by lowercase letters. If you select descending order, this order is reversed.

The order in which you select fields to sort is important. The first field determines the primary sort order. The next field determines the sort order within the primary group. The third field determines the sort order within the secondary group. If you do not select a secondary sort field, the assets are listed within the primary sort group in order by System Number.

Follow the guidelines below to complete the Sort Criteria tab of the Add/Edit Group dialog.

■ **Sort By**
Use this field to select the field you want to use as the primary sort.

■ **Select an Order**
Use this field to select whether you want the sort to list assets in ascending or descending order.

■ **Subtotal**
Use this field to indicate the type of subtotaling system, if any, that you want to use in reports for the selected field. Any type of subtotaling increases the size of your reports.

■ **Add Button**
Click this button to add the sort criteria to the Sort Assets by the Following Criteria field.

■ **Sort Assets by the Following Criteria**
This field displays the sort criteria that you have created.

■ **Replace Button**
Click this button to replace a sort criterion with a newly created sort criterion. Select the sort criterion you want to change in the Sort Assets by the Following Criteria field, make the desired changes, and then click the Replace button.

■ **Delete Button**
Click this button to delete a selected sort criterion from the Sort Assets by the Following Criteria field.

■ **Delete All Button**
Click this button to clear the Sort Assets by the Following Criteria field of all sort criteria.

# Updating Groups

When you make changes to asset information, you might make a change that affects an asset in such a way that it no longer qualifies for the current group, or you might add an asset that should be part of the current group. In order for the current group to reflect such changes, a refresh group action must occur.

On the Preferences dialog, you can specify that you want to automatically update groups when you save changes to an asset in Asset Detail. For more information, see "Setting Preferences," page 4-1. You can also update groups anytime you want. When you use the manual refresh group option, the current group is refreshed when you perform the procedure. This eliminates the need for you to wait every time the application refreshes the group as specified in the Preference settings.

### *To update the current group*

1. Select View/Refresh View from the menu bar. The application automatically updates the current group. Any assets you added are displayed if they meet the criteria of the current group.

For information about editing, renaming, deleting, or copying groups, see "Completing the Group Manager Dialog," page 4-22.

# Customizing Asset Fields

You can customize the assets' general information fields to suit the individual needs of your organization. When customizing these fields, keep in mind that there are five alphanumeric Custom Fields you can customize and two Custom Date fields. Therefore, you might not want to customize any of the pre-existing fields until you've exhausted the Custom Fields. You follow the same procedure to customize either the pre-existing fields or the Custom Fields.

You should not customize the four asset fields listed below so that their overall purpose is changed:

* Asset ID

* The three G/L asset account fields: G/L Asset Account, G/L Accum Account, and G/L Expense Account.

Before attempting to customize your fields for the first time, make sure you read "Understanding Asset Fields and SmartLists," page 1-6.

---

**Note:** Do not change the name of a field to a name that is already in use by a Sage Fixed Assets application. For a list of field names that should be avoided, see "Avoiding Field Names Used by the Application," page 4-30.

---

### *To customize asset fields*

1. Do one of the following:

    * Select Customize/Customize Fields from the menu bar.

    * Click the Customize a Field task on the navigation pane.

    * In either Asset Detail or the Asset List, right-click on the field you want to customize, and select Customize Fields from the popup menu.

    The Customize Fields dialog appears.

2. Complete the Customize Fields dialog, and then click OK. See "Completing the Customize Fields Dialog," page 4-28.

## Completing the Customize Fields Dialog

Follow the guidelines below to complete the Customize Fields dialog.

■ **Asset Field**
Use this field to select the asset field you want to customize. All customizable asset fields are listed here. The attributes of the selected field are displayed on the right.

■ **Field Attributes**
❑ **View**
Use this field to specify the viewing or entry rights you want to allow users for the selected field. Following are the available options:

   ❑ **Allow Entry**
   Select this option if you want to allow, but not require, users to enter data in the field. Users can view the data.

   ❑ **Require Entry**
   Select this option if you want to require users who are creating an asset to enter data in the field before saving the asset. Users can view the data.

   ❑ **View Only**
   Select this option if you want to allow users to view the default data, but not enter data in the field.

   ❑ **Hide**
   Select this option if you want to hide the entire field in both the Asset List and Asset Detail. This option is useful when you don't want to use a particular field. If you decide not to hide the field at a later time, select a different View option and the field will be available to you.

❑ **Title**
This field displays the name of the currently selected field. To edit the field, type over the current name. After changing the name of a field, the original name is still displayed in the list of available fields to the left. This option is most often used for the user-defined fields.

---

**Note:** Do not change the name of a field to a name that is already in use by a Sage Fixed Assets application. For a list of field names that should be avoided, see "Avoiding Field Names Used by the Application," page 4-30.

---

❑ **Entry Mask**
Use this field to specify the type of character (such as number or alphanumeric) or how many characters you want to allow users to type in the field. The default number is listed on top of the field; as you change the number of characters, the application tracks the number of characters you are typing. To change the number of characters allowed, type or delete the Xs. For more information, see "Completing the Entry Mask Field," page 4-29.

❑ **Default**
Use this field to type in a default entry for the field. The user can overwrite the default.

❑ **Message**
Use this field to enter a brief explanatory message to appear in the status bar when a user enters the field. For example, if you rename Custom Field 1 to Branch, you might want the prompt to read "Enter the branch office number where the asset is located."

❑ **Entry Order**
Use this field to specify the order in which you want the fields to appear in Asset Detail. When changing the entry order of a field, the field previously holding that entry order swaps places with the new field.

**Example:** Suppose you change the field in the 7th position to the 4th position. The field that was in the 4th position will now be in the 7th position.

■ **Activate SmartList?**
Select this check box to enable the SmartList Manager button.

■ **SmartList Manager Button**
Click this button to display the SmartList Manager dialog, which allows you to create valid entries for asset fields. A list of valid entries for an asset is called a SmartList. See "Creating Valid Field Entries with SmartLists," page 4-32.

■ **Restore Defaults Button**
Click this button to restore the default settings for this dialog. Clicking this button erases all modifications you've made to all the fields.

## Completing the Entry Mask Field

An entry mask allows you to specify up to three characteristics about most general information fields:

• Field length

• Special characters to format the text (optional)

• Restrictions on data types (optional)

The total number of characters entered, including special characters, will correspond to the maximum number of characters allowed in the field. The information next to the field label will track this information as you enter it.

You can specify special characters (such as decimal points, hyphens, and slashes) that will appear in the field during and after data entry. These characters often help to segment the data into meaningful data elements, such as those found in a general ledger account. When entering data, the user cannot type over those characters. You can use all non-alphanumeric characters except an exclamation point (!), an apostrophe ('), or a pound sign (#).

You can also restrict the data entered to specific data types. The following table shows how you specify the kinds of characters the user can enter:

| Character | Meaning |
|---|---|
| X | Any ASCII character (not allowed in combination with special characters) |
| 9 | Any number 0-9 |
| N | Any alphanumeric character |

Examples of valid Entry Masks include all Xs (such as XXXXX) or any combination of 9, N, and nonalphanumeric characters (such as NN-999-99).

**Note:** A decrease in entry mask size can cause you to lose existing data. Additionally, if you change the field entry mask to include characters such as hyphens and slashes, existing characters move to the right, past the fixed characters. If the addition of fixed characters pushes existing characters beyond the length of the field and you save the asset's data, the characters beyond the field length are lost.

When you click OK to exit the Customize Fields dialog in either of the above situations, the application prompts you with the Entry Mask Modification message:

Click Yes to continue.

## Avoiding Field Names Used by the Application

You can customize the names of fields so that you can tailor the application to meet the specific needs of your organization. However, you should not rename a field to a name that is already in use by the Sage Fixed Assets application.

Renaming a field to a field name used by the application creates duplicate fields. This causes problems while using certain features in the application, such as creating a group or changing the sort order when running a report.

Below is a list of field names that you should avoid because they are used by a Sage Fixed Assets application. The left column displays the field name, and the right column displays the field name as it appears on the standard reports.

**Tip:** If the name that you want to use is a Sage Fixed Assets field name, then you can use a similar name instead. For example, if you want to change the name of a field to "Class," you might consider using "Classes" or "CLASS" instead.

The following field names should not be used when customizing a field.

| Sage Fixed Assets Field Name | Report Headers |
| --- | --- |
| 168 Allowance Amount | 168 Allowance |
| 168 Expense | 168 Expense |
| 168 Allowance % | 168 Pct |
| 179 Deduction | 179 Deduction |
| 179 Other Amount | Sec 179/Other Amt |
| 179 Other Code | C S |
| 179 Qualified? | S Q |
| 1st Year Business Use % | n/a |
| Acquired by | n/a |
| Acquisition Date | Acq Date |
| Acquisition Value | Acquired Value |
| Activity Code | A C |
| ADS Life | ADS Life |
| Asset ID | Asset ID |
| Beginning Accum | Beginning Accum |

| Sage Fixed Assets Field Name | Report Headers |
|---|---|
| Beginning YTD | Beginning YTD |
| Beginning Date | Begin Date |
| Business Use 100% | F B |
| Cash Proceeds | Cash Proceeds |
| Class | Cl |
| Creation Code | C C |
| Current 179 Recapture | Section 179 Recapture |
| Current Accum | Current Accum |
| Current Business Use % | Bus Use % |
| Current Through Date | Thru Date |
| Current YTD | Current YTD |
| Custom Date 1 | Custom Date 1 |
| Custom Date 2 | Custom Date 2 |
| Custom Field 1 | Custom Field 1 |
| Custom Field 2 | Custom Field 2 |
| Custom Field 3 | Custom Field 3 |
| Custom Field 4 | Custom Field 4 |
| Custom Field 5 | Custom Field 5 |
| Declining Balance % | DB Pct |
| Deferred Code | G L |
| Deferred Date | Deferral Date |
| Depreciable Basis | Depreciable Basis |
| Depreciation Method | Depr Meth |
| Description | Description |
| Disposal Date | Disposal Date |
| Disposal Method | D M |
| Entity | Entity |
| Estimated Life | Est Life |
| Exclude on Depr Report? | E D |
| Expense of Sale | Expense of Sale |
| G/L Accum Account | G/L Accum Acct |
| G/L Asset Account | G/L Asset Acct |
| G/L Expense Account | G/L Expense Acct |
| Gain/Loss | Realized Gain (Loss) |
| ITC Amount | ITC Amount |
| ITC Basis Reduction | n/a |
| ITC Option | I O |
| ITC % | ITC % |
| ITC Recapture | ITC Recap |
| Key Code | Key Code |
| Location | Location |
| Midquarter Convention | n/a |

| Sage Fixed Assets Field Name | Report Headers |
|---|---|
| Net Book Value | Net Book Value |
| Non Cash Proceeds | Non-Cash Proceeds |
| Owner | Owner |
| Period Close Accum | Prd Close Accum |
| Period Close Date | Prd Close Date |
| Period Close YTD | Prd Close YTD |
| Placed-in-Service Date | In Svc Date |
| Property Type | P T |
| Purchase Order | Purchase Order |
| Salvage Value | Salvage Value |
| Serial Number | Serial Number |
| System Number | Sys No |
| Vendor | Vendor |
| Zone Type | Z T |

## Creating Valid Field Entries with SmartLists

You can create valid entries for your assets' general information fields. A list of valid entries for an asset is called a SmartList. After you've created a SmartList for a field, a user can simply select an option from the available list, rather than having to manually enter the data in the field. In addition to saving data entry time, SmartLists also ensure consistency.

Creating a SmartList does not necessarily eliminate a user's ability to add an entry to a field that is not currently on the SmartList. You control the ability or inability to perform such an action in the SmartList Manager dialog.

Another useful feature in the SmartList Manager dialog is the Fill button. The Fill button adds every previously entered unique value in a selected field to a SmartList. Although this is an extremely powerful feature, it is not appropriate for all situations.

Before creating your first SmartList, make sure you read "Understanding Asset Fields and SmartLists," page 1-6.

### *To create asset SmartLists*

1. Select Customize/Customize Fields from the menu bar. The Customize Fields dialog appears.

2. From the list, select the field for which you want to create a SmartList, and then select the Activate SmartList check box. See "Completing the Customize Fields Dialog," page 4-28.

3. Click the SmartList Manager button. The SmartList Manager dialog appears.

4. Complete the SmartList Manager dialog to build the list of valid entries for the selected field, and then click the Close button. The application returns to the Customize Fields dialog. See "Completing the SmartList Manager Dialog," page 4-33.

5. Click OK to exit the Customize Fields dialog.

## Completing the SmartList Manager Dialog

Follow the guidelines below to complete the SmartList Manager dialog.

■ **Enter New Name and Description**
Use this field to type the valid entry you want your users to have the option of selecting from the SmartList when they create or edit an asset. The entry mask in the Customize Fields dialog dictates the maximum number of characters.

You can also use this field to provide users with additional details about the SmartList entry. For example, if the name is HW, then a description of computer hardware would greatly aid your users. By using this field in conjunction with the Display Description field under List Attributes (see below), you can specify whether you want to display descriptions in a SmartList. If you don't want to display descriptions, skip this field.

■ **SmartList List Box**
This list box displays the names and descriptions of all SmartList entries that you have added to the list.

■ **List Attributes**
Use this field to select the attributes to apply to your SmartList:

❑ **Display Description.**
Select this check box if you want to display the description beside the valid entry. This is extremely useful for fields where you are using codes instead of full names.

❑ **Auto Drop List**
Select this check box if you want the application to automatically open the drop-down list box whenever the cursor is in the field.

❑ **Quick Lookup**
Select this check box if you want to enable the Quick Lookup feature. If you select both the Auto Drop List and Quick Lookup check boxes, the application finds the first SmartList entry that matches the first character that you type in the field (it is case-sensitive). As you continue to type, the application continues to find the first SmartList entry that matches the second and third characters, and so on. Finally, you must select the highlighted value in the displayed drop-down list to enter it into the field, unless you type the complete value into the field.

**Tip:** If you select the Restrict Entry to List check box, the application will only allow you to enter values in the SmartList and will always match each character you type in the field with a matching value in the list (not case sensitive). It will not matter if you select the Quick Lookup check box.

■ **Entry Options**
Use this field to specify how you want the application to react to users making entries that are not currently in the SmartList.

❑ **Restrict Entry to List**
Click this option button if you want to require users to enter data in a field by using an entry from the SmartList. Selecting this option disables the Auto Add Entry to List options.

❑ **Auto Add Entry to List**
Click this option button if you want to allow users to make entries in the selected field that are not on the SmartList. From the drop-down list, select how you want the application to react to the user's entries

• **No Auto Add**
Select this option if you want to allow users to make entries in the selected field that are not on the SmartList, but you don't want the application to add those entries to the SmartList.

• **Confirm Auto Add**
Select this option if you want to allow users to make entries in the selected field that are not on the SmartList, but you want the application to prompt the user for confirmation before adding the entry into the SmartList.

• **Auto Add Always**
Select this option if you want to allow users to make entries in the selected field that are not on the SmartList, and you also want the application to automatically add the entry into the SmartList.

■ **Add Button**
Click this button to add an entry to the SmartList. To add another entry, click in the Enter New Name and Description field, enter the new SmartList entry and description (if desired), and then click the Add button. The application adds the entry to the SmartList list box.

■ **Replace Button**
Click this button to replace the selected SmartList entry with another entry you have created. To replace a SmartList entry, select the entry, type a new entry in the Enter New Name and Description field, then click this button. If the SmartList entry you are replacing has already been used for an asset, the Replace Field List Entry dialog appears informing you of the number of existing assets in the current company that will be affected by the change. You then have three update options available:

❑ **Keep the Original Entry**
Click this option button to keep the original entry in the field for existing assets, but still replace the entry in the SmartList.

❑ **Blank the Original Entry**
Click this option button to remove the original entry from the field for existing assets and leave it blank.

❑ **Globally Replace the Original Entry**
Click this option button to replace the original entry in the field with the new entry for all existing assets.

■ **Delete Button**
Click this button to delete the selected SmartList entry. To delete a SmartList entry, select the entry, then click this button. If the SmartList entry you are deleting has already been used for an asset, the Delete Field List Entry dialog appears informing you of the number of existing assets in the current company that will be affected by the change. You then have two update options available:

❑ **Keep the Original Entry**
Click this option button to keep the original entry in the field for existing assets, but still delete the entry from the SmartList.

❑ **Blank the Original Entry**
Click this option button to remove the original entry from the field for existing assets and leave it blank.

◼ **Fill Button**
Click this button to create a SmartList from all previously existing unique data in this field.

---

**Note:** A warning appears during the Fill process if over 1,000 unique entries are detected. This warning indicates that system performance may be affected by such a large volume of data in a single field.

---

◼ **Delete All Button**
Click this button to delete all SmartList entries from the list. If the SmartList entries you are deleting have already been used for an asset, the Delete All Field List Entries dialog appears informing you of the number of existing assets in the current company that will be affected by the change. You then have two update options available (see Delete Button above).

◼ **Print Button**
Click this button to send the SmartList report to the default printer. The report shows a field's SmartList entries. For more information, see "Printing a SmartList Report," page 4-35.

## Printing a SmartList Report

A SmartList is a customized drop-down list box of available entries for a field. You can print a SmartList report that shows the entries for any field for which you have created a SmartList.

### *To print a SmartList report*

1. Select Customize/Fields from the menu bar. The Customize Fields dialog appears.

2. Select the field for which you want to print the SmartList report. See "Completing the Customize Fields Dialog," page 4-28.

3. Select the Activate SmartList check box.

4. Click the SmartList Manager button. The SmartList Manager dialog appears. For more information, see "Completing the SmartList Manager Dialog," page 4-33.

5. Click the Print button. A standard Print dialog appears.

6. Complete the standard Print dialog to send the SmartList report to the printer.

### SmartList Report Sections

The SmartList report contains three sections:

◼ **Field Customizations**
This section of the report displays the contents of the following fields on the Customize Fields dialog for the selected field:

• Title field

• View field

- Entry Mask field

- Default field

■ **SmartList Manager**
This section of the report displays the following information for the selected field:

- List of available SmartList entries

- Description of each available SmartList entry

- Total number of available SmartList entries

■ **List Options**
This section of the report displays the following information about the fields on the SmartList Manager dialog for the selected field:

- Which of the List Attributes have been selected

- Which one of the Auto Add Options has been selected

## Sample SmartList Report

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**Sample Company**
SmartList Report
Field:  **Class**

**Field Customizations**

| | |
|---|---|
| Title: | Class |
| View: | Allow Entry |
| Entry Mask: | XX |
| Default: | <None> |

**SmartList Manager**

The following data is contained in the SmartList Manager for the field indicated above.

| Field Name (Value) | Description |
|---|---|
| LD | Land |
| BD | Building |
| LI | Land Improvements |
| MV | Motor Vehicles |
| BE | Building Equipment |
| CO | Communications Equipment |
| OE | Office Equipment |
| BI | Building Improvements |
| IP | Intellectual Property |
| IT | IT Infrastructure |
| EQ | Equipment |
| ME | Manufacturing Equipment |

12          Total SmartList Entries

**List Options**

List Attributes

| | |
|---|---|
| Display description = | Yes |
| Auto drop list = | Yes |
| Quick lookup = | Yes |
| Restrict Entry = | Yes |
| Auto Add Options | No auto add |

# Chapter 5
# Working with Companies

In Chapter 4 you learned how to create a new company. In this chapter, you'll learn to perform maintenance on your companies by using the company utility options.

## Editing a Company Setup

A company setup defines critical depreciation-related elements of a company, such as short years and depreciation methods. Without a proper company setup, the application cannot properly calculate depreciation on your assets. After you've defined a company setup, you can edit that setup.

### To edit a company setup

1. Make sure the company you want to edit is open.

2. Select File/Edit Company from the menu bar. The Edit Company dialog appears.

   You can now make changes to the company setup. The Edit Company dialog is the same as the New Company dialog. For full details on the fields on this dialog, see "Completing the New Company Dialog," page 4-5. The following field is unique to the Edit Company dialog:

■ **Total Number of Assets**
This field indicates the total number of assets that the company contains.

---

**Tip:** Making changes to the company setup after assets have been added and depreciated will cause existing depreciation amounts to change. You will probably need to recalculate depreciation.

---

## Changing Company Settings

It is possible that changing company settings in the Edit Company dialog might require you to recalculate depreciation. You must recalculate depreciation if you have existing assets for which you have already calculated depreciation and then you do one of the following:

• Enter a short year that exists during the life of any asset.

• Change a short year date that you have previously entered (including a short first year of business).

• Change the adjustment convention on assets.

In any of these cases, you must clear all system-calculated depreciation by resetting depreciation to the Beginning Date or the Period Close Date, and then recalculating depreciation to the current through date.

# Deleting Companies and Databases

You should delete a company only if you've moved all data into another company or into another location for a specific purpose. After you delete a company, the data contained within that company cannot be restored except from company data that you have backed up.

We recommend that you first back up a company before you delete it, especially if you think you may want to view the data at a later date. For more information, see "Backing Up Your Companies," page 5-6. After you have backed up the company, you can easily restore the company at a later date, even if you have deleted it. For more information, see "Restoring a Backed-Up Company," page 5-7.

You can delete only one company at a time. You cannot have any companies open when deleting a company.

To delete a database, you must first delete each of the companies within the database.

Before you begin the steps outlined below, you must close any currently open company.

## *To delete a company*

1. Select File/Delete Company from the menu bar. The Delete Company dialog appears.

2. Complete the Delete Company dialog, and then click the Delete button. A message confirms the deletion of the company.

3. Click Yes to delete the company.

4. Click the Close button to close the Delete Company dialog.

## *To delete a database*

1. Delete all companies within the database you want to delete.

2. Select the database you want to delete in the Database field of the Delete Company dialog, and then click the Delete button. A message confirms the deletion of the database.

3. Click Yes to delete the database.

4. Click the Close button to close the Delete Company dialog.

**Note:** You may want to use Windows Explorer to delete the physical files associated with the database (that is, the .BDB, .ID, and .LOG files).

## Completing the Delete Company Dialog

Follow the guidelines below to complete the Delete Company dialog.

- **Companies**
  Use this field to select the company you want to delete from the list of existing companies. If the you want to delete is not displayed, you might be looking in the wrong database. To change the list of companies, select a different database in the Database field.

■ **Database**
Use this field to select the database where the company you want to delete is located. If you do not see the database you want, select Database List Manager from the File menu to locate and add the database to the system.

■ **Delete Button**
Click this button to delete the selected company.

---

**Note:** After you delete a company, the data contained within that company cannot be restored except from a backup.

---

# Using Company Utilities

The company utilities enable you to manage the asset data in your companies. You can use the utilities to copy companies, back up and restore your asset data, and more.

## Copying a Company

You might want to copy a company in order to create a new company using the same data. When you copy a company in its entirety, an exact copy of the original company is created, including its assets. The System Numbers remain intact.

Before you begin the steps outlined below, you must close any currently open company.

### *To copy a company*

1. Select File/Company Utilities/Copy Company from the menu bar. The Copy Company dialog appears.

2. Complete the Copy Company dialog, and then click the Copy button to copy the company. See "Completing the Copy Company Dialog," page 5-3. If you're copying the company into the same database, or into a database containing a company with the same name, the Rename Company dialog appears.

3. Enter a name for the new company. If you want to overwrite a company with the same name in the selected database, click the Overwrite button; otherwise, click the Rename button. See "Completing the Rename Company Dialog," page 5-4. The Overwrite button is not available if you are copying the company into the same database. The application begins the copy process, and then returns to the Copy Company dialog.

   Click the Close button to close the Copy Company dialog.

### Completing the Copy Company Dialog

Follow the guidelines below to complete the Copy Company dialog.

■ **From**
Use these fields to describe the original company you are copying.

   ❑ **Companies**
   Use this field to select the company you want to copy from the list of existing companies. If the name of the company you want to copy is not displayed, you might be looking in the wrong database. To change the list of companies, select a different database in the Database field.

❑ **Database**
Use this field to select the database containing the company you want to copy. If you do not see the database you want, you can select Database List Manager from the File menu. See "Managing Your Databases," page 5-11.

❑ **Delete Original Company After Copy**
Select this check box if you want to delete the original company after the copy is created. When you click the Copy button, a message asks you to confirm the deletion.

■ **To**
Use this field to describe the company to create during the copying process.

❑ **Databases**
Use this field to select the database in which you want to store the new company created by the copying process.

---

**Tip:** We recommend copying a company to a new database. Copying a company to the database in which it currently resides may cause performance problems.

---

■ **Copy Button**
Click this button to copy the selected company.

■ **New Database Button**
Click this button to display a dialog that allows you to create a new database to store the company you are copying. For more information, see "Completing the New Database Dialog," page 4-4.

## Completing the Rename Company Dialog

Follow the guidelines below to complete the Rename Company dialog.

■ **New Company Name**
Use this field to enter a new name for the company that you are copying. To rename the company, click the Rename button.

■ **Overwrite Button**
Click this button to overwrite the existing company with the same name as the one you are copying.

■ **Rename Button**
Click this button to change the name of the company that you are copying. You must enter a new name in the New Company Name field to enable this button.

## Setting Up History Events

You can decide which events in an asset's life you want the application to track. When you use the Setup History feature, the application tracks only the events that are important to you.

### *To set up history events*

1. Select File/Company Utilities/History/Setup History from the menu bar. The Setup History dialog appears.

2. Complete the Setup History dialog, and then click OK.

### Completing the Setup History Dialog

Follow the guidelines below to complete the Setup History dialog.

■ **History Events**
This column displays the events in an asset's life that you can track.

■ **On**
Use this column to indicate whether you want to track an event in the asset's life. If a check mark appears in this column, then the application will track the event. Click once in this column if you want to track the event. Click on a check mark to remove it if you do not want to track the event.

■ **Purge Schedule**
  ❑ **Never Delete History**
  Click this option button if you do not want the application to delete asset history events.

  ❑ **Delete History After X Days**
  Click this option button if you want the application to delete asset history events after a specified number of days. Enter the desired number of days in the text box.

    ❑ **Confirmation Required**
    Select this check box if you want the application to display a confirmation message before the asset history is deleted.

■ **Restore Defaults Button**
Click this button to revert to the default settings for this dialog.

## Purging Asset History

When you purge the asset history from a company, you lose the record of events that pertain to each asset. For more information, see "Asset History Events," page 6-25. Before you decide to do this, you may want to back up your company so that you can recover the asset history information at a later date. For information on backing up your company, see "Backing Up Your Companies," page 5-6.

You can purge asset history in one of two ways:

• Purge asset history manually using the Purge History dialog. See below for details.

• Purge asset history automatically after a specified number of days using the History Setup feature. For more information, see "Setting Up History Events," page 5-4.

When you purge history manually using the Purge History dialog, you can either delete all history events, or you can delete history events prior to a date that you specify.

You can delete the asset history from a single company, or you can delete the asset history from all of the companies in the selected database.

### *To purge asset history*

1. Select File/Company Utilities/History/Purge History from the menu bar. The Purge History dialog appears.

2. Complete the Purge History dialog, and then click OK. See "Completing the Purge History Dialog," page 5-6. The application displays a confirmation message.

3. Click the Yes button to close the confirmation message. The application either deletes all history entries, or it deletes the history events prior to the date that you specified on the Purge History dialog.

### Completing the Purge History Dialog

Follow the guidelines below to complete the Purge History dialog.

■ **Database**
Use the list of databases in this field to select the database that contains the company (or companies) from which you want to purge asset history. You can purge asset history from one database at a time.

■ **Company**
Use the list of companies in this field to select the company (or companies) from which you want to purge asset history. You can purge asset history from all of the companies in the selected database, or from a single company in the selected database.

■ **Purge Options**
   ❑ **Delete All History Events**
   Click this option button to delete all of the asset history events from the selected company (or companies).

   ❑ **Delete All History Events Prior To the Specified Date**
   Click this option button to delete all of the asset history events prior to the date you specify in the date field.

   ❑ **Purge Date**
   Use this field to specify the purge date. The application will delete all asset history events occurring before this date.

## Backing Up Your Companies

It is extremely important for you to make backup copies of the data in your companies in case you lose data due to computer-related problems. Making backups allows you to get up and running quickly after such an otherwise disastrous episode. You can easily make backup copies of your company data. If the need ever arises, you can restore the backed-up data by using the Restore Company function. For more information, see "Restoring a Backed-Up Company," page 5-7.

You might also want to back up your data before deleting groups of assets, performing a global field change, resetting depreciation, or deleting a company, in case you make an error or later discover you need the original data.

Before you begin the steps outlined below, you must close any currently open company.

### *To make a backup of your company data*

1.  Select File/Company Utilities/Backup Company from the menu bar. The Backup Company dialog appears.

2.  Complete the Backup Company dialog, and then click the Next button. The application displays a dialog that allows you to name and save the backup file.

3.  Enter a file name and select a location for the backup file, and then click the Backup button. The application saves the backup file and returns to the Backup Company dialog. See "Completing the Backup Company Dialog," page 5-7.

**Note:** If the name that you enter for the backup file already exists, the application asks if you want to overwrite the file. Click Yes to overwrite the existing backup file; otherwise, click No and enter a different file name. If you click Yes to overwrite the file and then cancel the backup process, the application deletes the backup file and you cannot recover it.

4. Click the Cancel button to close the Backup Company dialog.

The backed-up company (or companies) are stored in a file with a BBK extension. Because the data is compressed, you must use the Restore option to restore it. For more information, see "Restoring a Backed-Up Company," page 5-7.

### Completing the Backup Company Dialog

Follow the guidelines below to complete the Backup Company dialog.

■ **Companies**
Use this field to select the company (or companies) you want to back up.

> **Note:** To select more than one company in the Companies field, hold down the Ctrl key when you select the companies. The application highlights each company as you select it. To select several companies that appear consecutively in the list, hold down the Shift key, and then select the first and last companies. The application highlights the first and last companies and all of the companies in between them.

■ **Database**
Use this field to select the database that contains the company (or companies) you want to back up.

■ **Select All Button**
Click this button to select all of the companies displayed in the Companies field for the backup.

■ **Next Button**
Click this button to display a dialog that allows you to name and save the backup file.

## Restoring a Backed-Up Company

If you ever lose data due to a computer-related problem, or if you want to restore data to a previous state, you will need to restore the companies you have backed up.

During the restore process, you can choose whether to delete the Depreciate history events from the backed-up database that you are restoring. Deleting unwanted Depreciate history events can decrease the size of the database, speed up the restore process, and improve on on-going application performance.

You must close any open company prior to initiating a restore. You can restore the company to the same database as the original company or to another database.

### *To restore a backed-up company*

1. Select File/Company Utilities/Restore Company from the menu bar. The Restore - Select Companies dialog appears.

2. Complete the Restore - Select Companies dialog, and then click Next when finished. See "Completing the Restore - Select Companies Dialog," page 5-8. The Restore - Choose Destination dialog appears.

3. Complete the Restore - Choose Destination dialog, and then click the Next button. See "Completing the Restore - Choose Destination Dialog," page 5-9. The Restore - Purge History dialog appears.

4. Complete the Restore - Purge History dialog, and then click the Restore button. See "Completing the Restore - Purge History Dialog," page 5-9. The restore process begins. A series of status messages appears as it decompresses and restores the data.

---

**Note:** If you are restoring a backed-up company with the same name as a company already existing in the selected database, the Restore - Rename Company dialog appears.
To rename the company that you are restoring, type a new name in the New Company Name field, and then click the Rename button.

• To replace the existing company that has the same name as the company you are restoring, click the Overwrite button.

  **Caution:** If you begin to overwrite an existing company and then you cancel the restore process, the application deletes the company from the database. You cannot recover it.

• If you are restoring more than one company and you want to replace all of the existing companies that have the same names as the companies you are restoring, click the Overwrite All button.

---

After the application completes the restore process, it returns to the Restore - Purge History dialog.

5. Click the Cancel button when the restore is complete to close the Restore - Purge History dialog.

## Completing the Restore - Select Companies Dialog

Follow the guidelines below to complete the Restore - Select Companies dialog.

■ **File Name**
Use this field to enter the selected backup file, which holds the company (or companies) that you want to restore.

❑ **Browse Button**
Click this button to locate the folder containing the backed-up file.

■ **Companies Found in Backup File**
This field displays the name of the company (or companies) contained in the backed-up file. You can choose to restore one or more of the companies found in the backup file.

---

**Tip:** To select more than one company in this field, hold down the Ctrl key when you select the companies. The application highlights each company as you select it. To select several companies that appear consecutively in the list, hold down the Shift key, and then select the first and last companies. The application highlights the first and last companies and all of the companies in between them.

---

❑ **Select All Button**
Click this button to select all of the companies displayed in the Companies Found in Backup File field.

■ **Next Button**
Click this button to display a dialog that allows you to select the database to which you want to restore the company or companies. See "Completing the Restore - Choose Destination Dialog," page 5-9.

## Completing the Restore - Choose Destination Dialog

Follow the guidelines below to complete the Restore - Choose Destination dialog.

■ **Database**
Use this field to select the database where you want the company (or companies) restored.

---

**Tip:** If you are renaming the company during the restore process, we recommend restoring the company to a new database. Restoring a company to the database in which it currently resides and renaming it may cause performance problems. You can overwrite an existing company without causing any problems.

---

■ **Existing Companies**
This field lists the companies already residing in the selected database.

---

**Note:** If you begin to overwrite an existing company and then you cancel the restore process, the application deletes the company from the database. You cannot recover it.

---

■ **Next Button**
Click this button to display a dialog that allows you to delete history events from the company or companies that you are restoring. See "Completing the Restore - Purge History Dialog," page 5-9.

## Completing the Restore - Purge History Dialog

Follow the guidelines below to complete the Restore - Purge History dialog.

■ **Smart Purge**
Click this option button if you want to delete the depreciation events from the database that you are restoring. If you click this button, you have two options:

❑ **Purge All Depreciation Events**
Click this option button if you want to delete all of the depreciation events from the database that you are restoring.

❑ **Purge Depreciation Events Prior To**
Click this option button if you want to delete only the depreciation events prior to the date that you enter in the date field.

■ **Do Not Purge**
Click this option button if you do not want to delete any history events from the database that you are restoring.

■ **Restore Button**
Click this button to begin restoring the company or companies you selected on the Restore - Select Companies dialog to the selected database. If you are restoring a backed-up company with the same name as a company already existing in the selected database, a dialog appears and allows you to overwrite the existing company or rename the company that you are restoring. See "Completing the Restore - Rename Company Dialog," page 5-9.

## Completing the Restore - Rename Company Dialog

Follow the guidelines below to complete the Restore - Rename Company dialog.

- **New Company Name**
  Use this field to enter a new name for the company that you are restoring. To rename the company, click the Rename button.

- **Overwrite Button**
  Click this button to overwrite the existing company with the same name as the one you are restoring.

- **Overwrite All Button**
  Click this button if you are restoring more than one company and you want to overwrite all of the existing companies in the database.

- **Rename Button**
  Click this button to change the name of the company that you are restoring. You must enter a new name in the New Company Name field to enable this button.

## Importing Data

The Custom Import Helper guides you through the process of importing asset data from other sources into your Sage Fixed Assets application. When importing data, you can add the assets into a new or existing company. When using the Custom Import Helper, you can import asset data to update existing assets, or as new assets (that is, the application assigns new system numbers to the imported assets). The new assets you import can be either active or fully disposed. You can import inactive assets if you also import the Activity Code field. For detailed instructions, see Appendix B, "Custom Import Helper."

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**Note:** If you are upgrading your version of Sage Fixed Assets - Lite Depreciation or moving data between installed versions of the application, use a simple backup and restore procedure instead of Custom Import.

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No matter which type of data you are importing, you can import data only by company, and you can only import one company at a time.

## Exporting Data

Sage Fixed Assets now offers two ways to export asset data to Microsoft Excel:

- As in previous Sage Fixed Assets versions, you can use the Custom Export Helper to export asset data to a .CSV file, which can be opened in Microsoft Excel. For detailed instructions on using the Export Helper, see Appendix C, "Custom Export Helper."

- You can now export the current group of assets in the Asset List to Microsoft Excel. For more information, see "Exporting the Asset List to Microsoft Excel," page 3-16.

# Managing Your Databases

You can use the Database List Manager to help you manage your databases. In addition to helping you create and rename databases, the Database List Manager also helps you find databases. After using the application for some time, you, or other users, might have created databases in locations that you might not remember. The Database List Manager is extremely useful when you need to connect to a database that another user created in an unknown location.

After the Database List Manager locates a database, you can add the database to a list of databases that you have created. The application remembers where the database is located. You can access the Database List Manager from the File menu, or from any dialog with a Database button. To create a new database using Database List Manager, click the New Database button and complete the New Database dialog. For more information, see "Creating a New Database," page 4-3.

## Using Windows Explorer to Manage Your Databases

You can use Windows Explorer to move and copy your database file. The database file name can have any name that complies with Windows standards, as long as it has a BDB file extension. A single folder can contain two or more database files.

If you use Windows Explorer to move your database file, make sure that you also move the file with the .ID extension. For example, if you move the MYDATA.BDB file to a new folder, make sure you also move MYDATA.ID to the same folder.

After you move a database using Windows Explorer, you must locate the database using the Database List Manager to let the system know the new location.

### *To locate a database using the Database List Manager*

1. Select File/Database List Manager from the menu bar.

   If a company is open, a message asks if you want to close the open company.

2. Click Yes to continue. The Database List Manager dialog appears. See "Completing the Database List Manager Dialog," page 5-12.

3. Click the Find button. The Find Databases dialog appears. See "Completing the Find Databases Dialog," page 5-13.

4. Select the drive(s) that you want to search.

5. To specify a folder to search, click the Browse button. The Browse for Folder dialog appears.

6. Select the folder that you want to search, and then click OK. For more information, see "Completing the Browse for Folder Dialog," page 5-14. The application returns to the Find Databases dialog.

7. Click the Search button. The application searches the selected drive(s) for databases.

8. Select a database in the list box, and then click the Add button to add the database to your list. The application adds the database to the list.

---

**Note:** The Rename Database dialog appears if you attempt to add a database that already exists in the list. You can change the name of the database, the name of the database file, and/or the location of the database.

---

9. Repeat step 8 for additional databases you want to add to your list.

10. Click the Close button on the Find Databases dialog.

11. Click the Close button on the Database List Manager dialog.

### To rename a database

You can use the Database List Manager to change the database name. You cannot change the database file name.

1. Select File/Database List Manager from the menu bar. The Database List Manager dialog appears.

2. Select the database you want to rename from the list.

3. Click the Rename button. The Rename Database dialog appears.

4. Complete the Rename Database dialog, and click OK to return to the Database List Manager dialog. See "Completing the Rename Database Dialog," page 5-14.

5. Click the Close button on the Database List Manager dialog.

### To remove a database from the list

Removing a database removes the database from the list; however, it does not delete the database. To delete a database, see "Deleting Companies and Databases," page 5-2.

1. Select File/Database List Manager from the menu bar. The Database List Manager dialog appears.

2. Select the database you want to remove from the list.

3. Click the Remove button. A message asks you to confirm your intention to remove the database.

4. Click Yes to remove the database. The application removes the database from the list and displays a message confirming the removal.

5. Click OK to exit the confirmation message.

6. Click the Close button on the Database List Manager dialog.

### Completing the Database List Manager Dialog

Follow the guidelines below to complete the Database List Manager dialog.

■ **Database Name**
This field displays the names of all databases in the system. To perform a function on a database, select it, and then click the appropriate button to the right.

■ **Database Path**
This field displays the directory path and file name of the database as it appears in the Windows Explorer program.

■ **New Database Button**
Click this button to create a new database. The application displays a dialog that allows you to select the location and name of the new database. For more information, see "Creating a New Database," page 4-3.

■ **Find Button**
Click this button to display a dialog that allows you to search for an existing database. For more information, see "Completing the Find Databases Dialog," page 5-13.

■ **Configure Button**
Click this button to view a series of dialogs that allow you to specify the protocols and start-up parameters for your databases.

■ **Rename Button**
Click this button to display a dialog that allows you to rename the selected database. For more information, see "Completing the Rename Database Dialog," page 5-14.

■ **Remove Button**
Click this button to remove the selected database from the list. This does not delete the database but makes it unavailable for use in the application.

■ **Open Company Button**
Click this button to display a dialog that allows you to open an existing company in the selected database.

## Completing the Find Databases Dialog

Follow the guidelines below to complete the Find Databases dialog.

■ **Options**
Use this field to specify the drive(s) that you want to search for the databases.

❑ **Specified**
Click this option button to search only in the path specified in the Find Path In field.

❑ **All Drives**
Click this option button to search all drives on your computer (both local and network drives).

❑ **All Local Drives**
Click this option button to search only the local drives on your computer's hard disk.

❑ **All Network Drives**
Click this option button to search only the computer network drives.

■ **Find Path In**
Use this field to enter the path to the directory where a database is located (if you know it). If not, use the Browse and Search buttons.

■ **Browse Button**
Click the Browse button to display a dialog that allows you to select the folder that you want to search for the database(s). After you select the folder, the path to the selected folder appears in the Find Path In field. Click the Specified option button, and then click the Search button. The application searches for the database in the selected folder and in all folders underneath the selected folder.

■ **Search Button**
Click this button to search for the database.

■ **Path**
This field displays all databases found during a search. Use this field to individually select databases to add to your list by clicking the Add button.

■ **Name**
This field displays the database name. This is the name that appears in the Database field of other dialogs.

■ **Add Button**
Click this button to add the selected database to the list of databases in the Database List Manager.

## Completing the Browse for Folder Dialog

Follow the guidelines below to complete the Browse for Folder dialog.

■ **Locate Path**
Use this field to select the folder containing the database you are looking for.

■ **Folder**
This field displays the selected folder.

■ **Make New Folder Button**
Click this button to create a subfolder underneath the selected folder. After you create the new folder, you can rename it by right-clicking the folder and selecting Rename from the popup menu.

## Completing the Rename Database Dialog

Follow the guidelines below to complete the Rename Database dialog.

■ **Database Name**
Use this field to enter a new name for the database. The database name is the name that appears in the Database field of other dialogs in the application.

■ **Database File Name**
Use this field to enter a new physical file name for the database. This is the name that appears in Windows Explorer program.

■ **Database Location**
This field displays the folder containing the database file that you want to rename. Click the Browse button to select the folder.

# Chapter 6
# Working with Assets

This chapter describes the procedures for all the different methods of creating assets, and explains the tabs in Asset Detail. Before advancing further into this chapter, make sure you've read "Understanding Asset Fields and SmartLists," page 1-6. Creating SmartLists before adding assets will be a great help.

In addition to the import options, there are three additional methods available for adding assets into the application.

1. First is the standard method of entering data in each of the asset fields individually. For more information, see "Entering Assets in Asset Detail," page 6-2.

2. In the second method, you replicate an asset that closely matches the asset you are adding. For more information, see "Replicating Assets," page 6-17.

3. In the third method, you apply an asset template that you have created to a new asset. For more information, see "Applying Asset Templates," page 6-21.

The second and third methods drastically reduce your data-entry time, because you only have to complete a few asset fields (the rest are completed automatically).

## Entering New Assets

**Note:** To see how many assets are currently in a company, select the All Complete Assets group in the Asset List. The application displays the number of assets in the Assets in Group field at the top of the Asset List.

# Entering Assets in Asset Detail

Entering assets is a three-phase process:

- Enter the general asset information.

- Enter the book-specific information. (You should start with the Tax book so you can make the most use of the application's defaults to save you valuable data entry time in the other books.)

- Enter any notes, if applicable.

### To add individual assets into a company

1. Do any of the following:

   - Select Asset/Add from the menu bar.

   - Click the Add an Asset task on the navigation pane.

   A blank set of asset tabs appears in Asset Detail.



2. Complete the general information fields on the Main tab. For more information, see "Completing the General Information Fields," page 6-3.

3. Complete the book information fields on the Main tab. For more information, see "Completing the Book Information Fields," page 6-4.

4. Complete the Notes tab if you want to store additional information for this asset not covered by any of the other tabs. For additional information, see "The Notes Tab of Asset Detail," page 3-22.

5.   Save the asset by doing any one of the following:

- Click the Save Asset button.

- Press Ctrl+S.

- Select Asset/Save from the menu bar.

The application assigns a System Number to the asset and displays the System Number and description underneath the title bar of Asset Detail. The asset is now saved.

## Completing the General Information Fields



Follow the guidelines below to complete the general information fields.

These guidelines are based upon all available fields in the general information field set. If you have customized your application, it is possible that some of these fields do not display or that other fields display instead. A brief descriptive message appears in the status bar as you enter each field.

After you complete the fields that are in full view, use the scroll bar to the right of the general information fields to make the rest of the fields available.

- **Asset ID**
  Use this field to enter the number that your company has assigned to identify this asset. This number can be any number you've been using in the past to track this asset, up to 25 alphanumeric characters. You can assign the same asset ID to more than one asset.

- **Description**
  Use this field to enter a description of the asset. This description prints on all reports that include the description field. However, on many reports the Description field is truncated to ten characters. Therefore, when creating a description, you might want to make the first ten characters the most descriptive.

- **Location**
  Use this field to enter any alphanumeric code or description to identify this asset's location. For example, a location code could be a room number, a building name, or the name of a city.

- **G/L Asset Account**
  Use this field to enter a General Ledger Asset Account number as defined by your accounting department. You can enter up to 100 alphanumeric characters. This field is important to the Annual Activity report and the File Listing report.

- **G/L Accumulated Account**
  Use this field to enter a General Ledger Accumulated Account number as defined by your accounting department. You can enter up to 100 alphanumeric characters. This field is important when posting depreciation expense to Sage 50 or posting fixed asset information to another accounting system. It is also important to the General Ledger Posting report.

- **Class**

  Use this field to enter any one- or two-character code, which you define, to classify this asset. Common class codes are FF for Furniture and Fixtures, and ME for Machinery and Equipment.

- **G/L Expense Account**

  Use this field to enter a General Ledger Expense Account number as defined by your accounting department. You can enter up to 100 alphanumeric characters. This field is important when posting depreciation expense to Sage 50 or posting fixed asset information to another accounting system. It is also important to the General Ledger Posting report.

- **Purchase Order**

  Use this field to enter the purchase order number for the asset, up to 25 alphanumeric characters.

