DepreciationWorks Help

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DepreciationWorks Help

PDF version of the Help file.

by DepreciationWorks

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1.1   Introduction to DepreciationWorks

DepreciationWorks

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Product description

DepreciationWorks® is a database program for fixed assets and financial statement depreciation. Financial statement depreciation is also known as depreciation for book purposes as opposed to income tax depreciation. DepreciationWorks accommodates unlimited fixed asset records for an unlimited number of companies. Its data is sharable for multiple users.

DepreciationWorks is intended as a subsidiary ledger for fixed asset general ledger control accounts. Its database is a repository for fixed asset details.

Fixed asset financial details include historical cost, accumulated depreciation, and depreciation expense. Accumulated depreciation is the cumulative sum of depreciation expense for fixed asset still owned and is calculated up to both the beginning and end of a current period. The current period may be a month, quarter or fiscal year. Financial details for a fixed asset also include date acquired, date placed in service, date retired, depreciation method, useful life, and salvage, net book value, and gain or loss on disposal. The financial details are factors in depreciation calculations.

Depreciation calculations for book depreciation aren't difficult. Columnar paper, a pencil, and a calculator work well for a few assets. Spreadsheets are fine for more than a few and less than many. However with many assets spreadsheets can become as useless as paper, pencil, and calculator. A database program is a better solution. Data is separate from calculation logic. The outputs readily fall into place.

Depreciation database programs that do both book and income tax depreciation are testaments to computer power. However their complexity derives from variations in statutory parameters across taxing authorities. Most of that complexity becomes detritus when the scope of depreciation calculations are narrowed to book depreciation. Little is left to justify either a high initial or perennial license cost. Income tax preparation programs, widely used, also calculate accurate income tax depreciation, either from summary totals or from data entered for each asset. In DepreciationWorks' view, full featured depreciation programs offer a redundant calculator with a plethora of methods to those who mainly need control of their general ledger cost, accumulated depreciation, and depreciation expense

accounts.

DepreciationWorks' scope is book depreciation calculations with a database that provides an audit trail from fixed asset records to the aggregate total in the general ledger fixed asset accounts. Asset records include fields for financial details named above and for other details. Other details include descriptions, unlimited notes, a location field for business property tax reporting, a division field for home office - branch offices, an asset code for tagging an asset with an identifier, an Boolean intangible field, department by use of appropriately constructed general ledger account numbers, and storage for pictures and documents for each asset. Additional fields include a group code, vendor, manufacturer, serial number, asset custodian, and a user defined field. DepreciationWorks' secondary scope is storing records for directly expensed property.

DepreciationWorks segregates fiscal years with an annual closing. Monthly depreciation is derived from the annual calculation.

Getting started

Sample data is included. To view the sample data, change the data path to the SampleData folder. From the Welcome page, use File - Change Data Path to browse to the SampleData folder. By default, the sample data folder is installed in a folder named DepreciationWorks Database\SampleData which is in the Documents folder. To actually add your company, change the data path back to the Data folder. By default, the data folder is installed to the folder named DepreciationWorks Database\Data in the Documents folder.

To set up a company: add the company name and a company code. Then check two global defaults, the declining balance option and the fractional year convention. Select the current fiscal year. Enter the location(s) for the company. Enter prior short years, if any. Enter the company's depreciation related general ledger accounts. Then assign Quick Fill default associations for the different types of property and begin entering assets. See the Quick Start section of this Help file for detailed information on setting up a company.

DepreciationWorks' asset import utility provides a Microsoft ® Excel style template to accomplish an import.

Data entry is simplified when you use the Quick Fill tables. With Quick Fill tables, you assign defaults to each type of property. Then when you add an asset those defaults are automatically assigned to it. Enter a description, an acquisition date, and the cost for an asset. Then select the property type from a drop down lookup. The date in service, salvage, depreciation method, life, property tax category, and general ledger accounts for the asset are entered for you. And you can choose to override the defaults for any particular asset.

Data can be entered and edited in the grid displays.

Outputs

Tradition reports are included.

Results may also be viewed instantly on-screen. Several grid views display depreciation schedules live, complete with general ledger account totals and grand totals. On-screen

reconciliations show additions and retirements by general ledger account, with cost and accumulated depreciation amounts, for both the year and for months.

DepreciationWorks accepts future acquisition, in service, and retirement dates. Next year reports are included. Therefore the year doesn't need to be closed early to get next year reports and budgets and forecasts can include assets with future dates.

The grid views allow on-screen grouping, sorting, and filtering. They are interactive grid views of your data. Click on a column header to sort by that column. Click that column again and the sort order reverses. Group assets by column heading. Drag a column to the group band at the top of the grid. Grouping in a grid means that your asset records are presented to meaningfully on-screen, rather than only in the order entered. Interactive also means adding and editing assets without leaving the grid.

Export assets using the grid views, or export assets to a text file from the Tools menu. Its your data and DepreciationWorks gives you independent access to it. The Tools menu item on DepreciationWorks' main menu brings up a dialog that saves your data to a text file.

Transport company assets, information, and global data between work and home, or between your computer and a client's computer that also runs DepreciationWorks. Use the CompanyTransfer feature to send a company's data to a target folder. Then copy the contents of the target folder to a comparable folder on another computer. Launch DepreciationWorks on the other computer and transfer the company in. The process updates and appends your company's assets, information, and global data on the other computer.

Backup your data. DepreciationWorks includes database backup and restore operations for use as a supplement to normal backups.

DepreciationWorks is designed to save time and be fun to use. Take a look at the rest of this help file to get the most from the program for the least effort. Use the F1 key when in the program to bring up context sensitive help. Move the mouse cursor over text and labels to activate help hints.

1.2   Installation

System requirements are Windows 98SE or greater; 600 MHz 32 bit (x86), 512 MB RAM of system memory, Super VGA (800x600).

Install DepreciationWorks on the local hard disk drive of the computer(s) on which you intend it to be used.

DepreciationWorks is a multiple user program that can share data among users. Note that each user should install DepreciationWorks on their own workstation. The path to the data

can be changed to a network share using Change Data Path on the File menu.

The trial and registered versions are identical except that the registered version is not restricted to 30 days of use. The data entered during the 30 day trial is retained when DepreciationWorks is purchased and registered.

Accept the default folders for the program when you install DepreciationWorks. These folders will be located on the computer's local hard disk drive.

In the Documents, by default, the data folder is installed in "DepreciationWorks Database\Data".

Sample data is included. To view the sample data, change the data path to the "SampleData" folder. From the Welcome screen, use File - Change Data Path to browse to the "SampleData" folder. In the Documents, by default, the sample data folder is installed in "DepreciationWorks Database\SampleData". To actually add your company, you may change the data path back to the "Data" folder; or you may add it to the "SampleData" folder.

1.3 Updates to DepreciationWorks

DepreciationWorks is usually updated several times during each calendar year. You can check your version number and determine if you have the latest copy.

From the Main menu, select About. Your version number displays on the About form. The About form also displays the most recent version available. The most recent version available is displayed in an embedded browser that reads a ver.txt file on the DepreciationWorks web page. If your version is older than the latest version shown in the embedded browser, you can download and reinstall DepreciationWorks.

To download and reinstall, use your internet browser to navigate to the Update Page. Save DepreciationWorksRegisteredSetup.exe, the installation file, to your local drive. Be sure to close DepreciationWorks before you run DepreciationWorksRegisteredSetup.exe. If you don't have your registration password then email support@depreciationworks.com.

1.4 My Work Place, Information and Get Organized

The My Work Place panel hosts the various pages on which you work within DepreciationWorks.

The Information panel displays help about the active work place.

The Get Organized panel alternatively displays a calendar and a notes module. The Information and the Get Organized panels can be hidden or docked. The three panels can be sized to allow them to occupy more or less of the form.

The Information and the Get Organized panels can be docked to various other places within

the main form. The original layout is restored each time DepreciationWorks is started. You can save a custom layout and restore it in a later session using the Layout menu.