- **Vendor**

  Use this field to enter the name of the vendor of the asset, up to 25 alphanumeric characters.

- **Serial Number**

  Use this field to enter the manufacturer's serial number for the asset, up to 25 alphanumeric characters.

- **Owner**

  Use this field to enter the name of the person most responsible for the asset, up to 25 alphanumeric characters.

- **Custom Fields 1 Through 5**

  Use these additional five alphanumeric fields for entering information that is not appropriate for the other fields. The application treats entries in these fields as text. These fields may have been customized with new names.

- **Custom Date 1 and 2**

  Use these two date fields for entering information that is not appropriate for the other fields. These fields may have been customized with new names.

## Completing the Book Information Fields

**Book Information**

Acquisition Date: 12/25/2005 [▼]  Acquired by: ⦿ Purchase  ◯ Exchange or Conversion

| | Tax | Internal |
|---|---|---|
| **Property Type** | P | P |
| **Placed-in-Service Date** | 12/25/2005 | 12/25/2005 |
| **Acquisition Value** | $6,550.00 | $6,550.00 |
| **Depreciation Method** | MF200 | SF |
| **Estimated Life** | 10 yrs 00 mos | 17 yrs 06 mos |
| ADS Life | 00 yrs 00 mos | N/A |
| Business Use % | 100 | 100 |
| 179 Deduction | $3,275.00 | $3,275.00 |
| 168 Allowance % | 0 | 0 |
| Salvage Value | $0.00 | $0.00 |
| Investment Tax Credit | $0.00 | $0.00 |
| Beginning Date | MM/DD/YYYY | MM/DD/YYYY |
| Beginning YTD | $0.00 | $0.00 |
| Beginning Accum | $0.00 | $0.00 |
| | | |
| Prior Through Date | MM/DD/YYYY | MM/DD/YYYY |
| Current Through Date | 12/31/2013 | 12/31/2013 |
| 168 Allowance Amount | $0.00 | $0.00 |
| Depreciation This Run | $2,953.05 | $1,512.72 |
| Current YTD | $214.63 | $187.14 |
| Current Accum | $2,953.05 | $1,512.72 |
| Net Book Value | $321.95 | $1,762.28 |
| Period Close Date | MM/DD/YYYY | MM/DD/YYYY |
| Period Close YTD | $0.00 | $0.00 |
| Period Close Accum | $0.00 | $0.00 |

Follow the guidelines below to complete the book information fields on the Main tab in Asset Detail.

The book information fields are extremely important since they determine your depreciation calculations. You must complete most of the fields according to rules imposed under GAAP or by the IRS. Although the application displays a warning message when it detects entries inconsistent with these rules, it does allow you to override the warning and make your own entries (it assumes you know what you're doing). However, if you are unsure about what you're doing, we recommend you heed the warning messages and rethink your entry. If you need a brush-up on depreciation rules and regulations, or if you need to simply look up a depreciation concept, refer to Appendix A, "Depreciation and Fixed Asset Concepts."

The book information fields on the Main tab are organized in rows and columns. Each field contains depreciation data specific to the book heading up the column.

The application enters default information in the other open books based on the Tax book entries. For this reason, you might want to complete the Tax book first. Then you may only need to make slight changes to each additional book. If you need to set default values in other books after the initial setting, you must use the Apply Book Defaults feature on the Asset menu. See "Applying Book Defaults," page 6-17.

Following are the book information fields:

■ **Acquisition Date**
Use this field to enter the date on which you actually acquired the asset (as opposed to the date you placed the asset in service). The application uses this date in the Quarterly Acquisition report, in the Annual Activity report, and in the Fixed Asset Summary report. If you choose not to enter a date, the application defaults to the Placed-in-Service Date from the reported book as the Acquisition Date for these three reports.

■ **Acquired By**
Use this field to indicate how the asset was acquired.

❑ **Purchase**
Click this option button if you acquired the asset by purchasing it.

❑ **Exchange or Conversion**
Click this option button if the asset was received in a like-kind exchange or an involuntary conversion. Clicking this option tells the application that the asset should not appear on any reports that are run prior to the date the asset was received in an exchange. For information about like-kind exchanges and involuntary conversions, see "Like-Kind Exchanges and Involuntary Conversions After 1/2/2000," page 7-6.

■ **Property Type**
Use this field to select the correct Property Type of the asset. This is a required field. The application uses this field to determine valid depreciation methods, as well as other important depreciation factors. For an explanation of Property Type, see "Types of Property," page A-5.

■ **Placed-in-Service Date**
Use this field to enter the date you placed the asset in service. Enter the date in MM/DD/YYYY format. Click the down arrow to select the date from a calendar. For more information, see "Entering Dates in Date Fields," page 3-25. The application uses this field to determine when to begin depreciating an asset. This field is mandatory and extremely important for depreciation calculations. You must enter the Placed-in-Service Date in order for the rest of the fields to become active.

■ **Acquisition Value**

Use this field to enter the acquired dollar value of the asset including freight and installation charges, up to nine digits to the left of the decimal point. You can use a negative number when you have a credit or rebate on an asset that reduces its value below zero. To enter a negative number, use the minus sign on the keyboard. The application displays -$200 using parentheses; that is, ($200).

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**Note:** The acquisition value is used in determining the asset's depreciable basis. The formula for determining the depreciable basis depends on the depreciation method. In general, the depreciable basis is the acquisition value, multiplied by the business-use percentage if applicable, minus any salvage value, Section 179 expense or bonus depreciation, Section 168 Allowance, and Investment Tax Credit reduction amount.

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■ **Depreciation Method**

Use this field to select a depreciation method code. A depreciation method code is a combination of the depreciation method and averaging convention. After you complete the Property Type and Placed-in-Service Date fields, the application provides a default depreciation method, estimated life, and ADS life.

In the drop-down list, the application displays valid depreciation methods based on date placed in service and property type. Custom depreciation methods appear in the list, or you can enter the custom code in lower case letters.

The following chart displays the available standard depreciation methods.

| Code | Depreciation Method |
|------|---------------------|
| MA | MACRS formula plus 168 Allowance |
| AA | ADS straight-line MACRS plus 168 Allowance |
| MR | MACRS Indian Reservation plus 168 Allowance |
| SB | Straight-line, full-month plus 168 Allowance * |
| MF | MACRS formula |
| MT | MACRS table |
| AD | ADS straight-line MACRS |
| MI | MACRS Indian Reservation |
| AT | ACRS table |
| SA | Straight-line, alternate ACRS formula |
| ST | Straight-line, alternate ACRS table |
| SD | Straight-line, modified half-year |
| SL | Straight-line |
| SF | Straight-line, full month |
| SH | Straight-line, half-year |
| DB | Declining-balance, switch to SL when optimal |
| DD | Declining-balance, modified half-year, switch to SL when optimal |
| DC | Declining-balance, no switch to SL |
| DH | Declining-balance, half-year, switch to SL when optimal |
| DE | Declining-balance, modified half-year, no switch to SL |
| DI | Declining-balance, half-year, no switch to SL |
| YH | Sum-of-the-years'-digits, half-year |

| Code | Depreciation Method |
|------|---------------------|
| YD | Sum-of-the-years'-digits, modified half-year |
| YS | Sum-of-the-years'-digits |
| RV | Remaining value over remaining life |
| OC | Own depreciation calculation |
| NO | Do not depreciate |

**Help:** For detailed information about depreciation methods, enter "Depreciation Methods" in the Search tab of the Sage Fixed Assets Help system (Help/Help Topics).

■ **Estimated Life**
Use this field to enter the asset's estimated life in the format YY/MM. The application uses this field to determine the time period over which the asset will recover its depreciable basis. For some methods you can select the estimated life from a list of valid entries. Generally, you cannot enter an estimated life of less than 1 year for an asset. Exceptions are:

- If the asset's depreciation method is MACRS formula (MF or MA), 150% declining-balance, and the property type is real or personal property other than an automobile, the estimated life can be 6 months.

- If the asset's depreciation method is straight-line (SL), ADS straight-line MACRS (AD or AA), remaining value over remaining life (RV), or your own depreciation calculation (OC), the estimated life can be 1 to 11 months. Method OC lets you manually enter depreciation amounts; the application will not calculate depreciation for the asset.

**Note:** To help you determine the correct estimated life for an asset for the Tax book, you can use the IRS Table link located in Asset Detail. Here you will find the easy-to-use version of the IRS ADR Class Life Table.

■ **ADS Life**
Use this field to enter the asset's ADS life. The ADS life is assigned to an asset type under the MACRS Alternative Depreciation System. For most assets, the ADS life is the midpoint of the Asset Depreciation Range (ADR) in which the asset belongs.

The application uses this field as the asset's default estimated life in the user books (Internal, Custom 1, and Custom 2) and in the AMT and ACE books (where applicable).

**Note:** If you elect depreciation method AD or AA (MACRS straight-line) for regular tax purposes, enter the asset's ADS life in *both* the Estimated Life field and the ADS Life field in the Tax book. The application uses the entry in the Estimated Life field for calculating depreciation in the Tax book, and the entry in the ADS Life field for setting defaults in other books where appropriate.

If you choose not to enter an ADS life, the application automatically assigns and displays a default life based on Tax book entries. Because there are exceptions to the general rules the application uses, entering a known ADS life for a specific asset is more accurate than letting the application determine it.

The following chart outlines some frequently used ADS lives (as outlined in Rev. Proc 87-56):

| Asset | ADS Life (Years) |
|---|---|
| Automobiles | 5 |
| Copiers | 6 |
| Information systems; including computers | 5 |
| Land improvements | 20 |
| Office equipment and furniture | 10 |
| Real property | 40 |
| Trucks, heavy general purpose | 6 |
| Trucks, light general purpose | 5 |
| Typewriters and adding machines | 6 |

**Note:** Although the application will default an ADS life based on the Estimated Life field, it is best to look up the ADS Life field yourself. For ease of use, we have reformatted the IRS ADR Class Life Table. It is accessed by following the IRS Table link in Asset Detail.

■ **Business Use %**
Use this field to specify the percentage of business use the asset receives, versus the percentage of personal use it receives (if applicable). Enter only the percentage of business use.

If you enter any number except 100 in the Business Use % field, the application displays the Business Use dialog. This dialog allows you to enter different business use percentage rates for each fiscal year of the asset's life. The effective date for each change in business use percentage must be the beginning date of a fiscal year. See "Completing the Business Use Dialog," page 6-13.

■ **179 Deduction**
Use this field to enter either a Section 179 amount or a pre-1981 bonus amount (if one of these options applies). You decide which of these two options applies based on the asset's service date and several other factors. If neither option applies, accept the default of zero. If a previous entry disqualifies the application of either of these options, this field is disabled.

This field displays the total Section 179 and Bonus amount calculated in the §179/Bonus Details dialog. To access this dialog, click in the Section 179 field, and then click the down-arrow to the right of the field or enter an amount in the 179 Deduction field, and then press Enter. See "Completing the §179/Bonus Details Dialog," page 6-14.

❑ **Section 179**

**Note:** This section describes the Section 179 deduction that is claimed on the Form 4562 at the end of the tax year. For information on taking a deduction under Other Section 179 Deductions, see "Section 179 Deductions," page 6-10.

This option is only used for assets using an ACRS or MACRS depreciation method (methods MF, MA, MT, MI, MR, AD, AA, AT, SF, SB, SA, ST, or custom method). A Section 179 deduction allows you to treat the cost of a qualifying asset as an expense, rather than as a capital investment to be depreciated in the future.

Enter the amount of the asset's cost (if any) that you wish to deduct. If you have already expensed the maximum amount for the year (see below) or if you are not taking the deduction, enter zero as the dollar amount.

**Help:** For additional information about the Section 179 expense deduction and maximum amounts, enter "Section 179 Expense Deduction" in the Search tab of the Sage Fixed Assets Help system.

**Sport Utility Vehicles**

The American Jobs Creation Act of 2004 limits the Section 179 expense on a Sport Utility Vehicle (SUV) weighing between 6,000 and 14,000 pounds to $25,000. The $25,000 limit applies to SUVs placed in service after 10/22/04. To enter an asset as an SUV, use property type Q, listed property.

The maximum amount of Section 179 that you can take in one year is also limited by the threshold amount.

**Note:** There are increased limits for:

— New York Liberty Zone property; see "Section 179 Limits for New York Liberty Zone Property," page 8-27.

— Enterprise Zone property; see "Section 179 Limits for Enterprise Zone Property," page 8-30.

— Qualified Gulf Opportunity Zone property; see "Section 179 Limits for Qualified Gulf Opportunity Zone Property," page 8-30.

— Qualified Recovery Assistance property (Kansas Disaster Zone property); see "Section 179 Limits for Kansas Disaster Zone Property," page 8-32.

— Qualified Disaster Assistance property (Qualified Disaster Zone property); see "Section 179 Limits for Qualified Disaster Zone Property," page 8-34.

**Threshold Amounts**

If the total acquired value of qualifying property placed in service during the year exceeds the threshold amount for that year, the amount of Section 179 expense that you can take decreases one dollar for each dollar exceeding the threshold amount.

**Help:** For additional information about the Section 179 threshold amounts, enter "Section 179 Threshold Amounts" in the Search tab of the Sage Fixed Assets Help system.

You cannot depreciate the amount expensed under the Section 179 deduction. For example, suppose you are entering an asset that was fully depreciated under an earlier solution. If the asset's acquired value is $10,000 and $6,000 was taken as a Section 179 expense, you would enter $10,000 as Acquisition Value, $6,000 as the Section 179 expense, and $4,000 as beginning accumulated depreciation. If you are entering a newly acquired asset, enter the Section 179 expense amount and the application will calculate the correct depreciation on any remaining depreciable basis.

You also cannot take any Investment Tax Credit (ITC) on the part of an asset's cost that is expensed under Section 179. The application automatically takes any Section 179 expense into account when it calculates ITC for the asset.

The application will not let you enter more than the maximum Section 179 expense for one asset. To view Section 179 amounts for each asset and totals for the fiscal year, run the Tax Expense report.

❑ **Section 179 Deductions**
The Jobs Creation Act of 2004 provided a new deduction under Section 179B. The Energy Tax Incentives Act of 2005 added additional deductions under Sections 179C and 179D. The Small Business Act of 2007 created a new deduction under Section 179E. To take a deduction under Section 179B, 179C, 179D, or 179E, you must select the desired code in the §179/Bonus Details dialog.

To access this dialog, click in the 179 Deduction field in Asset Detail, and then click the down arrow. The §179/Bonus Details dialog appears. For information on completing this dialog, see "Completing the §179/Bonus Details Dialog," page 6-14.

For a brief description of the deductions available under Section 179B, 179C, 179D, and 179E, see "Completing the Investment Tax Credit Dialog," page 6-15.

❑ **Bonus Depreciation**
This option is only used for assets using a depreciation method other than an ACRS or MACRS method. In addition, the asset must be personal property, it must have an estimated life of at least 6 years, and it must use a straight-line, declining-balance, sum-of-the-years' digits, own calculation, or custom calculation depreciation method.

For qualifying assets, you may be entitled to a 20% first-year depreciation bonus on up to $10,000 of eligible property placed in service during a taxable year prior to 1981.

The application calculates the bonus amount based on the preliminary depreciable basis of the asset without subtracting the salvage value. (The preliminary depreciable basis here is the acquisition value times the business-use percentage.) If you take the bonus, the application subtracts it from the preliminary depreciable basis before making any further calculations. On reports, however, the bonus amount is included in accumulated depreciation, rather than being shown as subtracted from the depreciable basis.

The application will not let you enter more than $2,000 or 20% of the depreciable basis, whichever is less, as the bonus amount for any one asset. It does not keep track of your total bonus taken as you enter asset information. You must limit the first-year bonus depreciation taken according to IRS rules.

■ **168 Allowance %**
Use this field to select either an allowance percentage under IRS Section 168. This field is available only if you select a "Plus 168" depreciation method (that is, depreciation method MA, MR, AA, or SB.)

**Help:** For additional information about the 168 Allowance % field, enter "168 Allowance % Field" in the Search tab of the Sage Fixed Assets Help system.

■ **Salvage Value**
Use this field to enter the estimated salvage value of the asset. Salvage value is an estimate of an asset's worth at the end of its useful life. Several depreciation methods use the salvage value in determining depreciation amounts. In such cases, the salvage value is generally subtracted from the acquisition value when calculating the depreciable basis.

■ **Investment Tax Credit**
Use this field to enter the Investment Tax Credit (ITC) amount applied to the asset (if applicable). ITC allows a credit for a percentage of an asset's cost basis, based on the estimated life of the asset and when you placed it in service. To enter an amount, click in the Investment

Tax Credit field, and then click the arrow. The Investment Tax Credit dialog appears. In the ITC Credit field, the application only displays ITC options that are valid for this asset based on property type, service date, and depreciation method. Select one of the valid ITC options for this asset.

---

**Help:** For additional information about the field and available options, enter "Investment Tax Credit Field" and "Investment Text Credit (ITC) Options" in the Search tab of the Sage Fixed Assets Help system.

---

■ **Beginning Depreciation Fields**
There are three fields that handle beginning depreciation: Beginning Date, Beginning Year-to-Date, and Beginning Accumulated.

The application automatically enters information in the beginning depreciation fields under several different circumstances:

- You have manually entered data in the beginning depreciation fields. You will do this if you have calculated depreciation on an asset before you purchased the Sage Fixed Assets application. Previously, you may have used other software or computed depreciation using a spreadsheet.

- You have imported assets from another source (such as a spreadsheet program) into the Sage Fixed Assets application. When you use the Import Helper to import assets from another source, the system places the depreciation associated with the imported assets in the beginning depreciation fields only if you enter the depreciation amounts in the appropriate fields before you import the assets.

- You have changed an entry in an asset that is critical to calculating depreciation and have chosen to save the depreciation already calculated to date by the Sage Fixed Assets application. When you indicate that this is what you want to do, the application takes the current depreciation and copies it into the beginning depreciation fields.

You are required to enter data in these fields only if you are entering an asset on which depreciation was calculated in another system. These fields are not required for newly acquired assets or for assets that have never been depreciated.

Entering beginning depreciation amounts is your way of telling the application to accept your prior depreciation balances and to calculate depreciation from that point forward.

**Example:** Suppose your company owns an asset with an acquired value of $1,000 and a life of 10 years, and you are depreciating it using the straight-line method. The company's fiscal year-end is June. You placed the asset in service on July 1, 1998, and you are adding it to the application on June 30, 2007, after you have taken 9 years of depreciation. You would enter a beginning current YTD depreciation of $100, beginning accumulated depreciation of $900, and a beginning date of 06/07, for June 2007. Note that the beginning accumulated depreciation amount includes the $100 depreciation for the current fiscal year.

---

**Note:** When applicable, the Beginning Year-to-Date and Beginning Accumulated fields should include bonus depreciation but not Section 179 expense or the 168 Allowance. You enter Section 179 expense in the 179 Deduction field. The application calculates the 168 Allowance and displays the amount in the 168 Allowance Amount field. The Section 179 expense and the 168 Allowance are displayed separately in Asset Detail because special rules and limitations apply to these values.

---

❑ **Beginning Date**
Use this field to enter the date through which you have calculated the amounts for beginning YTD depreciation and beginning accumulated depreciation. Enter the date in MM/YYYY format.

The application calculates depreciation for this asset starting from the next month and adds the beginning amounts to the amounts it calculates for future periods. The simplest approach is to enter the end of the last fiscal year as the beginning date and let the application begin calculating depreciation for the new fiscal year. This field is only required if you are entering depreciation for an asset on which you calculated depreciation on another system; it is not required for newly acquired assets.

Do not confuse the Beginning Date with the date on which you are entering assets in the application for the first time. For example, if an asset was placed in service on 8/1/06, was depreciated through 12/2006, and entered in the application on 5/3/07, the Beginning Date field should be 12/2006. The application starts depreciating the asset on 1/1/07. If you were to mistakenly enter 5/2007 in the Beginning Date field, you would have zero depreciation in the Beginning Year-to-Date field (because the asset was not yet depreciated in 2007), and the accumulated depreciation through 12/2006 would be entered in the Beginning Accumulated field. What would happen is that the application would start calculating depreciation on 6/1/07 and five months of depreciation (1/1/07 through 5/31/07) would be missing!

❑ **Beginning YTD**
Use this field to enter the amount of depreciation, if any, already taken on this asset for the fiscal year in which you are switching the asset's depreciation to Sage Fixed Assets. This amount is the amount of depreciation taken from the beginning of that fiscal year through the date you will enter as the beginning date for Sage Fixed Assets depreciation. If the beginning date is any date other than the end of a fiscal year, you must enter an amount in this field to get correct results for the current fiscal year. If you do not enter an amount in this field, the application assumes that you did not take any depreciation in the current fiscal year.

❑ **Beginning Accum**
Use this field to enter the total of all depreciation calculated on the asset since you placed it in service, including the amount entered as the beginning YTD depreciation.

■ **Prior Through Date**
The system uses this book information field to display the prior date through which depreciation was calculated. The application automatically updates this field every time you calculate depreciation for the asset.

■ **Current Through Date**
This field displays the date through which depreciation was last calculated. The application automatically updates this field every time you calculate depreciation for the asset.

■ **168 Allowance Amount**
This field displays the 168 Allowance deduction. This amount is calculated only when you select one of the following "Plus 168" depreciation methods:

• MACRS formula plus 168 Allowance (**MA**)

• MACRS Indian Reservation plus 168 Allowance (**MR**)

• ADS straight-line MACRS plus 168 Allowance (**AA**)

• Straight-line, full-month plus 168 Allowance (**SB**).

■ **Depreciation This Run**
The amount of depreciation calculated for an asset since the last time the application calculated (that is, ran) depreciation. It can be for almost any length of time, but usually it will be for a month or a quarter of a year.

■ **Current YTD**
This field displays the asset's depreciation amount for the period starting with the first day of the current fiscal year through the Current Through Date (the last date on which you calculated depreciation for the asset in the current year). The application automatically updates this field every time you calculate depreciation for the asset. The Current Year-to-Date amount *never* includes the 168 Allowance or Section 179 expense deduction because these amounts are displayed separately in Asset Detail.

■ **Current Accum**
This field displays the asset's depreciation from the asset's placed-in-service date through the Current Through Date (the last date on which you calculated depreciation), including any current year-to-date depreciation. The application automatically updates this field every time you calculate depreciation for the asset. The Current Accumulated amount *never* includes the 168 Allowance or Section 179 expense deduction because these amounts are displayed separately in Asset Detail.

■ **Net Book Value**
This field displays the current net book value for the asset through the Current Through Date. The application automatically updates the net book value when current depreciation is updated.

■ **Period Close Date**
This field displays the date through which depreciation was last saved for a period close. Each time you run a period close, the application automatically updates this field with the results of your last depreciation calculation.

■ **Period Close YTD**
This field displays the current year-to-date depreciation amount through the most recent period close date. Each time you run a period close, the application automatically updates this field with the results of your last depreciation calculation.

■ **Period Close Accum**
This field displays the asset's depreciation from the date of the asset's placed-in-service date through the most recent period close date, including any period year-to-date depreciation. Each time you run a period close, the application automatically updates this field.

## Completing the Business Use Dialog

Enter business-use percentages in chronological order. Start with the earliest use of the asset at less than 100% for business. The effective date for each change in the business-use percentage must be the beginning of a fiscal year. If the percentage changed later in the year, enter the business-use percentage averaged over the fiscal year.

By entering a single business-use statement, you are specifying a percentage of business use beginning in one year and continuing until you add another percentage.

Follow the guidelines below to complete the Business Use dialog.

■ **100% Business Use?**
Select this check box if the asset was used entirely for business purposes. You must clear this check box to enter a new fiscal year beginning date and business use percentage.

◼ **Enter a New Fiscal Year Begin and Business Use Percentage**
Use the first field to enter the fiscal-year beginning date for the year the asset was used for less than 100% business purposes. You can click the down arrow to select the date from the pop-up calendar.

Use the second field to enter the percentage of the year that the asset was used for business purposes. Enter the percentage in whole numbers. For example, if the asset was used for business purposes 70 percent of the time, enter 70 in this field.

◼ **Add Button**
Click this button to add the fiscal year beginning date and business use percentage to the list box.

◼ **Clear Button**
Click this button to remove the selected business use percentage and beginning date from the list box.

◼ **Clear All Button**
Click this button to remove all of the business use percentages and beginning dates from the list box.

◼ **Count**
This field displays the number of business use percentages and beginning dates in the list box.

## Completing the §179/Bonus Details Dialog

Follow the guidelines below to complete the §179/Bonus Details dialog.

◼ **Regular §179**
  ❏ **Qualified §179 Property**
  Check this box if the asset is qualified §179 property. If the box is checked, then the Zone Type and §179 Amount fields are enabled, and the Pre-ACRS Bonus field is disabled. If the box is unchecked, then the Zone Type and §179 Amount fields are disabled, and the Pre-ACRS Bonus field is enabled.

  ❏ **Classification**
  Use this field to specify the type of real property that is eligible for a Section 179 expense deduction. Select one of these options:

  • Qualified improvement property (after 12/31/2017)

  • Qualified leasehold improvement (before 1/1/2018)

  • Qualified restaurant property (before 1/1/2018)

  • Qualified retail improvement (before 1/1/2018)

  The total cost of each asset and total Section 179 elected for each class of real property appears on the attachment, along with the election, when you run the Form 4562 - Depreciation and Amortization report.

**Note:** If the property is personal property, this field is unavailable and the application displays "Tangible personal and other property" in this field.

❑ **Zone Type**
There are currently five zone types. The availability of these zone types is based on the placed-in-service date of the asset.

**Help:** For additional information about the zone types and their availability, enter "§179/Bonus Details Window" in the Search tab of the Sage Fixed Assets Help system.

❑ **§179 Amount**
Enter the amount of Section 179 expense for this asset. This amount is subject to a dollar limit and a phase-out restriction. The amount entered in this field flows to Part I of the Form 4562.

❑ **Pre-ACRS Bonus**
Enter the amount of bonus depreciation for this asset. The asset must be personal property placed in service during a taxable year prior to 1981. It must have an estimated life of at least 6 years, and it must use a straight-line, declining balance, sum-of-the-years' digits, or own calculation.

■ **Other §179 Deductions**
❑ **§179/Other Code**
Select a code to identify the §179/Other basis reduction amount.

**Help:** For a description of each code, enter "§179/Other Codes" in the Search tab of the Sage Fixed Assets Help system.

❑ **§179/Other Amount**
Enter the amount of §179/Other basis reduction. This amount is not subject to the Section 179 dollar limit and phase-out restriction, and it is not included in Part I of the Form 4562.

■ **Total §179/Bonus**
This field displays the total of the §179 Amount, Pre-ACRS Bonus, and §179/Other Amount fields. When you click OK, this amount appears in the 179 Deduction field in Asset Detail.

## Completing the Investment Tax Credit Dialog

When you click the down arrow on the Investment Tax Credit field, the Investment Tax Credit dialog appears.

Follow the guidelines below to complete the Investment Tax Credit dialog.

■ **Options**
❑ **ITC Credit**
Select the ITC Credit option you want to take on the current asset.

❑ **ITC Credit Percentage**
Enter the ITC Credit percentage you want to apply. The application displays a default percentage based on the selected ITC Credit option. You can enter a percentage of up to 30% of the asset's depreciable basis.

**Note:** A higher ITC Credit percentage is available for certain types of property located in the Gulf Opportunity Zone. For more information, see "Qualified Gulf Opportunity Zone Property," page 8-30.

❑ **ITC Credit Amount**
The application computes the ITC Credit Amount by multiplying the asset's depreciable basis by the ITC Credit percentage. You can change this amount; however, the amount cannot exceed the asset's depreciable basis.

◼ **Basis Reduction Amount**
❑ **Amount**
This field displays the amount by which the depreciable basis will be reduced for the current asset.

# Editing Asset Data

Once you've entered asset data, you can edit the data anytime by entering Asset Detail and making changes directly in asset fields. However, when you make changes to any fields used in calculations, you'll have to perform additional tasks in order to update the data. Follow the guidelines below when editing asset data.

◼ **Editing General Information Fields**
The general information fields do not affect depreciation. You can change the data in general information fields at any time.

◼ **Editing Book Information Fields**
When you change an entry in the book-specific fields after you have calculated depreciation or entered beginning depreciation for the asset, the application assumes that the current depreciation figures are no longer correct. A message appears asking you if you want to accept the change and reset the current depreciation amount. If you answer No, the change will not take effect. If you answer Yes, a second message appears asking when you want to apply the change to the depreciation-critical field.

After you have reset depreciation and made your changes, execute the Depreciate command from the Depreciation menu to get current depreciation figures.

◼ **Editing Tax Book Fields**
If you change information in the Tax book, you can force the application to determine new default values for the other books. For example, if you change the Tax book depreciation method from MT to AD, the AMT book depreciation method should change from MF to AD. However, if you already changed information in the other books to values you want, you may not want to overwrite your data with the new default values.

For this reason, before you leave the asset after making changes in the Tax book, you must decide whether you want the new defaults to overwrite the existing data in the other books. If so, select Force Defaults on the Asset Menu. A message appears asking you to confirm your intent to overwrite information in all open books.

◼ **Editing Disposal Date**
In order to edit a disposal date, you'll first have to delete the transactions. See "Resetting Depreciation," page 8-8.

◼ **Editing Inactive Assets**
You cannot edit inactive assets. To edit an inactive asset, you must first reactivate it. See "Inactivating and Reactivating Assets," page 7-13.

# Replicating Assets

If you are adding multiple assets that are similar in nature, you can add the first one, save it, and then replicate it as needed. The application can create as many as 99 assets out of a single entry. After you've replicated an asset, you can change each asset individually to modify specific fields as needed. This feature is particularly useful for adding grouped assets from the same invoice.

---

**Note:** If you replicate an asset that has Section 179 expense or bonus depreciation, you may receive a warning message stating that the total amount for all replicated assets will exceed allowable limits. If you choose to continue, remember to reduce the Section 179 or bonus depreciation amounts for the replicated assets, as needed.

---

### To replicate an asset

1. In Asset Detail, display the asset you want to replicate.

2. Do any one of the following:

    - Select Asset/Replicate from the menu bar.

    - Click the Replicate an Asset task on the navigation pane.

    The Replicate Asset dialog appears.

3. Enter the number of times you want to replicate the asset, and then click OK. The application displays a message confirming the replication and informing you of the Starting System Number.

4. Click OK to close the confirmation message.

5. Enter assets individually to edit asset information (if applicable).

# Applying Book Defaults

You can apply the defaults from the Tax book into the other books and from the Internal book into the Custom 1 and Custom 2 books by using the Apply Book Defaults feature. You will want to use the Apply Book Defaults function if you change an entry in the Tax book that you want to affect the other books.

### To apply book defaults

1. Display the asset in Asset Detail.

2. Select Asset/Apply Book Defaults from the menu bar.

    The application displays a confirmation message.

3. Select Yes to re-apply the defaults.

---

**Note:** If you want to apply defaults only in certain books, you can close books in the Edit Company dialog. The Apply Book Defaults feature will reset defaults only in the open books.

---

# Copying Book Information

You can use the Copy Book feature to copy the depreciation information from a book, such as the Tax book, to another book. You may want to use this feature if you have been using the application for some time but you only now decided to open one of the books.

For example, you may have decided to not use the State book when you first started using the application because your state followed all federal depreciation rules, so you closed the book on the Book Defaults tab of the Edit Company dialog. Suppose your state now decides not to comply with newly issued federal tax laws. If your state does not fully conform to the federal tax laws, you may need to open the State book and depreciate your assets following the rules for your state. You can use the Copy Book feature to quickly populate the fields in the State book with the correct placed-in-service date and cost information. Then you can modify the assets to conform to your state rules.

You select the Copy Book feature from the Asset List. The application copies information for all of the assets in the open company.

## *To copy book information*

1. In the Asset List, select Asset/Copy Book from the menu bar. The Copy Book dialog appears.

2. Complete the Copy Book dialog, and then click OK. See "Completing the Copy Book Dialog," page 6-18.

   If the Source Book and the Destination Book have different short year information, a message gives you two options.

3. Select whether you want to copy both the short year information and the depreciation information, or just the depreciation information, and then click OK.

For information on copying books with different short year information, see "Copying Short Year Information," page 6-19.

## Completing the Copy Book Dialog

Follow the guidelines below to complete the Copy Book dialog.

- **Source Book**
  Select the book from which you want to copy depreciation information. You can select a book only if it is currently open.

- **Destination Book**
  Select the book to which you want to copy depreciation information. The Destination book must be open.

- **Overwrite Existing Data**
  Select this check box if you want to overwrite existing data in the Destination Book with the depreciation information from the Source Book. If the box is left unchecked, the application skips assets with existing book data in the Destination Book when completing the copy function.

### Copying Short Year Information

When you change the short year information for an asset, you must reset and recalculate its depreciation. The short year information may change for assets when you copy depreciation information from one book to another, and the Source Book and the Destination Book have different short year information.

If the Source Book and the Destination Book have different short year information, you have two options:

- **Copy both calendar information and depreciation information**
  You can copy the short year information from the Source Book into the Destination Book. This overwrites the short year information in the Destination Book, and replaces it with the short year information in the Source Book.

- **Copy depreciation information only**
  You can keep the short year information in the Destination Book.

If you select the first option, you would not need to reset and recalculate depreciation unless you cleared the Overwrite Existing Data check box in the Copy Book dialog.

If you select the second option, we recommend that you reset depreciation to the beginning date and recalculate depreciation for all of the assets in the Destination Book.

## Asset Templates

The Asset Templates feature lets you create predefined assets, which can then be copied into individual assets. You should create an asset specifically made to be saved as a template. This is because you probably do *not* want to complete certain fields, such as the Asset ID field. If you completed this field for the template, you would have to change it every time you applied the template to an asset.

Asset templates provide more flexibility than the Replicate function.

With an asset template, you can:

- Assign it a recognizable name for quick and easy recall.

- Enter data in all fields or only in a few fields.

- Use the template to create a new asset.

- Use the template over an existing asset. If you use a template over an existing asset, the template information will overwrite any existing information that was entered for the asset before you used the template. If, however, the asset has information in a field that is blank in the template, such preexisting information will not be overwritten.

You can view an existing template once you create it. Then you can edit the template and save it under a new name or its current name. For more information, see "Editing an Existing Template," page 6-20.

To rename, copy. or delete an asset template, select Customize/Template Manager from the menu bar, and then complete the Template Manager dialog. For more information, see "Completing the Template Manager Dialog," page 6-23.

## Creating a Template

You can create an asset for the purpose of saving it as a template.

### *To create a template*

1. Enter a new asset that you want to save as a template. For more information, see "Entering New Assets," page 6-1. (You can also use an existing asset to create a template.)

2. Do one of the following after you have completed all asset fields you want to include in the template:

    • Select Asset/Save as Template from the menu bar.

    • Click the Save as a Template on the navigation pane.

    The Save as Template dialog appears.

3. Enter a name for the template you are creating, and then click OK. For more information, see "Completing the Save as Template Dialog," page 6-21. The application returns to the asset tabs and remains in the new asset mode.

---

**Note:** In addition to creating an asset template, you can save your current entries as a new asset at the same time. To save the current entries as a new asset, click the Save Asset button. If you do not want to save the current entries as a new asset, click the Asset List button. A message appears asking if you want to create this asset. Click the No button. The application does not save the template settings as a new asset.

---

## Editing an Existing Template

### *To edit an existing template*

1. Do one of the following:

    • Select Asset/Add from the menu bar.

    • Click the Add an Asset task on the navigation pane.

    A blank asset form in Asset Detail view appears.

2. From the Apply Template drop-down list, select the template that you want to edit. A confirmation message asks if you want to continue.

3. Click Yes. The application displays the information in the template.

4. Make the desired changes to the template.

5. Do one of the following:

    • Select Asset/Save as Template from the menu bar.

    • Click the Save as Template task on the navigation pane.

    The Save as Template dialog appears.

6. Complete the Save as Template dialog, and click OK.

## Completing the Save as Template Dialog

Follow the guidelines below to complete the Save as Template dialog.

■ **Enter New Template Name**
Enter a name for the new template; up to 25 alphanumeric characters, uppercase or lowercase.

■ **Option**
❑ **Include Notes**
Select this check box if you want the template to include the notes entered on the Notes tab.

■ **Existing Templates**
This field displays the names of existing templates.

# Applying Asset Templates

You can easily apply a template to an asset.

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**Note:** When you apply a template to an existing asset, any information in the template will **override** existing asset information. If depreciation has been calculated for an asset, it will have book information so you cannot apply a template. You can apply a template to an asset that has only general information.

---

### *To apply an asset template*

1. In Asset Detail, display the asset to which you want to apply the template. To apply the template to a new asset, select Asset/Add from the menu bar.

2. Click the arrow button in the Apply Template field. The system displays a list of all available templates.
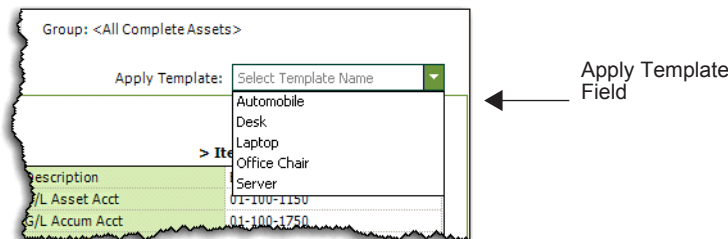


3. Select a template.

The system asks you to confirm your intention, and then applies the template to the asset. All completed fields in the template will be entered in the corresponding fields in the asset.

4. Click the Save Asset button.

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**Note:** You can cancel the application of an asset template before saving the asset. To do so, click the Asset List button and do not save the asset when the system prompts you.

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## Renaming a Template

Follow the steps below to rename an existing template.

### *To rename a template*

1.  Select Customize/Template Manager from the menu bar. The Template Manager dialog appears.

2.  In the Existing Templates field, select the template that you want to rename.

3.  In the Enter New Template Name field, type the new name for the template. For more information, see "Completing the Template Manager Dialog," page 6-23.

4.  Click the Rename button. The application changes the name of the template in the Existing Templates field.

5.  Click the Close button.

## Copying a Template

Follow the steps below to copy an existing template and give it a new name.

### *To copy a template*

1.  Select Customize/Template Manager from the menu bar. The Template Manager dialog appears.

2.  In the Existing Templates field, select the template that you want to copy. For more information, see "Completing the Template Manager Dialog," page 6-23.

3.  Click the Copy button. The Copy Template dialog appears.

4.  In the Copy To field, type the new name for the template.

5.  Click OK. The application returns to the Template Manager dialog and the new template appears in the Existing Templates field.

6.  Click the Close button.

## Deleting a Template

Follow the steps below to delete an existing template.

### *To delete a template*

1.  Select Customize/Template Manager from the menu bar. The Template Manager dialog appears.

2.  In the Existing Templates field, select the template that you want to delete.

3.  Click the Delete button. A message confirms that you want to delete the template.

4.  Click the Yes button. The application removes the template from the Existing Templates field. For more information, see "Completing the Template Manager Dialog," page 6-23.

5.  Click the Close button.

### Completing the Template Manager Dialog

Follow the guidelines below to complete the Template Manager dialog.

- **Enter New Template Name**
  Use this field to rename a template. First, select the template you want to rename in the Existing Templates field. Then, type a new name in this field and click the Rename button.

- **Existing Templates**
  This field displays the names of existing templates.

- **Rename Button**
  Click this button to rename an existing template. First, select the template that you want to rename in the Existing Templates field. Then enter the new name in the Enter New Template Name field, and click the Rename button.

- **Delete Button**
  Click this button to delete an existing template. First, select the template that you want to delete in the Existing Templates field. Then click the Delete button.

- **Copy Button**
  Click this button to display a dialog that allows you to copy an existing template and give it a new name.

# Printing Asset Information

You can print a copy of each of the Asset tabs you see in Asset Detail. When you print them, you can include asset information, or you can print blank tabs for data collection. When you print the asset tabs, you can either select assets or an entire group.

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**Tip:** When you print disposal information, the application prints information on the Asset Disposal dialog. Before printing the Disposal information, we recommend that you first create an appropriate group with Group Manager. Create a group consisting only of disposed assets. Then, select that group when you print the Disposal information. For more information, see "Creating Groups," page 4-22.

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When you print asset tabs, they are sent to the printer as a graphic. Make sure your computer hardware can handle the request.

To enable the print function, you must select at least one asset.

### *To print copies of asset tabs*

1. Select an asset or assets in the Asset List, or display an asset in Asset Detail. (To print one set of blank tabs, display a new asset in Asset Detail, or select the Print Blank Forms for Main and Disposal Only option on the Print Asset Information dialog.)

2. Do any one of the following:

   - Select File/Print Asset Detail from the menu bar.

   - Click the Print Detail button at the bottom of Asset Detail.

   The Print Asset Information dialog appears.

3. Complete the Print Asset Information dialog, and then click OK. See "Completing the Print Asset Information Dialog," page 6-24.

You may notice that asset information does not print for some of the assets you have selected in the Asset List.

The application prints asset information tabs only when the information exists. You may have selected the Disposal check box. If you selected some assets in the Asset List that have not been disposed, the application does not print disposal tab for those assets. (In previous versions of Sage Fixed Assets, the application would print blank disposal tab for these assets.)

### Completing the Print Asset Information Dialog

Follow the guidelines below to complete the Print Asset Information dialog.

- **Group**
  Use this field to select which assets' tabs you want to print. If you are printing blank tabs for data collection, it is only necessary to print one set of asset tabs. To do so, select <Detailed Asset No. X>.

- **Print Options**
  Use this field to specify the tabs you want to print.

  - ❑ **Print Blank Forms for Main and Disposal Only**
    Click this option button to print blank tabs for data collection.

  - ❑ **Print Asset Information**
    Click this option button to specify the information that you want to print. If you select the Disposal check box, the application prints the information on the Asset Disposal dialog.

    - ❑ **Select All/Unselect All Button**
      Click this button to either select all of the check boxes or to clear all of the check boxes.

  - ❑ **Copies**
    Use this field to enter the number of copies of each tab you want to print.

## Printing the Asset List

You can print the list of assets currently displayed in the Asset List. You can add a header and footer to the printed pages, and you can include grid lines and column labels.

### *To print the Asset List*

1. In the Asset List view, click the Print Asset List button. The Print Options dialog appears.

2. Complete the Print Options dialog, and then click the Print button.

### Completing the Print Options Dialog

Follow the guidelines below to complete the Print Options dialog.

- **Header**
  Enter text that will appear at the top of the printed Asset List.

- **Footer**
  Enter text that will appear at the bottom of the printed Asset List.

- **Grid Lines**
  Select this check box to include horizontal grid lines between each asset and vertical grid lines between each column on the printed Asset List.

- **Column Labels**
  Select this check box to include field names at the top of each column on the printed Asset List.

- **Preview Button**
  Click this button to view a preview of the printed Asset List before you send it to the printer.

- **Print Button**
  Click this button to display a standard Print dialog that allows you to send the Asset List to a printer.

# Asset History Events

The History tab of Asset Detail provides a history of major milestones and actions performed on an asset. The application automatically records and tracks specified actions, including the date and time they occurred, and displays a viewable history.

You can decide which events in an asset's life you want to track. For more information, see "Setting Up History Events," page 5-4.

The following chart explains the historical actions that the application tracks:

| Action | Description |
|---|---|
| Activated Asset | Asset was activated |
| Adjustment Calculated | Depreciation adjustment amount calculated |
| Asset Data Backed Up | Company data was backed up |
| Changed General Information | Data in a general information field was changed |
| Changed Book Information | Information in the [specified] field was changed from [prior value] to [new value] |
| 168 Allowance Switched | 168 Allowance Switch - Allowance taken - Depreciation method changed from [prior method] to [new method] |
| Cleared Period Close | Period close fields were cleared |
| Copied Asset Information | Asset data was copied to another company<br>Asset data was copied from another company |
| Copied Book Information | Asset data was copied into the [specified] book |
| Depreciation Calculated | Depreciation was calculated through MM/DD/YYYY |
| Disposed Asset | Asset disposed, gain/loss was calculated as of MM/DD/YYYY |
| Imported Asset Information | Asset was created by a custom import |
| Imported Update(s) | Asset general information was updated by a custom import |
| Inactivated Asset | Asset was inactivated |
| Asset Created | Asset was created |
| Period Closed | Period Close was set as of MM/YYYY |
| Reset to Begin Date | Depreciation was reset to Beginning date |
| Reset to Period Close | Depreciation was reset to Period Close date |
| Reset to Placed in Service Date | Depreciation was reset to Placed-in-Service date |
| Restored Asset Data | Backed-up asset data was restored |

There are two different views you can use to view the History tab: Summary view and Detail view.

## Summary View

The Summary view is the default view. It provides a quick look at asset history.



## Detail View

The second view is the Detail view. Access Detail view by clicking the Detail button. Detail view provides more in-depth historical information about individual events.

The Detail view shows the condition of an asset **before** and **after** it was changed. For example, if you change an asset's Property Type from Personal, General to Automobile, both the old and new Property Types are displayed in the Description column.

| Action | Date | Description |
|---|---|---|
| Changed Book Information | June 22, 2012  11:14:23 AM | Information in the Begin YTD field was changed from $0.00 to $241.71<br><br>Tax book<br>State book |
| Changed Book Information | June 22, 2012  11:14:23 AM | Information in the Property Type field was changed from Personal, General to Automobile<br><br>General information |
| Changed Book Information | June 22, 2012  11:14:23 AM | Information in the ADS Life field was changed from 0 yrs 0 mos to 5 yrs 0 mos<br><br>General information |
| Changed Book Information | June 22, 2012  11:14:23 AM | Information in the Begin Accum field was changed from $0.00 to $5,637.46<br><br>AMT book<br>ACE book |

When you click the Detail button, you can see the previous and current condition of an asset if you have changed the following fields:

**Fields on the Main tab:**

Property Type
Placed-in-Service Date
Acquisition Value
Depreciation Method
Estimated Life
ADS Life
Business Use %
179 Deduction
168 Allowance %
Beginning Date
Beginning YTD
Beginning Accum

**Fields on the Asset Disposal dialog:**

Disposal Date
Cash Proceeds
Non-Cash Proceeds
Expenses of Sale

Besides using the Detail and Summary buttons, you can double-click on an event to switch between Detail and Summary views.