The calendar layout itself can be modified. When DepreciationWorks is closed, the last active calendar layout is saved and can be restored in a later session using the Layout menu.
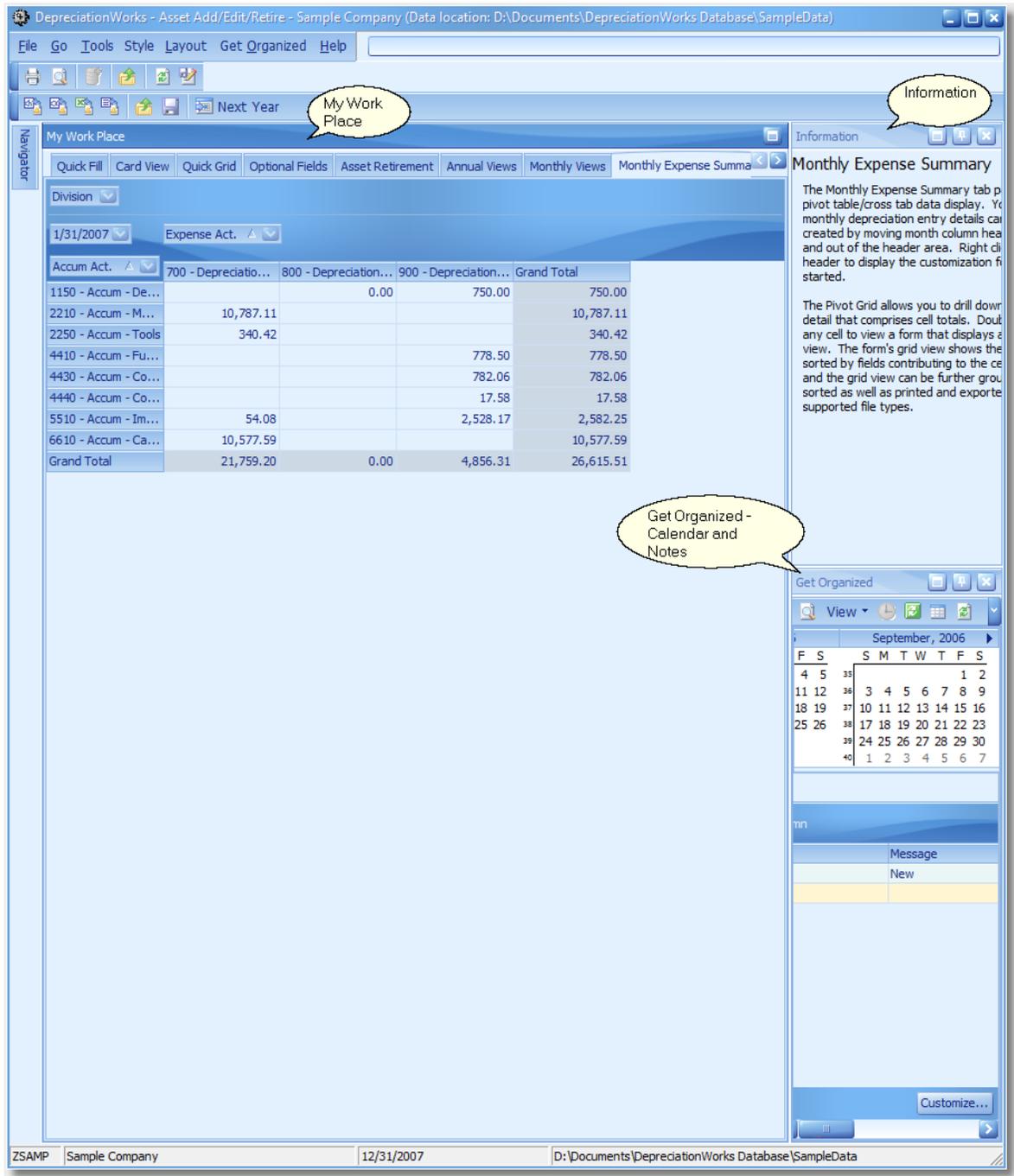
1.5 Navigation in DepreciationWorks

DepreciationWorks has a sidebar navigator and a Go menu that navigate in the program. Navigator categories from top to bottom are placed in order of work flow. Add a company in Company Data and enter divisions, general ledger accounts, locations. Confirm the fiscal year. Populate the Quick Fill Associations Table with defaults by property type. Enter assets in Asset Maintenance and view results there in on-screen grid views, or view results in Reports - Company Depreciation Reports.
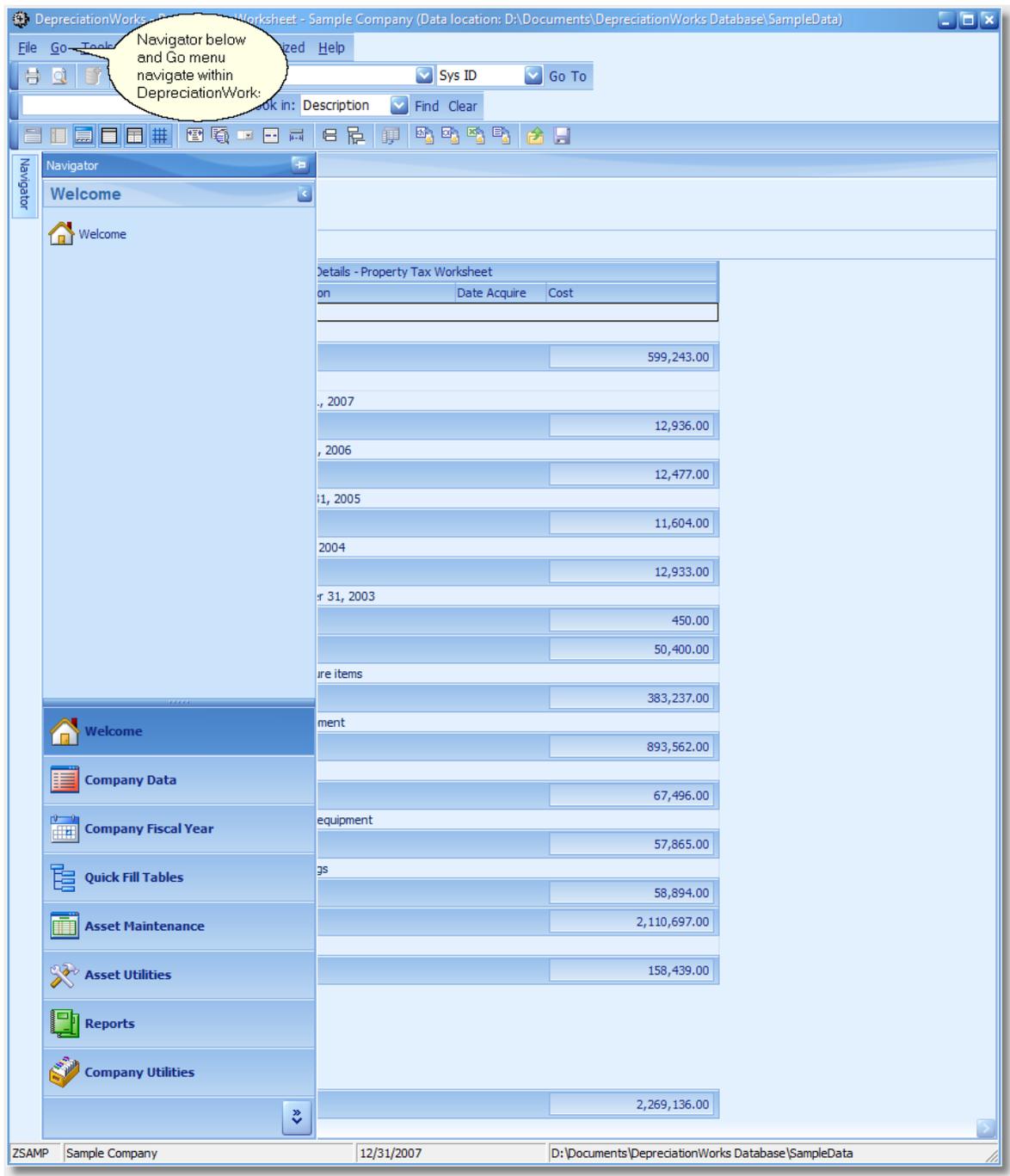
1.6   Operating The Program

DepreciationWorks® is a multi user book depreciation database program that runs on your local hard drive and can be set to access a data folder that is shared by other DepreciationWorks users.

Concurrent use is supported by record lock. Some batch type operations are performed

within database transactions that momentarily lock tables. For example, year end closing uses a transaction and obtains a temporary table lock. Another user working on that company may be prevented from editing momentarily until after the year end transaction is committed.

Note that when you post, you are saving your work as you go. Which means you do not have to "save the file" when you exit DepreciationWorks because your data was saved as you worked.

Remember, however, that Windows ® itself does not always immediately save to disk even when told to do so. At times Windows ® writes to a buffer and waits to actually write from its buffer to the hard drive. It is important to always shut down your computer normally so that it can write any pending data to the hard drive.