# Chapter 7
# Performing Advanced Asset Functions

This chapter outlines the steps necessary to perform basic asset management tasks. These tasks include disposing assets (individually or in bulk); inactivating, reactivating, and deleting assets.

## Understanding Asset Identification

Assets are identified by their System Number. The application assigns a unique System Number to each asset in a company. You also have the ability to track assets based on your own identification scheme by entering pre-existing or internal numbers into the Asset ID field.

## Understanding Activity Codes

Activity Code is an important field, it indicates the activity status of an asset. Activity Codes are automatically assigned during asset activity.

The activity status of an asset affects your ability to perform certain functions on the asset. It also affects how the asset appears in reports. For instance, after you have disposed of an asset, the Activity Code of that asset changes from Active to Disposed. Once disposed, you cannot perform any asset functions on the asset. The asset appears on most reports indefinitely. Two exceptions to this rule are the Depreciation Expense report and the Adjusted Current Earnings report, where a disposed asset appears on the report only until the end of the year in which it was disposed. On reports in which it does appear, the application flags the asset as disposed by placing a "D" in the Key column of the report.

Every activity status has a distinct code. Here is a chart outlining the activity statuses, their corresponding codes, their definitions, and the effects the statuses have on an asset's activity.

| Activity Code | Type | Definition |
| --- | --- | --- |
| A | Active | Active Asset |
| D | Disposed | Disposed Asset |
| I | Inactive | Inactive Asset |

# Disposing Assets

When you sell, exchange, abandon, retire, or in some other way dispose of an asset, you must inform the application of the transaction so it can calculate the gain or loss and halt depreciation on the asset. The application automatically calculates depreciation through the disposal date, so you don't have to update current depreciation before disposing of the asset.

The application indicates that an asset is disposed in many ways. In reports, it displays the code for a disposal in the Key Code column. The code for a disposal is "d." To signify disposed assets, the application also displays the word "Disposed" in the Status field of the asset when in Asset Detail. In the Asset List, it displays the word "Disposed" in the Status column of the asset.

You can perform individual disposals or bulk disposals. For more information, see "Disposing Individual Assets," page 7-2 or "Performing Bulk Disposals," page 7-5.

**Note:** When you reset depreciation on an asset that was entirely disposed, the disposal is canceled.

## Disposing Individual Assets

You can perform disposals on individual assets by selecting Dispose from the Asset menu.

### *To perform a disposal of an individual asset*

1. Do one of the following:

    • In the Asset List, select the asset you want to dispose.

    • Display the asset you want to dispose in Asset Detail.

2. Do one of the following:

    • Select Asset/Dispose from the menu bar.

    • Click the Dispose an Asset task on the navigation pane.

    The Asset Disposal dialog appears.

3. Complete the Asset Disposal dialog. See "Completing the Asset Disposal Dialog," page 7-2.

4. Click the Calculate button. The application calculates depreciation for the disposed asset and displays the new figures in the appropriate fields.

5. Click OK to save the disposal information and close the Asset Disposal dialog.

    A message confirms the disposal and asks if you want to view the disposal information on the Transactions tab.

6. Click Yes to view the disposal information on the Transactions tab; otherwise, click No.

### Completing the Asset Disposal Dialog

Follow the guidelines below to complete the Asset Disposal dialog.

To view this dialog, select Asset/Dispose from the menu bar. To view disposal information, select the Transactions tab of the disposed asset.

■ **Disposal Date (Required Field)**
Use this field to enter the date of the asset disposal in MM/DD/YYYY format. The application uses this date and the appropriate averaging convention to calculate gain or loss on the disposal. If you enter a date prior to the asset's Current Through Date, the application recalculates depreciation as of the disposal date. The disposal date must be on or after the Beginning Date and after the Period Close Date, if any.

**Note:** If the asset uses a "Plus 168" depreciation method, the disposal date cannot occur in the same year that you placed the asset in service. This is to comply with IRS regulations on claiming the Section 168 Allowance. If the disposal date is in the placed-in-service year, you must first change the depreciation method in all books so that the asset does not take the 168 Allowance. Then you can enter the disposal information.

■ **Disposal Method**
Use this field to select the disposal method. The disposal method you select determines how the application treats the default gain or loss treatment of the disposed asset. For a full description of each disposal method, see the online Help or "Disposal Methods," page A-25.

■ **Cash Proceeds**
Use this field to enter the dollar amount of all cash received plus the value of any debts or other liabilities assumed by the buyer. If the disposal is a like-kind exchange, also include the value of any property received that is not like-kind.

■ **Non-cash Proceeds**
Use this field to enter the dollar value of any non-cash items received. If the disposal is a like-kind exchange, include the value of any like-kind property received.

■ **Expenses of Sale**
Use this field to enter the dollar amount of direct expenses incurred in selling or otherwise disposing of the asset. The application adds this amount to the asset's basis when calculating the gain or loss reported on Form 4797—Sales of Property worksheet, which is accessible through the Reports menu.

■ **Calculate Button**
Click this button to calculate the gain or loss on the disposal.

### Asset Information

The application uses these fields to display relevant information about the asset.

### Disposal Calculations

The application uses these fields to display the gain/loss calculations.

■ **Gain/Loss**
This field displays the realized gain or loss on the disposal after the calculation is complete. The disposal method determines the realized gain or loss. You can override the amount by entering your own figure. Precede a negative number with a negative sign; do not enclose a loss amount in parentheses.

■ **Recognize?**
Use this field to specify the appropriate recognition choice. If you want the application to recognize a gain or loss (that is, report on it in the tax and company books), select Yes.

You can also specify Defer to defer the recognition until a later date. Defer causes the application to enable the Deferred Date field below the Recognize field. Based on the disposal method you choose, the application automatically sets the Recognize field to the default.

■ **Deferred Date**

The application enables this field only if you specified Defer in the Recognize field. Enter the month and year for which you want the gain or loss to be recognized. The asset will appear on the Form 4797 in the year entered.

---

**Note:** The Deferred Date must be later than the Disposal Date.

---

■ **Section 179 Recapture**

This field displays the Section 179 recapture amount as required by tax law. If an asset has taken Section 179 expense and the Section 179 recapture rules apply, you can enter another amount to override the calculated amount. The amount in this field is carried to the Form 4797—Sales of Property worksheet, accessible through the Reports menu.

■ **ITC Recapture**

The application uses this field to determine the amount of ITC to add back to the asset's basis when calculating gain/loss as required by tax law (if you took ITC on the asset and disposed of the asset before the end of its recovery life). To see the amount of ITC recapture tax, see the Form 4255—ITC Recapture worksheet, which is accessible through the Reports menu.

■ **Worksheet Button**

Click this button at the bottom of the Asset Disposal dialog to view a detailed calculation of the gain or loss amount.

## Sample Disposal Worksheet

| | | |
|---|---|---|
| April 27, 2011 | | Page 1 |
| 10:08 AM | **Sample Company** | |
| | **Disposal Worksheet** | |
| | **Book: Tax** | |

System Asset Number: 000010
Extension: 000
Asset ID: 100010
Description: Headset, Handset, Microphone, Speaker

| | | |
|---|---:|---|
| | 100.00 | Net proceeds |
| - | 44.63 | Adjusted basis for gains (losses) |
| | 55.37 | Net gain (loss) |
| | 500.00 | Acquired value |
| - | 0.00 | Original ITC basis decrease |
| + | 0.00 | Basis increase from ITC recapture |
| - | 455.37 | Total accumulated depreciation + Total Section 179 + 168 Allowance |
| | 44.63 | Adjusted basis for gains (losses) |
| | 433.06 | Accumulated depreciation through 12/2011 + Section 179 |
| - | 433.06 | Accumulated depreciation as if no Section 179 |
| | N/A | Net Section 179 recapture |
| | 0.00 | ITC recapture basis |
| | 6 | Number of full years held |
| x | 0.00% | ITC recapture factor |
| | 0.00 | Basis increase from ITC recapture |
| | 0.00 | Original ITC basis decrease |
| | 0.00 | Basis increase from ITC recapture |

# Performing Bulk Disposals

A bulk disposal occurs when you sell multiple assets for one selling price. When this occurs, the cash proceeds, non-cash proceeds, and selling expenses must be prorated for the individual assets. Prorating is based on the percentage of the acquisition value of each asset selected over the total acquisition value of all the assets selected.

To dispose in bulk, you can select assets from the Asset List, or you can create a group for the assets that you want to dispose. If you create a group of assets to dispose, display that group in the Asset List, and select all assets.

## *To perform a bulk disposal*

1. In the Asset List, select the assets that you want to include in the bulk sale.

2. Do any one of the following:

    • Select Asset/Bulk Disposal from the menu bar.

    • Click the Bulk Dispose Assets task on the navigation pane.

    The Bulk Disposal dialog appears.

    **Note:** The Bulk Disposal menu item is not activated unless you select at least two or more assets.

3. Complete the Bulk Disposal dialog. .

4. Click OK. The application displays the Bulk Disposal report in the report viewer.

## Completing the Bulk Disposal Dialog

Follow the guidelines provided below to complete the Bulk Disposal dialog.

■ **Disposal Date**
Type the date of the asset disposal in MM/DD/YYYY format. The application uses this date when calculating gain or loss on the disposal. It applies the appropriate averaging convention.

■ **Disposal Method**
Use this field to select the disposal method. The disposal method you select determines the default gain or loss treatment of the disposed assets. The application applies the selected disposal method to all of the assets you have selected for the bulk disposal. However, you can edit the Disposal Method field after you have completed the bulk disposal.

**Note:** When you perform a bulk disposal, the following disposal methods are unavailable: Like-Kind Exchange and Involuntary Conversion.

■ **Cash Proceeds**
Enter the dollar amount of all cash received plus the value of any debts or other liabilities assumed by the buyer.

■ **Non-Cash Proceeds**
Enter the dollar value of any non-cash items received.

■ **Expenses of Sales**
Enter the dollar amount of direct expenses incurred in selling or otherwise disposing of the assets. The application adds this amount to the bases of the assets when calculating the gain or loss reported on the Form 4797—Sales of Property worksheet.

## Like-Kind Exchanges and Involuntary Conversions After 1/2/2000

A like-kind exchange is a type of disposal that occurs when two parties exchange assets that are similar in nature. The exchange can include the receipt of money or other dissimilar property.

**Note:** After December 31, 2017, updated IRS guidelines state that Like-Kind Exchanges can only be used for real property unless:

(1) the relinquished property was disposed on or before December 31, 2017; or

(2) the replacement property was acquired on or before December 31, 2017.

In 2000, the IRS issued new guidelines concerning property received in a like-kind exchange or an involuntary conversion. If you exchange a MACRS asset for a similar asset, for depreciation purposes the newly acquired asset "steps into the shoes" of the asset that you give up. If cash or its equivalent ("boot") is paid at the time of the exchange, the newly acquired asset is depreciated as if it were two separate assets:

• **Asset #1:** This asset is a continuation of the asset given up in the exchange. It has the same placed-in-service date, acquisition value, averaging convention, and recovery period as the original asset.

• **Asset #2:** This asset is treated as a new asset received in the exchange. It has an acquisition value that is equal to the basis in the new asset less the adjusted basis in the original asset. (Generally, this is the amount of any boot paid.) The new asset's placed-in-service date is the date on which the exchange occurred. This asset should be assigned an appropriate depreciation method and a new recovery period starting with its new placed-in-service date.

If no boot is paid at the time of the exchange, the newly acquired asset is depreciated as a single asset, with the same attributes as Asset #1 above.

These IRS guidelines allow you to depreciate the newly acquired property faster than under the old rules (as long as the original asset had not been fully depreciated).

**Note:** The new IRS rules are mandatory for all qualifying exchanges after 1/2/2000. Therefore, if you are using either of the user-defined books (Custom 1 and 2) and you are using a MACRS method (MF, MT, or AD), the application assumes that the book is a Tax book and will treat the disposal according to the new rules.

**Example:**

In January 2018, XYZ Manufacturing traded a building they had purchased in 2003, along with $45,000 in cash, for a similar building with a fair market value (FMV) of $80,000. The information regarding the exchanged buildings is as follows:

### Old Building

| | |
|---|---|
| Cost: | $80,000 |
| Accumulated Depreciation: | 30,684 |
| Net Book Value: | $49,316 |

XYZ Manufacturing, Inc. calculates the basis of the new building received in the exchange as follows:

### New Building

| | | |
|---|---|---|
| | Net Book Value of original building | $49,316 |
| *plus* | Cash paid | 45,000 |
| | Basis of newly acquired building | $94,316 |

Under the IRS guidelines, for depreciation purposes the corporation has two buildings on its books:

- Building #1 has a placed-in-service date of 2003, an acquired value of $80,000, accumulated depreciation of $30,684, and a recovery period of 39 years. It continues to be depreciated as if it were the original building.

- Building #2 has a placed-in-service date of January 2018, an acquired value of $45,000 ($94,316 minus $49,316), and a recovery period of 39 years. It is depreciated as a newly acquired asset.

## Entering a Like-Kind Exchange or an Involuntary Conversion

Entering a like-kind exchange or involuntary conversion in the application is a two-step process:

1. Dispose of the asset given up in the exchange.

2. Enter the asset(s) received in the exchange.

**Note:** If you are exchanging a vehicle before 1/1/2018 that qualifies for the luxury car limits, see

### *To enter a like-kind exchange or an involuntary conversion after 1/2/2000*

### Step 1: Dispose of the original asset

1. Make sure you have depreciated the asset to be disposed through the month-end prior to the exchange.

2.  Print the asset information for the Main tab, and note the amount of Current Year-to-Date and Current Accumulated Depreciation taken on the asset prior to the exchange for each book used for tax purposes. These books include the Tax, ACE, AMT, and State books, and possibly Custom 1 and Custom 2 books. This is important information that you will need when entering the new asset(s) received in the exchange.

3.  Select the asset that you are disposing, and go to Asset Detail for that asset.

4.  Select the Dispose an Asset task on the navigation pane. The Asset Disposal dialog appears.

5.  In the Disposal Method field, select Like-Kind Exchange: Post-1/2/2000 (or Involuntary Conversion: Post-1/2/2000) if you want to apply the new IRS guidelines.

6.  Complete the Asset Disposal dialog.

7.  Click the Calculate button, and then click OK to close the Asset Disposal dialog.

## Step 2: Enter the newly acquired asset

This next step may consist of two parts if you are required to depreciate the newly acquired asset as if it were two assets.

### Step 2(a)

In Step 2(a), you enter the portion of the newly acquired asset that is treated as a continuation of the asset given up in the exchange. You should perform Step 2(a) whether or not boot was paid.

1.  Select the Add an Asset task on the navigation pane.

2.  In the Description field, enter a description of the newly acquired asset.

3.  In the Acquired By field, click the Exchange or Conversion option button to indicate the asset was acquired in an exchange.

> **Note:** Clicking the Exchange or Conversion option button tells the application that this asset should not appear on any reports that are run prior to the date the asset was received in the exchange.

4.  In the books used for tax purposes (for example, the Tax, AMT, and State books), enter the same Property Type, Placed-in-Service Date, Acquisition Value, Depreciation Method, and Estimated Life as for the original asset (that is, the asset given up in the exchange). (For more about entering information in the ACE book, see "ACE Book," page 7-9.)

> **Note:** If this asset is personal property before 1/1/2018, be sure that the MACRS averaging convention is correctly set in the Edit Company dialog before you depreciate the asset for the first time. The averaging convention should be the same as the one used by the original asset.

5.  In the Beginning Date field, enter the month-end prior to when the exchange occurred. For example, if the exchange occurred on October 15, 2007, enter September 30, 2007 (assuming a monthly accounting cycle).

6.  In the Beginning Year-To-Date field, enter the amount of depreciation already claimed on the original asset in the year of the exchange. This is the information calculated above in Step 1 (Dispose of the original asset) when you disposed of the original asset. The Beginning Year-to-Date depreciation is the amount of depreciation taken from the first day of the disposal year through the Beginning Date entered in step 5.

7. In the Beginning Accumulated field, enter the amount of depreciation that was taken on the original asset plus the amount entered in the Beginning Year-to-Date field above. For example, if the exchange occurred on October 15, 2007, enter the depreciation taken from the original asset's placed-in-service date through September 30, 2007.

8. If boot was paid, in the Internal book (and any other financial book), enter $0 in the Acquisition Value field and NO in the Depreciation Method field. (If boot was paid, this asset exists only for tax purposes, not for financial purposes.)

   If boot was not paid, follow the instructions for steps 3 and 6 under 2(b) below for entering information in the Internal book. You do not need to create a second asset.

9. Click the Save Asset button to save the information.

### ACE Book

If you have accepted our default of NONE in the Emulate Book field for the ACE book on the Book Defaults tab of the New Company (or Edit Company) dialog, you must make the following changes in the ACE book when entering the newly acquired asset.

---

**Note:** If you have already changed the Emulate Book field for the ACE book to "AMT: Post-1993," you should apply the instructions given above for the books used for tax purposes to the ACE book and ignore the instructions below.

---

When entering the portion of the newly acquired asset that is treated as a continuation of the asset given up in the exchange, you must do the following in the ACE book:

1. Select the Add an Asset task on the navigation pane.

2. Change the Depreciation Method from NO to OC (Own Calculation).

3. In the Beginning Date field, enter the month-end prior to when the exchange occurred. (This is the same date as entered in the Tax book.)

4. In the Beginning Year-To-Date and the Beginning Accumulated fields, accept the default entry of zero.

### Step 2(b)

In Step 2(b), you enter the portion of the newly acquired asset that is treated as a new asset. This step is necessary only if boot is paid, or if you are entering the newly acquired asset in the Internal book for GAAP purposes (see step 8 above).

1. Select the Add an Asset task on the navigation pane.

2. In the Description field, enter a description of the newly acquired asset.

---

**Note:** In order to link this asset to the first asset, use the Description field and/or the Asset ID fields. This is important because the two assets actually represent one physical asset. If this asset is disposed in the future, you must locate and dispose both assets.

---

3. In the Placed-in-Service Date field, enter the date on which the exchange occurred.

4. In the Tax book, enter an appropriate depreciation method and recovery period based on the new placed-in-service date.

5. In the Tax book, enter an Acquisition Value equal to the basis in the newly acquired asset less the adjusted basis in the original asset. This amount is generally the same as the cash paid for

the new asset. If only like-kind property was exchanged (that is, no additional payment was made), enter an Acquisition Value of $0 and NO in the Depreciation Method field.

---

**Note:** Do not enter anything in the Beginning Depreciation fields (Beginning Date, Beginning Year-to-Date, and Beginning Accumulated).

---

6.  In the Internal book, enter an Acquisition Value equal to the basis calculated for financial purposes, and enter an appropriate depreciation method and recovery period.

7.  Click the Save Asset button to save the information.

## Luxury Cars and Like-Kind Exchanges

If you are entering a luxury car that was received in a like-kind exchange before 1/1/2018 or involuntary conversion, you should consider entering it as one asset, rather than two assets, with a placed-in-service date of the exchange, in order to ensure that the application correctly applies the luxury auto limits. The Acquisition Value of this asset should be the full basis in the newly acquired asset. Using this approach, you should not select Yes in the Exchange field, and there is no need to enter any data in the Beginning Depreciation fields. The IRS has not yet issued regulations on this issue.

# Editing Disposal Information

You can change disposal information after you perform a disposal of an asset.

### *To edit disposal information*

1.  Go to Asset Detail for the disposed asset.

2.  Click the Transactions tab.



3.  Click the View Transaction button. The Asset Disposal dialog appears. For more information, see "Completing the Asset Disposal Dialog," page 7-2.

4.  Edit any of the fields, and then click OK. The application displays a message asking you to confirm your changes.

5.  Click the Yes button to confirm the changes to the disposal information.

---

**Note:** You cannot edit disposal information after you disposed the asset during a Like-Kind Exchange or an involuntary conversion. For more information, see "Like-Kind Exchanges and Involuntary Conversions After 1/2/2000," page 7-6.

To change the disposal information in this situation, you must select Delete Last Transaction from the Asset menu and re-enter the disposal data. For more information, see "Deleting Asset Transactions," page 7-14.

---

## Viewing the Disposal Calculation

You can view a detailed worksheet of the calculations used to determine the gain or loss for an individual asset.

### To view the disposal calculation

1.  Display the Asset Detail view for the disposed asset.

2.  Select the Transactions tab. For more information, see "The Transactions Tab of Asset Detail," page 3-21.

3.  Click the Disposal Worksheet button. The Disposal Worksheet appears in the report viewer.

The system initially displays the worksheet for the Tax book. However, you can view the worksheet for each of the seven books by clicking the page scroll buttons at the top of the report.

| ◄◄ ◄ ► ►► | 3 | / 7 |
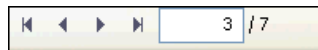
You can also print the worksheet by clicking the Print Report button on the report viewer. For more information about viewing and printing the worksheet, see "Viewing a Report," page 9-17.

## Viewing Current-Year Disposals

You can specify a range of disposal dates when you run the Disposal report. For example, you can run the report for assets disposed in the current year.

### To view only current-year disposals

1.  Select Reports/Standard Reports/Disposal from the menu bar. The Report Definition dialog appears.

    Notice the Run for Assets Disposed field, which contains two fields for entering dates.

2.  In the From field, enter the beginning date of the current fiscal year.

3.  In the To field, enter the ending date of the current fiscal year.

4.  Complete the remaining fields on the Report Definition dialog, and then click the Run Report button.

The application either displays the Disposal report in the report viewer or sends the Disposal report to the default printer, or both. The Disposal report now includes only those assets disposed during the current fiscal year. Notice that the range of dates that you entered appears beneath the title of the report.

## Deleting Asset Disposals

If you reset depreciation on an asset, the disposal is cancelled. To delete disposal information, you can also delete the entire asset. For more information, see "Deleting Assets," page 7-14. Deleting the asset deletes the core System Number. However, we do not generally recommend deleting assets.

# Inactivating and Reactivating Assets

Reactivating and inactivating assets is an important element of the asset maintenance activities.

**Inactivating Assets**
Temporarily prevent assets from appearing on reports or being depreciated.

**Reactivating Assets**
Remove the inactive status from assets, allowing them to appear on reports and be depreciated.

## Inactivating Assets

We recommend that you inactivate assets instead of deleting them. If you delete an asset, you lose all of its history information. If you inactivate an asset, you retain that asset's history and accomplish most other goals you would attain by deleting an asset.

You should inactivate (rather than delete) an asset that has been disposed of if you believe that you may need the asset's data again for an audit or other purposes.

Inactivating an asset affects the asset in these ways:

- The application removes the asset from all reports except the File Listing report.

- The application does not calculate additional depreciation on the asset.

- The application disables the asset's tabs. You are allowed to view but not edit the inactive asset's descriptive fields.

- In the Asset List, the Status column indicates the asset's inactive status.

- In Asset Detail, the Status field indicates the asset's inactive status.

Be sure you complete all necessary processing on an asset before you inactivate it.

### To inactivate assets

You can inactivate an asset individually or inactivate a selection of assets. Or you can use the Select All button in the upper-left corner of the Asset List and inactivate the entire group of assets.

1. Select the asset or assets you want to inactivate.

2. Select Asset/Inactivate from the menu bar. A message appears asking you to confirm your intention to inactivate the selected assets.

3. Click Yes.

## Reactivating Assets

After you inactivate an asset, you can no longer perform asset functions on it or edit it. To change an inactive asset, you must first reactivate the asset. You also reactivate an asset to make it appear on reports again. The next time depreciation is calculated after an asset is reactivated, the application calculates depreciation through the inactive period.

### To reactivate assets

You can reactivate an asset individually or you can reactivate a selection of assets. Or you can use the Select All button in the upper-left corner on the Asset List and reactivate the entire group of assets.

1. Select the asset or assets you want to reactivate.

2. Select Asset/Reactivate from the menu bar. A message appears asking you to confirm your intention to reactivate the selected assets.

3. Click Yes.

# Deleting Asset Transactions

You can use the Delete Last Transaction command to delete disposal transactions. Deleting the last transaction returns an asset to its original condition prior to the disposal. You can select this command only in Asset Detail view of an individual System Number.

In addition to this method of deleting transactions, you can also delete disposals by resetting depreciation.

### *To delete the last transaction performed on an asset*

1. In Asset Detail, display the asset that contains the transaction you want to delete.

2. Select the Transactions tab. See "The Transactions Tab of Asset Detail," page 3-21.

3. Click the Delete Last Transaction button. A message confirms that you want to continue.

4. Click the Yes button. The application automatically deletes the last transaction for this asset.

# Deleting Assets

Generally, you don't want to delete an asset. If you delete an asset, you lose all of its history information. If you inactivate the asset instead, you retain that asset's history and accomplish most other goals you would attain by deleting an asset. Delete an asset only if you think you will never again need a single piece of information from that asset (say, for instance, for a tax audit).

The application does not reuse deleted asset numbers unless it is the last asset number issued.

**Note:** Deleted assets cannot be undeleted.

If you still want to delete an asset, follow the procedures outlined below.

### *To delete a single asset*

1. In Asset Detail, display the asset you want to delete.

2. Select Asset/Delete Asset from the menu bar. A confirmation message appears.

3. Click Yes to delete the asset. A message asks if you want to print the Asset Detail report for the deleted asset.

4. Click Yes to print the report. A standard Print dialog appears.

5. Complete the Print dialog to send the Asset Detail report to the printer.

### *To delete multiple assets*

1. In the Asset List, select the assets you want to delete. For more information, see "Selecting Assets," page 3-11.

2.  Select Asset/Delete Asset from the menu bar. A confirmation message appears.

3.  Click Yes to delete the assets. A message asks if you want to print the Asset Detail report for the deleted assets.

4.  Click Yes to print the report. A standard Print dialog appears.

5.  Complete the Print dialog to send the Asset Detail report to the printer.

# Chapter 8
# Depreciation

Calculating depreciation is one of the most important aspects of working with fixed assets. You can calculate and update current depreciation, project future depreciation amounts, or recalculate depreciation for an earlier period.

The Depreciation menu is where you go to calculate current depreciation for all assets or for a group of assets. You can depreciate monthly, quarterly, or annually. You can also reset depreciation back to an earlier date. Using this menu, you can choose to project depreciation amounts for future years for a group of assets or for an entire company. After you calculate current depreciation, you can store the results separately by running a period close, so that you can later return to them if necessary.

This chapter covers these topics plus the steps necessary to create custom depreciation methods. For additional detailed information about the elements of depreciation, depreciation defaults, and disposal methods, you may also want to refer to Appendix A, "Depreciation and Fixed Asset Concepts."

# Understanding Depreciation Calculation Concepts

Following are several hints regarding the proper methods for calculating depreciation effectively.

## Depreciation Calculation Dates

The application calculates depreciation from one of the four following dates:

- Placed-in-service date

- Beginning date

- Period close date

The *placed-in-service date* is self-explanatory. The *beginning date* is the date through which depreciation was already calculated for the asset at the time you entered it in the application. The *period close date* is the date on which depreciation was last saved in the database. The *current through date* is the date through which depreciation was last calculated by the application.

The application uses whichever of those four dates immediately precedes the new date you enter for calculations (the *depreciation calculation date*), as illustrated below.

**Monthly Depreciation Run for Next Period**

| | | | | **Depr. this run** | |
|---|---|---|---|---|---|
| 8/2009 | 10/2010 | 12/2010 | 01/2011 | 02/2011 | 03/2011 |
| Placed in Service date | Beginning date | Period Close date | | Through date | Depr. Calc. date |
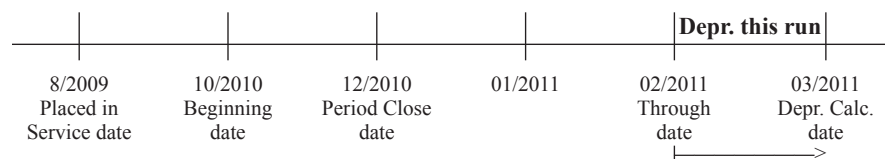
In the above example, the user is calculating forward from 2/2011 to 3/2011. Thus, depreciation this run is for the 1-month period between the two dates.

**Depreciation Run for Earlier Period**

| | | **Depr. this run** | | | |
|---|---|---|---|---|---|
| 8/2009 | 10/2010 | 12/2010 | 01/2011 | 02/2011 | 03/2011 |
| Placed in Service date | Beginning date | Period Close date | Depr. Calc. date | Through date | |
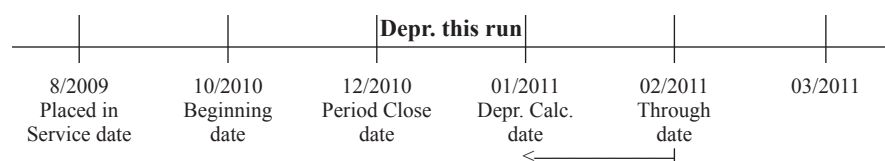
In this example, the user is calculating depreciation for a period prior to the current Through Date of 2/2011. The application looks for a starting point for the calculations and determines that the latest date in time is the Period Close on 12/2010. Thus, depreciation this run is for the 1-month period from 12/2010 to 1/2011. If no period close data existed, the application's starting point for calculations would have been the Beginning Date of 10/2010 and depreciation this run would have been for the 3-month period between 10/2010 and 1/2011.

Note that in either case the depreciation calculation date becomes the new through date for the asset or assets being depreciated.

## Obtaining Monthly Depreciation Figures

Because the depreciation this run amount is dependent on the frequency of your depreciation calculations, you should calculate depreciation for each month in succession in order to obtain accurate monthly depreciation figures. For example, suppose today is April 2, 2010. You last

calculated depreciation for all assets and all books through February 2010. This means that current year-to-date and accumulated depreciation for all assets has been calculated through February 2010, and the current through date in Asset Detail is February 2010.

To calculate depreciation for March, you would type 03/10 as the date through which you want to calculate depreciation and select an output option. If you run a Depreciation Expense report at the time you calculate depreciation, the column that shows depreciation for this run will give you the March figures; that is, depreciation is calculated from the current through date (February) through the depreciation calculation date (March). After you calculate depreciation, the new through date in Asset Detail for your assets will be March 2010, and each asset's current depreciation figures will include the March numbers.

**Note:** If you need only to update the assets in the application and don't need to generate a report, make sure you clear all Send To check boxes.

## Calculating Depreciation for Earlier Periods

If you calculate depreciation for an earlier period, you will reset current depreciation for the selected assets to the figures for the earlier period. Note that if you include a disposed asset in a report with a run date earlier than the disposal date, the gain/loss figures on the Disposal report will be incorrect for that asset. In any case, you can return to the current period amounts by executing the Depreciate command again, through the disposal date, after you finish calculating depreciation for the earlier period.

## Midquarter Convention

One way to determine whether the midquarter convention applies is to run the Midquarter Applicability report before you execute the Depreciate command. If the report states that more than 40% of the aggregate basis of newly acquired qualifying MACRS property (generally, personal property) was placed in service in the last three months of the tax year, you need to select Edit Company from the File menu, change the Book Override to Midquarter, and depreciate the assets. For details regarding the midquarter convention settings, see "Midquarter," page 4-12.

Changes to the Book Overrides' settings have no effect on future depreciation calculations for the assets that have already been depreciated. The only exception is if you reset an asset's depreciation to the placed-in-service date and clear the MACRS convention setting in the Reset Depreciation dialog.

The midquarter convention is optional for the 2001 tax year if September 11, 2001 occurs in the third or fourth quarter of your fiscal year. Pursuant to IRS Notice 2001-70 and 2001-74, you can elect to use the half-year convention, even if more than 40% of the aggregate depreciable basis of newly acquired qualifying MACRS property was placed in service in the last three months of the tax year.

To make the half-year convention election when you would otherwise be required to use the midquarter convention, write "Election Pursuant to Notice 2001-70" across the top of Form 4562, Depreciation and Amortization. You can tell the application to write this text on the form when you complete the Form 4562 Report Definition dialog.

## Multiple Books

Because you can select which books to include for depreciation calculations, a given asset may have current depreciation calculated through different dates in different books. Similarly, because you can select which assets to depreciate, different assets belonging to the same company may have current

depreciation calculated through different dates. If you want all assets in all books to have depreciation calculated through the same date, select all books on the Depreciate dialog and use the All Complete Assets group when calculating depreciation. This does not affect any disposed assets.

# Calculating Depreciation for Your Assets

The Depreciate feature calculates depreciation beginning from the last date you ran depreciation to an end date that you specify. Anytime you calculate depreciation you can run a Depreciation Expense report as well. The Depreciation Expense report provides essential asset data, plus figures for previous depreciation, depreciation calculated by this depreciation run, and current depreciation. The application generates a separate Depreciation Expense report for each book you select.

The application also calculates depreciation up to the transaction date when you dispose an asset. An asset's depreciation figures reflect whichever of these actions—depreciate or dispose—you performed most recently.

You should calculate depreciation monthly for any book that is posted monthly.

### To depreciate your assets

1.  Do one of the following:

    *   Select Depreciation/Depreciate from the menu bar.

    *   Click the Calculate Depreciation task on the navigation pane.

    The Depreciate dialog appears.

2.  Complete the Depreciate dialog, and then click OK. See "Completing the Depreciate Dialog," page 8-5. The application calculates depreciation for the selected group of assets, then either displays the results in a report viewer or sends them to a printer.

You can also depreciate only selected assets or an individual assets.

### To depreciate only selected assets

1.  In the Asset List, select the assets you want to depreciate.

2.  Do one of the following:

    *   Select Depreciation/Depreciate from the menu bar.

    *   Click the Calculate Depreciation task on the navigation pane.

    The Depreciate dialog appears. The application automatically selects <Selected Assets> in the Group field.

3.  Complete the Depreciate dialog, then OK. The application calculates depreciation for the selected assets, then either displays the results in a report viewer or sends them to a printer.

### To depreciate only a single asset

1.  Select the asset for which you want to calculate depreciation, and then go to Asset Detail.

2.  Do one of the following:

    *   Select Depreciation/Depreciate from the menu bar.

    *   Click the Calculate Depreciation task on the navigation pane.

The Depreciate dialog appears. The application automatically selects <Detailed Asset No. XX> in the Group field, where XX is the System Number of the selected asset.

3. Complete the Depreciate dialog, then click OK. The application calculates depreciation for the selected asset, then either displays the results in a report viewer or sends them to a printer.

## Completing the Depreciate Dialog

Follow the guidelines below to complete the Depreciate dialog.

■ **Group**
Use this field to select a group for which you want to calculate depreciation. To create a new group, you select Group Manager from the Customize menu.

■ **Books**
Use this field to select the books for which you want to calculate depreciation. You must select at least one book.

❑ **Select All/Unselect All Button**
Click this button either to select the check boxes for all available books or to clear the check boxes for all available books.

■ **Date**
❑ **Calculate Depreciation Through the Following Date**
Use this field to enter the date (in the MM/YYYY format) through which you want to calculate depreciation. All assets placed in service through the last day of the month you enter are included. The date can be for any period, including an earlier period. If you enter a date for an earlier period, however, the current depreciation figures for all assets included in the calculation are reset to the depreciation amounts for that earlier period.

**Note:** Certain date validations occur during the depreciate process. Refer to "Calculating Depreciation for Your Assets," page 8-4, for an explanation of depreciation calculation dates.

❑ **View Reporting Period Button**
Click this button to view a dialog that allows you to select the reporting period for each book. For more information, see "Completing the Current Reporting Period Dialog," page 9-8.

■ **Run Options**
❑ **Force Recalculation**
Select this check box to recalculate depreciation on assets for which you have already calculated depreciation through this date. You should select this check box if you have changed the company's fiscal year-end or the adjustment convention in the Edit Company dialog since your last calculated depreciation. Otherwise, you can save processing time by clearing this check box.

❑ **Update Current Reporting Period**
Select this check box to change the current reporting period to the date entered in the Date field. For more information, see "Setting the Current Reporting Period," page 9-8.

❑ **Send To**
You can send a report to two possible destinations: a display window or a printer. Select the appropriate check box. If you do not want to generate a report, clear both check boxes. When no boxes are selected, depreciation is calculated for the selected assets and depreciation amounts are updated in Asset Detail.

# Posting Depreciation to Sage 50 (Sage Fixed Assets–Lite Depreciation for Sage 50 and Sage 50 Fixed Assets Users Only)

You can post depreciation expense directly from Sage Fixed Assets to Sage 50.

## Calculating Depreciation Before Posting

Before you can post depreciation, you must calculate depreciation for all assets to be included in your posting file. You should calculate depreciation for each period (whether monthly, quarterly, or annually) you plan to post. Do this through the Depreciate command from the Depreciation menu. Calculate depreciation through the posting date, making sure to select the depreciation book you use for financial reporting, typically the Internal book. Run and review the report for all assets to be included in your output file.

---

**Note:** The application uses the amount in the Depreciation This Run column for the depreciation amounts in the output file. Therefore, it is important that the amount of depreciation in the Depreciation This Run column represents the depreciation expense for the period you want to post. To ensure the amounts in the Depreciation This Run column represent the period you want to post, follow the guidelines below.

---

If you post depreciation monthly and calculate depreciation monthly, simply post depreciation after you calculate your monthly depreciation figures. However, if you are not sure what period was included in the last depreciation run figures, use the following procedure:

1.  Calculate depreciation through the month-end before the beginning of the posting period. For example, to post depreciation for October 2011, first calculate depreciation through September 2011.

2.  Next, calculate depreciation through the end of the posting period. Continuing the example, you would calculate depreciation through October 2011. The period included in the Depreciation This Run column, shown on the Depreciation Expense report, would include only the month of October (the period since the last time you calculated depreciation). The "As of" date at the top of the report should be October 2011, and all *active* assets should have a thru date of September 2011.

3.  Post depreciation using a posting date of October 2011.

In most cases, you will want to include all assets in both the depreciation calculations and the posting file. To include all assets, calculate depreciation for the group All Complete Assets.

## Posting Depreciation

Now that you have prepared your assets in the application, you are ready to post depreciation expense.

Before you follow the instructions below, make sure you have done the following:

*   Mapped the Sage Fixed Assets company to a company in Sage 50.

*   Calculated depreciation on the group of assets for which you are posting depreciation.

### *To post depreciation*

1.  Start Sage 50.

2.  Open the Sage 50 company to which you are posting depreciation.

---

**Note:** This must be the Sage 50 company to which you have mapped the Sage Fixed Assets company.

---

3.  In Sage Fixed Assets, select Depreciation/Post Depreciation from the menu bar. The Post Depreciation dialog appears.

4.  Complete the Post Depreciation dialog, and then click the Preview button to view the General Ledger Posting Preview report. **This is a required step.**

5.  Click the Post button to post depreciation directly to Sage 50.

## Completing the Post Depreciation Dialog

Follow the guidelines below to complete the Post Depreciation dialog.

■ **Group**
Use this field to specify a group that you have defined using Group Manager or the Save as Group command. If you do not select a group from the list, the standard output file will include information for "All Complete Assets" for the current company, in order by G/L account number.

■ **Book**
Use this field to select the depreciation book (Tax, Internal, State, AMT, ACE, Custom 1, or Custom 2) for which you want to post depreciation expense. The Internal book is the default selection.

The application will post depreciation to the standard output file for any of the seven books, but it will only do so for one book at a time. On the Edit Company dialog, make sure that the book for which you are posting depreciation to the output file is open.

■ **Period Posting Date**
Use this field to specify the end of the period through which you want to post depreciation expense. Enter the date in MM/YY, MM/YYYY, or MM/DD/YYYY format. The application validates that the date entered is the end of a period. The standard output file will include the Depreciation This Run figures only for the assets for which depreciation has been calculated through the posting date you enter in this field. If you do not enter a date in this field, you are unable to preview the Posting report or post depreciation.

■ **Journal Entry Date**
Use this field to specify the date on which you want to post the transaction in Sage 50. Enter the date in MM/DD/YYYY format. The default date is the system date; generally, this is the date that you are completing the dialog. However, you can change this date if you want.

**Example:** Suppose you closed the books for March in Sage 50, but inadvertently did not post the depreciation expense journal entry at that time. Now it is April, and you want to post the depreciation expense journal entry for March. You would enter a March date in the Period Posting Date field and an April date in the Journal Entry Date field.

# Resetting Depreciation

Resetting depreciation on an asset allows you to roll back depreciation information to an archived date. Depreciation can be reset to either the placed-in-service date or the beginning date. You can reset depreciation for a single asset or a group of assets. Only those assets that are selected either in the Asset List or Asset Detail will be reset.

**Note:** Resetting depreciation on a disposed asset cancels the disposal.

## *To reset depreciation*

1. Select the asset or assets on which you want to reset depreciation.

2. Do any of the following:

   • Select Depreciation/Reset Depreciation from the menu bar.

   • Click the Reset Depreciation task on the navigation pane.

   The Reset Depreciation dialog appears.

3. Complete the Reset Depreciation dialog, and then click OK. See "Completing the Reset Depreciation Dialog," page 8-8.

   The application resets depreciation for the selected assets.

## Completing the Reset Depreciation Dialog

Follow the guidelines below to complete the Reset Depreciation dialog.

■ **Select a Book**
Use the check boxes in this field to specify the books for which you want to reset depreciation.

   ❑ **Select All/Unselect All Button**
   Click this button either to select the check boxes for all available books or to clear the check boxes for all available books.

■ **Reset Date**
Use this field to specify the date to which you want to reset depreciation.

   ❑ **Placed-in-Service Date**
   Click this option button to reset depreciation to the asset's Placed-in-Service Date. Selecting this option resets all depreciation figures to zero (the amount of depreciation on the date the asset was placed in service). The amounts in the Period Close fields, if any, will be deleted. Select this option if critical depreciation values, such as the acquisition value or depreciation method, were entered incorrectly. In this case, you need to reenter the beginning amounts and other values after resetting depreciation and before executing the Depreciate command.

   ❑ **Beginning Date**
   Click this option button to reset the current depreciation fields to the beginning date of the asset (if applicable). Selecting this option resets depreciation figures to the amounts entered in the asset's beginning depreciation fields. The amounts in the Period Close fields, if any, will be deleted. This is the default. Select this option when the beginning values are correct but the current or period close depreciation figures are not. After you reset to the beginning depreciation amounts, you can change asset data as needed and recalculate depreciation by executing the Depreciate command.

> **Note:** If there is no date in the Beginning Date field, the application automatically resets the asset's depreciation to the Placed-in-Service Date.

❑ **Period Close Date**
Click this option button if you want to reset depreciation back to the last period close date. Selecting this option resets the current depreciation figures to the amounts entered when the last period close was performed.

> **Note:** If there is no date in the Period Close Date field, the application automatically resets the asset's depreciation to the Beginning Date (if one exists). If there is no date in the Beginning Date field, the application resets the asset's depreciation to the Placed-in-Service Date.

■ **Clear Convention?**
Select this check box if you want to change the averaging convention on qualifying MACRS property when you reset depreciation. Qualifying MACRS property is generally property types P, Q, A, and T, as well as those property type R assets that do not use the midmonth convention. You must also change the averaging convention in the Edit Company dialog (on the Book Overrides tab) before you recalculate depreciation. You can clear the convention only when you select the Beginning Date or the Placed-in-Service Date options; you cannot clear the convention when you select the Period Close Date.

> **Note:** If you want to reset depreciation on an asset that is qualifying MACRS property (or on a group of assets that includes qualifying MACRS property), and you want to recalculate depreciation using a different averaging convention (that is, use the half-year convention instead of the midquarter convention, or vice versa), follow these steps: First, select the Clear MACRS Convention check box. Next, change the averaging convention in the Edit Company dialog (on the Book Overrides tab). Finally, recalculate depreciation.

# Running a Budgetary Projection

For each fiscal year, it's easy to view the projected depreciation expense for one asset or for a group of assets. You can view the projected depreciation expense in two ways:

- Run a **monthly projection**, which shows the projected depreciation expense for each month in a single year.

- Run an **annual projection**, which shows the projected depreciation expense for multiple years.

The application displays the projection in the form of the Monthly Projection report and the Annual Projection report. These reports display the projection as a grand total of all assets selected for inclusion in the report. They do not display projections for individual assets, unless you run the report for only one asset.

## *To run a monthly projection*

1. Select Depreciation/Monthly Projection from the menu bar. The Report Definition dialog appears.

2. Complete the Report Definition dialog, and then click the Run Report button. The application runs the projection and sends the results to the specified location. For more information, see "Completing the Report Definition Dialog," page 9-6.

---

**Note:** When you click the Other Date option button, and change the report date to another year, you get a monthly projection for that year.

---

3. If you sent the report to the display window, view the Monthly Projection report. Print the report by clicking the Print icon, if desired, and then click the Close button to exit from the report viewer.

4. Click the Close button to exit from the Report Definition dialog.

### *To run an annual projection*

1. Select Depreciation/Annual Projection from the menu bar. The Report Definition dialog appears.

2. Complete the Report Definition dialog, then click the Run Report button. The application runs the projection and sends the results to the specified location. For more information, see "Completing the Report Definition Dialog," page 9-6.

3. If you sent the report to the display window, view the Annual Projection report. Print the report by clicking the Print icon, if desired, and then click the Close button to exit from the report viewer.

4. Click the Close button to exit from the Report Definition dialog.

## Running a Quick Projection

You can easily view an asset's projected depreciation expense for the life of the asset.

### *To run a quick projection on an asset*

1. Do one of the following:
    - In Asset Detail, display the asset you want to project.
    - In the Asset List, select the asset you want to project.

2. Do one of the following:
    - Select Depreciation/Quick Projection from the menu bar.
    - Click the Run a Quick Projection task on the navigation pane.

    The Quick Projection dialog appears.

3. Select the book on which you want to run a projection, and then click OK. The application generates and displays the Quick Projection report.

### Quick Projection Report

The Quick Projection report shows an asset's projected depreciation expense for the life of the asset.

#### Report Columns

The following guidelines provide detail on the columns appearing on the report.

■ **As Of**
This column displays the fiscal year-end for each year in the asset's life.

■ **Beginning Depreciation**
Beginning Depreciation includes all depreciation expense from the asset's placed-in-service date through the end of the fiscal year before the one for which depreciation is projected.

■ **Depreciation This Run**
Because this projection is run annually, the Depreciation This Run column will always be the same as the Current Year to Date Depreciation.

■ **Current YTD Depreciation**
Current Year to Date Depreciation includes all depreciation expense from the beginning to the end of the fiscal year for which depreciation is projected.

■ **Current Accum Depreciation**
Current Accumulated Depreciation includes all depreciation expense from the asset's placed-in-service date up to the end of the year for which depreciation is projected.

**Note:** The following columns on the report include the 168 Allowance and Section 179 expense, when applicable to the depreciation method, if you selected Yes in the Include Section 168 Allowance and Section 179 in Expense field in the Edit Company dialog:

• Beginning Depreciation

• Depreciation This Run

• Current YTD Depreciation

• Current Accum Depreciation

The header of the report indicates whether you selected Yes or No in the Edit Company dialog.

## Sample Quick Projection Report

April 27, 2011                                                                                         Page      1

10:11 AM
                                         **Sample Company**
                                          **Asset Projection**
                                           **For Tax Book**
                              Includes Sec 168 Allowance and Sec 179 in Depreciation

System Asset No:    000051

Extension:    000

Asset ID:    100051

Description:    Surveillance Camera System

| As Of | Beginning Depreciation | Depreciation This Run | Current YTD Depreciation | Current Accum Depreciation | Key |
|---|---|---|---|---|---|
| 12/2007 | 0.00 | 714.29 | 714.29 | 714.29 | |
| 12/2008 | 714.29 | 1,224.49 | 1,224.49 | 1,938.78 | |
| 12/2009 | 1,938.78 | 874.64 | 874.64 | 2,813.42 | |
| 12/2010 | 2,813.42 | 624.74 | 624.74 | 3,438.16 | |
| 12/2011 | 3,438.16 | 446.24 | 446.24 | 3,884.40 | |
| 12/2012 | 3,884.40 | 446.24 | 446.24 | 4,330.64 | s |
| 12/2013 | 4,330.64 | 446.24 | 446.24 | 4,776.88 | s |
| 12/2014 | 4,776.88 | 223.12 | 223.12 | 5,000.00 | s |
| 12/2015 | 5,000.00 | 0.00 | 0.00 | 5,000.00 | s |

End of projection

# Changing Critical Depreciation Fields

**Tip:** Before changing a critical depreciation field, we recommend that you print the Main tab of the asset you are changing to insure you have the original asset information or perform a backup of the company prior to making the change, in case you do not get the desired outcome.

The information entered in several fields is used to calculate depreciation. The following fields are the depreciation-critical fields:

*   Property Type

*   Placed-in-Service Date

*   Acquisition Value

*   Depreciation Method

*   Estimated Life

*   Salvage Value

*   Section 168 Allowance % (if applicable to method)

*   Section 179

*   Business-Use Percentage

When you change a value in a depreciation-critical field after you have calculated depreciation for the asset, you must indicate when to apply the change. The new information could be applied at several different points in the life of the asset. A message box will prompt you to select the date after you make the change to the depreciation-critical field.

## *To change a critical depreciation field*

1.  Go to Asset Detail for the asset whose depreciation-critical information you want to change.

2.  Change the information in one of the depreciation-critical fields. When you tab out of the field, a message warns you that you are making a change to a depreciation-critical field and asks if you want to continue.

3.  Click the Yes button to continue. The Critical Depreciation Change dialog appears.

4.  Click one of the four option buttons, and then click OK. The information in the Beginning Depreciation, Current Depreciation, and Period Close fields is updated.

5.  Click the Save Asset button.

**Note:** If you select anything except Placed-in-Service Date in step 4, and the depreciation method is currently SL, SF, or SH and the changes make the asset under-depreciated as related to the new values, the asset may not fully depreciate over the life of the asset. In this case, we recommend changing the Depreciation Method to RV. The Depreciation Adjustment report can assist you in identifying under-depreciated assets.

## Completing the Critical Depreciation Change Dialog

Follow the guidelines below to complete the Critical Depreciation Change dialog.

■ **Placed-in-Service Date**
Click this option button to apply the change as of the Placed-in-Service date. Any depreciation in the Current Depreciation, Period Close, and Beginning Depreciation fields is reset to zero. The next time you calculate depreciation, the newly entered information is applied as of the Placed-in-Service date as though the asset had been originally entered with the new information.

**Note:** This option is not recommended for older assets. Choosing this option will remove prior-year calculations.

■ **Beginning Date**
Click this option button to apply the change as of the Beginning date. The values in the beginning fields are retained and depreciation will be recalculated going forward using the newly entered information. Zeros are entered in the Period Close fields if the Period Close date is after the Beginning date. The information in the Period Close fields is retained if the Period Close date equals the Beginning date. The next time you calculate depreciation, the newly entered information will be applied as of the Beginning date. This option is not available if you are changing the Placed-in-Service date to a date after the Beginning date or there is no Beginning information.

■ **Period Close Date**
Click this option button to apply the change as of the Period Close date. The period close values calculated using the existing depreciation-critical field values are retained. The next time you calculate depreciation, the newly entered information is applied as of the Period Close date. The Period Close data becomes the Beginning data and overwrites the information in the Beginning fields. This option is not available if you are changing the Placed-in-Service date to a date after the Period Close date or there is no Beginning data.

■ **Current Through Date**
Click this option button to apply the change as of the Current Through date. The Current Through date values calculated using the existing depreciation-critical field values are retained. Period Close amounts before the Current Through date will be reset to zero. The next time you calculate depreciation beyond the Current Through date, the newly entered information will be applied. The Current Through data becomes the Beginning data and overwrites the information in the Beginning fields. This option is not available if you are changing the Placed-in-Service date to a date after the Current Through date.

## Changing the Beginning Depreciation Fields

When you make a change to any of the Beginning Depreciation fields (Beginning Date, Beginning Year-to-Date Depreciation, or Beginning Accumulated Depreciation), the following changes to the asset are made:

• The newly entered Beginning Depreciation information is copied into the Current Depreciation fields (Current Through Date, Current Year-to-Date Depreciation, and Current Accumulated Depreciation).

• The information in the Period Close fields (Period Close Date, Period Close Year-to-Date Depreciation, and Period Close Accumulated Depreciation) is set to zero.

• The depreciation adjustment, if any, is recalculated and can be viewed on the Depreciation Adjustment report.

# Conducting a Period Close

The Period Close feature allows you to store and protect current depreciation values for all assets. This feature provides a security blanket against future calculation problems, such as changes made to assets that lead to incorrect calculations. If needed, you can then later reset depreciation to the period close date, a time when you last tied out to your general ledger.

The tasks involved in conducting a period close are exactly the same as those for running a Depreciation Expense report. The only difference is how you access the feature. Plus, the results of conducting the period close are stored in the Period Close fields. This allows you to later reset depreciation to a period close date if necessary.

**Note:** When you conduct a period close, depreciation is not calculated; the application is only storing figures.

You can view period close calculation amounts for an asset in Asset Detail. The last three book information fields display those figures:

*   Period Close Date

*   Period Close Year-to-Date

*   Period Close Accumulated

## Hints for Conducting a Period Close

*   Before you conduct a Period Close, calculate depreciation on the assets you want to include in the process. To calculate depreciation, select the Depreciate command on the Depreciation menu. The date that you enter on the Set Period Close dialog must be the same as the date through which you have calculated depreciation. If depreciation on an asset has not been calculated through the date in this field, it will not appear on the Period Close report.

*   We recommend that you select the All Complete Assets group when you conduct a period close.

**Note:** The date of the Period Close must be on or after the Beginning Date for each asset for which you are conducting the Period Close. You cannot conduct a Period Close prior to an asset's Beginning Date.

### *To conduct a period close*

1.  Select Depreciation/Period Close/Set Period Close from the menu bar. The Set Period Close dialog appears.

2.  Complete the Set Period Close dialog, and then click OK. See "Completing the Set Period Close Dialog," page 8-15. The most recent depreciation calculations for the selected group of assets are saved, and then the results are either displayed on your computer screen or sent to a printer.

    If you opted to display the results, click the Close button to exit the Report Viewer.

## Completing the Set Period Close Dialog

Follow the guidelines below to complete the Set Period Close dialog.

◼ **Group**
Use this field to select the group on which you want to conduct a period close. To create a new group, you can select the Group Manager from the Customize menu

◼ **Books**
Use this field to select the books for which you want to conduct a period close. You must select at least one book.

❑ **Select All/Unselect All Button**
Click this button either to select the check boxes for all available books or to clear the check boxes for all available books.

◼ **Close the Period for Assets Calculated Through**
Use this field to enter the date (in the format MM/YYYY) through which you want the application to save previously calculated depreciation amounts. The application includes all assets for which depreciation has been calculated through the last day of the month you entered. The date may be for any period, including an earlier period. If you enter a date for an earlier period, however, be sure you have calculated depreciation through that date for the assets you want to include in the report. The assets' current through date must be the same as the date you enter in this field. This ensures that the selected assets appear on the report.

❑ **View Reporting Period Button**
Click this button to view a dialog that allows you to select the reporting period for each book. For more information, see "Completing the Current Reporting Period Dialog," page 9-8.

◼ **Send To**
Use this field to specify where you want to send the report: a display window or printer. Click the appropriate check box. If you do not want to generate a report, clear both check boxes. The application saves previously calculated depreciation amounts for the selected assets and updates them in Asset Detail.

## Saving Calculations with a Period Close

The Period Close feature saves the most recent depreciation calculations and displays them in the three Period Close fields. When you conduct a period close, the application copies the amounts in the three depreciation-related fields to the three Period Close fields.

The table below shows the three fields that contain your depreciation calculations and the corresponding Period Close fields.

| Depreciation Fields | Period Close Fields |
|---|---|
| Current Year-to-Date | Period Close Year-to-Date |
| Current Accum | Period Close Accum |
| Current Through Date | Period Close Date |

**Example:**

You calculate depreciation on an asset with the following attributes:

| | |
|---|---|
| **Property Type:** | D |
| **Placed-in-Service Date:** | 03/01/2003 |
| **Acquisition Value:** | $10,000 |
| **Depreciation Method:** | SL |
| **Estimated Life:** | 7 years |

You calculate depreciation for this asset on 12/31/2007. The application displays the following in the three depreciation-related fields:

| | |
|---|---|
| **Current Year-to-Date:** | $1,428.57 |
| **Current Accum:** | $6,904.76 |
| **Current Through Date:** | 12/2007 |

Then you conduct a Period Close for a group of assets that includes this asset. After you conduct the Period Close, the application displays the following in the three Period Close fields:

| | |
|---|---|
| **Period Close Year-to-Date:** | $1,428.57 |
| **Period Close Accum:** | $6,904.76 |
| **Period Close Date:** | 12/2007 |

## Relying on the Period Close Calculations

The Period Close feature allows you to store current depreciation values for all assets. This feature locks in your calculations to ensure that your historical balances will always tie out as of the Period Close date.

For example, if you make changes to the asset attributes, such as estimated life or depreciation method, you can make the change effective as of the Period Close date. This means your beginning balance is secured and the change will affect only the ongoing calculations.

The Period Close amounts are used as a "starting point" when you calculate depreciation. The Period Close amounts serve as the foundation on which future depreciation is calculated.

**Example:**

You enter an asset in January of 2007, and you calculate depreciation on the asset each month. In December 2007, you conduct a Period Close for a group of assets that includes this asset. The information in the current depreciation fields for December 2007 is now saved in your Period Close depreciation fields.

You continue to calculate depreciation monthly through March 2008. Then you realize that an error was made on the asset during the original data entry, and you need to change the estimated life from seven years to five years.

After you make the depreciation-critical change, the depreciation is recalculated, starting with the December 2007 values, which are locked in and stored in the Period Close fields. An adjustment is also calculated as of December 2007 for the change in estimated life. Therefore, you are able to make

the depreciation-critical change and claim an adjustment in the current year, without restating your historical values.

## Period Close and Beginning Depreciation Fields

Both the Period Close fields and the Beginning Depreciation fields protect your depreciation calculations. The application does not allow you to calculate depreciation prior to the Beginning Date or the Period Close Date. (To do so, you must first reset depreciation back to the Placed-in-Service date.)

Please note the following rules for the Period Close and Beginning Depreciation fields:

- You **cannot** conduct a Period Close **before** the date in the Beginning Date field. (This is because you cannot calculate depreciation prior to the date in the Beginning Date field.)

- You **can** conduct a Period Close on the **same date** as the date in the Beginning Date field. If you do so, then all three sets of depreciation fields (the Beginning Depreciation fields, the Period Close fields, and the Current Depreciation fields) will contain the same information.

- When you conduct a Period Close after the Beginning Date, the application copies the depreciation amounts from the Current Depreciation fields into the Period Close fields. The information in the Beginning Depreciation fields remains the same. The application does not recalculate an adjustment.

- The application calculates adjustments to depreciation based on the information in the Beginning Depreciation fields. You can run a Depreciation Adjustment report to view the difference between depreciation calculated by the application and the amounts entered in the Beginning Depreciation fields.

## Clearing the Period Close Fields

You can remove information from the period close fields for a single asset or for a group of assets, allowing you to easily rerun depreciation reports for periods prior to a period close. When you use the Clear Period Close feature, the application removes the period close date and enters zeros in the period close depreciation fields.

The application does not remove period close information from an asset whose status is Inactive.

---

**Note:** Removing period close data does not immediately change the current depreciation data. However, if you made changes to asset attributes after the Period Close date, then depreciation calculations may be affected the next time depreciation is calculated prior to the current through date.

---

### *To clear the period close fields*

1. Select Depreciation/Period Close/Clear Period Close from the menu bar. The Clear Period Close dialog appears.

2. Complete the Clear Period Close dialog. See "Completing the Clear Period Close Dialog," page 8-18.

3. Click OK. Zeros are entered in the period close fields if the asset's Period Close Date is on or after the date entered in the Clear Period Close dialog.

## Completing the Clear Period Close Dialog

Follow the guidelines below to complete the Clear Period Close dialog.

■ **Step 1: Select a Group**
Use this field to select the group of assets for which you want to set the period close fields to zero.

■ **Step 2: Select Books**
Use this field to select the book(s) for which you want to set the period close fields to zero.

  ❑ **Select All/Unselect All Button**
  Click this button either to select the check boxes for all available books or to clear the check boxes for all available books.

■ **Step 3: Enter Period Close Date**
**Clear Period Close Information On or After**
Use this field to enter the date for which you want to set the period close fields to zero. When you click OK, the application enters zeros in the period close fields if the asset's Period Close Date is on or after the date you entered.

# Creating Custom Depreciation Methods

If your company uses nonstandard depreciation methods, you can create custom depreciation methods. Custom methods can be used to depreciate assets for up to 60 years with a specified percentage for each year. The default for the averaging convention in the year of disposition is full month, but you can select a different averaging convention. You can create over 1200 different custom depreciation methods.

**Note:** The averaging convention for the placed-in-service year must be calculated as part of the first year percentage.

### *To create a custom depreciation method*

1. Select Customize/Depreciation Methods from the menu bar. The Custom Depreciation Methods dialog appears.

2. Enter a two-character code and a brief description of the method, and then click the Add button. For further instructions on this dialog, see "Completing the Custom Depreciation Methods Dialog," page 8-19.

The Depreciation Method Setup - [Name] dialog appears.

3. Complete the Depreciation Method Setup - [Name] dialog, and then click OK. See "Completing the Depreciation Method Setup - [Name] Dialog," page 8-20. The application returns to the Custom Depreciation Methods dialog.

4. Click the Close button on the Custom Depreciation Methods dialog. The application automatically adds your custom method to the SmartList of available depreciation methods.

## Completing the Custom Depreciation Methods Dialog

Follow the guidelines below to complete the Custom Depreciation Methods dialog.

■ **Enter New Name and Description**
Use this field to type a two-character code to identify this depreciation method. The code can include any number or lowercase letter, except for the codes reserved by the application (see note below). If you enter uppercase letters, the application changes them to lowercase. Uppercase letters are reserved for the application's standard depreciation methods.

**Note:** The following two-character codes are reserved by the application. Therefore, you cannot enter the following codes in the Enter New Name and Description field:

| | | | | |
|----|----|----|----|----|
| aa | de | ma | oc | sh |
| ad | dh | mf | rv | sl |
| at | di | mi | sa | st |
| db | dl | mr | sb | yd |
| dc | dm | mt | sd | yh |
| dd | dy | no | sf | ys |

■ **Custom Methods List Box**
This list box displays the two-character codes and descriptions of all the custom methods in your application. Use this list box to select a custom method on which you want to perform one of the functions listed on the buttons to the right of this list box (Edit, Delete, Copy, Replace).

■ **Add Button**
Click this button to define the custom method you specify in the Enter New Name and Description field. The application automatically adds your custom method to the SmartList of available depreciation methods.

■ **Edit Button**
Click this button to edit a custom method you select from the Custom Methods list box. See "Completing the Depreciation Method Setup - [Name] Dialog," page 8-20. If you edit a custom method used by an existing asset, you must use the depreciate function to redepreciate the asset and apply the new percentages.

■ **Delete Button**
Click this button to delete the custom method you select from the Custom Methods list box. If you delete a custom method used by an existing asset, the asset's depreciation method will change to RV.

■ **Copy Button**
To copy a custom method, select the method from the Custom Methods list box, click this button, and complete the Copy Custom Method dialog. See "Completing the Copy Custom Method Dialog," page 8-21.

■ **Replace Button**
To replace a custom method, select the method from the Custom Methods list box, click this button, and complete the Replace Custom Method dialog. See "Completing the Replace Custom Method Dialog," page 8-21.

## Completing the Depreciation Method Setup - [Name] Dialog

Follow the guidelines below to complete the Depreciation Method Setup - [Name] dialog.

■ **Description**
This field displays the description you entered in the Custom Depreciation Methods dialog.

■ **Disposal Method Convention**
Use this field to select a disposal year averaging convention. The default disposal year convention is full month. The following disposal year conventions are available:

- Full month

- Midmonth

- Half-year, ACRS

- Half-year, MACRS and pre-ACRS

- Modified half-year

---

**Note:** The application uses the selected averaging convention only in the disposal year. The averaging convention for the placed-in-service year must be calculated as part of the first year percentage.

---

Averaging conventions are discussed at length in Appendix A, "Depreciation and Fixed Asset Concepts."

■ **Percent (%)**
For each year, enter the percentage of depreciation to be taken in that year. Year 1 is the year you placed the asset in service, and you can enter percentages for up to 60 years. Enter the percentage as a whole number or a whole number with a decimal; for example, enter 10% as 10, and enter 14.5% as 14.5.

---

**Note:** For the placed-in-service year, the asset always receives a full year's depreciation, no matter when the asset is placed in service. For example, suppose you enter 20% in the Percent Field for Year 1. Even if you place the asset in service on the last day of the year, the application would multiply the asset's depreciable basis by 20% for the first year. If you want the asset to receive only partial depreciation for the first year, you must enter a smaller percentage.

---

You should not enter a percentage greater than 100.000.

■ **Total Percentage**
This field shows the total percentage of depreciation for all years entered thus far. This amount cannot exceed 100.000.

■ **Remaining Percentage**
This field shows the difference between the total percentage and 100.000 (100% depreciation).

For most depreciation methods, when you finish entering annual percentages the total percentage should be 100.000 and the remaining percentage should be zero. You can, however, create a depreciation method that does not fully depreciate assets.

When the application calculates depreciation, it applies the percentage entered for each year to the depreciable basis of the asset and evenly distributes the depreciation amount over the 12-month period.

When you have entered the percentages, click OK to save your data and return to the Custom Depreciation Methods dialog. The new custom depreciation method appears in the list box.

## Completing the Copy Custom Method Dialog

Follow the guidelines below to complete the Copy Custom Method dialog.

■ **Copy From**
This field displays the method you are copying.

■ **Copy To**
Use this field to type the name of the method to which you are copying the selected method. You must enter a new custom method name. You cannot use the Copy Custom Method to override an existing method.

## Completing the Replace Custom Method Dialog

Follow the guidelines below to complete the Replace Custom Method dialog.

■ **Replace From**
This field displays the method you want to replace with the method you type in the Replace To field.

■ **Replace To**
Use this field to type the name of the method that you want to replace the method displayed in the Replace From field. You can enter either a new or existing method in this field.

# Changing to the 168 Allowance

The 168 Allowance is taken by all qualifying assets, unless you elect out of the allowance. You can elect out of the allowance for each class of assets (that is, 3-year property, 5-year property, 7-year property, etc.) on a year-to-year basis. If an asset qualifies but is not currently taking the allowance, you can change the method to take the allowance.

---

**Help:** For more information about qualifying assets, enter "Assets That Qualify for the 168 Allowance Switch" in the Search tab of the Sage Fixed Assets Help system.

---

You change to the 168 Allowance by choosing a depreciation method especially designed to calculate and claim the allowance. Therefore, you change to the allowance when you save the asset using a "Plus 168" depreciation method.

---

**Help:** For more information about depreciation methods, enter "Plus 168 Depreciation Methods" in the Search tab of the Sage Fixed Assets Help system.

---

### *To change to the 168 Allowance*

1.  In Asset Detail, select one of the "Plus 168" depreciation methods (that is, depreciation method MA, MR, AA, or SB).

2.  After selecting the method, select a percentage in the 168 Allowance % field. The application displays the calculated amount of the allowance in the 168 Allowance Amount field.

    ---

    **Note:** The percentages in the list of allowances depends on when the property was placed in service.

    ---

3.  Click the Save Asset button to save the asset.

---

**Note:** You can also select the 168 Allowance for a group of assets by performing a 168 Allowance Switch. For more information, see "Performing a 168 Allowance Switch," page 8-23.

---

## Changing the Depreciation Method of a Single Asset

You can change an existing asset's depreciation method so that it receives the 168 Allowance, assuming the asset qualifies for the additional allowance.

---

**Note:** You can also change the depreciation methods for a group of assets, so that they either take the additional depreciation allowance or elect out of the additional depreciation. For more information, see "Performing a 168 Allowance Switch," page 8-23.

---

If you change an asset's depreciation method after you have calculated depreciation on it, the application displays two warning messages. **It is important to respond to these messages correctly.**

### *To change an asset's depreciation method*

1.  Select the asset whose depreciation method you want to change, and then go to Asset Detail.

2.  Change the depreciation method for all federal tax books and any applicable state books. Check with each state's Department of Revenue to determine whether they have adopted the 168 Allowance before switching to one of the "Plus 168" depreciation methods.

    ---

    **Note:** Do not change any information in the Internal book.

    ---

    The application displays a message warning you that changing the depreciation method affects the current depreciation amount and asking if you want to continue.

3.  Click the **Yes** button. The application displays a message asking when you want to apply the change to the depreciation-critical field.

4.  Click the Placed-in-Service Date option, and then click OK. The application clears all of the previously calculated depreciation amounts. This enables the application to correctly calculate the additional 168 Allowance.

5.  Select a percentage allowance in the 168 Allowance % field if you have selected a "Plus 168" depreciation method, and then click the Save Asset button to save the asset.

# Performing a 168 Allowance Switch

You can select a group of assets and change the depreciation method for the group so that the group will take the additional percentage allowance. You can also change the group's depreciation methods so that the group does not take the additional allowance at all. The application changes the depreciation method for only those assets that qualify for the switch.

Before you use this feature, you should spend some time planning and creating your asset groups. Remember that you elect the 168 Allowance for entire classes of assets (3-year property, 5-year property, etc.). Your asset group could include multiple classes of property, as long as you include all of the qualifying assets for each class in the group. Also, make sure that groups for which you are applying the "Plus 168" depreciation methods consist of assets that are eligible for the additional depreciation.

You may also want to reset depreciation on your assets to the placed-in-service date before you use this feature, especially if your assets contain beginning depreciation amounts. If you want to retain the information in the beginning depreciation fields, then reset depreciation to the Beginning Date instead. For more information, see "Resetting Depreciation," page 8-8.

The application switches depreciation methods as outlined in "Changing the Depreciation Method of a Single Asset," page 8-22. For example, suppose Asset A currently uses depreciation method MF200. You create a group of assets called "7-year MACRS Property" that includes Asset A. If you perform a 168 Allowance Switch on this group of assets, then Asset A will use depreciation method MA200.

---

**Note:** If you switch an asset that uses a MACRS table depreciation method, the application applies a MACRS formula Plus 168 depreciation method. For example, the application switches an asset with an MT200 depreciation method to MA200. However, you cannot switch an asset back to a MACRS table method. For example, the application switches an asset with an MA200 depreciation method to MF200, even if that asset once used depreciation method MT200. To change the depreciation method back to MT200, you must edit the Depreciation Method field in Asset Detail. For more information, see "Changing the Depreciation Method of a Single Asset," page 8-22.

---

### *To perform the 168 Allowance Switch*

1.  Create a group consisting of one or more classes of assets for which you want to change depreciation methods.

2.  Select Depreciate/168 Allowance Switch from the menu bar. The 168 Allowance Switch dialog appears.

3.  Complete the 168 Allowance Switch dialog, and then click OK. For more information, see "Completing the 168 Allowance Switch Dialog," page 8-24.

The application changes the depreciation methods for the selected group of assets that qualify for the change. The application also applies the allowance percentage if you elect to take the 168 Allowance. The application calculates depreciation through the Current Through Date using the new depreciation methods. The application also recalculates any gain or loss on disposed assets.

### Completing the 168 Allowance Switch Dialog

Follow the steps in "168 Allowance Switch Window" in the Sage Fixed Assets Help system to complete the 168 Allowance Switch dialog.

### Assets That Qualify for the 168 Allowance Switch

For detailed information about assets that qualify for the 168 Allowance Switch, see "Assets That Qualify for the 168 Allowance Switch" in the Sage Fixed Assets Help system.

## Electing Out of the 168 Allowance

The 168 Allowance is taken by all qualifying assets, unless you elect out of the allowance. You can elect out of the allowance for each class of assets (that is, 3-year property, 5-year property, 7-year property, etc.) on a year-to-year basis.

### *To elect out of the allowance*

1. Select one of the depreciation methods that does not include the additional allowance, such as MACRS formula (MF) or MACRS table (MT).

2. When you file the Form 4562, you must attach a statement indicating the class of property for which you are electing not to claim the additional depreciation allowance.

## Including Section 168 Allowance and Section 179 in Depreciation Expense

The Section 168 Allowance and the Section 179 expense are basis deductions before MACRS depreciation is calculated. They are separately stated items in Asset Detail and on reports by default. However, you can choose whether to combine the Section 168 Allowance and Section 179 expense, when applicable, with MACRS depreciation expense on reports.

You indicate your selection in the Edit Company dialog. If you decide to include these amounts in depreciation expense on reports, the application includes the Section 168 Allowance and Section 179 expense in the following columns:

* Prior Accumulated Depreciation

* Depreciation This Run

* Current Year to Date

* Current Accumulated Depreciation

Generally, the entire Section 168 Allowance and Section 179 expense are claimed in the placed-in-service month. After the placed-in-service year, the amounts become part of the Prior Accumulated Depreciation. Neither the Section 168 Allowance nor the Section 179 expense is prorated for a short year or affected by the asset's averaging convention.

Although you can include the Section 168 Allowance and Section 179 expense in depreciation amounts for reporting, the application does not include them when displaying the Current Year-to-Date field and Current Accumulation field in Asset Detail. Both the Section 168 Allowance and Section 179 expense are separately stated in Asset Detail because special rules and limitations apply to these values. To view a breakdown of all the components of Tax Expense, including the Section 179 expense and Section 168 Allowance, you can run the Tax Expense Report from the Reports menu.

The asset's acquisition value is always reduced by the Section 168 Allowance and Section 179 expense, if applicable, when calculating and displaying the asset's depreciable basis. Thus, if you choose to include the Section 168 Allowance and Section 179 in expense, then the total accumulated depreciation at the end of the asset's life will be greater than the depreciable basis by the amount of the Section 168 Allowance and the Section 179 expense.

The decision whether to include the Section 168 Allowance and Section 179 in depreciation expense applies to all of the assets in a company.

### To include the Section 168 Allowance and Section 179 in depreciation expense

1. Select File/Edit Company from the menu bar. The Edit Company dialog appears.

2. Select the Include Section 168 Allowance and Section 179 in Expense check box.

   A message warns that changing the entry in this field will change the depreciation values on reports.

3. Click the Yes button to continue.

4. Click OK to close the Edit Company dialog.

**Example:**

You acquire office equipment that costs $10,000 and has an estimated life of 5 years. You place it in service on January 1, 2002 and claim $2,000 of Section 179 expense. A Section 168 Allowance of $2,400 (30% of $8,000) is calculated when you use depreciation method MA200.

If you do *not* include the Section 168 Allowance and Section 179 expense in depreciation expense, the application calculates the following amounts when you run the Depreciation Expense report for December 31, 2002 (assuming you calculate depreciation monthly):

| Report Column | Amount | Calculation |
| --- | --- | --- |
| Depreciable Basis | $5,600.00 | $10,000 – 2,000 – (8,000 x .30) |
| Prior Accum Depreciation | $ 0.00 | |
| Depreciation This Run | $ 93.33 | $1,120/12 (1 month of depreciation) |
| Current YTD | $1,120.00 | ($5,600/5 years x 200%) x ½ (half-year convention) |
| Current Accum | $1,120.00 | |

If you include the Section 168 Allowance and Section 179 expense in depreciation expense, the application calculates the following amounts when you run the Depreciation Expense report for December 31, 2002 (assuming you calculate depreciation monthly):

| Report Column | Amount | Calculation |
| --- | --- | --- |
| Depreciable Basis | $5,600.00 | $10,000 – 2,000 – (8,000 x .30) |
| Prior Accum Depreciation | $ 0.00 | |
| Depreciation This Run | $ 93.33 | $1,120/12 (1 month of depreciation) |
| Current YTD | $5,520.00 | ($1,120 (regular depr.) + $2,000 (Sec. 179) + $2,400 (Sec. 168 Allowance) |
| Current Accum | $5,520.00 | $1,120 + $2,000 +$2,400 |

At the end of the asset's life, the Current Accumulated Depreciation will be $10,000, but the asset's Depreciable Basis is only $5,600. The difference of $4,400 is equal to the $2,000 of Section 179 expense and $2,400 of the Section 168 Allowance.

# New York Liberty Zone Property

The Job Creation and Worker Assistance Act of 2002 created additional tax incentives for taxpayers located in a New York Liberty Zone. In general, the provisions of the JCWAA that apply to the New York Liberty Zone allow the taxpayers additional time to claim incentives and also include:

- Expansion of the 168 Allowance to additional types of property

- Decrease in depreciable life for leasehold improvements

- Increase in the Section 179 deduction

- The 30% allowance is available for New York Liberty Zone property placed in service after September 10, 2001 and before January 1, 2007. It is available for residential rental property and non-residential real property placed in service before January 1, 2010.

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**Note:** The 168 Allowance is deductible for both regular tax and AMT purposes.

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Qualifying NY Liberty Zone property is one of the following:

- MACRS property with a recovery period of 20 years or less

- Water utility property, with a 25-year recovery period

- Section 167(f)(1)(B) computer software

- Residential rental and non-residential real property, to the extent that it rehabilitates real property damaged, or replaces real property destroyed or condemned, as a result of the September 11, 2001 terrorist attack.

NY Liberty Zone property must also meet the following tests:

- Property must be acquired after September 10, 2001.

- If property is acquired after September 10, 2001 and before January 1, 2005, it must be "used" property. If acquired after January 1, 2005, it can be either new or used property.

- Property must be placed into service before January 1, 2007 (January 1, 2010 for residential rental and non-residential real property).

- Substantially all property must be in use in the NY Liberty Zone, and used in the active conduct of a trade or business in the NY Liberty Zone.

- The original use of the property in the NY Liberty Zone must have begun after September 10, 2001. Used property qualifies if it has not previously been used within the NY Liberty Zone.

The following property does **not** qualify as NY Liberty Zone property:

- Property to which Section 168 Allowance applies (that is, property that qualifies for the additional 30%, 50%, or 100% depreciation allowance)

- Listed property that is used 50% or less for business purposes

- Property that is required to be depreciated under the Alternative Depreciation System (ADS)

- Qualified NY Liberty Zone Leasehold Improvement property

### New York Liberty Zone Definition

The New York Liberty Zone is the area located on or south of Canal Street, East Broadway (east of its intersection with Canal Street), or Grand Street (east of its intersection with East Broadway) in the Borough of Manhattan in the City of New York, New York.

## Entering New York Liberty Zone Property

You enter New York Liberty Zone property in the application the same way you enter any other asset. There is no special field that designates an asset as New York Liberty Zone property.

You can identify the asset as New York Liberty Zone property in the Description field or in one of the Custom Fields if desired.

The following rules apply to New York Liberty Zone property:

### Personal Property

You can select a "Plus 168" depreciation method if the placed-in-service date is after September 10, 2001 and before January 1, 2007. (If the placed-in-service date is after December 31, 2004, the application reminds you that a "Plus 168" depreciation method is allowed only for New York Liberty Zone property or certain property having longer production periods.)

**Note:** The 30% allowance is available for New York Liberty Zone property placed in service after September 10, 2001 and before January 1, 2007. It is available for residential rental property and non-residential real property placed in service before January 1, 2010.

The availability of the 30% 168 Allowance for residential rental and non-residential real property in the New York Liberty Zone was set to expire on 12/31/2009; however, it is expected that these provisions will be extended. Please check with your tax advisor for updated information.

### Non-Residential Real and Residential Rental Property

The "Plus 168" depreciation methods are also available for non-residential real property and residential rental property in the Liberty Zone if it "rehabilitates real property damaged, or replaces real property destroyed or condemned, as a result of the September 11, 2001 terrorist attack" and is placed in service by December 31, 2009. You can select a "Plus 168" depreciation method when the placed-in-service date is after September 10, 2001 and before January 1, 2010 and the property type is R, S, C, E, or F.

### Leasehold Improvements

You can enter qualified leasehold improvements with a 5-year estimated life (GDS life) and a 9-year ADS life. Select a real property type (R, S, C, E, or F) and the MF100 depreciation method to enter a leasehold improvement. (New York Liberty Zone leasehold improvements do not qualify for the 168 Allowance.) The application reminds you that a 5-year estimated life is available only for leasehold property located in the New York Liberty Zone.

## Section 179 Limits for New York Liberty Zone Property

The Job Creation and Worker Assistance Act of 2002 changed both the dollar limit and the investment limit for Section 179 property located in the New York Liberty Zone.

The yearly Section 179 limits increase for New York Liberty Zone property. The new limitations treat New York Liberty Zone property in a similar manner to Enterprise Zone property, which has

had increased limits since 1993. For more information, see "Section 179 Limits for Enterprise Zone Property," page 8-30.

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**Help:** For additional information about the standard Section 179 limits, as well as the increased limits for New York Liberty Zone (NYLZ) property, enter "Section 179 Limits for New York Liberty Zone Property" in the Search tab of the Sage Fixed Assets Help system.

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## Overriding Section 179 Limits on the Form 4562

The Job Creation and Worker Assistance Act of 2002 changed the dollar limit for Section 179 property located in the New York Liberty Zone. The investment limit was changed by the Jobs and Growth Tax Relief Reconciliation Act of 2003. You must enter the increased limits when you print the Form 4562 - Depreciation and Amortization.

### *To enter the new limits for Liberty Zone on the Form 4562*

1. Select Reports/Tax Reports/4562 - Depreciation and Amortization from the menu bar. The Form 4562 - Depreciation and Amortization dialog appears.

2. Select a group of assets in the Group field.

3. Enter the beginning date of the fiscal year for which you are running the report.

4. Click the Additional Information button. The Form 4562 Additional Information dialog appears.

5. In the Override: §179 Maximum Amount field, enter the increased dollar limit for the year. The application prints the entered amount on Part I, Line 1 of the Form 4562.

6. In the Override: Total Cost of §179 Property field, enter the total cost of qualifying Section 179 property placed in service in the tax year. The application prints the entered amount on Part I, Line 2 of the Form 4562.

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**Note:** In general, if you enter an amount in the Override: §179 Maximum Amount field, you should also enter an amount in the Override: Total Cost of §179 Property field.

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7. In the Override: Threshold Cost of §179 Property field, enter the total cost of property allowed before the Section 179 phaseout begins. The application prints the amount on Part I, Line 3 of the Form 4562.

8. Complete the remaining fields on the Form 4562 Additional Information dialog, and then click OK. The application returns to the Form 4562 - Depreciation and Amortization dialog.

9. Complete the Form 4562 - Depreciation and Amortization dialog, and then click the Run Report button. The application displays the Form 4562 - Depreciation and Amortization report in the report viewer.

### Completing the Form 4562 Additional Information Dialog

Follow the guidelines below to complete the Form 4562 Additional Information dialog.

**Part I**

■ **Override: §179 Maximum Amount**
Use this field to enter the increased dollar limit for property in the New York Liberty Zone or Enterprise Zone. The application prints the entered amount on Part I, Line 1 of the Form 4562.

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**Note:** Do not use this override field for assets located in the Gulf Opportunity Zone. Instead, use the 179 Deduction field in Asset Detail to indicate the assets are located in the Gulf Opportunity Zone.

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■ **Override: Total Cost of §179 Property**
Enter the total cost of qualifying Section 179 property placed in service in the tax year. The application prints the entered amount on Part I, Line 2 of the Form 4562.

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**Note:** In general, if you enter an amount in one of the two override fields above, you should enter an amount in both override fields.

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■ **Override: Threshold Cost of §179 Property**
When the state threshold amount differs from the federal threshold amount, enter the total cost of property allowed before the Section 179 phaseout begins. The application prints the entered amount on Part I, Line 3 of the Form 4562.

■ **§179 Deduction Limited by Taxable Income**
Click this check box if the company's Section 179 expense deduction is limited by taxable income under Code Section 179(b)(3).

■ **Aggregate Net Income Before §179 Deduction**
Use this field to enter the company's taxable income before subtracting any Section 179 expense.

■ **Carryforward of Disallowed §179 From Prior Years**
Use this field to enter the amount of Section 179 expense, if any, elected to be expensed in previous years but not allowed as a deduction due to the taxable income limitation.

**Part II**

■ **§168(f)(1) Amount - Units of Production**
Use this field to enter the depreciation deduction for property the company has elected to depreciate by the units-of-production method or other method as allowed under Code Section 168(f)(1).

■ **Other Depreciation**
Use this field to enter the current year depreciation for assets that you do not amortize, expense, or depreciate under MACRS and that are not maintained in the application.

**Part IV**

■ **§263A Amount - Capitalized Inventory Cost**
Use this field to enter the increase in basis from costs that you are required to capitalize under the uniform capitalization rules of Code Section 263A. For more information, see IRS Regulation 1.263A-1.

# Section 179 Limits for Enterprise Zone Property

Since 1993, the amount of allowable Section 179 expense deduction has been increased for qualifying property by an "enterprise zone business" (as defined in IRS Code Sec. 137B).

**Help:** For additional information about the standard Section 179 limits, as well as the increased limits for Enterprise Zone property, enter "Section 179 Limits for Enterprise Zone Property" in the Search tab of the Sage Fixed Assets Help system.

# Qualified Gulf Opportunity Zone Property

In order for property to be qualified Gulf Opportunity Zone (GO Zone) property, it must meet all of the following requirements:

1.  The property must be MACRS property that meets one of the following criteria:

    *   Has a recovery period of 20 years or less

    *   Is computer software not covered under Section 197

    *   Is water utility property

    *   Is qualified leasehold improvement property

    *   Is nonresidential real property or residential rental property.

2.  Substantially all of the use of such property must be in the Gulf Opportunity Zone and in the active conduct of a trade or business by the taxpayer in such Zone.

3.  The original use of the property in the Gulf Opportunity Zone must commence with the taxpayer on or after August 28, 2005.

4.  The property must be acquired by purchase on or after August 28, 2005, and placed in service on or before March 31, 2011. For qualifying nonresidential real property and residential rental property, the property must be placed in service on or before December 31, 2010.

### Gulf Opportunity Zone Definition

The Gulf Opportunity Zone refers to the areas of Alabama, Florida, Louisiana, and Mississippi that were damaged by hurricanes Katrina, Rita, and Wilma in 2005.

## Section 179 Limits for Qualified Gulf Opportunity Zone Property

The Gulf Opportunity Zone Act of 2005 provides for increased Section 179 limits for assets placed in service in the Gulf Opportunity Zone.

**Help:** For additional information about the standard Section 179 limits, as well as the increased limits for GO Zone property, enter "Section 179 Limits for Qualified Gulf Opportunity Zone Property" in the Search tab of the Sage Fixed Assets Help system.

### *To claim the higher Section 179 dollar limit*

1.  Click in the 179 Deduction field in Asset Detail.

2.  Select the down arrow to the right of the 179 Deduction field. The §179/Bonus Details dialog appears. See "Completing the §179/Bonus Details Dialog," page 6-14.

3.  Select the Qualified §179 Property check box.

4.  Click the down arrow to the right of the Zone Type field, and select G - Gulf Opportunity Zone from the drop-down list.

5.  Enter the desired amount of Section 179 expense for the asset in the §179 Amount field.

6.  Click OK to close the dialog.

## Threshold Amount

When you have property located in the Gulf Opportunity Zone, the Section 179 threshold amount is increased by the lesser of:

*   $600,000 or

*   the cost of the qualified Section 179 Gulf Opportunity Zone property placed in service during the taxable year.

For information about the threshold amounts for each taxable year, see "Threshold Amounts," page 6-9.

The application calculates the threshold amount for you when you indicate which assets are located in the Gulf Opportunity Zone. You do this by selecting the Qualified §179 Property check box, and then selecting G - Gulf Opportunity Zone from the drop-down list in the §179/Bonus Details dialog for each asset located in the GO Zone. See "Completing the §179/Bonus Details Dialog," page 6-14.

Here are two examples:

**Example 1:**
In a tax year beginning in 2006, you place in service qualified section 179 GO Zone property with a cost of $800,000. You may take an expense deduction of $208,000 for the tax year ($108,000 regular maximum deduction plus $100,000, which is the lesser of $100,000 or the cost of qualified section 179 GO Zone property placed in service during the tax year). The $208,000 of cost is not subject to depreciation. The remaining $592,000 of cost is subject to depreciation.

**Example 2:**
In a tax year beginning in 2006, you place in service qualified section 179 GO Zone property with a cost of $1,100,000. You may take an expense deduction of $138,000 for 2006:

|   | $108,000 | Regular maximum deduction for 2006 |
|---|---|---|
| + | $100,000 | Lesser of $100,000 or the cost of qualified section 179 GO Zone property placed in service during 2006 |
| - | $ 70,000 | The amount by which $1,100,000 exceeds $1,030,000 ($430,000 beginning-of-phaseout amount for 2006 + $600,000) |

The $138,000 of cost is not subject to depreciation. The remaining $962,000 of cost is subject to depreciation.

# Qualified Recovery Assistance Property (Kansas Disaster Zone)

The Heartland, Habitat, Harvest, and Horticulture Act of 2008 - Title XV of the Food, Conservation, and Energy Act of 2008 (The 2008 Farm Act) replaces the term *qualified Gulf Opportunity Zone property* with the term *qualified Recovery Assistance property (Kansas Disaster Zone property)*.

In order for property to be qualified Recovery Assistance property, it must meet all of the following requirements:

1.  The property must be MACRS property that meets one of the following criteria:

    *   Has a recovery period of 20 years or less

    *   Is computer software not covered under Section 197

    *   Is water utility property

    *   Is qualified leasehold improvement property

    *   Is nonresidential real property or residential rental property.

2.  Substantially all of the use of such property must be in the Kansas disaster zone and in the active conduct of a trade or business by the taxpayer in such zone.

3.  The original use of the property in the Kansas disaster zone must begin with the taxpayer after May 4, 2007.

4.  The property must be acquired by purchase after May 4, 2007, and placed in service on or before December 31, 2008. For qualifying nonresidential real property and residential rental property, the property must be placed in service on or before December 31, 2009.

### Kansas Disaster Zone Definition

The Kansas Disaster Zone refers to the following 24 counties located in Kansas that were damaged by severe storms and tornados beginning on May 4, 2007: Barton, Clay, Cloud, Comanche, Dickinson, Edwards, Ellsworth, Kiowa, Leavenworth, Lyon, McPherson, Osage, Osborne, Ottawa, Phillips, Pottawatomie, Pratt, Reno, Rice, Riley, Saline, Shawnee, Smith, and Stafford.

## Section 179 Limits for Kansas Disaster Zone Property

The 2008 Farm Act provides for increased Section 179 limits for assets located in the Kansas Disaster Zone.
For additional information about the standard Section 179 limits, as well as the increased

**Help:** limits for Kansas Disaster Zone (KD Zone) property, enter "Section 179 Limits for Kansas Disaster Zone Property" in the Search tab of the Sage Fixed Assets Help system.

### *To claim the higher Section 179 dollar limit*

1.  Click in the 179 Deduction field in Asset Detail.

2.  Click on the down arrow to the right of the 179 Deduction field. The §179/Bonus Details dialog appears. See "Completing the §179/Bonus Details Dialog," page 6-14.

3.  Select the Qualified §179 Property check box.

4.  Click on the down arrow to the right of the Zone Type field, and select code K - Kansas Disaster Zone in the drop-down list.

5.  Enter the desired amount of Section 179 expense for the asset in the §179 Amount field.

6.  Click OK to close the dialog.

### Threshold Amount

When you have property located in the Kansas Disaster Zone, the Section 179 threshold amount is increased by the lesser of:

*   $600,000, or

*   The cost of the qualified Section 179 Kansas Disaster Zone property placed in service during the tax year.

The system calculates the threshold amount for you when you indicate which assets are located in the Kansas Disaster Zone. You do this by selecting the Qualified §179 Property check box and selecting code K - Kansas Disaster Zone from the drop-down list in the §179/Bonus Details dialog for each asset located in the Kansas Disaster Zone.

Here are two examples:

**Example 1:**
In the tax year beginning in 2008, you place in service qualified section 179 Kansas Disaster Zone property with a cost of $1,200,000. You may take an expense deduction of $350,000 for the tax year ($250,000 regular maximum deduction plus $100,000, which is the lesser of $100,000 or the cost of qualified section 179 Kansas Disaster Zone property placed in service during the tax year). The $350,000 of cost is not subject to depreciation. The remaining $850,000 of cost is subject to depreciation.