Just like it is important to shut down Windows ® normally, it is important to close DepreciationWorks normally. When DepreciationWorks closes, it instructs the operating system to flush the buffers and write to disk. Remember to not close DepreciationWorks if it is in the middle of an operation like preparing a report or closing a fiscal year.

When running DepreciationWorks, if you are going to leave it idle or are going to be away from your desk it is better to close it until you are ready to use it again.

1.6.1 Tips

DepreciationWorks® allows you to insert, delete and edit your asset information in grid views. The speed and responsiveness of the grids is affected by the total number of assets maintained within a company, by the total memory installed on your computer and by your computer hardware. Performance and speed with around one thousand assets in a company is good. Several thousand records may have a noticeable effect on performance.

Grid performance can be significantly improved for voluminous asset records by setting a range of Sys ID numbers that contains fewer than the total number of assets. A range can be set using the Set Range toolbar. If you are adding new records, set the start range to a Sys ID number that is less than the highest Sys ID number by 100. Set the end range to a Sys ID that is a few hundred higher than the highest Sys ID number. The grid view then is loading fewer records and will be speedy and responsive. When editing, try setting the range to start around the Sys ID numbers in the beginning of your fiscal year and to end a few hundred higher than the highest Sys ID number.

The various pages that alternatively occupy the My Work Place area are modules, some of which take longer to load than others. Some modules display results requiring computation time. For example, the Reports modules prepare report data while being loaded, which involves computation time. The reports themselves generate quicker for the fact that the

data has in part already been prepared prior to previewing or printing. Grid views as results are similar to reports in that computations occur before a grid view module displays.

1.6.2   Grid Views

DepreciationWorks® includes data representations in grid format. The grids display results and in many instances allow for data inserting and editing. The grids are much more than displays and editors. They are powerful data analysis tools whose functionality is implemented visually. Consequently they are easy to use. And the grids can be printed and include a report editor accessible from the print preview display. Grids can also export their format and contents to four file formats: Excel, Text, HTML and XML using the applicable grid tool bar button.

Explore grid customization options using the grid tool bar whose buttons are also available from the Tools menu. The first grid toolbar button hides and unhides the group by box. The group by box is used to establish a column as a group for which subtotals are present in the grid. Any column's header can be dragged into the group by box to create a group with subtotals. Moving a column header out of the group by box disidentifies that column as a group.

Many of the grid toolbars buttons are also included in the grid's popup menu. The popup menu is displayed when the mouse cursor is placed over the column headers and the mouse is right clicked. A different grid popup menu displays when the mouse is right clicked when its cursor is placed over group totals or over the grid's footer totals.

Column headers, when clicked, alternately sort the data within groups in ascending or descending order.

Columns themselves can be hidden and unhidden using quick customization, the field chooser or the grid popup menu displayed when right clicking a column header. The field chooser is accessible from the grid tool bar or from the grid popup menu. Quick customization buttons exist on the far left of the header row. Quick customization applies to column headers and to bands when bands are present. Column customization can improve the grid as arranged for viewing or printing.

Each column has a filter drop down button that allows you to set a filter for the column. Once a filter is set, the grid displays a filter customization box. Complex multiple column filter conditions can be set using the filter customization box.

Grid views can be customized to show content relevant to your purpose at a particular time. Your custom settings can be saved. Once saved you can restore. Other users can also restore your saved view so custom views can be shared. To save a view, use the tool bar button on the grid bar that has the save file icon. Be sure to first add your user name to the view users table before saving a custom view.

Grid views have a navigator bar at the bottom that scroll records and which is used to insert, edit, delete, post and cancel changes to data.

Grid views that allow adding data display a new item row at the top. The new item row allows for inserting new rows when the mouse cursor is placed within it.

Grid views also incrementally search columns to locate records more quickly. Incremental search is enabled for most columns when a grid view is designed for primarily for editing records.

Below is a typical grid view.

1.6.3   Toolbars

DepreciationWorks® has various toolbars to perform various actions like printing reports and customizing the appearance of grid views.

1.7   Network Issues

The DepreciationWorks® database files can reside on a network drive (LAN) or accessed using a peer-to-peer connection. The data files are in a folder named "Data" within the "Documents\DepreciationWorks Database" folder. Copy the "Data" folder to a network share folder. (Be sure that the network share folder gives its users both read and write permissions.) Then open DepreciationWorks.

The File menu has a Change Data Path menu item enabled when at the Welcome screen. Using the Change Data Path menu item, browse to the network folder into which you copied the "Data" folder. Open that folder while navigating and be sure that the folder named "Data" appears in the Browse for Data Folder – Current Folder text box. Press the OK button. The new path will then display in the lower right portion of the status bar. The path is written to the local computer's registry, HKEY_CURRENT_USER Software DepreciationWorks DataFolder Most Recent Path. The path is written when the change is made so you can run regedit and inspect the value before and after changing the data path. If it does not take then perhaps there is a permission issue respecting that user's registry.

The database engine is compiled into the DepreciationWorks program file. The database engine is configured as non-client server, multi-user mode and the engine's memory buffers are configured to reduce data reads from the server. It uses Windows clients to access its tables on an SMB (Server Message Block) file server. For Windows, this means a Windows NT, 2000, XP, 2003 or later server. For Linux, this means a server running the Samba server software that allows Linux machines to behave like Windows file servers.

Microsoft security patch now prevents HTML Help .CHM files from being opened when a workstation access them from a network drive. "Action canceled!" will be displayed instead of the topic text. DepreciationWorks workstation installation ensures that its CHM file gets installed on and called from the local C: drive.

1.8   Technical Matters

DepreciationWorks uses the database engine's default locking, which is record lock. Some database exceptions get an entry in the log table and there is a log viewer in the application directory. Backup and restore operations obtain a read lock on all tables. Table optimization, verify and repair fail on a particular table if exclusive access can't be obtained.

Batch operations occur within transactions that are programmatically rolled back when an exception is raised by the operation. Batch operations include closing the fiscal year for a company, multiple asset retirement, asset reassignments under Asset Utilities, etc. Transactions use a restricted tables parameter to acquire a special transaction write lock

on the specified tables.

However, this special transaction write lock does not prevent other sessions from reading data from the tables involved in the transaction or acquiring record or table locks on the tables involved in the transaction while the current transaction is active. This means that it is still possible for other sessions to cause a Table or Query Edit or Delete method call within the current transaction to fail due to not being able to acquire the necessary record lock.

Consequently, one user editing a company asset will prevent another user from closing the same company's fiscal year because the year closing transaction will fail. Likewise, one user editing an asset also included in another user's multiple retire asset selection will cause the multiple retire transaction to programmatically rollback. Both are table operations as opposed to update sql's, and the latter (multiple retire) processes using the grid controller and iterates through the grid's selected records. Asset Utilities – Asset Operations – Reassign Assets also uses the grid controller within a transaction. Most other batch operations use update sql's where transaction time is minimized. For example, an edit to a GL Cost table propagates the edit to other tables using sql scripts.

Temporary tables from canned query result sets of sql select statements are created in the user's temp directory.

The registry key HKEY_LOCAL_MACHINE Software DepreciationWorks DataFolder Most Recent Path is written when the application closes. It is created the first time DepreciationWorks is run, not by the installation. If that key is deleted or the value is invalid, DepreciationWorks will create and populate a Data folder beneath the application folder. Tables will only be created if they don't already exist.

1.9   Depreciation Concepts

1.9.1   Book Depreciation

Book depreciation is depreciation computed on a company's fixed assets for financial statement purposes.

In DepreciationWorks, accumulated depreciation and current depreciation are calculated based on annual amounts for fiscal years. An asset's accumulated depreciation is the sum of prior fiscal year current depreciation. Accumulated depreciation is automatically calculated for assets placed in service prior to the current fiscal year. Current depreciation is based on the current fiscal year. The current depreciation for the year is allocated to months within the fiscal year. The monthly amounts are a disaggregation of the annual current depreciation.

Accumulated depreciation and current depreciation are calculated to the dollar. There are two reasons for dollar rounding. The first is that assets are in theory not to be depreciated below their net realizable value. Cents can be viewed as being as good an estimate of net realizable value as zero is. Neither cents nor zero is theoretically correct, though either suffices for pragmatic reasons. Salvage value is often disregarded for pragmatic reasons. The second reason is that depreciation is an accounting estimate and accounting estimates should not be stated to imply more precision than exists in the estimation method. For example, if a life is estimated to be 3 years and it is in use in the business for 4 years then

the depreciation estimate recorded was off by more than cents.

Fixed assets, often referred to as property, plant, and equipment, are long-lived tangible assets used for the production or distribution of goods and services.

A company's fixed assets wear out and become obsolete. Consequently, it is necessary to expense some portion of their cost over their useful lives. Under Generally Accepted Accounting Principles (GAAP), depreciation is the allocation of the cost of fixed assets (less salvage value, if any) to expense over their estimated useful lives in a systematic and rational manner. The goal of depreciation methods is to rationally and consistently match revenue and expense by allocating the cost of fixed assets over their useful lives. Depreciation methods that provide rational, systematic, and consistent allocations of fixed asset costs to expense over their estimated useful lives are GAAP, or book, depreciation methods.

Depreciation for the purpose of determining federal taxable income is not depreciation per GAAP. Tax laws may or may not be consistent from year to year. Tax depreciation methods presently ignore salvage regardless of whether or not salvage is material with respect to a fixed asset's cost. Useful lives determined by statute do not give consideration to how long a particular asset may be useful to a particular company.

For GAAP accounting purposes, companies should not use tax depreciation methods, IRS guidelines, or government regulations to determine book depreciation. Book depreciation should be determined using GAAP.

The determination of book depreciation involves estimates. An asset's useful life may not only be a prediction of how long an asset will physically operate, but also a judgment concerning possible premature obsolescence. The salvage value of an asset is also an estimate. The choice of a book depreciation method also involves assumptions about an asset's anticipated usage and revenue producing patterns. Book depreciation itself is therefore an estimate.

Depreciation is recorded as a debit to expense (current depreciation) and a credit to accumulated depreciation. Accumulated depreciation is a contra account to the related fixed asset account. DepreciationWorks presents accumulated depreciation's prior and current components in separate fields, labeled prior and current, respectively.

Journal entries to record depreciation expense can be developed by using the total annual depreciation for the current year. Alternatively, monthly depreciation amounts are displayed on screen on the Monthly Views and Month Summery tab pages under Asset Add/Edit/Retire, or by using the Monthly Reconciliation report. It is a matter of preference as to whether you base your entry on the monthly breakdown provided by that report, or whether you use the annual current depreciation total presented in the other depreciation schedule reports to develop your journal entry.

1.9.2 Depreciation Methods

The goal of depreciation methods is to rationally and consistently match revenue and expense by allocating the cost of fixed assets (less salvage value, if any) over their useful lives in a systematic manner.

Examples of depreciation methods include straight-line, declining-balance, and sum-of-the-years'-digits.

Straight-line depreciation is calculated by dividing the asset's cost (less the salvage value, if any) by the asset's estimated useful life.

Declining-balance depreciation is calculated by multiplying a constant rate by the asset's undepreciated cost. The undepreciated cost is never less than the salvage value.

Sum-of-the-years'-digits depreciation is calculated by multiplying a changing rate by the asset's cost (less salvage value, if any). The rate is a fraction whose numerator is the asset's remaining years of useful life and whose denominator is the sum of each of the years of useful life. For example, an asset with a three year estimated useful life would have a rate of 3/6 in the first year, 2/6 in the second year, and 1/6 in the last year of useful life.

Straight-line depreciation is appropriate for assets whose use is expected to be relatively even over their lives. Declining-balance or sum-of-the-year's-digits depreciation is appropriate for assets whose productivity or revenue-generating power declines discernibly after the earlier years of their lives, or where maintenance costs tend to rise during their later years.

1.9.3 Fractional Year Convention

Assets are seldom placed in service or retired on the first day of the fiscal year, or on the first day of a month. Because depreciation is an estimate, it is acceptable for a company to use an assumed placed in service or retirement date when making depreciation computations. The assumed in service and retirement dates determine when depreciation begins and ends for assets held for only a fraction of a year. The assumption should be applied consistently once adopted by the company.

For additional information, see Conventions.

1.9.4   Depreciation Changes

Once an accounting principle is adopted, there is a presumption that it will not be changed. The selection of a depreciation method is the adoption of an accounting principle.

A change from one method of depreciation to another method for a previously recorded asset is considered as a change in an accounting principle. As such, the cumulative effect, less tax, of the change on beginning retained earnings should be included in net income for the period of the change. Financial statement disclosures of the change are required as well.

Changes in an accounting principle also include changes in the manner of applying a principle. The fractional year, or partial year, convention is a manner of applying an accounting principle. Consequently, the effect of a change in that convention on previously recorded assets would presumably be reported on the financial statements in the same manner as a change in an accounting principle.

Newly acquired assets may be depreciated using methods different from those for existing assets without being considered a change in an accounting principle. Similarly, changes may be made in the estimated useful lives or salvage values of previously depreciated assets without being considered a change in an accounting principle.

1.9.5   Company Depreciation Policy

A company should establish a depreciation policy and adhere to it. A depreciation policy includes a fractional year convention, a choice of a depreciation method for each of the various types of fixed assets owned and acquired, an estimate of the useful life of each of the property types, and guidance on determining the estimated salvage value associated with each of the property types. A depreciation policy also should state a minimum capitalization amount.

DepreciationWorks facilitates the maintenance of the company's depreciation policy. A fractional year convention applies to the company. A particular depreciation method can be set as the default method for any particular property type. A default useful life can be set for any particular property type, and each property type can be assigned an estimated salvage value as a percentage to be applied to that type of property's cost. Once those associations

are made, when you add an asset and select a property type, the default salvage, method, and life are entered for you.

A minimum capitalization amount is a threshold value under which a particular item is recognized as a period cost instead of as a capital expenditure. It is doubtful that an item is long lived if its cost is less than the minimum capitalization amount, and in that case it is expensed instead of carried on the books as a fixed asset subject to depreciation. Note that if an asset is comprised of several amounts that singly are under the threshold amount, you should capitalize the asset if the sum of those separate amounts exceeds the threshold.

1.10 Income Tax Depreciation

DepreciationWorks does not calculate depreciation for income tax purposes.

DepreciationWorks includes a Property Type field that can be assigned to each asset. Income tax methods are a function of a property's class type. Property types in DepreciationWorks can be set up to equate to class types. DepreciationWorks includes reporting on assets placed in service or retired by property type for each month of a company's fiscal year. Property type totals by month in service can be entered into income tax preparation software in order to minimize duplicative data entry.

DepreciationWorks

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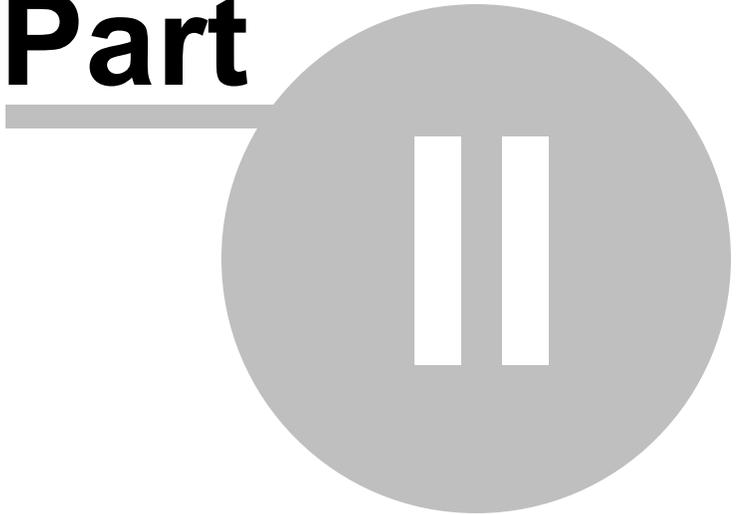
2 Quick Start

2.1 Add New Company

2.1.1 Overview

Note: if you already have a company set up in DepreciationWorks, consider using it to create a new company. For using an existing company as a template to add a new company, see Company Utilities - Copy Company to New Company.

Adding a new company consists of information gathering and planning as well as the mechanics of getting a company set up in DepreciationWorks.

Gathering information and planning will make the mechanics easy.

The minimum mechanics consist of entering company data, selecting a current fiscal year, checking that the company declining balance and fractional year calculation options conform to the company's depreciation policy, entering prior short years, if any, and entering the company's depreciation related general ledger accounts.

You may also decide to enter company divisions and/ or locations.

Asset entry in DepreciationWorks is simplified if you use the Quick Fill feature. To enable the Quick Fill feature, you create default associations for each property type. Then when you add an asset of that type, the default information is automatically filled in for you. The default information consists of method, life, general ledger accounts, property tax category and salvage percentage, if any.