**Example 2:**
In the tax year beginning in 2008, you place in service qualified section 179 Kansas Disaster Zone property with a cost of $1,450,000. You may take an expense deduction of $300,000 for 2008:

|   | $250,000 | Regular maximum deduction for 2008 |
|---|---|---|
| + | $100,000 | Lesser of $100,000 or the cost of qualified section 179 Kansas Disaster Zone property placed in service during 2008 |
| - | $ 50,000 | The amount by which $1,450,000 exceeds $1,400,000 ($800,000 beginning-of-phaseout amount for 2008 + $600,000) |

The $300,000 of cost is not subject to depreciation. The remaining $1,150,000 of cost is subject to depreciation.

# Qualified Disaster Assistance Property

In order for property to be qualified Disaster Assistance property, it must meet all of the following requirements:

1.  The property must be MACRS property that meets one of the following criteria:

    *   Has a recovery period of 20 years or less

    *   Is computer software not covered under Section 197

    *   Is water utility property

- Is qualified leasehold improvement property

- Is nonresidential real property or residential rental property.

2. Substantially all of the use of such property must be in a disaster area with respect to a federally declared disaster occurring between January 1, 2008 and December 31, 2009, and in the active conduct of a trade or business by the taxpayer in such area.

3. The property must rehabilitate property damaged, or replace property destroyed or condemned, as a result of the federally declared disaster.

4. The original use of the property in the disaster area must begin with the taxpayer on or after the applicable disaster date.

5. The property must be acquired by purchase on or after the applicable disaster date, and placed in service by the end of the third calendar year following the applicable disaster date. For qualifying nonresidential real property and residential rental property, the property must be placed in service by the end of the fourth calendar year following the applicable disaster date.

### Qualified Disaster Zone Definition

The Emergency Economic Stabilization Act of 2008 defines qualified disaster zone as any disaster area, in which the property is located, determined by the President to warrant federal assistance under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

**Note:** The term qualified disaster zone only applies to disasters declared after December 31, 2007 and occurring before January 1, 2010.

## Section 179 Limits for Qualified Disaster Zone Property

The Emergency Economic Stabilization Act of 2008 provides for increased Section 179 limits for assets located in the Qualified Disaster Zone.

For additional information about the standard Section 179 limits, as well as the increased

**Help:** limits for Qualified Disaster Zone (QDZ) property, enter "Section 179 Limits for Qualified Disaster Zone Property" in the Search tab of the Sage Fixed Assets Help system.

### *To claim the higher Section 179 dollar limit*

1. Click in the 179 Deduction field in Asset Detail.

2. Click on the down arrow to the right of the 179 Deduction field. The §179/Bonus Details dialog appears. See "Completing the §179/Bonus Details Dialog," page 6-14.

3. Select the Qualified §179 Property check box.

4. Click on the down arrow to the right of the Zone Type field, and select code D-Qualified Disaster Zone in the drop-down list.

5. Enter the desired amount of Section 179 expense for the asset in the §179 Amount field.

6. Click OK to close the dialog.

### Threshold Amount

When you have property located in the Qualified Disaster Zone, the Section 179 threshold amount is increased by the lesser of:

- $600,000, or

- The cost of the qualified Section 179 Disaster Zone property placed in service during the year.

The system calculates the threshold amount for you when you indicate which assets are located in the Qualified Disaster Zone. You do this by selecting the Qualified §179 Property check box, and selecting Code D - Qualified Disaster Zone from the drop-down list in the §179/Bonus Details dialog box for each asset located in the Qualified Disaster Zone.

Here are two examples:

**Example 1:**
In the tax year beginning in 2008, you place in service qualified section 179 Disaster Zone property with a cost of $1,200,000. You may take an expense deduction of $350,000 for the tax year ($250,000 regular maximum deduction plus $100,000, which is the lesser of $100,000 or the cost of qualified section 179 Disaster Zone property placed in service during the tax year). The $350,000 of cost is not subject to depreciation. The remaining $850,000 of cost is subject to depreciation.

**Example 2:**
In the tax year beginning in 2008, you place in service qualified section 179 Disaster Zone property with a cost of $1,450,000. You may take an expense deduction of $300,000 for 2008:

| | | |
|---|---|---|
| | $250,000 | Regular maximum deduction for 2008 |
| + | $100,000 | Lesser of $100,000 or the cost of qualified section 179 Disaster Zone property placed in service during 2008 |
| - | $ 50,000 | The amount by which $1,450,000 exceeds $1,400,000 ($800,000 beginning-of-phaseout amount for 2008 + $600,000) |

The $300,000 of cost is not subject to depreciation. The remaining $1,150,000 of cost is subject to depreciation.

# Reviewing Assets for Tax Compliance

Sometimes the IRS issues regulations that affect assets that you have already entered in the application. These regulations may require that you change some of the asset information so that your assets comply with the regulations.

For example, in 2003 the IRS issued a regulation that prohibits an asset using a "Plus 168" depreciation method from being disposed in its placed-in-service year. The 168 Allowance is available for assets placed in service after September 10, 2001. If you disposed an asset using a "Plus 168" depreciation method in its placed-in-service year, you may need to change its depreciation method.

You can use the Audit Advisor feature to locate assets that may not be in compliance with IRS regulations. For information about the types of potential problems that the Audit Advisor looks for, see "Audit Advisor Validations," page 8-36.

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**Note:** The Audit Advisor helps you locate assets that may not be in compliance with IRS regulations. Running the Audit Advisor does not change any of your asset data. It is up to you to decide whether to change the information for your assets.

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### *To review assets for tax compliance*

1.  Select Depreciation/Audit Advisor from the menu bar. The Audit Advisor dialog appears.

2.  Complete the Audit Advisor dialog, and then click the Run Review button. The application reviews the assets in the selected book for the selected fiscal year, and it displays the results on your computer screen.

    The application also creates groups of assets that may not comply with IRS regulations so that you can review the assets more easily. The report indicates the names of the groups that the application creates.

### Completing the Audit Advisor Dialog

Follow the guidelines below to complete the Audit Advisor dialog.

■ **Step 1: Select a Book**
Use this field to select the book containing the assets that you want the Audit Advisor to check for compliance with tax regulations. You can select only one book at a time.

■ **Step 2: Enter a Fiscal Year End**
Use this field to enter a fiscal year end-date. The Audit Advisor will review only the assets that were placed in service in the selected fiscal year. You can enter the date in either MM/YY or MM/DD/YYYY format.

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**Note:** The date that you enter must be in 2001 or later.

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■ **Run Review Button**
Click this button to begin the review process. The application reviews the assets in the selected book for the selected fiscal year, and it displays the results on your computer screen.

The application also creates groups of assets that may not comply with IRS regulations so that you can review the assets more easily. The report indicates the names of the groups that the application creates.

For information about the types of potential problems that the Audit Advisor looks for, see "Audit Advisor Validations," page 8-36.

## Audit Advisor Validations

The Audit Advisor reviews your assets to help you determine if they comply with the following IRS regulations:

• **MACRS Methods**
Generally, all assets placed in service after 12/31/1986 must use a MACRS (Modified Accelerated Cost Recovery System) depreciation method. For more information, see "MACRS Methods," page 8-37.

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- **Section 179 Dollar Limit**
  IRS regulations limit the total amount of Section 179 that you can take on assets placed in service in a taxable year. For more information, see "Section 179 Dollar Limit," page 8-38.

- **MACRS Depreciation Election**
  Certain MACRS depreciation elections must be made on a class-by-class basis. For more information, see "MACRS Depreciation Election," page 8-38.

- **Assets with Beginning Information**
  Entering data in the beginning information fields overrides the application's depreciation calculations. For more information, see "Assets with Beginning Information," page 8-38.

- **Assets with Less Than 100% Business Use**
  Assets with less than 100% business use are not entitled to a full year's depreciation deduction. The business-use percentage may change over time and should be reviewed on an annual basis. For more information, see "Assets with Less Than 100% Business Use," page 8-39.

- **Accelerated Depreciation Extended for Indian Reservation Property**
  For more information, see "Accelerated Depreciation Extended for Indian Reservation Property," page 8-39.

- **168(k) Allowance applicable 9/28/2017 to 12/31/2022**
  For more information, see "Changing to the 168 Allowance," page 8-21.

## MACRS Methods

The Audit Advisor finds assets using a non-MACRS depreciation method that were placed in service in a year for which MACRS depreciation methods are required.

### Issue

Generally, all assets placed in service after 12/31/1986 must use a MACRS (Modified Accelerated Cost Recovery System) depreciation method. When you run the Audit Advisor, the application determines if you have assets using non-MACRS depreciation methods that were placed in service in a year for which MACRS depreciation methods are required.

### Resolution

1. In the Asset List, display the group of assets that the Audit Advisor created.

   The group is named AA (for Audit Advisor), followed by "MACRS Meth," followed by the book name, followed by the fiscal year end. For example, if you selected the Tax book and a fiscal year ending in December, 2003 in the Audit Advisor dialog, then the group would be called AA-MACRS Meth-Tax-12/03.

2. Review the depreciation method for each of the assets in the group.

   If you determine that an asset is incorrectly using a non-MACRS depreciation method, then you need to change the depreciation method to a MACRS method (that is, MA, MR, AA, SB, MF, MT, AD, or MI).

   Also, note that if you decide to change depreciation methods, you may be required to file a Form 3115 - Application for Change in Accounting Method.

## Section 179 Dollar Limit

The Audit Advisor determines if the Section 179 expense taken in a taxable year exceeds the dollar limit for that year.

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**Help:** For additional information (including issues and resolutions), enter "Section 179 Dollar Limit" in the Search tab of the Sage Fixed Assets Help system.

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## MACRS Depreciation Election

The Audit Advisor finds assets for which you have made one or more of the following MACRS depreciation elections:

- **Alternative Depreciation System (ADS):** Assets use depreciation method AD or AA.

- **150% declining-balance depreciation method over the General Depreciation System (GDS) recovery period:** Assets use depreciation method MF150, MT150, MI150, MA150, or MR150.

- **Straight-line depreciation method over the GDS recovery period:** Assets use depreciation method MF100, MT100, MI100, MA100, or MR100.

Review your assets to determine if each MACRS election was made for an entire class of assets.

### Issue

The application uses the IRS default depreciation methods during data entry for the tax-related books. However, you can make an alternate election on a class-by-class basis to use the Alternative Depreciation System (ADS), 150% declining-balance method, or the straight-line method over the General Depreciation System (GDS) recovery period. Note, however, this rule does not apply to residential rental and nonresidential real property, for which the election is made on a property-by-property basis.

### Resolution

1. In the Asset List, display the group of assets that the Audit Advisor created.

    The group is named AA (for Audit Advisor), followed by "MACRS Elec," followed by the book name, followed by the fiscal year end. For example, if you select the Tax book and a fiscal year ending in December, 2007 in the Audit Advisor dialog, then the group would be called AA-MACRS Elec-Tax 12/07.

2. Review the depreciation method and estimated life for each asset in the group.

3. Make sure that each MACRS election was made for an entire class of assets. If an election was not made for an entire class of assets, then the non-conforming assets must be updated.

## Assets with Beginning Information

The Audit Advisor finds assets containing data in the beginning information fields.

### Issue

Entering data in the beginning information fields overrides the application's depreciation calculations. If you are using your own calculation for depreciation (depreciation method OC), assets will include beginning information.

**Resolution**

1.  In the Asset List, display the group of assets that the Audit Advisor created.

    The group is named AA (for Audit Advisor), followed by "Beg Info," followed by the book name, followed by the fiscal year end. For example, if you selected the Tax book and a fiscal year ending in December, 2007 in the Audit Advisor dialog, then the group would be called AA-Beg Info-Tax 12/07.

2.  Examine each asset to make sure that the data in the beginning information fields is correct.

3.  If the data in the beginning information fields is incorrect, you can reset depreciation for the asset.

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**Note:** Use extreme caution when resetting depreciation to ensure you achieve the desired results.

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## Assets with Less Than 100% Business Use

The Audit Advisor finds assets in the selected fiscal year that have ever been used for less than 100% business use.

### Issue

Assets with less than 100% business use are not entitled to a full year's depreciation deduction. The business-use percentage may change over time and therefore should be reviewed and updated on an annual basis. The system detects if one or more assets in the selected fiscal year have ever been used for less than 100% business use.

### Resolution

1.  In the Asset List, display the group of assets that the Audit Advisor created.

    The group is named AA (for Audit Advisor), followed by "Bus Use," followed by the book name, followed by the fiscal year end. For example, if you selected the Tax book and a fiscal year ending in December 2010 in the Audit Advisor dialog, then the group would be called AA-Bus Use-Tax-12/10.

2.  Examine each asset to make sure that the Business Use Percentage field has been appropriately updated for the selected fiscal year.

3.  If the percentage in the Business Use Percentage field is incorrect, you must enter the correct business use, which is a depreciation-critical change.

4.  After you have updated the Business Use Percentage fields, recalculate depreciation for the affected assets for the created group.

## Accelerated Depreciation Extended for Indian Reservation Property

The Audit Advisor determines if you have had Indian Reservation property in the past (property methods MI and MR). Accelerated depreciation for Indian Reservation property was extended through 12/31/2016.

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**Help:** For additional information (including issues and resolutions), enter "Accelerated Depreciation Extended for Indian Reservation Property" in the Search tab of the Sage Fixed Assets Help system.

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## 168(k) Allowance applicable 9/28/2017 to 12/31/2022

The Audit Advisor finds assets qualified for the 168(k) Allowance percentage of 100%.

**Help:** For additional information (including issues and resolutions), enter "168 Allowance % Field" in the Search tab of the Sage Fixed Assets Help system.

# Chapter 9
# Standard Reports

The application contains numerous standard reports to help you manage your assets and keep track of their depreciation, both for tax purposes and for your internal books. You decide which assets and which books to include in each report, and how the assets should be sorted and subtotaled. You can print a report or display it on the computer screen.

This chapter explains how to run the reports, how to format the reports, and how to interpret each report.

## List of Reports

Following is a list of each report and a brief description of each.

You run the following reports by selecting Standard Reports from the Reports menu:

- **Depreciation Expense Report**
  The Depreciation Expense report displays depreciation-related information for assets on which depreciation has been calculated. The report includes assets containing depreciation calculations through the date you enter for the report. Along with essential asset data, the report shows figures for previous depreciation, depreciation that was calculated for the last depreciation run, and current depreciation.

- **Tax Expense Report**
  The Tax Expense report displays the components of the current year's depreciation expense for tax purposes. For each asset, the report displays the current year's Section 179 expense deduction, Section 168 Expense, and the current year-to-date depreciation. In the Total Tax Year-to-Date Expense column, the report displays the total of these three amounts.

- **Depreciation Summary Report**
  The Depreciation Summary report provides a concise list of the selected assets' depreciation-related information, including their acquired values and any Section 179 amounts.

- **Period Close Summary Report**
  The Period Close Summary report displays the period close dates for the assets on the report. It also shows the last date that depreciation was calculated (the Current Through Date).

■ **Depreciation Adjustment Report**

The Depreciation Adjustment report shows the difference between the beginning depreciation amounts you enter and the depreciation amounts the application calculated for the same period. The report includes only those selected assets that have adjustment amounts.

■ **Disposal Report**

The Disposal report lists the assets in the selected group that have been disposed and shows the amounts of realized, recognized, and deferred gain or loss on each asset.

■ **Annual Activity Report**

The Annual Activity report shows the asset account balance activity for Acquisition Value over a requested fiscal year. It presents the asset account balance as of the beginning of the fiscal year, the cost of any acquisitions and disposals during the year, and the account's balance at the end of the fiscal year.

■ **Asset Basis Report**

The Asset Basis report shows how the application calculated the depreciable basis used in the asset's last depreciation run.

■ **File Listing Report**

For each selected asset and book, the File Listing report presents a summary of commonly used information, such as the asset's description, depreciation method, and acquisition value. It also includes an activity code that differentiates between active, inactive, and disposed assets.

■ **Fixed Asset Summary Report**

The Fixed Asset Summary report presents account balance activity for Acquisition Value and Depreciation over the requested fiscal year for each asset or, if elected, for each subtotal by category. It is designed to help you tie into the asset and accumulated depreciation amounts on the balance sheet.

■ **General Ledger Posting Report**

The General Ledger Posting report prints a journal entry you can use to post the Depreciation This Run figures stored from the most recent depreciation calculation to a general ledger for the requested books or to the Sage 50 general ledger.

**Note:** If you are using Sage Fixed Assets—Lite Depreciation for Sage 50 or Sage 50 Fixed Assets, you can also post depreciation expense directly to Sage 50 by selecting Post Depreciation from the Depreciation menu.

■ **Net Book Value Report**

The Net Book Value report shows the current net book value of each selected asset and how that value is calculated. It also calculates the percentage of total depreciation taken to date for each asset.

■ **Quarterly Acquisition Report**

You can run the Quarterly Acquisition report to determine the total of all assets acquired in each quarter of a fiscal year.

■ **Property Tax - Summary Report**

The Property Tax - Summary report summarizes the acquisition value of active assets for a selected date. The report sorts assets first by a defined property tax category, and then by each acquisition year.

■ **Property Tax - Detail Report**

The Property Tax - Detail report shows detailed asset information for a selected date. The report sorts assets first by a defined property tax category, and then by each acquisition year.

You run the following reports by selecting Tax Reports from the Reports menu:

■ **Adjusted Current Earnings Report**
The Adjusted Current Earnings report displays ACE depreciation that has been calculated for the selected assets. It also shows each asset's remaining basis and remaining life as of the close of the last tax year beginning before 1990.

■ **Alternative Minimum Tax Report**
The Alternative Minimum Tax (AMT) was repealed by the Tax Cuts and Jobs Act of 2017 for corporations, effective for tax years beginning January 1, 2018 and later. AMT is still in effect for individuals.

The Alternative Minimum Tax report shows the depreciation differences between the Tax and the AMT books. It also shows the Tax Preferences and Adjustments that arise from those differences.

■ **FASB 109 Projection Report**
For each selected asset, the FASB 109 Projection report identifies the temporary differences between the various books' depreciation amounts and projects the reversal of those differences.

■ **Midquarter Applicability Report**
The Midquarter Applicability report determines whether you should use the midquarter convention. You should run this report at the end of each tax year and, if midquarter applies, recalculate depreciation for all qualifying assets using the midquarter convention.

■ **Form 3468: Investment Tax Credit Worksheet**
This report is a worksheet that gathers the Investment Tax Credit information needed to file IRS Form 3468.

■ **Form 4255: Investment Tax Credit Recapture Worksheet**
This report is a worksheet that gathers the Investment Tax Credit recapture information needed to file IRS Form 4255.

■ **Form 4562: Depreciation and Amortization**
This option prints an IRS Form 4562 that reports depreciation and amortization expense in a format acceptable for filing with the IRS.

■ **Form 4626: Corporate Alternative Minimum Tax Worksheet**
The Alternative Minimum Tax (AMT) was repealed by the Tax Cuts and Jobs Act of 2017 for corporations, effective for tax years beginning January 1, 2018 and later. AMT is still in effect for individuals.

This report is a worksheet that gathers the Alternative Minimum Tax information needed to complete IRS Form 4626.

❑ **Form 4626: Adjusted Current Earnings Supplement**
This report is a worksheet that helps you complete the IRS Form 4626 ACE Worksheet.

■ **Form 4797: Sales of Property Worksheet**
This report is a worksheet that gathers the asset disposal information needed to file IRS Form 4797.

The following commands also appear on the Reports menu:

■ **Current Reporting Period**
Select this command to set the date for which you want to run reports. For more information, see "Setting the Current Reporting Period," page 9-8.

■ **Favorites Section**
The application lists the reports you mark as your Favorites in the Report Definition dialog. For more information, see "Adding a Report to the Favorites," page 9-15.

You run the following reports by selecting them from the Depreciation menu:

■ **Annual Projection Report**
The Annual Projection report projects the total annual depreciation expense for selected assets for up to 99 years.

■ **Monthly Projection Report**
The Monthly Projection report displays projected depreciation amounts for each month (or period) in a fiscal year for the selected group of assets.

■ **Quick Projection Report**
The Quick Projection report displays an asset's projected depreciation expense for the life of the asset.

# Running a Standard Report

There are two methods for running a standard report.

• Click the Reports button on the navigation pane, and then select the report you want to run from the Reports list box on the Reports tab. Click the Run/Edit Report button, and then complete the fields on the Report Definition dialog. For more information, see "Completing the Reports Tab," page 9-6.

• Use the menu bar to select the report you want to run. You then complete the fields on the Report Definition dialog. For more information, see "Completing the Report Definition Dialog," page 9-6.

**Tip:** The first method has several advantages. You can view relevant information about the report you select to run, as well as a preview of the report. You can also select favorite reports. Favorite reports appear on the bottom of the Reports menu, where they are easier to run in the future.

When completing the Report Definition dialog, you must decide where you want to send the report. The available options are to a report viewer on your computer (Window) or to the default printer. If you want to view the report before it prints, select the Window check box. From the report viewer, you can then send the report to the default printer or export it to several different file formats.

**Note:** Before you run a report that includes depreciation figures, be sure you have calculated depreciation through the desired depreciation date for the assets you want to include in the report. To calculate depreciation, execute the Depreciate command from the Depreciation menu; otherwise your depreciation figures will not be current.

### *To run a standard report*

1. Select Reports/Standard Reports from the menu bar. The application displays a submenu containing all of the standard reports.

2. Select the report you want to run from the submenu. The Report Definition dialog appears.

3. Complete the Report Definition dialog, then click the Run Report button. For more information, see "Completing the Report Definition Dialog," page 9-6. The application runs the report and sends it to the selected location. If you select the Window check box, the report appears on your computer.

For more information, see "Viewing a Report," page 9-17.

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**Note:** To run the Monthly Projection report, the Annual Projection report, or the Quick Projection report, select the report from the Depreciation menu.

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You can also run a report on only selected assets or on an individual asset.

### To run a report for only selected assets

1.  In the Asset List, select the assets for which you want to run the report.

2.  Select Reports/Standard Reports from the menu bar. The application displays a submenu containing all of the standard reports.

3.  Select the report you want to run from the submenu. The Report Definition dialog appears. The application automatically selects <Selected Assets> in the Group field.

4.  Complete the Report Definition dialog, then click the Run Report button. For more information, see "Completing the Report Definition Dialog," page 9-6. The application runs the report and sends it to the selected location. If you select the Window check box, the report appears on your computer. For more information, see "Viewing a Report," page 9-17.

### To run a report for only a single asset

1.  Select the asset for which you want to run the report, and then go to Asset Detail.

2.  Select Reports/Standard Reports from the menu bar. The application displays a submenu containing all of the standard reports.

3.  Select the report you want to run from the submenu. The Report Definition dialog appears. The application automatically selects <Detailed Asset No. XX> in the Group field, where XX is the System Number of the selected asset.

4.  Complete the Report Definition dialog, then click the Run Report button. For more information, see "Completing the Report Definition Dialog," page 9-6. The application runs the report and sends it to the selected location. If you select the Window check box, the report appears on your computer. For more information, see "Viewing a Report," page 9-17.

## Completing the Reports Tab



Follow the guidelines below to complete the Reports tab.

- **Report Category**
  Use this field to narrow the list of reports that appear in the reports list box.

- **Reports List Box**
  Use this field to select the report that you want to run. When you select a report, the application displays relevant information about that report to the right of the list box.

  An asterisk (*) appears after the report name if the report has been added to the list of favorites.

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**Tip:** To add a report to the list of favorites, right-click on the report name, and then select Add to Favorites from the popup menu. The report appears at the bottom of the Reports menu, making it easier to run in the future. You cannot add the Tax reports to the list of favorite reports.

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- **Run/Edit Report Button**
  Click this button to display a dialog that allows you to run the report, as well as edit the definition of the report.

- **Report Columns**
  This field displays an image of the selected report so that you can preview the columns on the report before you run it.

## Completing the Report Definition Dialog

There are three tabs on the Report Definition dialog:

- **Setup Report tab** (for information, see "Completing the Setup Report Tab of the Report Definition Dialog," page 9-9)

- **Format Report tab** (for information, see "Completing the Format Report Tab of the Report Definition Dialog," page 9-13)

- **View Report Layout tab** (for information, see "Completing the View Report Layout Tab of the Report Definition Dialog," page 9-15)

Follow the guidelines below to complete the Report Definition dialog.

■ **Report Name**
Use this field to select the report that you want to run. The Report Name field allows you to run multiple reports without having to go back to the Reports menu.

■ **Description**
This field displays a brief description of the selected report.

■ **Add Report to Favorites**
Select this check box to add the selected report to the Favorites section on the bottom of the Reports menu.

■ **Run Report Button**
Click this button to run the selected report.

■ **Save Button**
Click this button to save the report definition under the current name. The report definition includes all of the fields on the Setup Report and Format Report tabs. If you do not save your changes to the report definition, all of the fields on these tabs revert to the default settings for the selected report.

## Verifying the Run Date for Each Book

When you run a report, you enter the date for which you want to run the report. You may want to run the report for the end of the month or for the end of the year.

However, suppose your company has different year-ends in the tax books and the Internal book. In that case, you can use the Verify Run Date button on the Setup Report tab of the Report Definition dialog to select a separate report run date for each book.

### *To verify the run date of the report for each book*

1. On the Setup Report tab of the Report Definition dialog, click the Other Date option button.

2. In the text box underneath the Other Date field, enter the date for which you want to run the report.

   **Tip:** You can also click the down arrow to display a calendar that allows you to select the date.

3. Click the Verify Run Date button. The Verify Run Date dialog appears.

4. Select the dates that you want to use to run the report for each depreciation book, and then click OK.

### Completing the Verify Run Date Dialog

Follow the guidelines below to complete the Verify Run Date dialog.

■ **Book**
This field displays the name of each open depreciation book.

■ **Cycle**
This field displays the type of accounting cycle used by each depreciation book.

■ **Run Date**
Use this field to select the run date that you want to use for each depreciation book. For most reports, you must select a date that is the last date in a month. (For some reports, this date must be the beginning date of a fiscal year.) Enter dates in MM/DD/YYYY format. For information on entering dates in date fields, see "Entering Dates in Date Fields," page 3-25.

## Setting the Current Reporting Period

You can set the date for which you want to run reports in one place. The date that you select is called the "current reporting period." After you select the current reporting period for a company, the date becomes the default date when you run reports.

You can change the date when you run reports to a date other than the current reporting period, if needed. And you can change the current reporting period at any time.

You can set the current reporting period for each open book.

### *To set the current reporting period*

1. Select Reports/Current Reporting Period from the menu bar. The Current Reporting Period dialog appears.

> **Tip:** You can also access the Current Reporting Period dialog by clicking the Set Current Report Period button on the Setup Report tab of the Report Definition dialog. For more information, see "Completing the Setup Report Tab of the Report Definition Dialog," page 9-9.

2. Complete the Current Reporting Period dialog, and then click OK.

The application uses the date that you select for each book when you run a report.

> **Note:** You can also set the current reporting period when you calculate depreciation by selecting the Update Current Reporting Period check box on the Depreciate dialog.

### Completing the Current Reporting Period Dialog

Follow the guidelines below to complete the Current Reporting Period dialog.

■ **Book**
This field displays the name of the book for which you can set the current reporting period.

■ **Reporting Period**
Use this field to select the period-end date for the current reporting period for each book. The date must be the end of a period. If you enter a date that is not the end of a period, the application automatically enters the end date for the period that contains the date you entered.

## Completing the Setup Report Tab of the Report Definition Dialog



Follow the guidelines below to complete the Setup Report tab of the Report Definition dialog.

■ **Group**

Use this field to select the group for which you want to run the report. You can select the Selected Assets option to run the report on only the assets you select in the Asset List. If you go to Asset Detail for an asset before you select the report from the Reports menu, you can run a report on that single asset. The group you select also determines the sort order of the report and whether the application uses subtotals. See "Completing the Sort Criteria Tab," page 4-26.

The application displays a description of the selected group's criteria and sort order underneath the field. You can override the sort order of the selected group with a new sort order on the Format Report tab. The application displays a message when you have overridden the group's sort order on the Format Report tab.

■ **Books**

Use this field to select the book or books you want to include in the report. For most reports, you must select at least one book to include in the report.

❑ **Select All/Unselect All Button**

Click this button either to select the check boxes for all available books or to clear the check boxes for all available books.

■ **Date**

Use this field to run the report for either the current reporting period or for a date that you select.

❑ **Current Reporting Period**

Click this option button to run the report for the current reporting period. You can set the current reporting period for each book. For more information, see "Setting the Current Reporting Period," page 9-8.

If you select only one book, the application displays the current reporting period for that book. If you select more than one book with different current reporting periods, you can view the current reporting periods by clicking the Verify Run Date button.

❑ **Other Date**

Click this option button if you want to run the report for a date other than the current reporting period. Enter the date for which you want to run the report in MM/DD/YYYY format. Click the down arrow to use the calendar to select the date. For most reports, this date must be the end of a period.

❑ **Verify Run Date Button**
Click this button to display a dialog that allows you to view which period-end the date you entered falls within, for each selected book. This button is unavailable if you have not selected a book in the Books field. For information about using this feature, see "Verifying the Run Date for Each Book," page 9-7.

❑ **Current Report Period Button**
Click this button to display a dialog that allows you to set the end date of the current reporting period.

◼ **Configuration**
The options in this field allow you to specify what you want included in the report. The available options vary depending on which report you are running.

❑ **Extended Asset Description**
Select this check box if you want the report to include the full asset description rather than the abbreviated version usually used for reports. The asset's full description prints on a line above the asset's other information. Selecting this check box doubles the size of your report.

❑ **Column Wrapping**
Select this check box if you want text fields that exceed the column width to print on the next line(s), so that all of the data in the field is displayed on the report.

❑ **Asset Count**
Select this check box if you want the application to display the number of assets on subtotal and total lines.

❑ **Subtotal Options**
Use this field to determine how you want subtotals to display on the report.

• **Detail, Subtotals, and Totals**
Click this option button if you want the report to display details about every asset included in the report in addition to subtotals and the grand total.

• **Subtotals and Totals**
Click this option button if you want the report to display only subtotals and the grand total. Even if you choose to display subtotals and totals only, you can drill down to view the details when you send the report to Window.

◼ **Send To**
Use this field to specify where you want the application to send the report.

❑ **Window**
Select this check box if you want to display the report on your computer screen in the report viewer. You must first select a default printer to display the report in the report viewer. After you display the report in the report viewer, you can print the report or export it to several different file formats.

❑ **Printer**
Select this check box if you want to send the report to the default printer.

# Formatting a Report

You can make the following changes to the format of a report:

• Set the current reporting period. See "Setting the Current Reporting Period," page 9-8.

• Set the orientation (portrait or landscape). See "Setting the Orientation of a Report," page 9-11.

- Set the currency rounding option. See "Setting the Currency Rounding Option on a Report," page 9-11.

- Change the sort order that was specified in Group Manager. See "Changing the Sort Order on a Report," page 9-12.

- Set the page break options. See "Setting the Page Break Options," page 9-12.

## Setting the Orientation of a Report

You can set the orientation of a report; that is, you can change the orientation from portrait to landscape or from landscape to portrait.

### *To set the orientation of a report*

1. Select Reports/Standard Reports from the menu bar. The system displays a submenu containing all of the standard reports.

2. From the submenu, select the report for which you want to set the orientation. The Report Definition dialog appears.

3. Make sure the report for which you want to set the orientation is selected in the Report Name field.

4. Click the Format Report tab. The Format Report information appears. For more information, see "Completing the Format Report Tab of the Report Definition Dialog," page 9-13.

5. Select the desired orientation in the Report Orientation field. Select Portrait for a vertical orientation, and select Landscape for a horizontal orientation.

6. Do one of the following:

   - Click the Run Report button to run the report immediately.

   - Click the Save button to run the report at a later time, and then click the Close button to close the Report Definition dialog.

## Setting the Currency Rounding Option on a Report

You can set the currency rounding option for dollar amounts on reports. For example, you can have the application round dollar amounts to the nearest dollar, the nearest thousand, or the nearest million.

### *To set the currency rounding option on a report*

1. Select Reports/Standard Reports from the menu bar. The system displays a submenu containing all of the standard reports.

2. From the submenu, select the report for which you want to set the orientation. The system displays the Report Definition dialog.

3. Make sure the report for which you want to set the currency rounding option is selected in the Report Name field.

4. Click the Format Report tab. The Format Report information appears. For more information, see "Completing the Format Report Tab of the Report Definition Dialog," page 9-13.

5. Select the desired currency rounding option from the Currency Rounding field. The application displays an example of how the rounding option affects currency fields underneath the field.

6. Do one of the following:

    - Click the Run Report button to run the report immediately.

    - Click the Save button to run the report at a later time, and then click the Close button to close the Report Definition dialog.

## Changing the Sort Order on a Report

The order in which assets are sorted on a report is originally determined by the sort order of the group you select when you run the report. This sort order is defined on the Sort Criteria tab in Group Manager. For more information, see "Completing the Sort Criteria Tab," page 4-26. You can change this sort order in the Report Definition dialog when you run a report.

### To change the sort order on a report

1. Select Reports/Standard Reports from the menu bar. The system displays a submenu containing all of the standard reports.

2. From the submenu, select the report for which you want to set the orientation. The Report Definition dialog appears.

3. Make sure the report for which you want to change the sort order is selected in the Report Name field.

4. Click the Format Report tab. The Format Report information appears. For more information, see "Completing the Format Report Tab of the Report Definition Dialog," page 9-13.

5. Complete the Sort Options fields on the Format Report tab of the Report Definition dialog.

6. Do one of the following:

    - Click the Run Report button to run the report immediately.

    - Click the Save button to run the report at a later time, and then click the Close button to close the Report Definition dialog.

## Setting the Page Break Options

You can determine where the page breaks are on a standard report.

### To set the page breaks

1. Select Reports/Standard Reports from the menu bar. The system displays a submenu containing all of the standard reports.

2. From the submenu, select the report for which you want to set the page break option. The Report Definition dialog appears.

3. Make sure the report for which you want to set the page break option is selected in the Report Name field.

4. Click the Format Report tab. The Format Report information appears. For more information, see "Completing the Format Report Tab of the Report Definition Dialog," page 9-13.

5. Click the Override Sort Specified in Group option button. The fields that determine the three sorting levels become available.

6. Select the field that you want to use for the primary sort level. The Page Break check box becomes available for the first sort level.

7. Select the Page Break check box if you want the report to print a new page every time the value for the primary sort level changes.

8. Select a field for the second and third level sort levels, if desired.

9. Select the Page Break check box if you want the report to print a new page every time the value for the second and third sort level changes.

10. Do one of the following:

- • Click the Run Report button to run the report immediately.

- • Click the Save button to run the report at a later time, and then click the Close button to close the Report Definition dialog.

## Completing the Format Report Tab of the Report Definition Dialog



Follow the guidelines below to complete the Format Report tab of the Report Definition dialog.

■ **Report Orientation**
Use this field to select the orientation of the report on the page.

❑ **Portrait**
Click this option button if you want the report to have a vertical orientation.

❑ **Landscape**
Click this option button if you want the report to have a horizontal orientation.

■ **Currency Rounding**
Use this field to specify how you want the application to round dollar amounts on the report.

❑ **Do Not Round**
Select this option if you want the application to display both dollars and cents.

❑ **Whole Dollars**
Select this option if you want the application to round dollar amounts to the nearest dollar.

❑ **Thousands**
Select this option if you want the application to round dollar amounts to the nearest thousand.

❑ **Millions**
Select this option if you want the application to round dollar amounts to the nearest million.

❑ **Data**
This field displays an example of a dollar amount before the rounding option is applied to it.

❑ **Display**
This field displays the dollar amount shown in the Data field after the rounding option has been applied.

■ **Sort Options**
Use these fields to specify how you want the application to sort the information on the report.

❑ **Use Sort Specified in Group**
Click this option button if you want the application to sort the information as specified for the selected group on the Sort Criteria tab of the Add/Edit Group dialog. The application displays the group's criteria and sort order underneath the Group field on the Setup Report tab.

❑ **Override Sort Specified in Group**
Click this option button if you want to override the sorting information specified for the selected group on the Sort Criteria tab of the Add/Edit Group dialog.

The following fields are available only if you click the Override Sort Specified in Group option button.

❑ **Field**
Select up to three fields on which you want the application to sort the report.

❑ **Order**
Use these fields to select the order in which you want the application to display the data. Select Ascending to display the assets from A to Z or from 0 to 9. Select Descending to display the data from Z to A or from 9 to 0.

❑ **Subtotals**
Use these fields to specify how you want the application to display subtotals on the report.

• **None**
Select this option if you do not want the application to display subtotals on the report for the corresponding field.

• **Subtotals**
Select this option if you want the application to display subtotals on the report for the corresponding field.

• **Year Subtotals**
Select this option if you want the application to display subtotals for each year. This option is available only for date fields.

• **Month and Year Subtotals**
Select this option if you want the application to display subtotals for each year and for each month within each year. This option is available only for date fields.

**Note:** You can select subtotal options for up to three sort levels. The Month and Year Subtotals option counts as two sort levels. Therefore, if you select Month and Year Subtotals for either the first or second field, the application ignores the subtotal selection for the third field. In addition, the Month and Year Subtotals sort option is not available for the third field because selecting it would exceed the limit of three sort levels.

❑ **Page Break**
Select this check box if you want the application to start a new page when the sort value changes. For example, if you select the Page Break check box for the Location field, then the application starts a new page every time the location changes.

### Completing the View Report Layout Tab of the Report Definition Dialog



Follow the guidelines below to review the View Report Layout tab of the Report Definition dialog.

The View Report Layout tab displays a sample report for the report that you select in the Report Name field.

■ **Header**
This field displays the header section of the selected report.

■ **Columns**
This text box displays sample data for the selected report.

■ **Footer**
This field displays the footer section of the selected report.

## Adding a Report to the Favorites

You can create a list of the reports that you run most often. This will make it easier and quicker to select the report you need. The list of reports will appear in the list of Favorites on the Favorites tab, as well as in the Favorites section on the Reports menu.

---
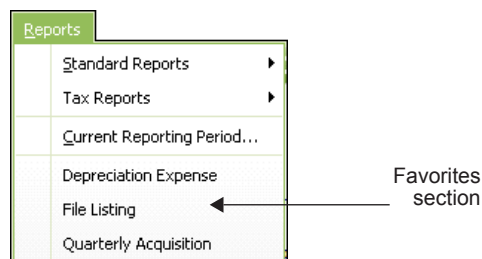
**Note:** This feature is not available for the Tax reports.

---

### *To add a report to the Favorites tab*

1. Click the Reports button on the navigation pane.

2. Select the Reports tab.

3. In the list of reports, right-click the report you want to add to Favorites.



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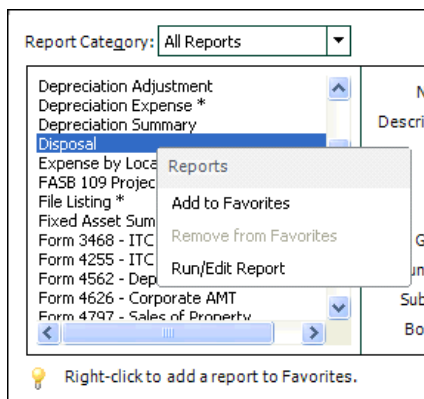
**Note:** You can select either a standard report or a report that you have already customized.

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4. From the pop-up menu, select Add to Favorites.

5. The report appears in the list of Favorites on the Favorites tab, as well as the bottom of the Reports menu.

---

**Tip:** You can also add a report to the Favorites section of the Reports menu by selecting the Add Report to Favorites check box on the Report Definition dialog. For more information, see "Completing the Report Definition Dialog," page 9-6.

---

## Completing the Favorites Tab



The Favorites tab displays the reports that you have added as favorites to the Reports menu. When you select a favorite report from the list, the application displays the report settings to the right of the list.

---

**Note:** You cannot add the Tax reports to the list of favorite reports.

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- **Run/Edit Report Button**
  Click this button to display a dialog that allows you to run the report, as well as edit the definition of the report.

- **Report Columns**
  This field displays an image of the selected report so that you can preview the columns on the report before you run it.

# Viewing a Report

When you select the Window check box in the Send To field on the Report Definition dialog, the report appears on your computer. Every reports appears in a standard report viewer that contains many features that make it easy for you to view, manipulate, and print the report.

## The Report Viewer

Here is the Depreciation Expense report displayed in the standard report viewer with each of the elements of the report viewer displayed.
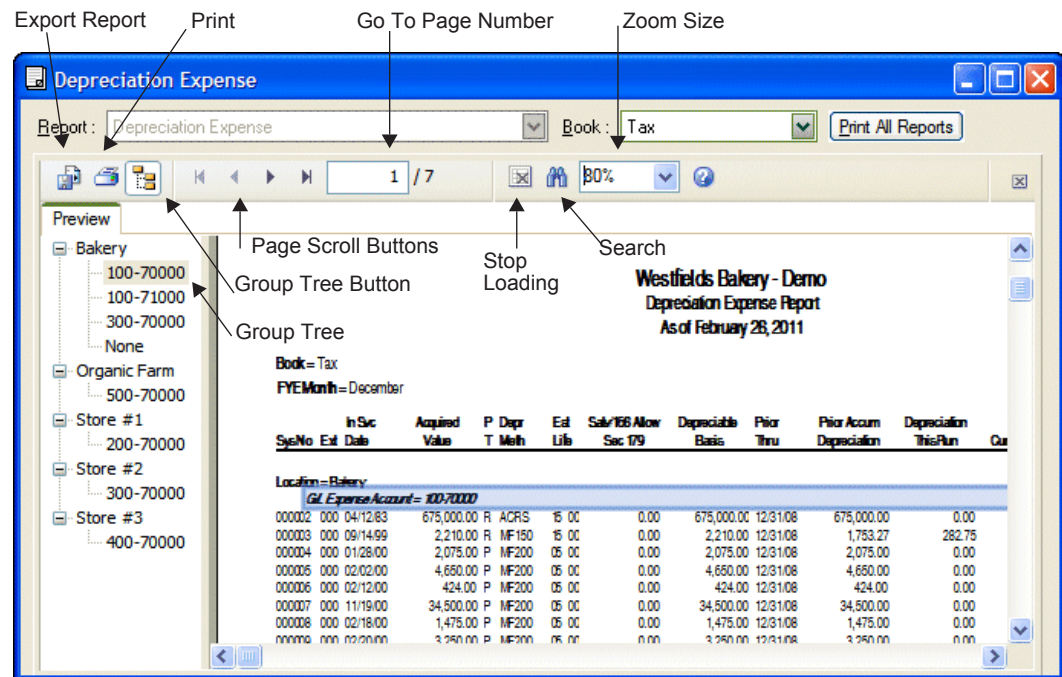


The standard report viewer elements are as follows:

- **Report**
  This field displays the name of the report on your computer screen.

- **Book**
  Use this field to select the book for which you want to view a report. The application creates a separate report for each book selected on the Report Definition dialog.

- **Print All Reports Button**
  Click this button to send the reports for all books to the printer. You can use this button to print reports before you drill down for details. After you drill down, you must use the Print button (see below).

  **Note:** Selecting the Print All Reports button prints only one report when you run a report for only one book (for example, running the report for only the Internal book).

- **Export Report Button**
  Click this button to display the Export dialog, which allows you to export the report to an external file or email. You can export the report in many different file formats, including Adobe Acrobat (PDF), comma-separated values (CSV), Microsoft Excel (XLS), Microsoft Word for Windows (DOC), HTML, and XML.

- **Print Report Button**
  Click this button to send the report to the default printer. You can use this button to print reports after you drill down for details.

■ **Toggle Group Tree Button**
Click this button to either display or hide the group tree. The group tree displays the sort levels of the report. The application displays the group tree only if you have selected to subtotal the sort criteria for the group of assets on which you are reporting. You can use the group tree to navigate the report. Simply select a sort level from the group tree to move the preview to the selected sort level. If you have not selected to subtotal the sort criteria for the group of assets on which you are reporting, the application displays a blank navigation area when you click the Toggle Group Tree button. For more information, see "Using the Group Tree," page 9-20.

■ **Page Scroll Buttons**
Click these buttons to scroll through the pages of the report.

■ **Go To Page Number X/Y**
This field displays the current page number. You can enter a page number and press Enter to go to that page of the report. To view the total number of pages in the report, you must first use the page scroll buttons to move to the last page of the report.

■ **Stop Loading Button**
Click this button to interrupt the loading of the report in the report viewer. You can view the portion of the report that was loaded before the button was clicked.

■ **Search Text Button**
Click this button to display the Search dialog, which allows you to search for text on the report.

■ **Zoom Size**
Select a zoom size from the drop-down list box.

## Interpreting Common Report Data

The guidelines provided below pertain to features common to most reports.

■ **Header of Report**
The header, or top section, of reports displays the following information about the report:

❑ **Book**
This field in the report header section displays the name of the book for which the report was run. The application creates a separate report for each book that you select in the Report Definition dialog.

❑ **Fiscal Year-End Month**
This field in the report header section displays the month in which the fiscal year ends for the selected book.

■ **Body of Report**
The following information is displayed in the body of most reports.

❑ **Key Code Column**
Many reports have a Key Code column. This column lists one or more lowercase letters that are keys to understanding how depreciation was calculated for the asset listed. The keys codes are:

| a | A depreciation adjustment amount (to adjust for taking too little beginning depreciation) is included in total accumulated depreciation. For information about depreciation adjustments, see the online Help or "The Book Overrides Tab," page 4-12. To obtain the adjustment amount for this asset, you can run a Depreciation Adjustment report. |
|---|---|
| b | The asset has had a business-use percentage of less than 100%. The business-use percentage reduces the asset's depreciable basis. |

| d | The asset has been disposed. |
|---|---|
| f | The asset has switched from the MACRS table depreciation calculation to the MACRS formula depreciation calculation because of a short tax year. |
| l | The asset's depreciation has been limited by the cap on annual recovery allowances for luxury automobiles. |
| m | The midquarter convention was applied to the asset's depreciation. |
| r | The asset's acquisition value was reduced to arrive at the depreciable basis. Salvage value, Section 179 expense or bonus depreciation, ITC, 168 Allowance, and business-use percentage may have reduced the acquisition value. |
| s | The asset switched from a declining-balance depreciation method to a straight-line depreciation method when straight-line depreciation resulted in more depreciation than declining balance. |
| v | The asset has switched to a remaining value over remaining life depreciation calculation due to ACE rules. |

■ **Report Assumptions**
The last page of most reports displays important information about the data included on the report.