Also, for voluminous assets to enter, consider using the Asset Import page.

In DepreciationWorks, accumulated depreciation and current depreciation are calculated based on annual amounts for fiscal years. Accumulated depreciation is the sum of prior fiscal year current depreciation. Accumulated depreciation is automatically calculated for assets placed in service prior to the current fiscal year. Current depreciation is based on the current fiscal year. The current depreciation for the year is allocated to months within the fiscal year. The monthly amounts are a disaggregation of the annual current depreciation.

Accumulated depreciation and current depreciation are calculated to the dollar. There are two reasons for dollar rounding. The first is that assets are in theory not to be depreciated below their net realizable value. Cents can be viewed as being as good an estimate of net realizable value as zero is. Neither cents nor zero is theoretically correct, though either suffices for pragmatic reasons. Salvage value is often disregarded for pragmatic reasons. The second reason is that depreciation is an accounting estimate and accounting estimates should not be stated to imply more precision than exists in the estimation method. For example, if a life is estimated to be 3 years and it is in use in the business for 4 years then the depreciation estimate recorded was off by more than cents.

If you presently maintain your fixed assets in another program, then before you add your assets to DepreciationWorks, you need to decide how to handle accumulated depreciation.

By default, DepreciationWorks will recompute your beginning of year accumulated depreciation amount. If there is a difference between your accumulated depreciation and accumulated depreciation as computed by DepreciationWorks, consider booking the difference to current year depreciation expense as an adjustment.

If you don't want DepreciationWorks to recompute your accumulated depreciation, then check the Override Prior check box when adding your assets and enter the amount manually.

You should also be sure that the company's fractional year convention and declining balance option have been set correctly in DepreciationWorks.

2.1.2   Planning

You need to do some information gathering and planning before adding a new company.

First, choose the fiscal year to start with, and to determine if there are any prior short years for the company.

Second, determine the company's depreciation policy regarding the declining balance calculation option.

Third, determine the company's depreciation policy regarding when depreciation begins for assets placed in service or retired during the fiscal year.

And you need to know which depreciation methods the company uses for each type of depreciable property as well as the estimated useful lives the company has assigned to those property types.

If the company does not have a written depreciation policy, then past company practices should be your guide. If the company is at its inception, it would be a good idea to develop a written depreciation policy.

The planning you need to do concerns whether to set up company divisions or locations.

If the company has no divisions or has business property at only one location, you have no planning to do. If that is the case, the company will be automatically assigned to division '000' when you add it, you do not need to add other divisions, and you do not need to set up company locations. If circumstances change later, you can always set up other divisions and/or locations at that time.

If the company has divisions you may want to set them up in DepeciationWorks. If the company has business property at more than one location, you may want to set up locations in DepreciationWorks. If so, you should review those topics before adding the company.

2.1.3   Mechanics

Go to Company Data and click the Companies icon. The Companies page will display. Note you can also use the Go main menu item list to navigate to the various work places.

The company code and company name fields are required fields, the other fields are optional. Click the plus button, or click under the Code column and enter a unique company code. The company code can be five numbers or five letters, or any combination of five numbers or letters.
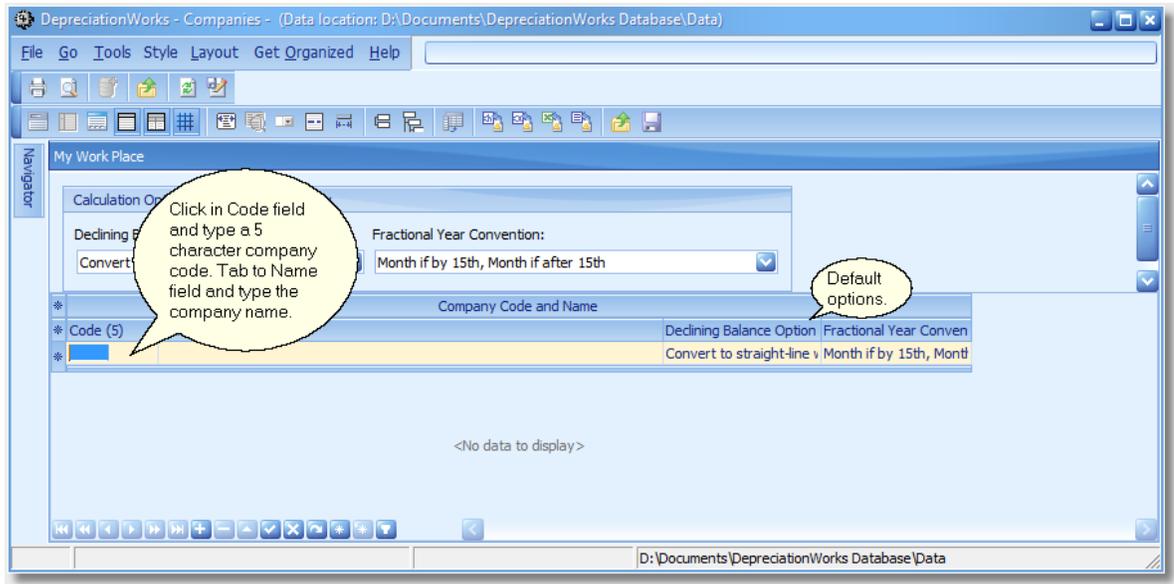
Defaults are entered for you in the Declining Balance Option and Fractional Year Convention fields. If the defaults aren't the options you want then change them. Also, a current fiscal year is entered which you can later edit under Company Fiscal Year - Current Fiscal Year.

When you have completed entering the company's information, click the check button on the navigator bar or arrow down to post the company information to the database. Navigate to Company Fiscal Year - Current Fiscal Year page and decide if you need to edit the company fiscal year, following the instructions in the Information panel.

If you need to set up prior fiscal years, go to Company Fiscal Year and click on Prior Short Years. Follow the instructions on that page to add prior short fiscal years, if any.

If you need to set up divisions, go to Company Data and click the Company Division icon. The division number and division name fields are required fields, the other fields are optional. Click the plus button on the navigator bar and enter a unique, three digit division number. Enter the division name. When you have completed the division information, click the check button on the navigator bar to post the division information to the database.

If you need to set up business property tax locations, go to Company Data and click on the

Company Business Property Tax Locations icon. Click the plus button on the navigator bar and enter a unique location name. Click the check button on the navigator bar to post the location to the database.

Go to Company Data and click on Company General Ledger. Follow the instructions on those pages to add depreciation related general ledger cost, accum and expense accounts..

Go to Quick Fill Tables and click on each icon in the group to familiarize yourself with the property types and property tax categories. You may add property types and property tax categories as necessary. Then click on the Quick Fill Associations icon. Add properties and their associated defaults.

You are now ready to enter assets.

2.2   Asset Maintenance

2.2.1   Record View

DepreciationWorks is a database program that stores your data in tables. A table has columns and rows. In database terminology the columns are fields, the rows are records. When you enter assets, you create a new record for each new asset. Each record is unique by virtue of the information that you enter in each field.

Within the Asset Maintenance group, the Asset Add/Edit/Retire set of pages includes a Quick Fill page. This page presents the asset table to you one record at a time and is therefore called a record view. Each input box or control on the Quick Fill page represents a field or column into which you enter the data for a particular asset. Once you enter the data for an asset, you go on to a new record and fill in the information for the next asset. You are adding assets into the database table one record at a time. The Quick Fill page is for adding or editing assets and it uses the Quick Fill feature.

The Card View page is similar to the Quick Fill page with the addition of filtering for each field and summary grand totals. Field filtering can be used to select for editing a subset of matching records.
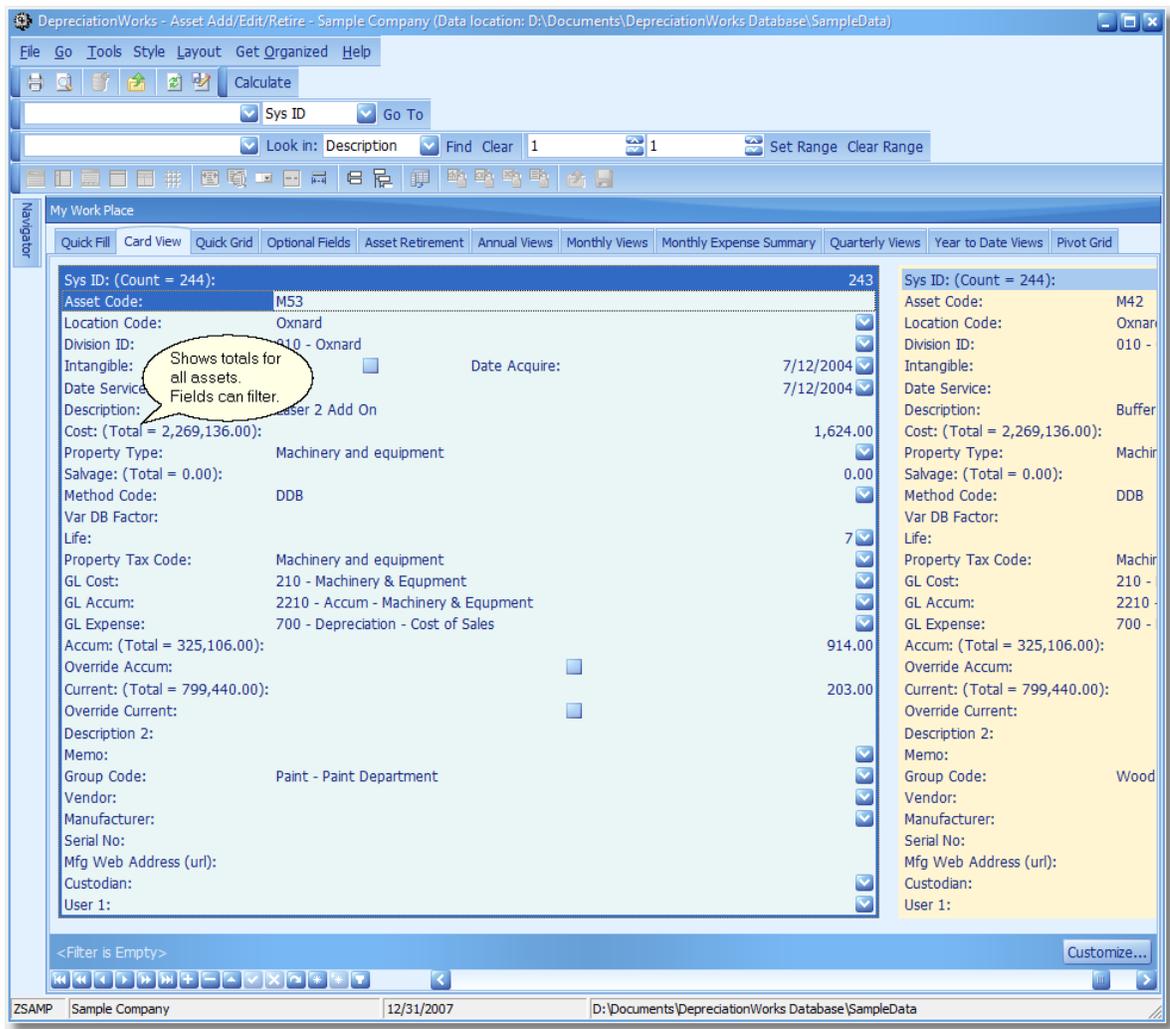
2.2.2 Grid View

DepreciationWorks is a database program that stores your data in tables. A table has columns and rows. In database terminology the columns are fields, the rows are records. When you enter assets, you create a new record for each new asset. Each record is unique by virtue of the information that you enter in each field.

Within the Asset Maintenance group, the Asset Add/Edit/Retire set of pages includes a Quick Grid page. This page presents the asset table to you several records at a time, displaying the information in a table of rows and columns, and is therefore called a grid view. Each cell of the Quick Grid presents a particular asset's data for a field or column. You can enter the data for a particular asset by moving horizontally across the grid (tab key, enter key, or arrows). Or you can enter data for a particular column by moving down the grid. In other words, you can enter assets one by one moving across the grid, filling in each column before proceeding to a new row. Or you can enter data for several records by moving down each column and then moving to the next column and then to the next until each row has entries for each column. The Quick Grid page is for adding or editing assets using the Quick Fill feature and does not display every field.

To make a grid cell active for editing, highlight it with your mouse cursor and use left mouse button clicks or the F2 key. Note that most of the grids also allow you to group the data by dragging a column header to the group band area at the top of the grid. If the group by box isn't visible by default, use the tool bar button to make th group by box visible. You can also sort the data in the grid by clicking on the column header.

Within the Asset Maintenance group, the Asset Add/Edit/Retire set of pages includes several Grid View pages. Grid View pages are for editing asset information and display most fields. The Asset Add/Edit/Retire pages also include several other grid views, including the Optional Fields page and the Asset Retirement page.

The Optional Fields page displays fields that are included for completeness, but which are not required. You can switch to the Optional Fields page as you add assets if you desire to also enter data into the optional fields. The Asset Retirement page is a grid view and allows you to enter asset retirement information.

2.2.3   Pivot Grids

Within the Asset Maintenance group, the Asset Add/Edit/Retire set of pages includes two pivot grids, the Monthly Expense Summary and the Pivot Grid pages. The pivot grids are data display views conceptually similar to pivot tables in Microsoft ® Excel and allow data mining and multi-dimensional analysis.

The Monthly Expense Summary pivot grid:

2.2.4   Compute Depreciation

DepreciationWorks calculates while an asset is added, when the added asset is posted, and when an edited asset is posted. There are times when you may want to recalculate.

To calculate one asset at time, press the Compute button while the asset you want to calculate is the selected record. Accumulated depreciation as of the beginning of the current fiscal year will be calculated and current year depreciation will be calculated for the selected asset. To calculate all assets at once, click the Display Calculate Company Assets Screen icon and press the Calculate button. Accumulated depreciation as of the

beginning of the current fiscal year will be calculated and current year depreciation will be calculated for the company's assets.

You can override the prior and current depreciation calculated amounts. Prior will not be calculated when the override check box for prior is checked. Current will not be calculated when the override check box for current is checked. When using the record view, the respective override check box is checked for you if you enter an amount in the prior field or the current field. When using the grid view, you must check the override check boxes yourself.

Should you want to change the depreciation method, life, date in service, or salvage on an existing asset, you should check the prior override field. Otherwise prior will be recalculated. However, see Depreciation Changes. Changing the method to the straight-line over remaining life method requires that you check the prior override field.

2.3   Asset Utilities

2.3.1   Asset Operations

2.3.1.1   Reassign Assets

The Asset Utilities group includes Asset Operations from which you can reassign assets in a company to another division, location, group, property type, property tax category, cost, accum or expense account of the same company. The assets will be treated for all purposes as though they had originally been assigned to the new assignment.

2.3.1.2   Delete Assets

Normally assets are retired when disposed of. There are times when you may want to delete them instead. Deleting them removes them from the asset table. You can use the Delete Assets view to delete multiple assets simultaneously.

2.3.2   Import Assets

The Asset Utilities group includes a page from which you can import assets for a new company. In order to use the import feature, you must have set up the company's general ledger cost accounts and expense accounts, and have added any applicable company divisions and locations and groups.

If you presently have asset information in Microsoft ® Excel, you can import much of that information into DepreciationWorks using a DepreciationWorks generated template file in Excel format.

If you presently have asset information in another fixed asset program, you must first transfer that information into Excel. Your present program may be able to export its asset information to an Excel file, or to a file format that Excel can read. If such is not the case, consider that Excel is able to open a tab delimited or fixed length file. You may be able to create a tab delimited or fixed length file from your present program just by printing your depreciation schedule to disk.

Once your present asset information is in Excel, use DepreciationWorks' Asset Import page to display the template within DepreciationWorks. The DepreciationWorks template can be saved to disk and opened in Excel if you find it easier to work within Excel.

The template has predefined columns into which you drag and drop and/or copy and paste your asset information. When you have populated the DepreciationWorks template then import it. Your work will be validated before it is imported. If your template contents won't import, DepreciationWorks will identify problem cells with a row and column reference.

All of DepreciationWorks' depreciation methods are supported except variable declining balance methods.

For more information see the other discussion in this help file Import Assets

2.3.3 Data Conversion

DepreciationWorks data conversion works only with DepreciationWorks version 1.x data files.

2.3.4 Company Transfer

Asset data is maintained in one table, even if multiple companies are present in DepreciationWorks. Use Company Transfer to move a company's data to a separate folder. That target folder will be populated with tables and the tables populated with the selected company's data. You can copy the target folder to another computer and transfer the company contained into another DepreciationWorks main database. That main database will be updated and appended to agree with the data transferred in.