❑ **Report Name**
This field displays the name of the report.

❑ **Source Report**
If you have customized a standard report, this field displays the standard report on which the customized report is based. The application always displays <Standard Report> in this field because the customize report feature is not available in Sage Fixed Assets.

❑ **Calculation Assumptions**
The calculation assumptions section shows:

• Whether the company had any short years during the report period.

• The depreciation adjustment convention used when an asset's depreciation is less than the amount the application calculates for the beginning period (no adjustment, immediate adjustment, or postrecovery adjustment).

• Whether the setting for the Include Section 168 Allowance and Section 179 in Expense field was on or off for the company.

❑ **Key Codes**
The key section lists all of the available key codes that can appear in the Key Code column, along with a brief explanation of each code.

❑ **Group/Sorting Criteria**
This section shows the group name, group definition, and sort criteria. You can override the sort order specified in the group by completing the Sort Order fields on the Format Report tab of the Report Definition dialog.

## Using the Group Tree

The group tree in the report viewer displays the sort levels of a report. You can use the group tree to view the sort levels and to quickly move from one section of the report to another.


To view the group tree, click the Group Tree button on the report viewer.

**Note:** The application displays the group tree only if you have selected to subtotal the sort criteria for the group of assets on which you are reporting. You can select whether to subtotal the sort criteria when you define the group in the Group Manager. For more information about creating groups, see "Creating Groups," page 4-22. You can also select to subtotal the sort criteria on the Format Report tab of the Report Definition dialog. If you have not selected to subtotal the sort criteria for the group of assets on which you are reporting, the application displays a blank navigation area when you click the Group Tree button.

The image below shows the group tree for a report that is sorted first by the Location field, and then by the Department field.
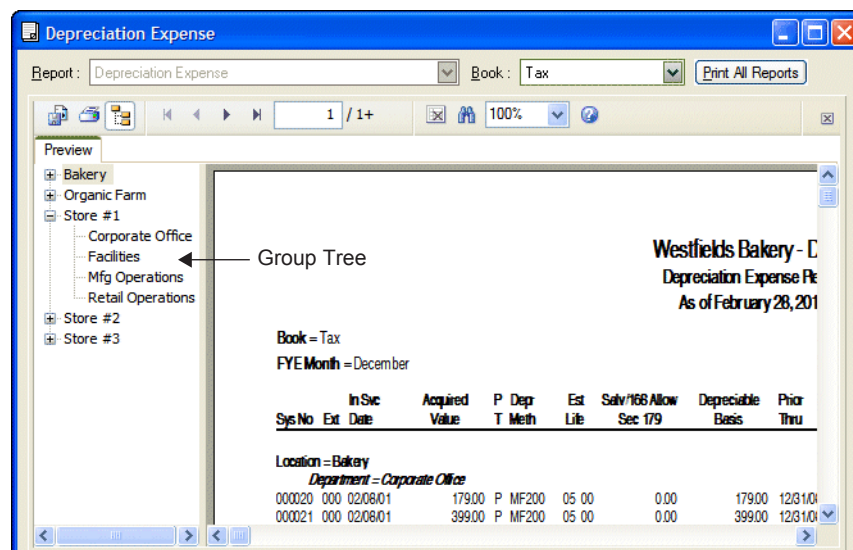


You can expand the entries for the primary sort field (Location) to display the entries for the secondary sort field (Department). In the image above, the Store #1 location is expanded to show the four departments for that location. Click the plus sign (+) to expand a sort field, and click the minus sign (-) to contract a sort field.

You can also quickly move to a section of the report by clicking a sort level on the group tree. For example, when you click on Store #2 in the group tree, the application displays the information about Store #2 in the report viewer.

## Drilling Down for More Details

You can create a report that initially displays only subtotals and totals. You can then "drill down" to view the assets that make up those subtotals or totals.

For example, you might create a report for a group of assets that are sorted and subtotaled by location. When you run the report, you select the Subtotals and Totals option on the Setup Report tab of the Report Definition dialog. The application displays the subtotals for each location in the company. You can "drill down" to see the details for each asset in a particular location.

### *To drill down for more details*

1.  Run a report, and select the Subtotals and Totals option and the Window check box in the Send To field. The application displays only the subtotals and totals for each sort level.

2. Move the cursor over a sort level until the cursor becomes a magnifying glass.



3. Double-click on the sort level. The application displays the assets that make up that sort level in a separate page. Double-click to toggle between subtotals and the detail page, or click the appropriate tab.



**Note:** To print a copy of the detail page, click the Print icon (not the Print All Reports button) while viewing the detail page.

## Exporting a Report

When you run a report, you can export the report in a variety of formats. These formats include:

• Adobe Acrobat (.PDF) for easy report distribution

• eXtensible Markup Language (.XML) for easy analysis of your data in other financial packages

• Microsoft Excel (.XLS) format, that retains more of the original report columns and layout for convenient use in a spreadsheet.

### *To export a report*

1. Make sure you select the Window check box in the Send To field on the Report Definition dialog.

2. Click the Run Report button. The application displays the report in the report viewer.

3. Click the Export Report button on the report viewer. The Export dialog appears.
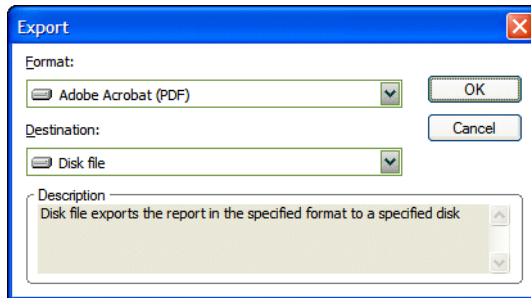


4. Select the desired format (for example, Adobe Acrobat or Microsoft Excel).

5. Select the desired destination (for example, an application or a disk file).

6. Click OK.

If you choose to send the report to a disk file, the application displays the Choose Export File dialog, which allows you to select a folder in which to save the file. If you choose to send the report to an application, the application opens the appropriate program and displays the report.

# Appendix A
# Depreciation and Fixed Asset Concepts

Tax laws and accounting standards that apply to depreciation are complex and ever-changing. Whether you are a business executive, an administrator, or an accountant, depreciation can be a confusing and worrisome aspect of fixed asset management.

The application is designed to reduce the burden of these tax laws and accounting standards by performing the many complicated calculations that are required. It also disallows entries that are clearly invalid under the law. To produce the optimal depreciation results for your company, however, you must understand several things:

*   The concepts involved in the depreciation of fixed assets.

*   The assumptions and decisions the application makes when calculating depreciation and setting defaults for the depreciation books, whenever choices are available under the law.

*   The different depreciation methods available to you and their effects on your books.

This appendix provides detailed information about depreciation concepts and methods. It can help you make the right decisions about your entries in the depreciation books. Because depreciation and the IRS regulations that govern depreciation for tax purposes are very complex and frequently require professional judgment, this discussion is no substitute for the advice of an accountant or tax advisor.

Although the application takes much of the work out of depreciation by applying the correct depreciation rules and calculations to each asset, its calculations can only be as correct as the information you enter. For example, while the application can keep a user from entering a depreciation method that is invalid for the asset's property type and date placed in service, the application cannot determine whether the property type is correct for the asset or whether the user has chosen the most appropriate of the valid depreciation methods. The person who sets guidelines for entering asset information and who sets up the books should have a thorough understanding of depreciation and the way the application calculates it. The person who enters asset data (if different) may find it helpful to have a basic understanding of depreciation—as accountants understand it and as the IRS requires it.

This appendix discusses the basics of depreciation, how the application determines default values for the elements of depreciation, and the application's disposal methods.

# Sage Fixed Assets Depreciation Books

There are five predefined depreciation books and two user-defined books. There is also an area where you can enter general information about an asset—data that does not affect depreciation. To learn more about the general information fields, see "Completing the General Information Fields," page 6-3. To learn about the book-specific information fields, see "Completing the Book Information Fields," page 6-4.

This section of the appendix describes the seven Sage Fixed Assets depreciation books.

## The Tax Book

The Tax book is for asset depreciation information as it will be reported to the IRS on the company's federal income tax return for regular tax purposes. The application uses the entries in this book to set appropriate defaults for the other open books. For example, if you enter a personal property asset's depreciation method in the Tax book as MF200 (MACRS Formula), the application will set the asset's depreciation method in the AMT book to MF150. The specific defaults for all depreciation books are explained in "Depreciation Defaults," page A-22. Note that if you close the Tax book, the State, AMT, and ACE books will not have any default information.

The application limits entries in the Tax book to choices that are valid under the depreciation sections of the Internal Revenue Code, principally Sections 167 and 168.

## The Internal Book

The Internal book is for asset depreciation as needed for the company's internal accounting. The application default information, based on the Tax book, conforms to Generally Accepted Accounting Principles (GAAP). The application uses data from this book in certain reports, such as the FASB 109 Projection report. The Internal book fiscal year does not need to be the same as the Tax book fiscal year.

Guidelines for internal book depreciation, as outlined by GAAP, tend to be far less restrictive than for tax depreciation. GAAP requires only that depreciation be a systematic and rational measure of asset wear and tear and that any selected depreciation method be applied consistently. Some rules are, however, quite specific, and you should refer to the GAAP guidelines for detailed information.

## The State Book

The State book is for asset depreciation information as it will be reported on the company's state income tax return. The application uses the data from the Tax book as the default information for this book. You must know the tax laws for your state; the application does not enforce specific state tax requirements. Generally, the State book fiscal year should be the same as the Tax book fiscal year.

When you run a FASB 109 Projection report, you can get an additional report for the State book.

## The AMT Book

The Alternative Minimum Tax (AMT) was repealed by the Tax Cuts and Jobs Act of 2017 for corporations, effective for tax years beginning January 1, 2018 and later. AMT is still in effect for individuals.

If your business no longer needs to use the AMT book or related ACE book, you can close the books. The existing data in the books will remain and the books can be re-opened if desired. (To close a book, enter No in the Open Book field.)

The previous rules for computing the Alternative Minimum Tax (AMT) differ from those used in computing depreciation for the regular federal tax. As part of the Tax Reform Act of 1986, Congress passed legislation designed to ensure that both individual taxpayers and corporations pay at least a certain minimum tax, known as the Alternative Minimum Tax or AMT. The application applies those rules to determine the default information for this book based on the Tax book entries. Generally, you should not change the default entries, as they already comply with AMT rules. The AMT book fiscal year should be the same as the Tax book fiscal year.

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**Note:** If a corporation is exempt from AMT (under the rules prescribed by the Taxpayer Relief Act of 1997), it should close the AMT book, as well as the ACE book, for the first year beginning after December 31, 1997. The exemption from AMT may only be temporary (that is, if the corporation grows sufficiently, it may have to start calculating AMT again).

---

The Alternative Minimum Tax report shows Tax Preferences for ACRS real property and Adjustments for MACRS assets as required under the AMT.

## The ACE Book

For years after 1989, the Alternative Minimum Tax rules require a special income calculation under Code Section 56(g) to arrive at Adjusted Current Earnings (ACE). A major component of ACE is an adjustment for accelerated depreciation on recovery property placed in service prior to January 1, 1994. ACE depreciation, for which the ACE book is intended, is Alternative Minimum Tax depreciation with the following modifications, which the application applies for the ACE book defaults:

- There is no ACE Depreciation Adjustment for assets placed in service after 1993. Therefore, there is no adjustment made to the Alternative Minimum Tax depreciation.

- You must use ADS straight-line MACRS depreciation (method AD) to depreciate all MACRS assets placed in service in 1990 through 1993. For these assets, the application defaults the estimated life from the ADS life for use as the recovery period.

- For MACRS assets placed in service before 1990 and ACRS assets, the application determines the asset's remaining depreciable basis (using the AMT book for MACRS property and the Tax book for ACRS property) as of the end of the last tax year that began before 1990. After that date, the asset's depreciation method changes to a remaining value over remaining ADS life calculation; however, the ACE book still shows the original depreciation method.

- For all other assets, depreciation under ACE is the same as allowed for regular tax purposes.

Because the application establishes the ACE book defaults, under these rules, from entries in the Tax book, you should not override the defaults unless you are thoroughly familiar with Code Section 56(g) and fully understand the impact of your changes.

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**Note:** If a corporation is exempt from AMT (under the rules prescribed by the Taxpayer Relief Act of 1997), it should close the ACE book, as well as the AMT book, for the first year beginning after December 31, 1997. Although the exemption from AMT may only be temporary (that is, if the corporation grows sufficiently, it may have to start calculating AMT again), the exemption from ACE calculation is permanent.

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The ACE book fiscal year should be the same as the Tax book fiscal year.

## The Custom 1 and Custom 2 Books

The Custom 1 and Custom 2 books are for the company to use as it wishes. The application sets the default values just as it does for the Internal book, but it does not use the information in these books for any report calculations (other than those required to run Custom 1 or Custom 2 reports). You may choose either of these books to use as the applicable financial statement for the FASB 109 Projection report.

# Depreciation: An Overview

Depreciation is an allowance for the decline in an asset's value. It has two aspects, an accounting aspect and a practical aspect. Both aspects have tax and financial implications.

In accounting terms, depreciation is the process of allocating the cost of tangible property against income over a period of time, rather than deducting the cost as a cash expense in the year of acquisition. Generally, at the end of an asset's life, the sum of the amounts set aside for depreciation each accounting period will equal original cost less salvage value (the value of an asset at the end of its life). The method used to calculate an asset's depreciation is important because depreciation affects net profit. Higher depreciation deductions reduce net profit while lower depreciation deductions increase net profit.

In practical terms, depreciation suggests a gradual decline in an asset's market value because of use and wear and tear. Federal and state tax laws recognize that businesses need to account for this aspect of depreciation. As a result, IRS and state tax authorities allow businesses to write off or expense a certain amount each year for the actual use of an asset. This amount is treated as an expense even though the company may not have purchased the asset in the current period.

Good accounting and financial management practices require that a company take both the cost expiration and the declining market value of an asset into account. The cost expiration of a company's assets must be recognized if the cost of doing business is to be realistic. Also, the decline in the market value of those assets must be considered if the company's net worth is to be realistic.

The application is concerned solely with fixed assets, which the IRS defines as property or equipment with an estimated life in excess of 1 year. Note that the application does support assets with a life as short as 6 months for the following depreciation methods:

- MF150% and MA150% (MACRS Formula)
- AD and AA (MACRS Alternative Depreciation System)

To be depreciated, a fixed asset must:

- Be used in business or held for the production of income.
- Have an estimated life greater than 1 year.
- Be subject to wear, decay, or expiration.
- Be fully installed and ready for use.

# Elements of Depreciation

To calculate depreciation on a fixed asset, you must know five things:

- The type of property.

- The date the asset was placed in service.

- The asset's depreciable basis.

- The asset's estimated useful life.

- The depreciation method.

The rest of this section explains each of the first four elements of depreciation.

## Types of Property

An asset's property type often dictates the depreciation method to be used in the depreciation calculation. Businesses use two general types of property: personal property and real property. Under the Internal Revenue Code, personal property includes all depreciable property other than real estate (real property). Real property includes buildings and their structural components.

---

**Note:** Accountants often refer to a property by its depreciation method, such as a declining-balance property or an ACRS asset. Assets depreciated under ACRS and MACRS methods are called recovery properties because depreciation is taken over statutory estimated lives called recovery periods. You designate qualifying property as Indian Reservation property by selecting depreciation method MI, rather than by selecting a specific property type.

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Within the two broad property type categories—personal and real—the Internal Revenue Code makes further distinctions for depreciation purposes. The application identifies property by the following types:

- **General Personal Property (Type P)**
  This type includes all personal property other than listed personal property, automobiles, and light trucks and vans.

- **Automobile (Type A)**
  IRS rules place a cap on annual recovery allowances (including any deductions under Code Section 179) for vehicles that qualify as luxury vehicles under IRS Section 280F placed in service after June 18, 1984.

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**Note:** For additional information about the limitations on recovery allowances and investment tax credits for luxury automobiles, which the application enforces for assets using ACRS and MACRS methods, enter "Automobile (Type A)" in the Search tab of the Sage Fixed Assets Help system.

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The amounts in the preceding table are based on a 12-month tax year and 100% business use of the property. For business use less than 100% or a tax year of less than 12 months, the application automatically reduces the ceiling amounts according to IRS regulations.

**Automobile Limits and 168 Allowance in a Short Year**

Code Section 280F requires that the luxury auto limit be prorated in a short year; however, you are not required to prorate the 168 Allowance during a short year. Thus when determining the limit on depreciation for automobiles, light trucks, or vans, the application uses the following formula:

*{(Annual Limit x Short Year Fraction) + $7,650 \*} x Business Use*

\* Prior to May 6, 2003, this amount is $4,600.

The change in short year calculations is automatic and will occur the next time depreciation is run for any vehicle claiming the 168 Allowance in a short year.

**Automobile Example:**

In July 2002, a company purchased a $20,000 passenger car with a 5-year recovery period and uses it exclusively for business.

The MACRS depreciation would be:

| Year | Depreciation Before Luxury Auto Limits ($) | Maximum Allowable Depreciation ($) |
|------|--------------------------------------------|------------------------------------|
| 2002 | 4,000.00 | 3,060.00 * |
| 2003 | 6,400.00 | 4,900.00 |
| 2004 | 3,840.00 | 2,950.00 |
| 2005 | 2,304.00 | 1,775.00 |
| 2006 | 2,304.00 | 1,775.00 |
| 2007 | 1,152.00 | 1,775.00 |
| 2008 | 0.00 | 1,775.00 |
| 2009 | 0.00 | 1,775.00 |
| 2010 | 0.00 | 215.00 |
| Total | 20,000.00 | 20,000.00 |

\* If you elect out of the 168 Allowance for the passenger car, the depreciation limitation is $3,060 for the first year. If the vehicle qualified for the 30% bonus depreciation, the first year limit would have been $7,660.

Even though the car has a recovery period of 5 years, deductions can continue to be taken after the recovery period if the vehicle is still used for business and the deductions do not exceed the maximum yearly amount.

■ **Light Trucks and Vans (Type T)**

IRS rules place a cap on annual recovery allowances (including any deductions under Code Section 179) for vehicles that qualify as light trucks or vans placed in service after January 1, 2003. Use property type T if the vehicle's gross weight is less than 6,000 pounds. If the vehicle's gross weight is 6,000 pounds or more, use property type P or Q.

**Help:** For additional information about the limitations on recovery allowances for light trucks and vans, enter "Light Trucks and Vans (Type T)" in the Search tab of the Sage Fixed Assets Help system.

**Note:** Sport Utility Vehicles (SUVs) and other vehicles, except ambulances, hearses, or vehicles used for transporting persons or property for hire should be entered using property type Q. For more information, see "Sport Utility Vehicles," page A-7.

❑ **Light Trucks and Vans Excluded from Limitations**
Light trucks and vans may be excluded from the depreciation limitations if they qualify as nonpersonal use vehicles. If the vehicle does qualify for the exclusion, use property type P when you enter the asset in the application.

To qualify as a nonpersonal use vehicle, the truck or van must meet the following requirements:

- The vehicle was specially modified so it is not likely to be used more than minimally for personal purposes.

- The vehicle was placed in service on or after July 7, 2003.

IRS Reg. § 1.274-5T(k)(7) provides the following example of a vehicle that was modified so that it would not be used for personal purposes:

"A van that has only a front bench for seating, in which permanent shelving that fills most of the cargo area has been installed, that constantly carried merchandise or equipment, and that has been specially painted with advertising or the company's name."

Vehicles that are exempt from the depreciation limitations also include those listed under (k)(2) of the same regulation. This list includes cranes, school buses, forklifts, and ambulances.

■ **Listed Personal Property (Type Q)**
Code Section 280F lists certain kinds of property for which ACRS and MACRS deductions may be limited. Listed personal properties include passenger cars or other forms of transportation that can be used for personal as well as business purposes, such as airplanes, trucks, and boats; amusement equipment such as pinball machines and certain computers. For a complete list, see Code Section 280F.

❑ **Sport Utility Vehicles**
Vehicles weighing less than 6,000 pounds are subject to the luxury automobile limits on depreciation. Sport Utility Vehicles (SUVs) weighing between 6,000 and 14,000 pounds were not subject to these limitations. Since 2003, a business could deduct up to $100,000 in the placed-in-service year for the cost of an SUV under Section 179 because these vehicles were not subject to the automobile limits.

However, the American Jobs Creation Act of 2004 limits the Section 179 expense that can be taken in a single year on an SUV to $25,000. The $25,000 limit applies to SUVs placed in service after 10/22/04.

To enter an asset as an SUV, use property type Q, listed property.

■ **General Real Property (Type R)**
This type includes all real property that is not listed or required to be reported separately for tax purposes.

■ **Listed Real Property (Type S)**
Code Section 280F lists real property as well as personal property for which ACRS and MACRS deductions may be limited. Listed real properties include entertainment, recreational, and amusement properties, such as sports stadium boxes, beach houses, and hunting lodges. For a complete list, see Code Section 280F.

■ **Other Real Properties (Types C, E, and F)**
Because you must report different real property types separately for several federal tax forms (most notably Form 4797), the application has separate property types for conservation property (type C); oil, gas, and energy property (type E); and farm property (type F).

■ **Low-Income Housing (Type H)**
Special ACRS allowances are available for low-income housing placed in service after 1980 and before 1987. These periods allow for costs to be recovered at twice the straight-line rate. Property allowed to be recovered under this method includes housing projects insured under the National Housing Act.

Between 1980 and 1987, low-income housing was given a special full month's depreciation during the months of acquisition and disposal. Low-income housing was also assigned a 15-year recovery period with 200% declining-balance depreciation.

After 1986, low-income housing uses the same midmonth convention as other residential property, with a half-month's depreciation given during months of acquisition and disposal. For this reason, there is no special treatment for low-income housing placed in service after 1986 and it should therefore be treated as general real property (type R).

The short tax year rule does not apply to low-income housing in the year of acquisition or disposition. The deduction is based on the number of months in which the property was in service during the short tax year, as is the case with other real property.

■ **Amortizable Property (Type Z)**
The tax law requires taxpayers to recover certain specified capital expenditures through a process known as amortization. Amortization uses straight-line depreciation over certain specified periods of time. You can select only straight-line depreciation methods (methods SD, SL, SF, SH, and RV, plus OC, NO, and custom methods) for amortizable assets. Only certain expenditures may be amortized.

Many intangible assets that cannot be depreciated can be amortized. Among them are business startup costs, organizational expenses of corporations and partnerships, and covenants not to compete. Some tangible assets, including pollution control facilities, pre-1982 child-care facilities, and the rehabilitation of certified historic structures, can also be amortized. You should assign such assets to property type Z.

■ **Vintage Account Property (Type V)**
From 1971 through 1980, Asset Depreciation Range (ADR) depreciation allowed the use of accounts having multiple assets. These accounts are called vintage accounts. Vintage accounts require the use of either the half-year or modified half-year convention; the application limits the valid depreciation methods accordingly.

Property type V also requires special handling of salvage value, whereby salvage value does not reduce the depreciable basis yet the asset cannot be depreciated below the salvage value. The application treats type V assets this way automatically.

Enter a vintage account as a single asset and select property type V.

# Leasehold Improvement Property

## Qualified Improvement Property

The broadening of Qualified Improvement Property as of 1/1/2018 sunsets the 3 current types of qualified real property in as of 12/31/17:

- Qualified Leasehold Improvement property

- Qualified Restaurant property

- Qualified Retail Improvement property

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**Note:** Qualified improvement property is an improvement to an interior portion of a building that is nonresidential real property provided the improvement is placed in service after the date that the building is placed in service. However, improvements related to the enlargement of the building, an elevator or escalator, or the internal structural framework of the building are not qualified improvement property (Code Sec. 168(e), as amended by the 2017 Tax Cuts Act.

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Qualified Improvement Property is eligible for Section 168 expensing if PIS in 2018 and later.

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**Help:** For additional information about Section 168, enter "Section 168 Allowance % Field" in the Search tab of the Sage Fixed Assets Depreciation online Help system.

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Qualified Improvement Property is eligible for Section 179.

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**Help:** For additional information about the standard Section 179 limits, enter "Qualified Improvement Property" in the Search tab of the Sage Fixed Assets Depreciation online Help system.

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## Leasehold Improvement Property

The broadening of Qualified Improvement Property as of 1/1/2018 sunsets the 3 current types of qualified real property in as of 12/31/17:

- Qualified Leasehold Improvement property

- Qualified Restaurant property

- Qualified Retail Improvement property

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**Help:** For additional information about Qualified Improvement Property, enter "Taking Section 179 Expense on Real Property" in the Search tab of the Sage Fixed Assets Depreciation online Help system.

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Leasehold improvements are permanent betterments made to leased property, which is owned by someone else and which will usually revert to the owner at the end of the lease period. For example, a tenant may build shelves or install fixtures on the walls of a rented store. Although for income tax purposes leasehold improvements are depreciated, for financial reporting they are amortized.

In general, leasehold improvements are required to be depreciated using the same depreciation method, life, and averaging convention as the underlying property to which they are attached. Generally, this means most leaseholds are depreciated using straight-line depreciation with a midmonth averaging convention over 39 years.

## Date Placed in Service

Along with the type of property, the date on which you place an asset in service can determine the depreciation method required. As the Internal Revenue Code changes, so do the depreciation methods that are valid for assets newly placed in service. You can use only those depreciation methods that are valid for an asset given the property type and the date placed in service.

The date an asset is placed in service affects depreciation in two other ways: the **averaging convention** that you use (see page A-10), and whether you placed the asset in service during a **short tax year**. (see page A-12).

■   **Averaging Conventions**
To avoid the complications of depreciating each asset from the specific date on which you placed it in service, the IRS and GAAP support guidelines that assume you place assets in service or disposed of at designated dates throughout the year. These guidelines are called averaging conventions. By assuming an average placed-in-service date, the amount of total depreciation allowed for all assets approximates the total depreciation that would be calculated based on the actual days in service.

Under GAAP and IRS rules, different depreciation methods use specific averaging conventions.

There are five averaging conventions, as described below.

❑   **Half-Year Convention**
Under the half-year convention, an asset is treated as though it were placed in service or disposed of on July 1 (or on the first day of the 7th month of a fiscal year). One-half of a full year's depreciation is allowed for the asset in its first year placed in service, regardless of when it was actually placed in service during that year.

If you dispose of an asset in its final year, the amount of depreciation depends on when it is disposed. If the asset is disposed of **before** July 1 (or before the first day of the 7th month of the fiscal year), it receives one half of the depreciation it would have received if it had not been disposed. The asset will not be fully depreciated. If the asset is disposed of **on or after** July 1 (on or after the first day of the 7th month of the fiscal year), it receives the full amount of depreciation for its final year.

Under earlier legislation, personal property placed in service before 1987 and depreciated under the ACRS tables used the half-year convention in the year of acquisition. Such personal property was entitled to no depreciation in the year it was disposed of. The MACRS rules of the 1986 Tax Reform Act keep the half-year averaging in the year of acquisition, but they also allow for a half-year of depreciation in the year of disposition.

**Note:** The half-year convention can be used for all MACRS property *except* residential rental and nonresidential real property. It is used for MACRS 3-, 5-, 7-, 10-, 15-, 20-, and 25-year property (unless the midquarter convention applies).

❑ **Modified Half-Year Convention**
Under this convention, assets placed in service during the first half of the year are considered to have been placed in service on the first day of the year. Therefore, they receive a full year's depreciation in the acquisition year. Assets placed in service during the second half of the year are considered to have been placed in service on the first day of the following year. Therefore, they receive no depreciation in the acquisition year but receive a full year's depreciation in the subsequent year.

Applying the modified half-year convention in the disposal year is slightly more complicated because the disposal-year allowance depends on the acquisition year allowance. The following table summarizes the relationships:

| If Asset Was Placed in Service in the: | And Disposed of in the: | Amount of Depreciation Allowed in the Disposal Year |
| --- | --- | --- |
| 1st half of year | 1st half of year | No depreciation |
| 1st half of year | 2nd half of year | 50% of full year depreciation |
| 2nd half of year | 1st half of year | 50% of full year depreciation |
| 2nd half of year | 2nd half of year* | Full year of depreciation |

\* To earn the full year of depreciation, the disposal must have been in a year after the acquisition year.

If the modified half-year is being adopted for a vintage account, it should be adopted for all additions and all extraordinary retirements.

❑ **Midmonth Convention**
*For ACRS and MACRS real property:* A midmonth convention applies to ACRS real property placed in service after June 22, 1984, and to MACRS residential rental and nonresidential real property (that is, 27.5-, 31.5-, and 39-year property). Such property is treated as though it were placed in service or disposed of in the middle of the month. A half-month's depreciation is allowed both in the month of acquisition and in the month of disposition.

*For nonrecovery property:* A different midmonth convention applies to assets depreciated by methods other than ACRS and MACRS. For these methods, if the asset is placed in service after the 15th of the month, no depreciation is taken for that month. If the asset is placed in service before the 16th of the month, a full month's depreciation is allowed. Similarly, if the asset is disposed of before the 16th of the month, no depreciation is taken for that month. If the asset is disposed of after the 15th of the month, a full month's depreciation is allowed.

❑ **Full-Month Convention**
Under a full-month convention, property placed in service at any time during a given month is treated as if it had been placed in service on the first of that month. This allows depreciation to be taken for the entire month in which the asset is placed in service. If the property is disposed of before the end of the recovery period, no depreciation is allowed for the month in which the property is disposed of.

❑ **Midquarter Convention**
The Tax Reform Act of 1986 created a midquarter convention to be used if more than 40% of the aggregate depreciable basis of newly acquired MACRS personal property is placed in service during the last 3 months of a tax year. Under this midquarter convention, MACRS personal property is treated as though it were placed in service in the middle of the quarter in which it was purchased.

**Note:** When applicable, the midquarter convention can be used for all MACRS property *except* residential rental and nonresidential real property. It is used for MACRS 3-, 5-, 7-, 10-, 15-, 20-, and 25-year property (unless the half-year convention applies).

■ **Short Tax Years**

A short tax year occurs when there is an accounting period of less than 12 calendar months. A short tax year can be:

• the first tax reporting period,

• the final tax reporting period, or

• the result of a change in an annual accounting period.

A short tax period requires special calculations for depreciation. In general, a short accounting period requires that you allocate depreciation calculations based on the number of months in the short year. The way you accomplish this differs depending on the depreciation method selected.

When annual depreciation allowances for ACRS personal property are determined using IRS tables (methods AT and ST), an amount of unrecovered short-year depreciation is created, carried forward, and recovered in the period following the normal depreciable life. You cannot use the MACRS table method (method MT) if a short year occurs during an asset's life.

For ACRS personal property, the full year's depreciation is multiplied by the short-year fraction to determine the annual short-year amount. The short-year fraction is:

$$\frac{Months\ in\ a\ short\ year}{12}$$

For example, if a company changes its fiscal year-end month from September to December, the short-year fraction is 3/12. The remaining unrecovered deduction (9/12 of the full year's deduction) is taken in the first year of the post-recovery period.

Depreciation methods that use a half-year convention (methods SH, DH, and YH) need to use the half-rate rule, which requires that one-half of the depreciation calculated for the full short-year period be used. Depreciation methods that use the modified half-year convention (methods SD, DD, and YD) apply special rules to the short-year calculation. When you place an asset in service in the first half of a short year, then the full amount of the short-year depreciation is allowed. In such cases, the regular full-year recovery is multiplied by the short-year fraction.

## Depreciable Basis

An asset's depreciable basis is the amount of the asset's acquisition value for which a business is allowed to claim depreciation. A percentage of this basis is deducted each year. The depreciable basis is often (but not always) the cost or acquisition value of the asset. Under some depreciation rules, other factors adjust the cost to determine the depreciable basis. These factors are salvage value, Section 179 expense or bonus depreciation, Section 168 Allowance, the ITC amount, and the business use percentage. Each element of the depreciable basis is discussed in this section.

In summary, the asset's depreciable basis equals the following:

| | the asset's acquisition value |
|---|---|
| *times* | the business-use percentage |
| *minus* | the salvage value (if the asset uses a straight-line, sum-of-the-years'-digits, or custom depreciation method) |
| *minus* | * any Section 179 expense deduction or first-year bonus depreciation |
| *minus* | any ITC reduction amount |
| *minus* | * the 168 Allowance |

* The application always reduces the acquisition value by the 168 Allowance and Section 179 expense, if applicable to the depreciation method, when calculating the depreciable basis. The selection in the Include Section 168 Allowance and Section 179 in Expense field on the Edit Company dialog does not affect the calculation of depreciable basis. Therefore, if you select Yes in this field (to include the 168 Allowance and Section 179 expense in depreciation), the depreciable basis will be less than the accumulated depreciation at the end of the asset's life.

To see the figures used to calculate a particular asset's depreciable basis, run an Asset Basis report for that asset.

- **Acquisition Value**
  One measure of an asset's acquisition value is its purchase price. If something other than cash is used to pay for the asset, then the fair market value of the non-cash payment or consideration determines the acquisition value. A non-cash consideration often takes the form of an account payable or another obligation to pay. When the value of the consideration paid can't be determined, the fair market value of the asset determines its acquisition value.

  With few exceptions, an asset's acquisition value should also include necessary costs incurred to place the asset in service. These costs will then be capitalized, not expensed. Costs that can be capitalized include the invoice price plus incidental costs (insurance during transit, freight, duties, title search, registration fees, and installation costs). Exceptions to this rule include interest expenses associated with deferred payments and real estate taxes paid in the acquisition of property.

  The GAAP method used to determine acquisition value may not always apply for tax purposes. To accommodate different tax and GAAP needs, the application lets you enter a different acquisition value for each depreciation book maintained.

- **Business Use Percentage**
  Under IRS rules, you can take depreciation only on the portion of an asset that is used for business. The application multiplies the asset's basis by the business use percentage, and then it subtracts any adjustment for salvage value, Section 179 or bonus depreciation, ITC, and 168 Allowance to determine the asset's depreciable basis.

  - **Business Use Percentage Example**
    A company purchases an automobile for $32,000 in December 2005, which is subject to luxury automobile limits on recovery allowances. The employee who uses the car is allowed to drive it for personal use as well as for business. The business use percentages are 90%, 80%, and 70% for 2005, 2006, and 2007, respectively, and 60% for the remaining life of the car. The calculation of the depreciation allowances, using a MACRS table calculation (method MT) over the life of the car, is as follows:

| Year | Gross Allowance | | Business Use | | Allowed Depreciation |
|------|-----------------|---|---------|---|----------------------|
| 2005 | Lesser of: | Equals: | | | |
| | 20% x $32,000 ( = $6,400) or $2,960 | $2,960 | x | 90% | = $2,664.00 |
| 2006 | Lesser of: | Equals: | | | |
| | 32% x $32,000 ( = $10,240) or $4,700 | $4,700 | x | 80% | = 3,760.00 |
| 2007 | Lesser of: | Equals: | | | |
| | 19.2% x $32,000 ( = $6,144) or $2,850 | $2,850 | x | 70% | = 1,995.00 |
| 2008 | Lesser of: | Equals: | | | |
| | 11.52% x $32,000 ( = $3,686.40) or $1,675 | $1,675 | x | 60% | = 1,005.00 |
| 2009 | Lesser of: | Equals: | | | |
| | 11.52% x $32,000 ( = $3,686.40) or $1,675 | $1,675 | x | 60% | = 1,005.00 |
| 2010 | Lesser of: | Equals: | | | |
| | 5.76% x $32,000 ( = $1,843.20) or $1,675 | $1,675 | x | 60% | = 1,005.00 |

In each of the following years 2011 through 2019, the company claims $1,005 of depreciation. Finally, in year 2020, the remaining allowable basis of $834 is claimed. Total depreciation claimed is $21,313.

| | |
|---|---|
| Unadjusted basis | $ 32,000.00 |
| Depreciation taken | (21,313.00) |
| Adjusted basis | 10,687.00   Deductions lost due to personal use |

■ **Salvage Value**
The salvage value of an asset is the value it's expected to have when it's no longer useful. In other words, the salvage value is the amount for which the asset could be sold at the end of its useful life.

Straight-line, sum-of-the-years'-digits, and custom depreciation methods require that the salvage value be subtracted from an asset's acquisition value to determine its depreciable basis. Other methods (such as declining-balance) and vintage account property do not subtract the salvage value to determine the basis but will not depreciate an asset below its salvage value. ACRS and MACRS depreciation methods ignore salvage value in determining the depreciable basis and will depreciate an asset below its salvage value.

■ **Section 179 Expense Deduction**
The Section 179 election lets you treat the cost of certain new assets as an expense rather than as a capital expenditure to be depreciated. This allows an expense deduction for part of the cost instead of a depreciation deduction. You cannot depreciate the amount expensed under Section 179 and you must deduct it from an asset's acquisition value when determining its depreciable basis. To qualify for the Section 179 election, an asset must be recovery property that is purchased and used by an active trade or business.

❑ **Section 179 Expense Deduction for Real Property**
For any tax year beginning in 2010 through 2015, you can elect to expense under Section 179 up to $250,000 of qualified real property purchases. The $250,000 limitation is eliminated for tax years beginning in 2016 and later. Qualified real property includes:

- Qualified leasehold improvement property

- Qualified restaurant property, and

- Qualified retail improvement property

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**Note:** Off-the-shelf computer software qualifies for the Section 179 expense deduction if it is placed in service in tax years beginning after 2002. To enter off-the-shelf computer software, select property type P, a depreciation method of SF or SB, and an estimated life of 3 years.

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For information on entering the Section 179 Expense Deduction, see "179 Deduction," page 6-8.

■ **First-Year Bonus Depreciation**
An additional first-year depreciation bonus of 20% may be taken for personal property that was acquired before 1981 and that has an estimated useful life of at least 6 years. This bonus is in addition to the depreciation that would normally be taken in the first year. If the bonus is taken, the amount of the bonus is subtracted from the depreciable basis before any further calculations are made. The 20% first-year bonus depreciation can be taken on certain assets qualifying for straight-line, declining-balance, or sum-of-the-years'-digits depreciation methods.

The 20% bonus is calculated on the acquisition value of the asset without subtracting the salvage value. However, the amount that can be taken is limited to $2,000 a year. A business, therefore, may take the 20% first-year depreciation bonus on no more than $10,000 of eligible property purchased during the taxable year.

Here's an example of a straight-line depreciation calculation where a corporation has taken the 20% first-year bonus:

|  | | |
|---|---|---|
|  | Acquisition value | $16,000 |
| *minus* | 20% 1st year ($2,000 maximum) | − 2,000 |
| *minus* | Salvage value | − 2,000 |
|  | Depreciable basis | $12,000 |

$$\frac{Depreciable\ basis}{Estimated\ life} \;=\; \frac{\$12,000}{6} \;=\; \$2,000 \;=\; Annual\ depreciation$$

Assuming the asset was placed in service on the first of April, a company with a calendar year-end would have a first-year deduction of $3,500 (the $2,000 bonus plus 9/12ths of $2,000) instead of a yearly depreciation deduction of $2,333.33 (calculated from the depreciable basis without the bonus—$14,000—divided by 6 years). This represents a substantial increase over the first year's deduction without the bonus. For years 2 through 5, the depreciation would be $2,000 per year. In year 6, the depreciation would be $500 (3/12 x $2,000).

The 20% bonus was repealed by the Economic Recovery Tax Act of 1981 effective December 31, 1980. Its basic intent was continued as Section 179 expense.

■ **Investment Tax Credit (ITC) Reduction Amount**

The Investment Tax Credit (ITC) was created to stimulate the purchase of machinery and equipment. The Energy Tax Incentive Act of 2005 created additional credits. Some of the credits are ongoing, some take effect for assets placed in service after August 28, 2005, and some take effect for assets placed in service beginning on January 1, 2006.

As a reminder, a tax credit reduces the amount of tax to be paid, whereas a tax deduction reduces the amount of net income subject to tax.

An ITC was previously allowed for the taxable year in which a qualified asset was placed in service. The amount of allowable credit depended on the date placed in service, the type of property, and the estimated life of the asset.

For assets placed in service between 1975 and 1980, the ITC was 10% for those with estimated lives of 7 years or more, 6.67% for lives of 5 or 6 years, and 3.33% for lives of 3 or 4 years. No credit was allowed for assets with estimated lives of less than 3 years.

For assets placed in service after 1980, the Economic Recovery Tax Act of 1981 and the Tax Equity and Fiscal Responsibility Act of 1982 set the allowable ITC amounts at 10% for estimated lives of more than 3 years and 6% for estimated lives of 3 years.

For assets placed in service after 1982 but before 1986, a company has two choices:

• Take the full ITC but reduce the depreciable basis of the asset.

• Take a reduced ITC without adjusting the basis.

Deciding which option is better depends on other tax and depreciation considerations. You choose the ITC option when you add or change the asset in Asset Detail by specifying whether to take a full credit (thus reducing the basis) or a reduced credit, or that the asset meets special ITC option rules for certain property types, such as certified and noncertified historic structures and energy properties.

Under the Tax Reform Act of 1986, the regular 10% ITC was repealed for property placed in service after December 31, 1985. Certain assets may still qualify for the ITC (if, for example, the company was subject to a binding contract to buy the qualifying property as of December 31, 1985). Certain limitations exist for the ITC on acquisitions of used property, and the ITC carryover rules continue to apply for property placed in service before 1986.

When you take the ITC, by default the application automatically reduces the basis based on the date a property was placed in service and the ITC option (according to Code Sections 38, 46, and 48). Here's an example of ACRS personal property placed in service in April 1983 with an unadjusted basis of $50,000 and an estimated life of 5 years:

**Reducing the basis:**

| | |
|---|---|
| 5-year property unadjusted basis | $50,000 |
| Full ITC rate | x    .10 |
| | $ 5,000 |

| | |
|---|---|
| Beginning basis | $50,000 |
| Less: one-half of $5,000 ITC | − 2,500 |
| Depreciable basis | $47,500 |

**Depreciation for 1983**

15% of $47,500                =    $ 7,125

**Depreciation for 1984**

22% of $47,500                =    $10,450

**Depreciation for 1985**

21% of $47,500                =    $ 9,975

**Depreciation for 1986**

21% of $47,500                =    $ 9,975

**Depreciation for 1987**

21% of $47,500                =    $ 9,975

Note that the basis used for the calculation is adjusted when the full ITC is taken. The application automatically calculates the adjusted depreciable basis before calculating depreciation when you choose to take the full credit.

**Reducing the credit:**

| | |
|---|---|
| 5-year property adjusted basis | $50,000 |
| ITC = 8% of $50,000 | 4,000 |
| | |
| Depreciable basis (unadjusted) | $50,000 |

**Depreciation for 1983**

| | | |
|---|---|---|
| 15% of $50,000 | = | $ 7,500 |

**Depreciation for 1984**

| | | |
|---|---|---|
| 22% of $50,000 | = | $11,000 |

**Depreciation for 1985**

| | | |
|---|---|---|
| 21% of $50,000 | = | $10,500 |

**Depreciation for 1986**

| | | |
|---|---|---|
| 21% of $50,000 | = | $10,500 |

**Depreciation for 1987**

| | | |
|---|---|---|
| 21% of $50,000 | = | $10,500 |

❑ **ITC At-Risk Rules**

Before the Tax Reform Act of 1986, the tax law provided an at-risk limitation on losses from business and income-producing activities other than real estate and certain corporate business activities.

The amount at risk is generally the sum of:

• The taxpayer's cash contributions to the activity.

• The adjusted basis of other property contributed to the activity.

• Amounts borrowed for use in the activity for which the taxpayer has personal liability or has pledged property not used in the activity.

The ITC at-risk rules limit the credit base of property used in an activity that is subject to the loss limitation at-risk rules. They generally provide that nonrecourse debt on real property be treated as an amount at risk for investment credit purposes.

The at-risk limitation amounts must be less than or equal to the acquisition value. The at-risk limitation will be used to calculate tax credits. The tax credit should equal the at-risk amount multiplied by the credit percentage.

The application assumes the acquisition value of an asset in the Tax book to be the amount at risk. If it is not, you may need to override the ITC amount calculated by the application in Asset Detail.

■   **168 Allowance**
See "Calculating the 168 Allowance" in the Sage Fixed Assets Lite Depreciation online Help system for more information.

❑   **168 Allowance Example**
A company purchases office equipment for $10,000 on October 1, 2001 and places it in service on that date. The equipment has a recovery period of 7 years.
First, the application calculates the 168 Allowance:

*$10,000 × .30 = $3,000*

Then, the application subtracts the 168 Allowance from the $10,000 to calculate the new depreciable basis:

*$10,000 – $3,000 = $7,000*

The application uses the new depreciable basis to calculate the "regular" depreciation for 2001:

$$\frac{\$7,000}{7} \times 2 \times \frac{1}{2} = \$1,000$$

When you calculate depreciation for December 2001, the application enters $1,000 in the Current Year-to-Date and Current Accumulated Depreciation fields. The application does not add the additional allowance of $3,000 to these fields. The application treats the additional allowance as a reduction in the asset's depreciable basis, not as an increase in the accumulated depreciation. The Net Value of the asset is $6,000: $10,000 acquisition value, less $3,000 additional allowance, less $1,000 regular depreciation.

The application displays the 168 Allowance in the 168 Allowance Amount field in Asset Detail. The application also displays the additional allowance by asset on the Asset Basis report and in total for the tax year on the Form 4562 - Depreciation and Amortization report.

## Estimated Life and ADS Life

The estimated life of an asset is the period over which an asset is to be depreciated or its cost is to be recovered. The estimated life often has nothing to do with the physical life span of an individual asset. Physical life is the normal period of use in the particular business or trade, during which the asset remains physically productive as a capital asset. Physical life is usually based on experience in replacing that type of property. Often an asset's physical life is far longer than its estimated life. The shorter the estimated life, the more rapidly the cost of an asset can be recovered through depreciation.