2.3.5 Re-Number Sys IDs

Assets are assigned a system identification number when they are added to a company within DepreciationWorks. System identification numbers (Sys IDs) are not available to you to edit or to assign. Instead they are generated internally as part of the primary index of the Asset table. Sys IDs are visible on screen and in reports and are there used for sorting and grouping.

DepreciationWorks does allow you to re-number your selected company assets' Sys ID numbers in ascending Date Acquired sequence should you desire to do so. You should consider carefully whether or not you want to use the re-numbering feature. For example, no other users should be running DepreciationWorks when Sys IDs are renumbered. Also, because it is an operation that affects all of the selected company's assets, you shouldn't use the feature during thunder storms or when there are electricians working at your facility because a power outage at the wrong time can result in data loss. Therefore it is also important that you backup your data before renumbering the Sys IDs.

2.4 Reports

DepreciationWorks provides reports categorized as Company Data reports, Depreciation

reports, Asset Listings, and Company Expensed Property Reports. Data reports include a list of companies, a report of company information including divisions, locations, general ledger accounts, property type defaults and groups. Global data reports, that is, property types and property tax categories, can also be printed from the Company Data reports page. Depreciation reports include annual and monthly depreciation schedules and reconciliations. Asset listings include a report of asset field contents including the memo field, and a bar code label report that prints on Avery style labels. Company Expensed Property Reports are for the items you entered that weren't depreciated, but instead were expensed in your books.

The various data views contained within grids display data and computed results meaningfully. The grid views, pivot grids included, are powerful data analysis tools and report writers as well as interactive screen displays. They filter, they group, they sort and columns and bands can be customized and hidden. Your customized view settings can be saved and restored for use in future sessions. Other users can also load your saved custom views.

Many of the Depreciation reports are also presented in on screen grid views. For example, the Monthly Reconciliation and Annual Reconciliation reports also have their equivalent grid view counterpart. The Monthly Expense Summary view is a pivot table representation of your monthly depreciation journal entry. It is substantially equivalent to the Monthly Reconciliation report.

Both types of reports can be saved to disk.

2.5   Company Utilities

Company Utilities provides views of all company specific data, an unfiltered view of the asset table to accommodate worksheet company consolidation, a Pivot Grid for data mining across companies, a Copy Company to New Company feature and a Copy Assets Between Companies feature.

DepreciationWorks

DepreciationWorks Help file -
PDF format

Part

III
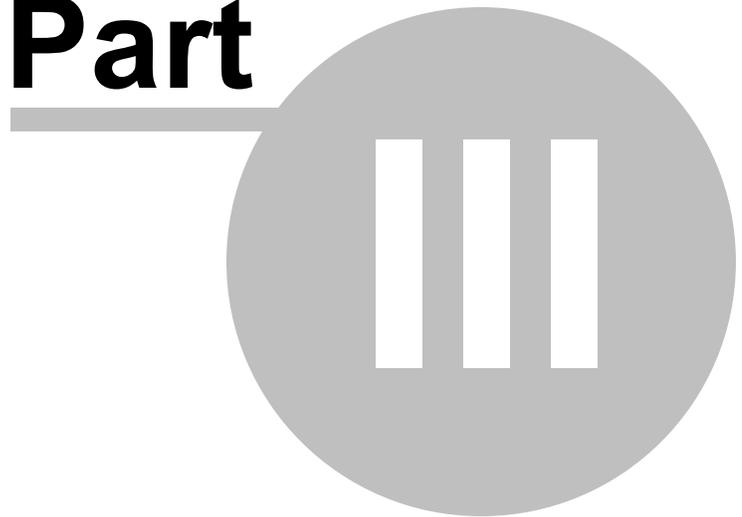
3   Main Menu

3.1   File Menu

The File menu's items change as you navigate to the various work places. For example, when at Asset Import, file open and save items are visible and enabled, allowing you to open and save the import excel file. When at the Welcome page, various database operations are enabled that aren't enabled for other pages.

3.2   Go Menu

The Go menu lists the various work places within DepreciationWorks. The Go menu is an alternative to the side bar menu.

3.3   Tools Menu

The Tools menu duplicates the grid main tool bar buttons. Additionally, when on the Welcome page, the Go menu's Export Asset Table item is enabled.

The Export Asset Table creates a text file named AssetExport.txt in the DepreciationWorks application directory. The text file is of all the data in the Asset table except for the memo, pictures, and documents fields.

3.4   Style Menu

The Styles menu allows you to select look and feel styles. The style selected becomes the default style the next time you run DepreciationWorks.

3.5   Layout Menu

The Layout menu allows you to recover reasonable placement of the three panels after unanticipated placements while playing with panel docking behaviors. If you close the Information and/or Get Organized panels you can use the Layout menu to show them.

The My Work Place panel has docking turned off. The Information and Get Organized panels have docking turned on and can be placed in various places. If you arrive at an arrangement you prefer you can save it and then restore it yourself when subsequently running DepreciationWorks.

Your last active calendar layout is saved when DepreciationWorks closes and can be restored using the Layout menu item Restore Your Calendar Layout.

3.6   Get Organized Menu

The Get Organized menu allows you to switch between the Notes and Calendar modules

which alternatively occupy the Get Organized dock panel.

3.7 Help Menu

The Help menu has the following entries.

- Contents. Displays the DepreciationWorks help file.
- Home. Takes you to our Internet home page.
- Support. Email to ask a question or make a suggestion.
- About. Displays version and copyright information. There is also an embedded internet browser that reads a text file that contains the most recent version identifier. You can determine if your DepreciationWorks version is older than the most recent reported in the browser text. If so, you can download and reinstall the trial version to update your copy to the most recent build.

Contents displays this help file. You can also display this help file by pressing the F1 key when working within DepreciationWorks. Context specific help is available from many of DepreciationWorks screens.To access context sensitive help, press the F1 key after placing the cursor over the screen item you are interested in knowing more about.

Home will launch your Internet browser and take you to the DepreciationWorks Internet home page.

Support allows you to generate an email support to ask a question or make a suggestion.

DepreciationWorks

DepreciationWorks Help file -
PDF format

Part IV
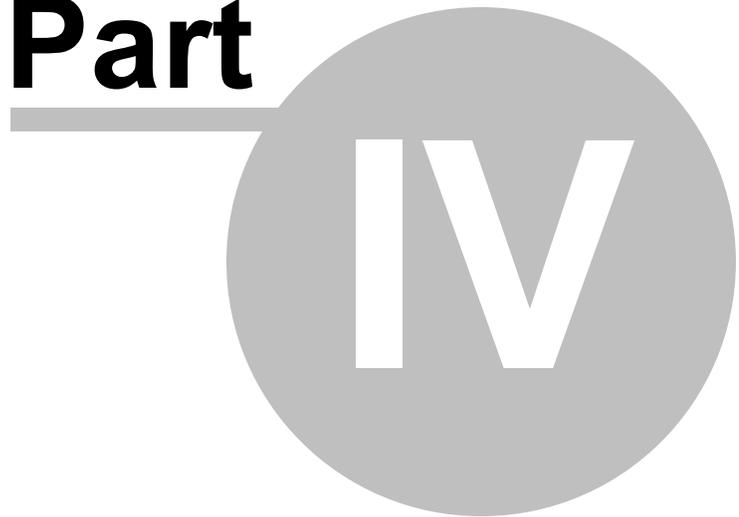
4 Side Bar Menu/Go Menu

4.1 Company Data

4.1.1 Companies

DepreciationWorks allows you to maintain fixed assets for multiple companies. The status bar, located along the bottom border of the program window, at all times displays the company code, name, and fiscal year of the company your are working on.

Once you add a company, that company will remain the selected company until you select a different company to work on. There is no file open, file close, file save requirement to add a company. DepreciationWorks does not create a company as a separate file. No file open, file close, file save dialog will display as part of changing the selected company.

To add a company, press the + (add) button on the navigator bar or use the new item row at the top of the grid. Enter a company code and the company name. You may enter the other information if you like, but the other information is optional and the fields are hidden. You can display the optional fields using the quick customization button. The quick customization button is located on the far left of the top header band of the grid.

Once you enter the company code and company name you may press the post button at any time. (The post button is the button with the check mark on it.) The post button writes your information to the database tables. Confirm that the default Declining Balance option and the Fractional Year convention are appropriate to the added company.

A default fiscal year is added when you add a new company. Go to the Company Fiscal Year page will to accept or edit the default fiscal year. Note that a fiscal year always begins on the first day of a month and ends on the last day of a month. Short fiscal years are allowed, but short months are not.