ADS life is similar to estimated life in that it also is a period over which an asset is to be depreciated, not a period of physical usefulness. ADS life is the life assigned to the asset type under the MACRS Alternative Depreciation System. For most assets, the ADS life is the midpoint of the Asset Depreciation Range (ADR) in which the asset belongs. ADS lives tend to be longer than estimated lives and so are often used in internal books, where they reduce profits more slowly than estimated lives.

**Note:** For information on how the application uses entries in the Estimated Life and ADS Life fields, see "Completing the Book Information Fields," page 6-4.

To control the tax advantages that result from estimated life, Congress has prescribed estimated lives for various classes of assets. Estimated lives created under the IRS rules for ACRS and MACRS assets are called recovery periods. Recovery periods are set by statute for different kinds of property. These IRS recovery periods are generally shorter than estimated lives in other depreciation methods and shorter than physical lives. A combination of shorter recovery lives and higher recovery rates in the early years of an asset's life accelerate cost recovery.

**Note:** To help you determine the correct estimated life and/or ADS life for an asset for the Tax book, you can use the IRS Table link located in Asset Detail. Here you will find an easy-to-use version of the IRS ADS Class Life Table.

■ **Recovery Periods**
The Tax Reform Act of 1986 and subsequent tax acts set MACRS recovery periods for the different kinds of property. ACRS recovery periods were also defined by statute. The statutory ACRS and MACRS lives are shown in the following text. To view a table that shows the application's conversion values for estimated life to ADS life when you do not enter an ADS life, see

**Note:** In addition to the recovery periods shown below, qualifying Indian Reservation property must be depreciated over shorter recovery periods than otherwise allowed.

❑ **3-Year Property**
Three-year property is tangible ACRS or MACRS personal property having a class life of more than 1 year and no more than 4 years. It includes automobiles for which ACRS recovery is elected.

❑ **5-Year Property**
Five-year property is tangible ACRS or MACRS personal property having a class life of more than 4 years and less than 10 years. The Tax Reform Act of 1986 specifically added the following assets to the list of 5-year properties (some were previously 3-year properties):

- Automobiles

- Light-duty trucks (less than 13,000 pounds)

- Qualified technological equipment

- Computer-based telephone central office switching equipment

- Biomass properties that are small power production facilities within the meaning of Section (3)(17)(c) of the Federal Power Act (16 USC Section 796 (17)(c)), as in effect on September 1, 1986

- Property used for research and experimentation

- Semiconductor manufacturing equipment

- Geothermal, ocean thermal, solar, and wind energy properties

❑ **7-Year Property**
Seven-year property is tangible ACRS or MACRS property (personal or real) with a class life of 10 to 15 years, inclusive.

❑ **10-Year Property**
Ten-year property is tangible ACRS or MACRS property (personal or real) with a class life of 16 to 19 years, inclusive. Single-purpose agricultural structures are included if placed in service after 1988.

❑ **15-Year Property**
Fifteen-year property includes both personal and real property.

MACRS fifteen-year property is tangible property with a class life of 20 to 24 years, inclusive. It includes (but is not limited to) municipal wastewater treatment plants and depreciable land improvements (such as sidewalks, roads, fences and landscaping). Qualified leasehold improvements and qualified restaurant property placed in service from after October 22, 2004 and before January 1, 2018 are also 15-year property, as is qualified retail improvement property placed in service after December 31, 2008 and before January 1, 2018. Qualified improvement property placed in service after December 31, 2017 is also 15-year property.

ACRS fifteen-year property is real property placed in service after 1980 and before March 16, 1984, and low-income housing.

❑ **18-Year Property**
Eighteen-year property is qualifying ACRS depreciable real property placed in service after March 15, 1984, but before May 9, 1985.

❑ **19-Year Property**
Nineteen-year property is qualifying ACRS depreciable real property acquired after May 8, 1985, but before 1987.

❑ **20-Year Property**
Twenty-year property is tangible MACRS property, personal or real, with a class life of more than 24 years (excluding 25-year property and real property with a class life of 27.5 years and more). It includes farm buildings and various railroad structures.

❑ **25-Year Property**
Twenty-five-year property is tangible MACRS property set by the Small Business Job Protection Act of 1996. It is water utility property and municipal sewers that are placed in service after June 12, 1996.

❑ **27.5-Year Residential Rental Property**
Residential rental property is MACRS depreciable real property for which 80% or more of the gross rental income comes from dwelling units. A dwelling unit is a house (including a manufactured house) or apartment used to provide living accommodations. A unit in a hotel, motel, inn, or other establishment in which more than 50% of the units are used on a transient basis does not qualify as a dwelling unit. If any portion of the building or structure is occupied by the taxpayer, the gross rental income from the property includes the rental value of the unit occupied by the taxpayer.

❑ **31.5-Year Nonresidential Real Property**
Nonresidential real property is MACRS depreciable real property that is neither residential rental property nor property with an ADS life of less than 27.5 years. This includes MACRS property with no defined ADS life or with an ADS life of 27.5 years or more. It also includes elevators and escalators that are not part of residential rental property. Nonresidential real property placed in service before May 13, 1993, has a recovery period of 31.5 years.

❑ **39-Year Nonresidential Real Property**
Nonresidential real property placed in service after May 12, 1993, has a recovery period of 39 years.

# Depreciation Defaults

As stated earlier, the application sets defaults for the book information fields in all open depreciation books based on the entries in the Tax book. This section specifies which defaults the application sets for each book. After you finish entering information for the Tax book, press Tab to move to the next open book and the defaults will be set. If you want to change the defaults, you can override them for any asset by entering other data.

The application copies the ITC option from the Tax book to all other books; you cannot change it in the other books. The application also copies the date placed in service and the acquisition value from the Tax book to all other books, where you can override them.

If the tax book is closed when you add an asset, the application cannot set defaults in the other books. The only exception is the user books, for which you can specify a default depreciation method using the Book Defaults tab on the Edit Company dialog.

# The Tax Book Defaults

As soon as you enter the property type and the service date, the application provides a default depreciation method, estimated life, and ADS life. These can be changed.

---

**Help:** Enter "Tax Book Defaults" in the Search tab of the Sage Fixed Assets Depreciation Help system for additional information.

---

# The User Book Defaults

Entries on the Book Defaults tab on the Edit Company dialog affect the defaults in the user books (Internal, Custom 1, and Custom 2). See Chapter 4, "Setting Up the Product." There you can specify the book that the user book should emulate or which depreciation method should be the default. If you do not specify these settings, the application does not emulate any book and defaults to the straight-line (SL) depreciation method.

The application determines the default settings for the book information fields as follows.

■ **Business-Use Percentages and Their Effective Dates**
If you chose a book to emulate on the Book Defaults tab on the Edit Company dialog, the application copies the default information from that book. If no book is to be emulated and if the user book's fiscal year-end date and short-year dates are the same as in the Tax book, the application copies the information from the Tax book. Otherwise, the application leaves the default of 100% business use.

■ **Depreciation Method**
By default, the application determines the depreciation method as follows:

1. If you chose a book to emulate on the Book Defaults tab on the Edit Company dialog, the application copies the default depreciation method from that book.

2. If you did not choose a book to emulate, the application uses the default depreciation method specified on the Book Defaults tab on the Edit Company dialog if it is valid for the asset's property type.

3. If the default depreciation method is not valid for the property type, the application chooses the straight-line (SL) method if valid or the straight-line method with the same averaging convention as the method in the Tax book.

■ **Estimated Life**
By default, the application determines the estimated life as follows:

1. If you chose a book to emulate on the Book Defaults tab on the Edit Company dialog, the application copies the default estimated life from that book.

2. If you did not choose a book to emulate but did enter an ADS life for the asset, the application uses the ADS life from the Tax book as the default estimated life.

■ **Section 179 or Bonus, Salvage Value, and Beginning Year-to-Date Depreciation**
If you chose a book to emulate on the Book Defaults tab on the Edit Company dialog, the application copies the default information from that book. Otherwise, the application sets the value to zero.

## The State Book Defaults

The application copies the book information field entries from the Tax book directly to the State book.

## The AMT Book Defaults

The defaults for the AMT book are automatically displayed based on the Tax book entries according to Alternative Minimum Tax rules.

■ **Business-Use Percentages and Their Effective Dates**
For these fields, if the Tax book and the AMT book have the same fiscal year end and short years, the application copies the entries in the Tax book to the AMT book as the defaults. If not, the business-use percentage defaults to 100%.

■ **Section 179 or Bonus**
The application copies the Section 179 or bonus field entries from the Tax book.

■ **Depreciation Method, Rate, and Estimated Life**
The application sets the defaults for these fields as shown in the following table. This table is for assets placed in service before 1999.

---

**Help:** Enter "AMT Book Defaults" in the Search tab of the Sage Fixed Assets Help system for additional information and "AMT Depreciation Adjustment: Assets Placed in Service After 1998," page A-23.

---

### AMT Depreciation Adjustment: Assets Placed in Service After 1998

Besides exempting qualifying small corporations from the Alternative Minimum Tax, the Taxpayer Relief Act of 1997 made two significant changes to the AMT depreciation Adjustment, effective for property placed in service after December 31, 1998:

• The AMT depreciation Adjustment is eliminated for property that is depreciated for regular tax purposes under the straight-line method.

• The recovery periods for calculating AMT depreciation on all other property will be the same as for regular tax purposes, which will decrease the amount of the AMT depreciation Adjustment.

There is no AMT adjustment for property taking the 168 Allowance. If a +168 depreciation method is selected for the Tax book, the same method and life defaults for the AMT book.

## The ACE Book Defaults

The defaults for the ACE book are automatically displayed based on the Tax book entries, ADS life field, and the AMT book, if applicable, as needed to calculate Adjusted Current Earnings.

- **Default Depreciation Method**
  The default depreciation method in the ACE book for property placed in service after 1993 is NO. You can change the ACE book to emulate the AMT book default data for post-1993 property. On the Book Defaults tab of the New Company dialog or the Edit Company dialog, select the AMT: Post-1993 option in the Emulate Book field of the ACE column. Whether you accept the default of NO as the depreciation method in the ACE book or change the default to emulate the AMT book, the result is the same: a zero ACE Depreciation Adjustment amount for post-1993 property when you run the Form 4626 Worksheet. These are simply two different approaches with the same end result. See "Book Emulation for the ACE Book," page 4-16.

- **Business-Use Percentages and Their Effective Dates**
  For these fields, if the Tax book and the ACE book have the same fiscal year end and short years, the application copies the entries in the Tax book to the ACE book as the defaults. If not, the business-use percentage defaults to 100%.

- **Section 179 or Bonus**
  The application copies the Section 179 or bonus field entries from the Tax book.

- **Depreciation Method and Estimated Life**
  The application sets the defaults for these fields as shown in the following table.

---

**Help:** Enter "AMT Book Defaults" in the Search tab of the Sage Fixed Assets Help system for additional information.

---

# Asset Disposals

A fixed asset may be disposed of voluntarily or involuntarily. The application categorizes five kinds of voluntary disposition: sale, abandonment, like-kind exchange, taxable exchange, and bulk disposal. Similarly, you can choose between two kinds of involuntary disposition: involuntary conversion and casualty. The application also provides a category for all other kinds of disposals.

When you dispose of an asset, the application calculates the realized gain or loss as appropriate for the kind of disposition. The application has defaults for gain or loss recognition (shown in a later chart), which you can override. You can also override the calculated gain or loss amount.

The following text explains each of the available disposal methods, how the application determines an asset's gain or loss, and the gain or loss recognition defaults.

## Disposal Methods

- **Sale**
  This is the default method on the Disposal tab. It applies to assets that you sell either for:

  - Cash

  - Cash and non-cash items (if not qualifying as an exchange)

  By default, when an asset is sold, the application recognizes gains and losses in all books.

■ **Abandonment**
An asset that is voluntarily scrapped because of obsolescence, lack of suitability, or other reasons is considered an abandonment. If the asset is abandoned before the end of its useful life, any basis that has not been depreciated becomes a loss that can be deducted in the current period. Insurance reimbursements or other proceeds reduce the amount of the loss and can result in a gain. By default, the application recognizes gains and losses on abandoned assets in all books.

■ **Like-Kind Exchange: Pre-1/3/2000**
A like-kind exchange occurs when an asset is exchanged for a similar asset, such as exchanging an old car for a new one. The exchange may also include the receipt of money or dissimilar property. Any resulting gain from a like-kind exchange is recognized only to the extent of cash proceeds (sometimes called "boot"). Any resulting loss should be recognized for tax purposes.

In 2000, the IRS issued new guidelines concerning property received in a like-kind exchange. Use this disposal method for a like-kind exchange that occurred before 1/3/2000, and therefore does not require the use of the new guidelines.

■ **Like-Kind Exchange: Post-1/2/2000**
In 2000, the IRS issued new guidelines concerning property received in a like-kind exchange. Use this disposal method for a like-kind exchange that occurred after 1/2/2000, and therefore requires the use of the new guidelines. For more information, see "Like-Kind Exchanges and Involuntary Conversions After 1/2/2000," page 7-6.

■ **Taxable Exchange**
An exchange of dissimilar property, such as exchanging a car for land, is generally taxable and recognized in full. The exchange may also include the receipt of money. The gain or loss is calculated the same as for a sale.

■ **Bulk Disposal**
A bulk disposal occurs when you sell more than one asset for one selling price. When this occurs, the cash proceeds, any non-cash proceeds, and any selling expenses need to be prorated for the individual assets. This is done based on the percentage of the acquisition value of each asset selected over the total acquisition value of all the assets selected.

■ **Casualty**
When an asset is stolen or damaged by a sudden natural cause or vandalism, the disposal is a casualty. Casualties are often compensated for by insurance or other means, which may produce a taxable gain unless a similar asset is acquired for replacement. Casualty losses are generally tax deductible only in the tax year in which the casualty occurred or was discovered. For the user books, the gain or loss is recognized in the current period.

■ **Involuntary Conversion: Pre-1/3/2000**
When an asset is involuntarily retired due to breakdown, condemnation, or reasons other than casualty, classify the disposal as an involuntary conversion. An involuntary conversion may be compensated for by a condemnation award or other means, which may produce a taxable gain unless a similar asset is acquired for replacement. By default, the application does not recognize the gain or loss from an involuntary conversion except in the user books.

In 2000, the IRS issued new guidelines concerning property received in an involuntary conversion. Use this disposal method for an involuntary conversion that occurred before 1/3/2000, and therefore does not require the use of the new guidelines.

■ **Involuntary Conversion: Post-1/2/2000**
In 2000, the IRS issued new guidelines concerning property received in an involuntary conversion. Use this disposal method for an involuntary conversion that occurred after 1/2/2000, and therefore requires the use of the new guidelines. For more information, see "Like-Kind Exchanges and Involuntary Conversions After 1/2/2000," page 7-6.

■ **Other**
If the asset was disposed of in a way not addressed by any of the other disposal methods, choose this method. By default, the application recognizes gains and losses from such assets in all books.

## Gains and Losses

The application calculates the realized gain or loss amount for all disposed assets. You can decide whether to recognize the gain or loss. This section first describes the gain or loss calculation, then details the application defaults for recognizing gains and losses.

■ **The Gain or Loss Calculation**
Calculating the gain or loss on a disposed asset requires determining the net proceeds from the disposal and the asset's adjusted basis. The adjusted basis is then subtracted from the net proceeds to arrive at the net gain or loss.

Net proceeds are calculated as:

|  | cash proceeds |
| --- | --- |
| *plus* | non-cash proceeds |
| *minus* | expenses of the sale |

Determining the asset's adjusted basis is more complex. Most of the components of the adjusted basis are described in "Depreciable Basis," page A-12. The others are explained after the gain or loss equation that follows.

The adjusted basis for the gain or loss calculation equals:

|  | the asset's depreciable basis |
| --- | --- |
| *plus* | the ITC basis addback |
| *plus* | the Section 179 addback |
| *plus* | the salvage value if it was subtracted in determining the depreciable basis |
| *minus* | total accumulated depreciation through the disposal date |

❑ **The ITC Basis Addback**
When you dispose of an asset before the end of its estimated life, you must recapture a prorated amount of the ITC. If you reduced the asset's basis for the original ITC, a percentage of that recaptured amount must be added back to the asset's basis.

The following table shows the percentages the application applies to the full ITC amount to determine the ITC recapture amount. The application uses the depreciation method and estimated life entered in the Tax book.

| ITC Recapture Percentages | | | | | |
|---|---|---|---|---|---|
| Holding Period | Depreciation Methods MF, MA, MT, MI, MR, AD, AA, AT, SA, ST, OC | | All Other Methods | | |
| | ≤ 3 Year Est. Life (%) | > 3 Year Est. Life (%) | 3 to < 5 Year Est. Life (%) | 5 to < 7 Year Est. Life (%) | ≥ 7 Year Est. Life (%) |
| 0 | 100 | 100 | 100 | 100 | 100.0 |
| 1 | 66 | 80 | 100 | 100 | 100.0 |
| 2 | 33 | 60 | 100 | 100 | 100.0 |
| 3 | 0 | 40 | 0 | 50 | 66.6 |
| 4 | 0 | 20 | 0 | 50 | 66.6 |
| 5 | 0 | 0 | 0 | 0 | 33.3 |
| 6 | 0 | 0 | 0 | 0 | 33.3 |

After determining the ITC recapture amount, the application multiplies the recapture amount by the rate used for computing the ITC. The result is the ITC basis addback amount.

*ITC recapture amt.  ×  ITC basis reduct. factor  =  ITC basis addback*

❑  **The Section 179 Addback**
When a pre-1987 asset on which the Section 179 expense deduction has been taken is disposed of during either of the two taxable years following the acquisition year, all or part of the Section 179 expense must be added back to the asset's basis (that is, recaptured).

The calculation for the amount added back to the basis is:

*Section 179 taken*
*– Depreciation on 179 amount*
*Section 179 addback*

where the depreciation on the Section 179 is the amount of depreciation that would have been taken on the Section 179 amount had there been no Section 179 deduction.

■ **Gain or Loss Recognition Defaults**
The application determines the gain or loss recognition defaults according to the disposal method selected and the depreciation book. You can override the default when you dispose of the asset.

| Gain or Loss Recognition Defaults | | |
|---|---|---|
| **Disposal Method (Code)** | **Tax, State, AMT, and ACE Books** | **User Books** |
| Like-kind exchange (L) | | |
| No cash | Do not recognize | Do not recognize |
| Cash included | Recognize to the extent of cash proceeds | Recognize to the extent of cash proceeds |
| Involuntary conversion (I) | Do not recognize | Recognize |
| All others | Recognize | Recognize |

# Appendix B
# Custom Import Helper

The Custom Import Helper guides you through the process of importing asset data from other sources into your application. When importing data, you can add the assets into a new or existing company. You can import assets to update existing asset data, or you can import them as new assets.

When you import data as new assets, you can import both general information and book information fields. When you import data to update existing assets, you can import only general information fields. For more information, see "Completing the General Information Fields," page 6-3 and "Completing the Book Information Fields," page 6-4.

### Custom Import Helper File Types

Using the Custom Import Helper you can import data from the following sources:

*   ASCII files (comma delimited)

*   Excel Spreadsheet files (Microsoft Excel 97 and later)

# Importing Depreciation-Critical Fields

Each asset contains five fields that are critical to your depreciation calculations. You can import these fields into each of the seven depreciation books. If you choose to import one of these fields for a book, you must import all of them for that book. However, you must import critical fields into at least one book. You are not required to import all seven books.

The five critical fields are listed below.

*   Property Type

*   Placed-in-Service Date

*   Acquisition Value

*   Depreciation Method

*   Estimated Life

**Note:** Declining balance methods require a depreciation percentage in addition to the depreciation method. These depreciation methods are MF, MA, MT, MI, MR, DC, DE, DI, DB, DD, and DH.

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**Note:** The "Plus 168" depreciation methods require a value in the 168 Allowance % field. If you use depreciation method MA, MR, SB, or AA, then a value of 30, 50, or 100 must appear in the 168 Allowance % field.

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# Setting Asset Warning Preference

The Custom Import Helper reports two types of messages when validating or importing a data file. Error messages indicate invalid information in your data file, and will always be displayed. Warning messages indicate data inconsistent with depreciation concepts and rules. The application does not import an asset if the Import Exceptions report displays an error message for that asset. However, the application does import an asset if the report displays a warning message for that asset.

### To turn on or turn off the display of asset warnings on the Import Exceptions report

1. Select File/Preferences from the menu bar. The Preferences dialog appears.

2. Select the Display Asset Warnings check box to display asset warnings. Clear the check box to turn off the display of asset warnings.

Note that if you clear the Display Asset Warnings check box, you will not see any warning messages when adding or changing assets.

# Importing Asset Data

When using the Custom Import Helper to import data, you create a map that correctly links the field data from your originating source file to the fields in the application. The Custom Import Helper guides you through this entire process. The order of the data within the source file is not important; however, you may need to convert some of your data to the correct format. For more information on preparing your data for import, see "List of Importable Fields," page B-7, and "Field Specifications," page B-9.

You can use the Custom Import Helper to import assets to update existing asset data, or you can import them as new assets. When you import data as new assets, you can import both general information and book information fields. When you import data to update existing assets, you can import only general information fields.

## Navigating the Custom Import Helper

The guidelines below explain the navigation buttons common to all Custom Import Helper dialogs.

- **Help Button**
  Accesses the online Help.

- **Cancel Button**
  Cancels the current import and returns you to the main application window.

- **Back Button**
  Returns to the previous Custom Import Helper dialog.

- **Next Button**
  Accepts the entries in the current Custom Import Helper dialog and display the next dialog.

---

■ **Finish Button**
Begins the import process.

Follow the steps below to import asset data using the Custom Import Helper.

### *To import asset data using the Custom Import Helper*

1. Select File/Company Utilities/Custom Import from the menu bar. The Custom Import Helper - Welcome dialog appears.

2. Click the Next button to continue with the import process. The Custom Import Helper - Select File dialog appears.

   Follow the guidelines below to complete the Custom Import Helper - Select File dialog.

   ■ **Import File**
   This box displays the importable files found in the specified location. Select the source file containing the data you want to import.

   ■ **Browse Button**
   Click this button to locate the file containing the data that you want to import.

3. Click the Next button. The Custom Import Helper - Select Company dialog appears.

   This dialog allows you to specify the company into which you want the asset data imported. Follow the guidelines below to complete the Custom Import Helper - Select Company dialog.

   ■ **Company**
   Click the down arrow to display a list of available companies. Select the company into which you want to import the asset data.

   ■ **New Company Button**
   Click this button to display a dialog that allows you to create a new company. If you decide to create a new company at this time, follow the instructions in "Creating a New Company," page 4-4.

   ■ **Database**
   Click the down arrow to display a list of databases where your Sage Fixed Assets companies are stored. Select the database containing the company into which you want to import the asset data.

4. Click the Next button. The Custom Import Helper - Import Type dialog appears.

   Follow the guidelines below to complete the Custom Import Helper - Import Type dialog.

   ■ **New Asset**
   Click this option button if you are importing data for new assets. If you select this option, the import file should not include system numbers. You can import both general information and book information fields.

   ■ **Update Asset**
   Click this option button if you are importing data to update existing assets. If you select this option, the import file must contain a system number for each asset. You can import only general information fields.

5. Click the Next button. The Custom Import Helper - Field Map dialog appears.

   A Field Map correctly links the data fields from your originating source to the fields in the application. Follow the guidelines below to complete the Custom Import Helper - Field Map dialog.

■ **Select Field Map**
Select one of the available field map options.

   ❑ **Create New Field Map**
Click this option button if you want to create a new field map. When you click the Next button, you'll create the map on the Custom Import Helper - Select Fields dialog.

   ❑ **Use Saved Field Map**
Click this option button if you want to use a pre-existing field map. When you click the Next button, the Custom Import Helper - Select Fields dialog is completed using the pre-existing map.

   ❑ **Field Map**
Click the down arrow to reveal a list of pre-existing field maps. Use the Browse button to specify the location of the pre-existing field map. Select the appropriate field map from the list.

6. Click the Next button. The Custom Import Helper - Select Fields dialog appears.

This dialog allows you to map the columns in the file you are importing to the fields in the application. This is an essential step to importing data into the application. The File Display box displays the file you are importing in a spreadsheet format. You match up the columns in that spreadsheet format to the fields in the application. You do not have to map all of the columns in your source file to the fields in your application. Follow the guidelines below to complete the fields on the Custom Import Helper - Select Fields dialog.

■ **Columns**
Select the column you want to map to a system field. The File Display box displays the column data as it appears in the file you are importing.

■ **Field Category**
Select the type of fields you want displayed in the Available Fields list. This option allows you to limit the number of fields in the list so you don't have to scroll through them all.

   ❑ **All Fields**
Select this category to display all available fields.

   ❑ **Book Fields**
Select this category to display only fields that pertain to the book information fields in the application.

   ❑ **Critical Fields**
Select this category to display only the fields that are critical to calculating depreciation.

   ❑ **General Info Fields**
Select this category to display only the fields that contain general information about an asset, such as its location, but do not affect the asset's depreciation calculations.

   ❑ **Disposal Fields**
Select this category to display only fields that pertain to asset disposals.

■ **Available Fields**
After you've selected the column you want to map from the Columns list, select the Sage Fixed Assets system field you want to map to that column. You can select multiple fields from this list in order to map the data in a column to multiple Sage Fixed Assets system fields. For example, the placed-in-service date might appear only once in your source file, but you can map it to the Placed-in-Service field in all seven books. Once you've mapped a field to a column, the field no longer appears in the Available Fields list.

■ **Field Mapping**
This list box displays a list of the fields you've added to the map.

■ **File Display**
This box displays the column data as it appears in the file you are importing. This is where you view the data to decide which column you want to map to a system field.

■ **Begin Import at Row**
Type the row number of the file you are importing that you want the application to start importing from. This option allows you to view header rows from your source file in the File Display box without importing them.

■ **Add Button**
Click this button to add the selected fields to the map file.

■ **Remove Button**
Click this button to remove the selected fields from the map file.

■ **Print Map Button**
Click this button to send the map you have created to the default printer.

■ **Save Map Button**
Click this button to display a dialog that allows you to save the map you've created. For more information, see "Completing the Save As Dialog (Custom Import Helper)," page B-6, and "Sample Import Field Map Report," page B-7.

7. Click the Next button. The Custom Import Helper - Import dialog appears.

Follow the guidelines below to understand the Custom Import Helper - Import dialog and to run an Import Exceptions report.

■ **Company Name**
This field displays the name of the company into which you are importing the file.

■ **Import File**
This field displays the name of the file you are importing.

■ **Field Map**
This field displays the name of the selected field map (in brackets). The list below contains the names of all the fields included in the field map.

■ **Invalid**
After you've clicked the Validate button, this field displays the number of invalid records in the data you are importing.

■ **Valid Records**
After you've clicked the Validate button, this field displays the number of valid records in the data you are importing.

■ **Exceptions**
After you've clicked the Validate button, this field displays the number of individual exceptions in the data you are importing. An exception is an error in the data you are importing. Each record can have many exceptions. The Import Exceptions report details these errors.

■ **Validate Button**
Click this button to validate the data in the source file you are importing.

■ **View Report Button**
Click this button to display the Import Exceptions report in the report viewer. The Import Exceptions report provides information about invalid records and their trouble spots. See "Sample Import Exceptions Report," page B-7.

■ **Stop Button**
Click this button to stop the import process.

■ **Finish Button**
Click this button to import the data into the Sage Fixed Assets application. Custom Import Helper imports only valid records. You can validate the data and view an Import Exceptions report prior to importing.

8. Review the data on the Custom Import Helper - Import dialog prior to completing the import. This ensures the accuracy of your data.

---

**Note:** You cannot have the spreadsheet open while you are in the Custom Import Helper.

---

9. Click the Validate button to validate the data of the source file before importing. The application determines whether the data in the originating source file is valid and then displays the number of valid and invalid records. You can also run an Import Exceptions report from this dialog. An Import Exceptions report indicates incompatible or invalid records in the file you are importing. It also indicates the reason the record is invalid.

10. If desired, click the View Report button to view the Import Exceptions report, and then click the Close button. If the application finds invalid fields in the import file, this report explains why the fields are invalid. If you choose to run the report at this time, the application displays the report in the report viewer, where you can then print the report or save it in a file. You must close the report viewer in order to return to the import function. See "Sample Import Exceptions Report," page B-7.

11. Correct any errors in your data (you can click the Back button to move backwards through the dialogs).

12. Click the Finish button. The application imports only valid data from the source file and displays a completion message, when finished with the import.

---

**Note:** Avoid importing valid records twice. The application imports valid records, but it does not import invalid records. If some records in your data file are invalid, you can correct the data file and reimport the records that were invalid. Make sure you import only the records that contained errors, and do not reimport the records that were valid more than once.

---

13. To exit from the Custom Import Helper - Import dialog, do any one of the following:

• Press ALT+F4.

• Click the Close button.

## Completing the Save As Dialog (Custom Import Helper)

The Save As dialog appears when you click the Save Map button on the Custom Import Helper - Select Fields dialog. Follow the guidelines below to complete this dialog.

■ **Save In**
Specify a storage location for the file you are creating.

■ **File Name**
Specify a name for the file you are creating.

■ **Save as Type**
The application selects the .IMP file type as a default.

## Sample Import Field Map Report

Below is an example of an Import Field Map report. The report displays the connections you mapped from the columns in your source file to the fields in your application.

| | |
|---|---|
| April 27, 2011 | Page   1 |
| 11:41 AM | Unnamed Map |
| | Import Field Map |

Field Map Path:

| Column | Asset Field |
|---|---|
| A | Property Type |
| B | Placed-In-Service Date (Tax) |
| C | Acquisition Value (Tax) |
| D | Depreciation Method (Tax) |
| E | Declining Balance % (Tax) |
| F | Estimated Life (YYMM) (Tax) |

## Sample Import Exceptions Report

Below is an example of an Import Exceptions report. The report specifies where problems exist in your source file data, and explains the nature of the problems, if possible.

| | |
|---|---|
| April 27, 2011 | Page   1 |
| 11:54 AM | Sample Company 2 |
| | **Import Exceptions Report** |

Import File:   C:\Users\Tester\Desktop\Mary Import File.csv
Field Map:   mary field map.imp

| Line Number | Exceptions |
|---|---|
| 2 | Error: Invalid Property Type in column A |
| 2 | Error: Unable to convert column B to a date. |
| 3 | Error: Unable to convert column B to a date. |
| 3 | Error: Critical field 'Acquisition Value (Tax)' cannot be blank. |
| 4 | Error: Unable to convert column B to a date. |

## List of Importable Fields

The following table contains the list of fields available for mapping with Custom Import Helper. For each field, the table provides the name and the required format. Some fields require a particular code

that is specified by the application. These fields are noted with an asterisk in front of the field name. For the correct codes for these fields, see "Field Specifications," page B-9. Please pay particular attention to the format of date fields and the Estimated Life field.

### Date Fields

Enter dates in MM/DD/YYYY format.

Please note that the Beginning Date field should *always* be expressed as the end of the month.

The application assumes that a date entered with only five characters contains a leading zero in the month field.

### Numeric Fields

Numeric fields must be stored as integers (0 through 9), not as formulas or special functions. Numeric (currency) fields are formatted with nine (or ten) digits and two decimals (123456789.12).

### Estimated Life and ADS Life Fields

The Estimated Life and ADS Life fields generally should be formatted as YYMM. Data received without leading or trailing zeroes will be assumed to have the following format:

| Data | Format | Example |
|------|--------|---------|
| 1 character | Y | 5 or five years |
| 2 characters | YY | 15 or fifteen years |
| 3 characters | YMM | 506 or five years and six months |

### Fields Available for Importing

| Field Name | Format - Width |
|------------|----------------|
| 168 Allow % (all books) | Numeric - 2 |
| Acquisition Date | Date - 10 |
| Acquisition Value (all books) | Numeric (currency) - 12 |
| * Activity Code | Text - A, D, I, etc. |
| ADS Life | Numeric - YYMM |
| Asset ID | Alphanumeric - 50 |
| Beginning Accum (all books) | Numeric (currency) - 12 |
| Beginning Date (all books) | Date - 7 |
| Beginning YTD (all books) | Numeric (currency) - 12 |
| Cash Proceeds | Numeric (currency) - 12 |
| Class | Alphanumeric - 2 |
| Custom Date 1 | Date - 10 |
| Custom Date 2 | Date - 10 |
| Custom Field 1 | Alphanumeric - 25 |
| Custom Field 2 | Alphanumeric - 25 |
| Custom Field 3 | Alphanumeric - 25 |
| Custom Field 4 | Alphanumeric - 25 |
| Custom Field 5 | Alphanumeric - 25 |

| Field Name | Format - Width |
|---|---|
| Declining Balance % (all books) | Numeric - 3 (150, 175, etc.) |
| * Deferred Code (all books) | Text - (Y/N/D) |
| Deferred Date (all books) | Date - 10 |
| * Depreciation Method (all books) | Text - 2 |
| Description | Alphanumeric - 80 |
| Disposal Date | Date - 10 |
| Disposal Method | Text - 1 |
| Estimated Life (all books) | Numeric - YYMM |
| Expense of Sale | Numeric (currency) - 12 |
| G/L Accum Account | Alphanumeric - 100 |
| G/L Asset Account | Alphanumeric - 100 |
| G/L Expense Account | Alphanumeric - 100 |
| Gain/Loss (all books) | Numeric (currency) - 12 |
| ITC Amount | Numeric (currency) - 12 |
| ITC Basis Reduction Amt | Numeric (currency) - 12 |
| * ITC Option | Alphanumeric - 1 |
| ITC Percent | Numeric - 6 |
| ITC Recap Amt (all books) | Numeric (currency) - 12 |
| Location | Alphanumeric - 25 |
| * Mid-Quarter Flag (all books) | Text -1 (Y/N) |
| Non Cash Proceeds | Numeric (currency) - 12 |
| Owner | Alphanumeric - 25 |
| Placed-In-Service Date (all books) | Date - 10 |
| * Property Type | Text - 1 |
| Purchase Order | Alphanumeric - 25 |
| Salvage Value (all books) | Numeric (currency) - 12 |
| Sec 179 Qual? (all books) | Text - T or F |
| Sec 179 Recap Amt (all books) | Numeric (currency) - 12 |
| Sec 179/Bonus Amt (all books) | Numeric (currency) - 12 |
| Sec 179/Other Amt (all books) | Numeric (currency) - 12 |
| Sec 179/Other Code (all books) | Text - B, C, D, E, O, or N |
| Serial Number | Alphanumeric - 25 |
| Vendor | Alphanumeric - 25 |
| Zone Type (all books) | Text - G, K, E, D, or X |

\*   These fields require a particular code that is specified by Sage Fixed Assets.

# Field Specifications

The files you import must match the format the application expects to receive. Each file you import includes multiple records, and each record includes multiple *fields* that must contain data of the proper type.

Most general information fields are user-defined. In the description of each field that follows, general information fields are listed as user-defined. This means you can enter data of your choice that is appropriate to the field name. For field lengths and formats of each field listed below, see the table, "Fields Available for Importing," page B-8.

**Note:** The order of the fields within a record is not important. For convenience, the fields in the descriptions below match the order in which they are listed in the table.

■ **168 Allow %**
This field is required with depreciation methods MA, MR, SB, and AA.

Enter the Section 168 Allowance percentage. Enter the number as 30 for a 30% allowance, 50 for a 50% allowance, or 100 for a 100% allowance.

■ **Acquisition Date**
User-defined date field.

■ **Acquisition Value**
The field must contain the cost of the asset.

The format of this field is Numeric - 12 characters including two digits after the decimal point. Example: 123456789.12.

■ **Activity Code**
Use one of the codes outlined below.

| Activity Code | Type | Definition |
|---|---|---|
| A | Active | Active Asset |
| D | Disposed | Disposed Asset |
| I | Inactive | Inactive Asset |

■ **ADS Life**
The first two digits display the number of years in the ADS life. The last two digits display the number of months.

The format of this field is YYMM. Example: 0700.

■ **Asset ID**
User-defined.

The format for this field is alphanumeric text, up to 50 characters.

■ **Beginning Depreciation Fields**
These fields should contain depreciation data being brought forward from a previous fixed assets solution.

❑ **Beginning Accum**
This field should contain the total of all depreciation calculated on the asset since it was placed in service, including the amount in the Beginning YTD field.

The amount in this field may not be greater than the asset's depreciable basis or less than the beginning YTD depreciation amount.

❑ **Beginning Date**
Required if the beginning accumulated amount is greater than 0. The date must be in the format MM/YYYY, where the day represents the end of the month.

❑ **Beginning YTD**
This field should contain the amount of depreciation, if any, already taken on this asset in this book for the fiscal year in which you are importing the data. This is the amount of depreciation taken from the beginning of that fiscal year through the date in the beginning date field. If the beginning date is any date other than the end of a fiscal year, this field must contain the YTD depreciation to get correct results when you run depreciation for the current fiscal year. If this field is blank, the application assumes no depreciation for the fiscal year as of the beginning date has been taken.

The amount in this field may not be greater than the asset's depreciable basis, or the beginning accumulated depreciation amount.

■ **Cash Proceeds**
You may leave this field blank. However, if the gain/loss amount is based on this figure, the number should be entered.

■ **Class**
User-defined. The format for this field is alphanumeric text, up to 2 characters.

■ **Custom Date 1 and 2**
User-defined date fields.

■ **Custom Fields 1 through 5**
User-defined. The format for this field is alphanumeric text, up to 25 characters.

■ **Declining Balance %**
Enter the depreciation percentage associated with the declining balance method specified in the Depreciation Method field. Use this field only if you entered a depreciation method of MF, MA, MT, MI, MR, DB, DH, DD, DI, DE, or DC.

Enter the number as 100, 125, 150, 175, or 200 without special formatting.

■ **Deferred Code**
Enter "Y" if you want to recognize a gain for a disposal. Enter "N" if you do not. Enter "D" if you want to defer the gain until a later date.

■ **Deferred Date**
Enter a deferred disposal date only if you entered "D" in the Deferred Code field.

■ **Depreciation Method**
This field must contain a valid depreciation method code. All depreciation method codes must be in uppercase letters. The following table contains the valid depreciation method codes.

| Code | Depreciation Method |
|------|---------------------|
| MA | MACRS formula plus 168 Allowance |
| AA | ADS straight-line MACRS plus 168 Allowance |
| MR | MACRS Indian Reservation plus 168 Allowance |
| SB | Straight-line, full-month plus 168 Allowance * |
| MF | MACRS formula |
| MT | MACRS table |
| MI | MACRS Indian Reservation |
| AD | ADS straight-line MACRS |
| AT | ACRS table |
| SA | Straight-line, alternate ACRS formula |
| ST | Straight-line, alternate ACRS table |

| Code | Depreciation Method |
|------|---------------------|
| SD | Straight-line, modified half-year |
| SL | Straight-line |
| SF | Straight-line, full month |
| SH | Straight-line, half-year |
| DB | Declining-balance, switch to SL when optimal |
| DD | Declining-balance, modified half-year, switch to SL when optimal |
| DC | Declining-balance, no switch to SL |
| DH | Declining-balance, half-year, switch to SL when optimal |
| DE | Declining-balance, modified half-year, no switch to SL |
| DI | Declining-balance, half-year, no switch to SL |
| YH | Sum-of-the-years'-digits, half-year |
| YD | Sum-of-the-years'-digits, modified half-year |
| YS | Sum-of-the-years'-digits |
| RV | Remaining value over remaining life |
| OC | Own depreciation calculation |
| NO | Do not depreciate |

\* Depreciation method SB is not available for assets placed in service after 12/31/2020. The 168 Allowance Switch will keep depreciation method SF for assets placed in service after 12/31/2020.

The depreciation method is interdependent with values in several other fields: Placed-In-Service Date, Declining Balance %, Property Type, 168 Allowance %, and Estimated Life.

All custom method depreciation codes must be in lowercase letters.

■ **Description**
User-defined. The format for this field is alphanumeric text, up to 80 characters.

■ **Disposal Date**
If the asset has been disposed of, this field must contain a valid date in the format MM/DD/YYYY.

■ **Disposal Method**
If the record includes a disposal date, a disposal method is required. Enter one of the following codes.

| Code | Disposal Method |
|------|-----------------|
| S | Sale |
| A | Abandonment |
| E | Taxable Exchange |
| C | Casualty |
| L | Like-Kind Exchange: Pre-1/3/2000 |
| K | Like-Kind Exchange: Post-1/2/2000 |
| I | Involuntary Conversion: Pre-1/3/2000 |
| V | Involuntary Conversion: Post-1/2/2000 |
| R | Other |

■ **Estimated Life**
This field must have an estimated life in years and months that is valid for the depreciation method used.

The format of this field is YYMM. For example, enter 5 ½ years as 0506.

■ **Expense of Sale**
This field may be left blank. However, if the gain/loss amount is based on this figure, the number should be entered.

■ **G/L Accum Account**
User-defined. The format for this field is alphanumeric text, up to 100 characters.

■ **G/L Asset Account**
User-defined. The format for this field is alphanumeric text, up to 100 characters.

■ **G/L Expense Account**
User-defined. The format for this field is alphanumeric text, up to 100 characters.

■ **Gain/Loss**
Enter the gain/loss amount for this asset. This field may be left blank.

Denote a loss by a negative sign before the amount.

■ **ITC Amount**
The ITC Amount field cannot exceed the asset's depreciable basis.

■ **ITC Basis Reduction Amt**
This field displays the amount of the ITC credit used to reduce the basis when calculating depreciation. If no value is entered in this field, the application calculates the basis reduction using the default reduction percentage based on the type of ITC taken in the ITC Option field.

■ **ITC Option**
Complete this field based on whether ITC was taken.

❑ **If ITC was taken:**
The available options vary depending on the attributes of the asset. For more information, see "Investment Tax Credit," page 6-10.

❑ **If ITC was not taken:**
ITC Option field—Enter the letter X in the ITC field.

ITC Percent, ITC Amount, and ITC Basis should be zero (0).

■ **ITC Percent**
The ITC Percent field cannot be greater than 40%.

The format of this field is 0.nnnn, where n is the applicable percent.

■ **ITC Recap Amt**
This field displays the ITC recapture amount as required by tax law (if ITC was taken on the asset and the asset was disposed of before the end of its recovery life). The amount in this field is carried to the Form 4255—ITC Recapture worksheet, which is accessible through the Reports/Tax Reports menu.

■ **Location**
User-defined. The format for this field is alphanumeric text, up to 25 characters.

■ **Mid-Quarter Flag**
• Enter "Y" to use the midquarter convention for depreciation methods MF, MA, MT, MI, MR, AD, or AA.

- Enter "N" to use the half-year convention for depreciation methods MF, MA, MT, MI, MR, AD, or AA.

- Leave this field blank if using other depreciation methods.

■ **Non Cash Proceeds**
This field may be left blank. However, if the gain/loss amount is based on this figure, the number should be entered.

■ **Owner**
User-defined. The format for this field is alphanumeric text, up to 25 characters.

■ **Placed-In-Service Date**
The placed-in-service date must be valid for the depreciation method entered in the Depreciation Method field and the property types listed below.

**Property types:**

- Property type H is valid only for dates in the range of 01/01/81 to 12/31/86.

- Property types P, R, C, E, F, Z, and V are valid with any placed-in-service date.

- Property types A, Q, and S are valid only for dates after 06/18/84.

**Depreciation methods:**

- ACRS = 1/1/81 - 12/31/86

- MACRS = Begins 8/1/86 - present (allowed for transitional property between 8/1/86 and 12/31/86)

■ **Property Type**
Enter property type in uppercase letters. The property type field must display one of the following codes.

| Code | Property Type |
|------|----------------|
| P | Personal property, general |
| A | Automobile |
| T | Light trucks and vans |
| Q | Personal property, listed |
| R | Real property, general |
| S | Real property, listed |
| C | Real property, conservation |
| E | Real property, energy |
| F | Real property, farms |
| H | Real property, low-income housing |
| Z | Amortizable property |
| V | Vintage account property |

Property type must be valid for the date placed in service in all books.

- Property types P, R, C, E, F, Z, and V are valid with any placed-in-service date.

- Property types A, Q, and S are valid only for dates after 06/18/84.

- Property type T is valid only for dates starting 01/01/03.

- Property type H is valid only for dates in the range of 01/01/81 to 12/31/86.

■ **Purchase Order**
User-defined. The format for this field is alphanumeric text, up to 25 characters.

■ **Salvage Value**
The salvage value cannot be greater than the asset's depreciable basis.

■ **Sec 179 Qual?**
This field indicates whether the asset is qualified to take a Section 179 deduction and should be included in the phase-out calculations, whether or not the asset actually claims a Section 179 deduction.

- Enter "T" (for True) if the asset is qualified Sec. 179 property.

- Enter "F" (for False) if the asset is not qualified Sec. 179 property.

■ **Sec 179 Recap Amt**
When a pre-1987 asset on which the Section 179 expense deduction has been taken is disposed of during either of the two taxable years following the acquisition year, all or part of the Section 179 expense must be added back to the asset's basis (that is, recaptured).

The calculation for the amount added back to the basis is:

> *Section 179 taken*
> – *Depreciation on 179 amount*
> *Section 179 recapture*

In the above equation, the depreciation on the Section 179 amount is the amount of depreciation that would have been taken on the Section 179 amount had there been no Section 179 deduction.

■ **Sec 179/Bonus Amt**
This field should contain either a zero if no Bonus or Section 179 were taken in the acquisition year or the total amount of Bonus or Section 179 that was applied to the asset.

- Bonus amount should not exceed $2,000 or 20% of the asset's depreciable basis, whichever is less.

- Section 179 amount may not exceed the asset's depreciable basis. Limitations for this field are based on the applicable law.

■ **Sec 179/Other Amt**
Complete this field based on whether or not you are claiming a Section 179 Other deduction. In order to enter an amount here you must enter a corresponding code in the Sec 179/Other Code field.

■ **Sec 179/Other Code**
Complete this field based on whether a Sec. 179/Other deduction was taken.

❑ **If Sec 179/Other was taken:**
The Sec 179/Other Code field must display one of the following codes:

| Code | Sec 179/Other Option |
|------|----------------------|
| B | EPA Sulfur Control Requirements |
| C | Qualified Refineries |
| D | Energy Efficient Commercial Buildings |
| E | Advanced Mine Safety Equipment |
| O | Other Basis Reduction |

❑ **If Sec 179/Other was not taken:**
Enter the letter "N" in the Sec 179/Other Code field.

■ **Serial Number**
User-defined. The format for this field is alphanumeric text, up to 25 characters.

■ **Vendor**
User-defined. The format for this field is alphanumeric text, up to 25 characters.

■ **Zone Type**
Enter a zone type code in this field if your asset is located in a special zone which entitles the asset to claim an additional Sec. 179 deduction above the regular dollar limits.

❑ **If the asset is located in a special zone:**
The Zone Type field must display one of the following codes.

| Code | Definition |
|------|------------|
| G | Gulf Opportunity Zone |
| K | Kansas Disaster Zone |
| E | Enterprise Zone |
| D | Qualified Disaster Zone |

❑ **If the asset is not located in a special zone:**
Enter the letter "X" in the Zone Type field.

# Appendix C
# Custom Export Helper

The Custom Export Helper guides you through the process of exporting asset data to an ASCII Comma Separated Value (CSV) file. A wide range of applications, including popular spreadsheet programs, can read this file format.

## Exporting Asset Data

The Custom Export uses a series of wizard dialogs that assist you in exporting asset information from the application. In addition to creating the CSV file, you also create an export field map file during the export process. The field map file lists the names of the asset fields that you are exporting. You can reuse the field map in subsequent exports. By using an existing field map, you don't have to select the fields you want to export each time you perform the export.

### Navigating the Custom Export Helper

The guidelines below explain the navigation buttons common to all Custom Export Helper dialogs.

- **Help Button**
  Accesses the online Help.

- **Cancel Button**
  Cancels the current export and returns you to the application main window.

- **Back Button**
  Returns to the previous Custom Export Helper dialog.

- **Next Button**
  Accepts the entries in the current Custom Export Helper dialog and displays the next dialog.

- **Finish Button**
  Begins the export process.

Follow the steps below to export asset data using the Custom Export Helper.

### *To export asset data*

1.  Select File/Company Utilities/Custom Export from the menu bar. The Custom Export Helper - Welcome dialog appears.

2.  Click the Next button to continue with the export process. The Custom Export Helper - Select Company dialog appears.

    Follow the guidelines below to complete the Custom Export Helper - Select Company dialog.

    - **Companies**
      Use this field to select the company from which you want to export assets.

    - **Databases**
      Use this field to select the database that contains the company from which you want to export assets.

3.  Click the Next button. The Custom Export Helper - Select Group dialog appears.

    Follow the guidelines below to complete the Custom Export Helper - Select Group dialog.

    - **Groups**
      Use this field to select the group of assets that you want to export. If you want to export all of the assets of the selected company, select the All Complete Assets group. If you want to export a subset of assets from the selected company, select another group.

4.  Click the Next button. The Custom Export Helper - Select Map dialog appears.

    A Field Map lists the names of the asset fields that you are exporting. After you create a field map, you can reuse it in subsequent exports. By using an existing field map, you don't have to select the fields you want to export each time you perform the export. Follow the guidelines below to complete the Custom Export Helper - Select Map dialog.

    - **Select Field Map**
      Use these fields to either create a new field map or to select an existing field map.

        - **Create New Field Map**
          Click this option button if you want to create a new field map. When you click the Next button, you create the field map on the Custom Export Helper - Field Map dialog.

        - **Use Saved Field Map**
          Click this option button if you want to use an existing field map. When you click the Next button, the Custom Export Helper - Field Map dialog is completed using the existing map.

        - **Field Map**
          Select the appropriate field map from the list.

        - **Browse Button**
          Click this button to specify the location of the existing field map that you want to use for the export.

    - **Book**
      Use this field to select the depreciation book (Tax, Internal, AMT, ACE, State, Custom 1, or Custom 2) that you want to use for the export file. Some depreciation information differs from one book to another.

5.  Click the Next button. The Custom Export Helper - Field Map dialog appears.

    This dialog allows you to select the asset fields that you want to export. Follow the guidelines below to complete the Custom Export Helper - Field Map dialog.

■ **Field Category**
Use this field to select the type of fields you want displayed in the Available Fields list. This option allows you to limit the number of fields in the list so you don't have to scroll through them all.

❑ **All Fields**
Select this category to display all available fields.

❑ **General Info Fields**
Select this category to display only the fields that contain general information about an asset, such as its location, but do not affect the asset's depreciation calculations.

❑ **Critical Fields**
Select this category to display only the fields that are critical to calculating depreciation.

❑ **Book Info Fields**
Select this category to display additional data entry fields that **affect** depreciation calculations (in addition to the fields in the Critical Fields category). Most of these fields can have different values in each book.

❑ **Depreciation Fields**
Select this category to display only the fields that **contain** depreciation amounts or information about those amounts (such as the dates for which depreciation was calculated).

❑ **Disposal Fields**
Select this category to display only fields that pertain to asset disposals.

■ **Available Fields**
Use this field to select the field(s) that you want to include in the field map. You can add a field to the field map by highlighting it and then clicking the Add button. The field appears in the Export Field Map list box.

■ **Export Field Map**
This list box displays a list of the fields you have added to the field map.

■ **>> (Add Button)**
Click this button to add the selected field(s) to the field map file.

■ **<< (Remove Button)**
Click this button to remove the selected fields from the field map file.

■ **Print Map Button**
Click this button to send the map you have created to the default printer.

■ **Save Map Button**
Click this button to display a dialog that allows you to save the field map you have created.

■ **Up and Down Buttons**
Click these buttons to change the order of the fields in the Export Field Map list box. Select a field and click the Up button to move the field higher in the list. Select a field and click the Down button to move the field lower in the list.

■ **Include Company Data?**
Select this check box if you want the field map to include a header row that contains the name of the selected company and group.

■ **Include Column Headers?**
Select this check box if you want the field map to include a header row that contains the names of the selected asset fields.

6.  Click the Next button. The Custom Export Helper - File Destination dialog appears.

    If you have not included the System Number field in the field map, a message asks if you want to continue with the export. Click the No button if you want to return to the Custom Export Helper - Field Map dialog and select the System Number. Otherwise, click the Yes button to continue with the export.

    If you have not saved your changes to the field map, a message asks if you want to save the field map. Click the Yes button if you want to save the field map. The Save Field Map dialog appears.

    Enter a name for the field map, and then click OK. Otherwise, click No to continue.

    Follow the guidelines below to complete the Custom Export Helper - File Destination dialog.

    ■ **File Name**
    Use this field to enter the name of the file that will contain information about the assets that you export. You do not have to enter a file extension. The application automatically adds a CSV extension to the file name.

    ■ **Location**
    Use this field to enter the location of the export file.

    ■ **Browse Button**
    Click the Browse button to display the Export File dialog that allows you to select the destination folder for the export file.

7.  Click the Next button. The Custom Export Helper - Export dialog appears.Follow the guidelines below to understand the Custom Export Helper - Export dialog.

    ■ **Company Name**
    This field displays the name of the selected company from which you are exporting asset information.

    ■ **Group**
    This field displays the name of the selected group of assets.

    ■ **Export File**
    This field displays the directory path and file name of the export file.

    ■ **Field Map**
    This field displays the name of the selected field map (in brackets). The application uses the list box to display the contents of the export field map.

    ■ **Exporting Asset**
    This field displays the progress of the export after you click the Export button.

    ■ **Stop Button**
    Click this button to stop the export process once it has begun.

    ■ **Finish Button**
    Click this button to begin the export process.

8.  Review the data on the Custom Export Helper - Export dialog prior to completing the export. This ensures the accuracy of your data.

9.  Click the Finish button. The application exports only valid data from the source file and displays a completion message, when finished with the export.

10. To exit from the Custom Export Helper - Export dialog, do any of the following:

    •  Press ALT+F4.

    •  Click the Close button.

# List of Exportable Fields

The following table contains the list of fields available for exporting with the Custom Export Helper. For each field, the table provides the name and the required format.

**Fields Available for Exporting**

| Field Name | Format |
|---|---|
| **General Information Fields** | |
| Activity Code | Text – A, D, I, etc. |
| Asset ID | Alphanumeric |
| Class | Alphanumeric |
| Creation Code | Text – O, D, etc. |
| Custom Date 1 | Date |
| Custom Date 2 | Date |
| Custom Field 1 | Alphanumeric |
| Custom Field 2 | Alphanumeric |
| Custom Field 3 | Alphanumeric |
| Custom Field 4 | Alphanumeric |
| Custom Field 5 | Alphanumeric |
| Description | Alphanumeric |
| Entity | Alphanumeric |
| G/L Accum Account | Alphanumeric |
| G/L Asset Account | Alphanumeric |
| G/L Expense Account | Alphanumeric |
| Location | Alphanumeric |
| Owner | Alphanumeric |
| Purchase Order | Alphanumeric |
| Serial Number | Alphanumeric |
| System Number | Numeric |
| Vendor | Alphanumeric |
| | |
| **Critical Fields** | |
| 168 Allowance % | Numeric - 0, 30, 50 |
| Acquisition Value | Numeric (Currency) |
| Declining Balance % | Numeric - 100, 125, 150, 175, 200 |
| Depreciation Method | Text - MF, MT, SL, SD, etc. |
| Estimated Life | YYMM |
| Placed-in-Service Date | Date |
| Property Type | Text – P, A, T, Q, R, S, C, E, F, H, Z, V |
| | |
| **Book Information Fields** | |
| 179 Deduction | Numeric (Currency) |
| 179 Other Amount | Numeric (Currency) |

| Field Name | Format |
|---|---|
| 179 Other Code | Text - B, C, D, E, O, or N |
| 179 Qualified? | Text - Yes/No |
| ACE Basis | Numeric (Currency) |
| ACE Remaining Life | YYMM |
| Acquired By | Text – Yes = Exchange, No = Purchase |
| Acquisition Date | Date |
| Adjustment Amount | Numeric (Currency) |
| ADS Life | YYMM |
| Business Use 100% | Yes/No |
| Current 179 Recapture | Numeric (Currency) |
| Current Business Use % | Percentage – e.g., 60.5 |
| Current Remaining Life | YYMM |
| ITC % | Percentage – e.g., 40.00 |
| ITC Amount | Numeric (Currency) |
| ITC Basis Reduction Amt | Numeric (Currency) |
| ITC Option | Alphanumeric – 1, 2, 3, A, C, Q, R, etc. |
| Last Calc Date | Date |
| Net Book Value | Numeric (Currency) |
| Salvage Value | Numeric (Currency) |
| Zone Type | Text - G, K, E, D, or X |
|  |  |
| **Depreciation Fields** |  |
| 168 Allowance Amount | Numeric (Currency) |
| Begin Prior Accum Depr | Numeric (Currency) |
| Beginning Accum | Numeric (Currency) |
| Beginning Date | Date |
| Beginning YTD | Numeric (Currency) |
| Current Accum | Numeric (Currency) |
| Current Key Codes | Text – m, l, a, etc. |
| Current Through Date | Date |
| Current YTD | Numeric (Currency) |
| Depreciation This Run | Numeric (Currency) |
| Exclude on Depr Report? | Text - Yes/No |
| Prior Accum Depr | Numeric (Currency) |
|  |  |
| **Disposal Fields** |  |
| Cash Proceeds | Numeric (Currency) |
| Deferred Code | Text - Y, N, D |
| Deferred Date | Date |
| Disposal Date | Date |
| Disposal Method | Text – S, A, T, etc. |
| Expense of Sale | Numeric (Currency) |

| Field Name | Format |
|---|---|
| Gain/Loss | Numeric (Currency) |
| ITC Recapture | Numeric (Currency) |
| Non-Cash Proceeds | Numeric (Currency) |

# Appendix D
# How Do I ...?

## Get Depreciation Numbers for a Prior Period

Depreciation must always be calculated for the same period as the report date you want to run. Simply running reports does not calculate depreciation.

### Option 1: Running Depreciation for a Prior Period

We highly recommend that you make a backup of your company before you perform these steps.

### *To run depreciation for a prior period*

1.  Calculate depreciation for the period before the desired period by selecting Depreciate from the Depreciation menu or by clicking the Calculate Depreciation task on the navigation pane. The Depreciate dialog appears.

    For example, if you want to run depreciation for October 2010, you would first run depreciation for September 2010. This run of depreciation is just to set the Prior Through date for the assets. Do not attempt to tie these numbers to old reports.

2.  Calculate depreciation for the desired period.

    In our example, you would calculate depreciation for October 2010.

3.  Run the desired reports for the same period.

    In our example, you would run reports for October 2010.

4.  Run depreciation back to the current period.

5.  Run the desired reports for the same period.

The above procedure has some considerations and drawbacks:

*   Deleted assets will remain deleted and will NOT appear on the report.

*   Any asset with a Beginning Date will not show if the Beginning Date is after the depreciation run date.

- There may be rounding differences when running for a past period or rerunning back to the current period.

- If adjustments have recently been turned on, the adjustments will hit in the prior period. (We strongly recommend a backup.)

If any of these issues continue after you run depreciation back to the current period, it may be necessary to restore the backup file.

## Option 2: Restoring a Backup (if available)

Another option is to restore a backup of your company that was made at the time that you want to run the report.

### To restore a backup

1. Select File/Company Utilities/Restore Company from the menu bar. The Restore - Select Companies dialog appears.

2. Select the backup file and click the Next button. The Restore - Choose Destination dialog appears.

3. Choose the database to which you want to restore the backup and click the Next button. The Restore - Purge History dialog appears.

   **Note:** If the combined number of assets in all companies in your existing database will exceed 8,000 to 10,000 assets, then we strongly recommend that you restore the company to a new database.

4. Select the history events that you want to delete from the database, if any, and then click the Restore button.

   If you decide to use an existing database, a message indicates that a company with that name already exists in the database and asks if you want to overwrite the company or rename it.

5. Type a new company name, and then click the Rename button. (You may want to name the company after the date of the backup, such as Restore FY END 2010.)

   **Note:** If you click the Overwrite button, you will lose your current company information.

6. After the company is restored, open the restored company and rerun the reports for that same restored period. You will not have to recalculate depreciation using this method.

7. You may want to delete the restored company when finished, or leave it for future use.

# Force Depreciation Numbers

The blue current depreciation fields are calculated fields; therefore, you cannot enter information in these fields directly.

You can use the beginning depreciation fields to force the desired depreciation numbers. Any amounts you enter into the beginning depreciation fields will be pulled automatically into the Current Accum (current accumulated depreciation) fields (for that period only).

- Beginning Date: Enter the month/year for which you want to force depreciation. Enter the date in MM/YYYY format.

- Beginning YTD (Year to Date): Enter the Current YTD (Year to Date) depreciation that you want to show for that same Beginning Date.

- Beginning Accum (Accumulated Depreciation): Enter the Current Accum (Accumulated) Depreciation from that same period.

---

**Important Notes:**

— While the Current Accum and Current YTD fields will show the amounts that you entered, the Depreciation This Run column on the Depreciation Expense report will not include this adjusted amount. You will need to make a journal entry to adjust your GL for this adjusted amount.

— If you force depreciation on assets that still have life, you may also want to consider changing the method to RV (remaining value over remaining life). This ensures that the asset will fully depreciate without a remainder. Otherwise, you should consider using the Adjustments option.

— Changing assets with existing beginning depreciation information will OVERWRITE the previous beginning depreciation information. Thus, if you were to run depreciation for a period prior to the Beginning Date, the report will not show this asset for that time. The application will continue calculating depreciation (if there is remaining life on the asset) starting the month following the Beginning Date entered.

---

# Change Critical Depreciation Fields

How do you make changes to fields that are critical to calculating depreciation, such as Acquisition Value, Estimated Life, Placed-in-Service Date, Depreciation Method, or Property Type?

Before you make changes to a critical depreciation field, we recommend that you print the Main tab of the asset you are changing to ensure that you have the original asset information. You may also want to make a backup of the company before making the change in case you do not get the desired outcome.

Follow the steps below to change a critical field (any field in the lower portion of Asset Detail).

### *To change a critical depreciation field*

1. Go to Asset Detail for the asset whose depreciation-critical information you want to change.

2. Change the information in one of the depreciation-critical fields. When you tab out of the field, a message warns you that you are making a change to a depreciation-critical field and asks if you want to continue.

3. Click the Yes button to continue. The Critical Depreciation Change dialog appears.

   You have four options:

   - **Placed-in-Service Date:** Any depreciation in the Current Depreciation, Period Close, and Beginning Depreciation fields is reset to zero.

   - **Beginning Date:** Current depreciation will be reset to the Beginning Depreciation amounts. Period Close amounts will be reset to zero.

   - **Period Close Date:** Current and Beginning depreciation will be reset to the Period Close amount.

   - **Current Through Date:** Beginning Depreciation will be set to the Current depreciation amounts. Period Close amounts will be reset to zero if the Period Close date is prior to the Current Through Date.

4. Click one of the four option buttons, and then click OK. The information in the Beginning Depreciation, Current Depreciation, and Period Close is updated.

5. Click the Save Asset button.

---

**Note:** If you select anything except Placed-in-Service Date in step 4, and the depreciation method is currently SL, SF, or SH and the changes make the asset under-depreciated as related to the new values, the asset may not fully depreciate over the life of the asset. In this case, we recommend changing the Depreciation Method to RV. The Depreciation Adjustment report can assist you in identifying under-depreciated assets.

---

# Reset Depreciation

Resetting depreciation should be reserved for clearing disposals or clearing Beginning Dates from assets.

---

**Note:** You should always make sure you have a current backup of your company before resetting depreciation. There is no way to undo this operation without a backup.

---

### To reset depreciation for a single asset

1. Select the asset on which you want to reset depreciation.

2. Select Depreciation/Reset Depreciation from the menu bar or click the Reset Depreciation task on the navigation pane. The Reset Depreciation dialog appears.

3. Select the books to be reset.

4. Select Placed-in-Service Date, Beginning Date, or Period Close Date.

   - **Placed-in-Service Date:** Resets the Current Through Date to zero. This will clear any Beginning Date and Period Close Date information.

   - **Beginning Date:** Resets the Current Through Date to the Beginning Date.

   - **Period Close Date:** Resets the Current Through Date to the last period close date.

5. Select the Clear Convention check box if desired (affects MACRS assets only).

6. Click OK to execute the command.

7. Select Depreciation/Depreciate from the menu bar or click the Calculate Depreciation task on the navigation pane to recalculate depreciation after the reset.

### To reset depreciation for a group of assets

1. Create a group of assets to be reset.

2. In the Asset List, select this group of assets in the Group field.

3. Select Edit/Select All from the menu bar or click the Select All box in the upper-left corner of the Asset List.

4. Select Depreciation/Reset Depreciation from the menu bar or click the Reset Depreciation task on the navigation pane.

5. Select the books to be reset.

6. Select Placed-in-Service Date, Beginning Date, or Period Close Date.

   - **Placed-in-Service Date:** Resets the Current Through Date to zero. This will clear any Beginning Date and Period Close Date information.

   - **Beginning Date:** Resets the Current Through Date to the Beginning Date.

   - **Period Close Date:** Resets the Current Through Date to the last period close date.

7. Select the Clear Convention check box if desired (affects MACRS assets only).

8. Click OK to execute the command.

9. Select Depreciation/Depreciate from the menu bar or click the Calculate Depreciation task on the navigation pane to recalculate depreciation after the reset.

# Fix the Depreciation This Run Amount

### What if Depreciation This Run is incorrect?

What do you do if you believe the Depreciation This Run amount on the Depreciation Expense report is incorrect? For example, the amount is too high or too low, or the amount is for the wrong month.

There could be several reasons for the problem. You may have skipped a month when running depreciation. You may have run depreciation on the same asset(s) more than once.

Depreciation This Run is defined as the depreciation from the last time depreciation was run to the current run of depreciation. For example, if you last ran depreciation for August 2010 and then ran depreciation for September 2010, the Depreciation This Run on the September Depreciation Expense report will be one month of depreciation. (We are assuming the asset is still taking depreciation and is not taking adjustments due to adjustment conventions.) If you last ran depreciation for September 2009 and then ran depreciation again for September 2010, then Depreciation This Run will reflect one year's worth of depreciation.

When you dispose of an asset in a given month, the application calculates depreciation through that month and marks that asset with a through date of the month of disposal. If you then calculate depreciation on that asset for the month of disposal, the application sees it as the second time the asset has been run for the same month, so it reports Depreciation This Run from the Beginning Date (or Placed-in-Service Date if there is no Beginning Date). You can check this by looking at the Prior Thru column for the asset on the Depreciation Expense report.

### *To fix the Depreciation This Run amount*

1. Calculate depreciation for the period (or month) before the desired period by selecting Depreciate from the Depreciation menu or by clicking the Calculate Depreciation task on the navigation pane.

   For example, if you want to run depreciation for October 2010, you would first run depreciation for September 2010. This run of depreciation is just to set the Prior Thru date for the assets. Do not attempt to tie these numbers to old reports.

2. Calculate depreciation for the desired period (or month).

   In our example, you would calculate depreciation for October 2010.

   The Prior Thru column on the Depreciation Expense report represents the month that depreciation was last run. If you ran for September 2010 last month and October 2010 this month, you will see 09/2010 in the Prior Thru column. If the Prior Thru column says 00/00/00, this would represent an asset that was reset to its placed-in-service date or a new asset depreciated for the first time.

# Import Assets into the Application

For instructions on importing assets into the application, see Appendix B, "Custom Import Helper." If you are having trouble importing assets, here are some things you may want to check:

- Make sure that the Excel file does not have extra worksheets. Even blank sheets need to be deleted. Only a file containing a single worksheet will import.

- The file cannot have any special formatting (besides General, Text (preferred), or Date-MMDDYY or MM/DD/YYYY). if you click on the upper-left hand corner box that

highlights all cells in the worksheet and then right-click, select Formatting and choose Text. Then format the date columns to Date (MMDDYY or MM/DD/YYYY).

- The spreadsheet cannot contain formulas. If you suspect formulas may be the issue, you can Cut/Paste Special Values into a new worksheet.

- Save the file as an Excel 97 or later worksheet or ASCII (.csv or .tab) file.

- If you are importing any assets that have a depreciation percentage (for example, MT100, MF200, DB150), you will have to map a column for Depreciation Method and another column for Depreciation Percentage. The percentage column should be an integer, usually 100, 150, or 200 without the percent sign (%).

- Import as many fields as you can for as many books as you will need. When importing book information, you must include all the relevant information for each book because you cannot update book information for existing assets using the Custom Import Helper. However, you can update general information on existing assets using custom import at a later time.

- If you do not see a preview of your spreadsheet during the import process, there is some formatting you still have to remove from the data.

# Undo a Disposal

Follow the steps below to undo a disposal.

### *To reset depreciation*

1. Select the disposed asset.

2. Select Depreciation/Reset Depreciation from the menu bar or click the Reset Depreciation task on the navigation pane. The Reset Depreciation dialog appears.

3. Select any book.

4. Select either Beginning Date or Period Close Date.

5. Click OK.

---

**Note:** You will need to run depreciation for the month prior to the month of disposal before redoing the disposal of the asset, and then run depreciation on the asset for the current month.

---

# Glossary

For greater detail about many of the terms in this glossary, see the appropriate section of this manual. The index will direct you to specific pages.

## A

**abandonment**

> A type of disposal where you voluntarily scrap an asset because of obsolescence, lack of suitability, or other reasons.

**accounting period**

> An accounting period is the economic cycle for which financial records are maintained. It may be a twelve-month period or a year that is less than twelve months (a short year). A calendar year is an accounting period that begins on January 1 and ends on December 31.

**accumulated depreciation**

> Current accumulated depreciation for an asset is the amount of depreciation taken, including current year-to-date depreciation, from the date the asset was placed in service to the date through which depreciation was last calculated.

**ACE**

> ACE means Adjusted Current Earnings. ACE, as defined in Code Section 56(g), is the recalculation of C corporation income for purposes of computing an adjustment amount as required for the Alternative Minimum Tax.

**acquisition value**

> An asset's acquisition value is the cost of obtaining the asset. This may be the asset's purchase price, its fair market value, or its basis in the hands of the transferor, depending on the type of transaction. The acquisition value is used as the beginning value for calculating the depreciable basis. See "depreciable basis."

**acquisition date**

> The acquisition date is a general information field. It represents the date the asset was actually acquired, which may not be the same as the date it was placed in service.

**ACRS**

> ACRS means Accelerated Cost Recovery System, a depreciation method created by the Economic Recovery Tax Act of 1981. ACRS allows faster depreciation of fixed assets than earlier depreciation methods. It provides a tax break and was intended to encourage the purchase of capital goods. It was modified by the Tax Reform Act of 1986 to become modified ACRS. See "MACRS."

**adjusted basis**

> The application uses an adjusted basis for the gain or loss calculation when assets are disposed. This adjusted basis is the depreciable basis plus a percentage of the ITC recapture amount (if any), plus salvage value (if subtracted in determining depreciable basis), minus current accumulated depreciation.

**Adjusted Current Earnings**

> See "ACE."

**ADR**

ADR means Asset Depreciation Range. ADR is a pre-1981 (that is, pre-ACRS) depreciation system that grouped assets by industry type.

**ADS**

ADS means Alternative Depreciation System. ADS is a straight-line alternative MACRS depreciation method using generally longer recovery periods than GDS recovery periods. ADS was created by the Tax Reform Act of 1986.

**ADS life**

The ADS life is generally used to depreciate pre-1999 MACRS property for AMT purposes. This is approximately the midpoint of the Asset Depreciation Range (ADR) in which the asset belongs.

**alphanumeric field**

An alphanumeric character is any letter or number you can create using your keyboard.

**Alternative Depreciation System**

See "ADS."

**Alternative Minimum Tax**

See "AMT."

**amortization**

The tax law requires taxpayers to recover certain specified capital expenditures through a process known as amortization. Amortization uses a straight-line calculation over certain specified time periods. Many intangible assets that can't be depreciated can be amortized, such as business startup expenses, covenants not to compete, trademarks, and goodwill. Some tangible assets, such as pollution control facilities, some low-income housing, and the rehabilitation of certified historic structures, can also be amortized.

**AMT**

AMT means Alternative Minimum Tax. The Alternative Minimum Tax (AMT) was repealed by the Tax Cuts and Jobs Act of 2017 for corporations, effective for tax years beginning January 1, 2018 and later. AMT is still in effect for individuals. The Tax Reform Act of 1986 changed the Alternative Minimum Tax rules to make it more difficult to avoid tax through the use of certain tax benefits known as tax preference items. The provisions for depreciation under the Alternative Minimum Tax rules serve to reduce the advantages available under the regular tax rules for accelerated depreciation and other preferences. The reductions in these advantages are added to taxable income.

**ASCII file**

ASCII means American Standard Code for Information Interchange. An ASCII file is a text file without any special control characters such as for bold text or underlining.

**Asset Depreciation Range**

See "ADR."

**asset group**

An asset group is a request from a user to search the company database for assets matching the range criteria the user has entered. For example, you could specify a range of 0 to 500 for the *acquisition value* field, and the application would display a list of assets having an acquisition value of $500 or less. For more information, see "Understanding Groups," page 1-4.

**asset ID**

Many companies have an existing asset numbering system. The application lets you enter the asset's existing number in the *asset ID* field and lets you search for the asset using that number.

**at-risk basis**

An Investment Tax Credit on Section 38 property is allowable only to the extent that the asset holder is at risk. Except for real estate acquisitions, nonrecourse financing does not create risk in an investment.

**averaging conventions**

Averaging conventions assume assets are placed in service or disposed of at designated dates throughout the year. An averaging convention generally adopts a prescribed in-service date that simplifies depreciation calculations and record keeping.

Examples of averaging conventions are the midmonth convention, full-month convention, half-year convention, modified half-year convention, and midquarter convention.

# B

**basis**

Basis usually refers to the acquisition value (that is, purchase price); however, basis can have a number of meanings depending on the descriptive word that precedes it. For instance, depreciable basis is generally the acquisition value adjusted for the percentage of business use, ITC taken, Section 179 expense or bonus depreciation, and salvage value (for certain depreciation methods only).

**beginning date**

The date through which depreciation was calculated for the asset at the time you entered it in the application.

**beginning depreciation**

Beginning depreciation is the amount of depreciation taken on an asset before the date you want to start calculating the asset's depreciation. For example, if you switch from another depreciation system to Sage Fixed Assets in May 2008 and you want the application to calculate depreciation from the beginning of the 2008 calendar year, an asset's beginning depreciation would be all depreciation taken on it before 2008. For details, see Chapter 6, "Working with Assets."

**bonus**

For assets acquired before 1981, some depreciation methods allowed an optional first-year bonus of up to 20% of the property's basis. In the year of acquisition, this represented an additional amount of allowable depreciation. If the optional bonus was taken, the bonus amount was subtracted from the asset's acquisition value before the year's regular depreciation was calculated.

**book information fields**

The book information fields are the data entry fields for which you enter (or accept) separate values in each depreciation book. All of these fields affect the depreciation calculations. Examples of book information fields include the *depreciation method* and the *acquisition value*.

**boot**

In a trade-in of one asset for another, boot is any cash or note payable given to the seller in addition to the asset traded.

**bulk disposal**

A type of disposal that occurs when you sell multiple assets for one selling price.

**business-use percentage**

Some assets used in a business may also be for personal use. However, a business may only take depreciation on an asset to the extent that it is used for business. The percentage that an asset is used for business, if less than 100%, reduces the asset's depreciable basis.

# C

**calendar year**

A calendar year is the period of twelve months beginning January 1 and ending December 31. It is the most widely used accounting period.

**cascade**

This command under the Window Menu places dialogs on top of each other, with the active dialog on top and the inactive dialog(s) slightly visible behind.

**casualty**

A type of disposal that occurs when an asset is stolen or damaged by a sudden natural cause or vandalism.

**class**

Class refers to user-defined classification codes for grouping fixed assets. Most companies have such codes. For example, a company might use this kind of coding system:

| | |
|---|---|
| A | Automobiles |
| FF | Furniture and fixtures |
| HW | Computer hardware |

**company**

A company is an organization you define for the purpose of grouping assets and is not necessarily a legal entity. For example, it may be an entire company, a division, a plant, or a branch.

**company setup**

Defines critical depreciation-related elements of a company, such as short years and book defaults.

**complex expression**

An expression that uses the *and* operator or the *or* operator to search for multiple criteria.

**credit**

A tax credit is an amount that is subtracted from the income tax liability in a given year. Tax credits differ from deductions: credits are subtracted from the tax itself, resulting in a dollar-for-dollar reduction in the tax liability; deductions are subtracted from either gross income or adjusted gross income, resulting in a reduction in the amount of income subject to tax.

**criteria string**

A statement or series of statements that qualifies the characteristics of assets to be included in a group. Also called an expression.

**current accumulated depreciation**

> See "accumulated depreciation."

**current through date**

> The current through date is the date depreciation was last calculated for the asset in a given book. It is displayed in Asset Detail. Depreciation can be calculated by executing the Depreciate command from the Depreciate menu.

**current year-to-date depreciation**

> Current year-to-date depreciation includes all depreciation expense from the beginning of the fiscal year containing the current through date up to and including the through date. (The *through date* is the last date through which you calculated depreciation.)

**custom depreciation method**

> The application lets you create custom depreciation methods. You enter annual depreciation percentages for the life of the asset and specify the disposal year averaging convention. When an asset uses the custom depreciation method, the application calculates depreciation each year based on that year's percentage.

# D

**database**

> An internal software structure that stores data in a way that makes it extremely easy to search, sort, organize, and retrieve.

**declining-balance depreciation**

> Using a declining-balance method of depreciation, assets are depreciated faster than using straight-line depreciation. The asset's net book value is multiplied by a constant rate (125%, 150%, 175%, or 200%, divided by the estimated life or recovery period), which results in a greater amount of depreciation being expensed in the early years of an asset's life and a smaller amount in later years.

**default**

> A default is a selection that appears or is used automatically if you press Enter or make no other choice. For example, if you select OK at the New Company dialog, a message appears in a dialog asking if you want to create the new company. The highlighted frame is on the Yes button. Therefore, Yes is the default.
>
> A default also occurs when you enter data in certain book information fields and the application automatically enters information in others. For example, when you enter the *Property Type* and the *Placed-in-Service Date* fields, the application provides a default depreciation method, estimated life, and ADS life.

**depreciable basis**

> Depreciable basis is the acquisition value adjusted to arrive at the total amount to be depreciated. See also "basis."

**depreciation**

> Depreciation is the process of allocating the cost of an asset used in a business over the period of time during which the asset is used. It also suggests that an asset declines in value because of use, wear and tear, or obsolescence.

**depreciation adjustment**

The application lets you enter year-to-date and accumulated depreciation amounts from your current depreciation books as beginning depreciation. The application then compares the difference between the depreciation entered and what the application would have calculated for the beginning period. The difference between the two, if any, is stored as an adjustment amount and appears in the Depreciation Adjustment report.

If not enough depreciation was taken for the asset, you may choose a depreciation adjustment to adjust for the difference immediately, in the post recovery period, or not at all. For instructions on choosing a depreciation adjustment for each depreciation book, see "The Book Overrides Tab," page 4-12.

**depreciation methods**

The depreciation method determines the pattern of allocating the asset's cost to the specific years of its life. For example, a straight-line depreciation method allocates the asset's cost uniformly over its useful life. A declining balance depreciation method allocates a greater cost at the beginning of the useful life than at the end.

**directory**

A directory is a place on a hard drive, equivalent to a folder in a filing cabinet, where the application stores information. In Windows 95, directories are called *folders*.

**disposal date**

The disposal date is the date on which the asset was sold, lost, damaged, stolen, exchanged, used up, worn out, broken, retired, or given away. It is not determined by the estimated life or recovery period, but by the actual disposal or retirement of the asset.

**disposal method**

There are eight disposal methods: sale, abandonment, like-kind exchange, taxable exchange, involuntary conversion, bulk disposal, casualty, and other. The disposal method determines the default gain or loss treatment.

# E

**energy credit**

Energy credits are available for certain assets used in the conservation of energy.

**estimated life**

Estimated life is the period over which an asset is to be depreciated or its cost is to be recovered. The estimated life often has nothing to do with the physical life span of an individual asset. The shorter the estimated life, the more rapidly the cost of an asset can be recovered.

**expression**

A statement or series of statements that qualifies the characteristics of assets to be included in a group.

# F

**field**

A field is an area that holds (or can hold) application data. Each field on the dialog is labeled for its intended purpose. For example, the first field on the Bulk Disposal dialog is labeled "Disposal Date."

**fiscal year**

>A fiscal year is the twelve-month period you use to define your accounting year.

**fixed asset**

>A fixed asset is property acquired by a business for use in its operations and having an estimated life of more than one year.

## G

**GAAP**

>GAAP stands for Generally Accepted Accounting Principles. These include both guidelines and specific rules and procedures issued by bodies within the accounting industry, principally the Financial Accounting Standards Board (FASB) and the American Institute of Certified Public Accountants (AICPA), to standardize accounting practices. The goal of these principles is for firms to produce financial records that fairly reflect their operations.

**gain or loss**

>Fixed assets that are disposed of usually are sold at a price above or below the net book value of the asset. This results in a gain or loss. For tax purposes, gain or loss is further affected by ITC recapture and Section 179 expense deductions and recapture. The Disposal Report shows whether the disposal of an asset results in a gain or loss. The calculated gain or loss is the amount realized; if this amount is reported for tax purposes, all of the amount may not be recognized. (Gains and losses on certain types of dispositions need not be recognized.) Recognition may also be deferred.

**GDS**

>GDS means General Depreciation System. GDS is the principal system used for depreciating MACRS property. Compared to the MACRS Alternative Depreciation System (ADS), the GDS system generally uses shorter recovery periods and faster depreciation methods.

**general information fields**

>General information fields hold information about assets that does not affect the depreciation calculations but which is useful for asset management. For example, you can enter information about the *G/L asset account*, the *purchase order*, and the *vendor*. You can customize the general information fields and also define and use seven additional fields for your own purposes.

**general personal property**

>All personal property other than listed personal property and automobiles.

**general real property**

>All real property that is not listed real property or required to be reported separately for tax purposes.

**Generally Accepted Accounting Principles**

>See "GAAP."

**group**

>An asset group is the result of a request from a user to search the company database for assets matching the criteria the user has entered. For example, you could specify a range of 0 to 500 for the Acquisition Value field, and the application would display a list of assets having an acquisition value of $500 or less.

By defining and using groups you can quickly and efficiently view, run reports, and/or project depreciation for a selected group of assets.

## H

**half-year convention**

The half-year averaging convention treats all property placed in service during any taxable year (or disposed of during any taxable year) as if it were placed in service (or disposed of) at the midpoint of such year.

## I

**inactive assets**

Assets can be inactivated. This removes them from all reports except the File Listing. Inactive assets can be reactivated. Inactive assets will not be depreciated, so be sure assets are fully depreciated before they are inactivated.

**intangible assets**

Intangible assets are those assets that provide future economic benefit but have no physical substance. Examples include goodwill, patents, copyrights, and trademarks.

**Internal book**

The Internal book is for the depreciation calculations used in the preparation of financial statements. It follows Generally Accepted Accounting Principles (GAAP).

**Investment Tax Credit (ITC)**

The ITC is a tax credit that can be taken for the purchase of specific types of business property. Assets eligible to qualify for the ITC include business property, energy property, and rehabilitation property.

**involuntary conversion**

A type of disposal that occurs when you involuntarily retire an asset due to a breakdown, condemnation, or reasons other than a casualty.

**ITC recapture**

If an asset for which ITC was taken is disposed of before the end of its recapture period, the tax credit is recaptured by the IRS (repaid by the owner) on a prorated basis. The amount to be repaid is the ITC recapture amount.

## L

**like-kind exchange**

A type of disposal that occurs when you exchange an asset for a similar asset. It can include the receipt of money or dissimilar property.

**listed property**

Section 280F of the Internal Revenue Code defines certain kinds of property for which special information must be provided on IRS Form 4562. These assets are those that can be used for both business and personal

purposes. They include passenger cars and other forms of transportation; and entertainment, amusement, and recreational properties.

**low-income housing**

Low-income housing means any building that has met certain federal guidelines and where the dwelling units are held for occupancy on a rental basis by families and individuals of low or moderate income.

# M

**MACRS**

MACRS is an acronym for Modified Accelerated Cost Recovery System. It is a method of depreciation as modified by the Tax Reform Act of 1986, and it is used for most property placed in service after 1986.

**menu bar**

A standard Windows interface tool used to access specific functions or actions in the application.

**midquarter convention**

The midquarter convention is a special averaging convention that applies only when more than 40% of qualifying MACRS property is placed in service in the last three months of the tax year. Under this convention, qualifying MACRS property is treated as though it were placed in service in the middle of the quarter in which it was purchased.

**Modified ACRS**

See "MACRS."

# N

**net value**

The net value of an asset is its acquisition value minus any Section 179 expense deduction minus its total accumulated depreciation.

**numeric field**

A numeric field accepts only numbers (no letters or other keyboard characters except a single decimal point). For example, a field used to enter dollar values is a numeric field.

# O

**168 Allowance**

The 168 Allowance refers to the additional 30%, 50%, or 100% depreciation allowance that the application calculates when you select a "plus 168" depreciation method for a qualified asset placed in service after September 10, 2001.

# P

**personal property**

Personal property generally includes fixed assets that are movable (that is, not attached to the land), and that are not real property (buildings). Equipment and machinery are examples of personal property.

**placed-in-service date**

The date that an asset is ready and available for a specified use is the date it was placed in service for depreciation purposes. This date is entered for each depreciation book and may be different from the date it was acquired. You can enter an acquisition date in the general information field if you need it for warranty, insurance, or other purposes.

**"plus 168" depreciation method**

A "plus 168" depreciation method is one that provides an additional 30%, 50%, or 100% depreciation deduction in the year you place an asset in service. The application has four "plus 168" depreciation methods: MA, MR, AA, and SB.

**postrecovery period**

The postrecovery period is the period that begins immediately after the end of an asset's normal depreciable life.

**printer port**

A printer port is where your printer cable connects to the computer.

**property type**

There are two major types of property: tangible and intangible. Tangible property is either personal property or real property. The application breaks down personal and real property into eleven types. The property type you enter for the asset determines which depreciation methods you can use and other factors in the depreciation calculation, such as how to apply averaging conventions.

# R

**RAM**

RAM stands for random access memory. It is your computer's internal memory, which the application uses as its work space and temporary storage area. The application saves data permanently on your computer's hard drive.

**range**

You can specify which assets to include in an Asset Group or in a report by selecting a range of assets. The range specifies which values must be found in the selected field for the asset to be included. For example, if the range for acquisition value is 0 to 500, any asset having an acquisition value of $500 or less will be included in the group results or in the report.

**reactivate assets**

An asset that has been made inactive may be made active again. An inactive asset is no longer depreciated and does not appear on reports. After being reactivated, the asset again appears in reports and recommences depreciation, if its cost is not fully recovered.

**real property**

Real property includes land and generally anything erected on or attached to the land, such as a building or a parking lot.

**recovery period**

As compared with the period of time over which an asset may reasonably be expected to be useful, the recovery period is a statutory designation of depreciable lives under ACRS and MACRS. Therefore, it is the period of time over which such an asset is depreciated.

**recovery property**

Recovery property is property depreciated under ACRS or MACRS (method AT, SA, ST, MF, MT, MI, or AD), which requires the use of a recovery period as the asset's estimated life.

**refresh**

Updates all data in the current group. Select View/Refresh from the menu bar.

**remaining life**

Remaining life is an asset's original estimated life less the number of years for which depreciation has already been taken.

**remaining value**

Remaining value is an asset's original depreciable basis less depreciation taken to date. It is also called remaining basis.

**replicate [an asset]**

Fixed assets that are similar or identical can be entered once and then replicated as many as 999 times to speed up the data entry process. For example, if you had four identical chairs, you might enter the first one and then replicate that asset three times.

## S

**sale**

A type of disposal that occurs when you sell an asset for:

- Cash
- Cash and noncash items (if not qualifying as an exchange).

**salvage value**

The salvage value of an asset is the value it's expected to have at the end of its useful life. Straight-line, sum-of-the-years'-digits, and custom depreciation methods subtract salvage value from an asset's depreciable basis, while other methods will not depreciate below the salvage value. ACRS and MACRS methods disregard salvage value in calculating depreciation.

**scroll**

Scrolling refers to the movement of a dialog display in a manner similar to unrolling a scroll. This scrolling can be done by using the scroll bars or the arrow keys. You can scroll a report up, down, left, and right.

**Section 179 expense**

Section 179 of the Internal Revenue Code allows the costs of certain new assets to be treated as expenses rather than capital expenditures and to be deducted in the year placed in service instead of depreciated.

**short year**

A short year occurs when there is an accounting period of less than twelve calendar months. It often appears in the first and last years of a company's life.

**simple expression**

An expression that searches for just one criterion.

**SmartList**

A SmartList is a customized drop-down list box of available entries for a field. You can give a field a SmartList by using the field customization feature.

**sort**

To sort a report means to put the items in the report in a specified order. For example, the simplest way to sort a report is to let the application print the assets in order by System Number. You can specify that you want the assets sorted by some other field, such as by *class*, if you want the assets organized for a particular purpose. Use the Group Manager to define how you want the assets to be sorted.

**straight-line depreciation**

Straight-line depreciation generally allows an equal amount of depreciation for each year in the asset's estimated life. Exceptions for the first and last years in the life are caused by the averaging convention in use for the asset.

**sum-of-the-years'-digits depreciation**

Sum-of-the-years'-digits depreciation is an accelerated method of depreciation that results in a greater amount of depreciation being expensed in the early years of an asset's life and a smaller amount in later years.

**system (or SYS) number**

The application assigns each asset a permanent system number that can be used to find the asset in the data files. The number is different for each asset. When you set up a company, you determine what the beginning system number will be. The application also uses the system number in sorting assets in reports.

## T

**tab**

The application makes efficient use of the space on a dialog by providing tabs which provide access to different types of information on that dialog.

**tangible assets**

Tangible assets are those assets that provide economic benefit and have physical substance. See also "intangible assets."

**Tax book**

The Tax book is for the depreciation calculations used when reporting regular depreciation on federal tax returns under IRS rules.

**tax credit**

A tax credit reduces, dollar for dollar, the amount of tax to be paid.

**tax deduction**

A tax deduction reduces the amount of net income subject to tax.

**tax preference (ACRS)**

A tax preference for ACRS real property is the difference between depreciation calculated by ACRS and that calculated using straight-line depreciation. Other pre-1987 real property also creates a tax preference to the extent that accelerated depreciation exceeds the straight-line depreciation amount. Tax preferences are used in calculating the Alternative Minimum Tax.

**taxable exchange**

An exchange of dissimilar property, such as exchanging a car for land. It can also include the receipt of money.

**taxable year**

Taxable year means the period for which taxable income is computed. It may be a twelve-month period or a year that is less than twelve months (a short year). If it is a calendar year, it begins on January 1 and ends on December 31.

**template**

An asset template is predefined asset information for a certain kind of asset. Once you have saved as much or as little data as you want for an asset as an asset template, you can use the template to quickly create new assets that need only a small amount of modification to be unique, for example, giving each asset its own asset number.

**through date**

The date through which the application last calculated depreciation for the asset in a given book. It is displayed in Asset Detail. Depreciation can be calculated by executing the Depreciate command from the Depreciate menu.

**transitional property**

If, at the time that a tax provision expires, a company has a firm agreement that certain property be delivered, that property is called transitional property. The rules of the tax provision can usually be applied to transitional property even though the property is not yet placed in service when the tax provision expires.

# U

**user books**

User books are depreciation books not designated for specific tax reporting purposes. The predefined user book is the Internal book. The default information in the Internal book conforms to GAAP. The other user books, Custom 1 and Custom 2, may be defined as you wish.

**utilities**

Utilities are programs or functions of an application that help the user maintain the database and perform other tasks that are not the primary purpose of the application. For example, some of the utilities let you inactivate assets, reset depreciation, and export ASCII files.

# V

**vintage account**

Asset Depreciation Range (ADR) depreciation allowed multiple asset accounts to be used from 1971 through 1980. These accounts are called vintage accounts, referring to the year in which the multiple assets that comprised a particular account were placed in service.

# Index

## Numerics

## A

## B