You should next add company division(s), location(s), depreciation related general ledger accounts, and enter property type associations to the Quick Fill table. You will then be ready to enter assets for the new company.
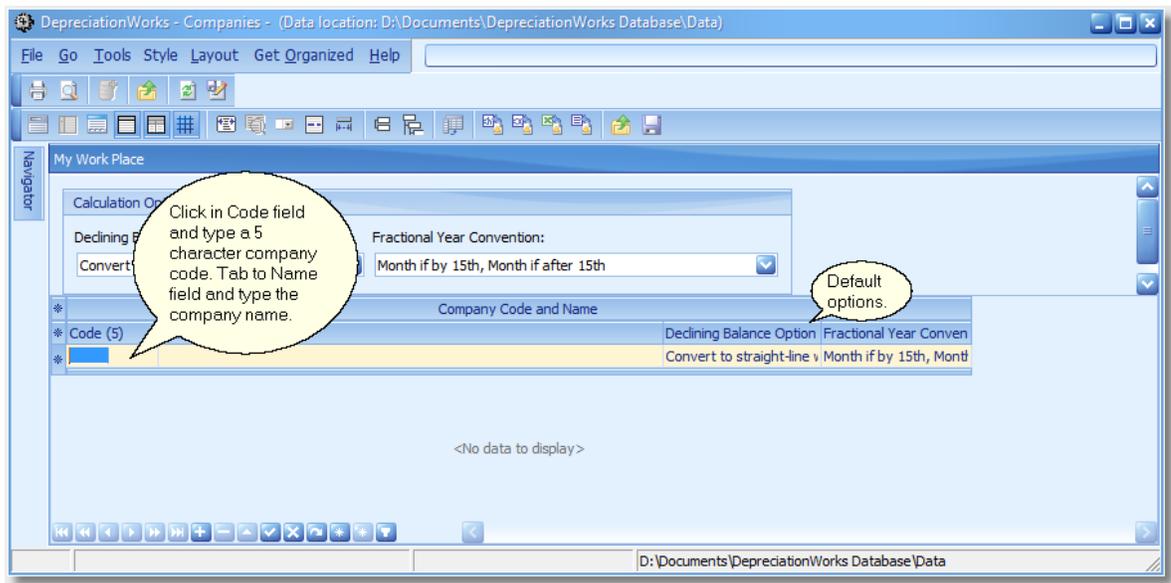
4.1.2   Company Division

The division categorization within DepreciationWorks treats divisions as units of the company that keep separate books with parallel general ledger charts of accounts. A division would have its own general ledger and depreciable assets even though the division is part of the company. More generally, a division is a unit with depreciation related general ledger accounts that differ only in the division identifier element.

DepreciationWorks sorts first by division, then by general ledger cost account. The division identifier in DepreciationWorks is not and does not become an specifier in the general ledger accounts that you would enter into DepreciationWorks. So, for example, if in DepreciationWorks you add a general ledger cost account for Vehicles, you can assign that same account to any asset regardless of the division assignment. In fact, you should assign the same general ledger cost account to assets regardless of the asset's division. The grand totals in the reports will then be a grand total for all divisions grouped by like general ledger cost accounts.

The company itself is assigned division 000 (three zeros) when it is first added.

To add a division, type a three digit division number in the division number edit box and enter a name for the division. You may enter other optional information if you like, but the other information is optional and the fields are hidden. You can display the optional fields using the quick customization button. The quick customization button is located on the far left of the top header band of the grid.

The depreciation schedules will print grouped by division for each general ledger cost account and include division totals and grand totals.

If you edit the division name, all the assets assigned to that division will also be edited to reflect the name change.

Note that division and location identifiers are sometimes included in your general ledger chart of accounts. DepreciationWorks does not provide *general ledger account based* sorts of divisions and locations. Division and location sorts are instead based on the divisions and locations you enter into the company's division and location tables. You can omit the general ledger division and location specifiers. Or you can substitute a generic identifier as a placeholder for those portions of the general ledger account number. For example, use repetitive letter X s instead of the division or location identifier.

4.1.3   Company General Ledger

There are three types of depreciation related general ledger accounts. They are the historical cost accounts, the accumulated depreciation accounts, and the depreciation expense accounts. A typical chart of accounts would have several cost accounts, one for each of the major types, or classes, of property used in the business. Each cost account typically has an associated contra account for accumulated depreciation, although some charts have only one accumulated depreciation account. Several depreciation expense accounts may exist in the income statement section of the chart of accounts, or there may be just one.

Enter the depreciation related general ledger accounts. Cost accounts go in the cost account table, accum accounts go in the accumulated depreciation table, and depreciation expense accounts go in the expense account table. Assign the default general ledger accounts for the company to the property types in the Quick Fill Associations table. When you assign a property type to an asset, the default general ledger accounts will be assigned as well. Account numbers are text fields with a length of 100 characters. Separator characters are allowed. The account name is 50 characters in length.

Note that division and location identifiers are sometimes included in your general ledger chart of accounts. DepreciationWorks does not provide *general ledger account based* sorts of divisions and locations. Division and location sorts are instead based on the divisions and locations you enter into the company's division and location tables. You can omit the general ledger division and location specifiers. Or you can substitute a generic identifier as a placeholder for those portions of the general ledger account number. For example, use repetitive letter X s instead of the division or location identifier.

Note that you can easily change the defaults for an asset if you need to.

The general ledger accounts allow DepreciationWorks to group and print your asset information in meaningful ways, both on paper and on the screen. The grid views of your data allow grouping by general ledger cost account. This grouping makes it easy to locate a particular asset. The interactive grid views allow you to edit asset information in the grid, a quick and effective way to make any necessary changes.

If your chart of accounts is departmental, you can use departmental general ledger accounts in DepreciationWorks. If your balance sheet is departmental, it is not necessary to enter the departmental balance sheet accounts. Do enter the departmental depreciation

expense accounts. You can set the department with the most activity as the default expense account for a property type. Then change the default for the acquisitions of other departments. If you have a lot of assets to add for a department that isn't the default department, you can temporarily assign that department's expense account as the default for the property type.

DepreciationWorks includes a [depreciation schedule](#) that groups assets by division and general ledger cost account while at the same time subgrouping each general ledger cost account by expense account. This subgrouping means that for each general ledger cost account, you will get a report that breaks the general ledger cost account down by expense account department. The report provides a subtotal of cost, accum, and expense for each expense account assigned to assets within a general ledger cost account. This means you can still tie out to your department balance sheet without actually using the departmental cost and accum accounts in DepreciationWorks.

If you need to edit the name of a general ledger account, then do so. The new name will be assigned to every asset that had been associated with the old general ledger account name. Such is the case with the account number as well. If your chart of accounts changes, then simply edit the number and name of the existing account and the new name and number will be written to every asset assigned to the old ones.

If a division's chart of accounts doesn't conform to the company's, use the company's chart of accounts in DepreciationWorks for all divisions.

4.1.4   Company Business Property Tax Locations

The location categorization within DepreciationWorks treats locations as sites where the company has business property for business property tax reporting purposes. A location can be assigned to each asset. The principal use of the location categorization is to group your assets by location for business property tax reporting purposes. Enter location descriptions as needed.

If the company has business property at only one location, it is a good idea to name the location anyway and assign that location to each asset you add for the company.

Note that division and location identifiers are sometimes included in your general ledger account numbers. DepreciationWorks does not provide *general ledger account based* sorts of divisions and locations. Division and location sorts are instead based on the divisions and locations you enter into the company's division and location tables. It may be best to omit the general ledger account division and location specifiers. Or you can substitute a generic identifier for those portions of the general ledger account number. For example, use repetitive letter X s instead of the division and/or location identifier.

4.1.5   Company Groups

The group categorization within DepreciationWorks provides a sort of assets that is independent of the general ledger cost based sort found in other schedules and reports. The Company Groups table has two fields, a group code field and a group description field. Enter groups codes and their descriptions into the Company Groups table. Any assets can

then be assigned to a particular group in the Optional Fields page of Asset Maintenance - Asset Add/Edit/Retire.

A manufacturer may have several manufacturing lines where each line produces a particular product. Each manufacturing line may exclusively use each asset involved in making a product. These assets can be assigned to a group where a group is conceptualized as a production line.

The Asset Group Listing report presents assets assigned to a group in group code order, and presents only assets that have a group assignment.

The Group table may be used for a variety of purposes. You may want to think of groups as departments, or as physical locations of assets.

You do not have to assign every asset to a group. If you previously assigned an asset to a group you can delete the group code from that asset by pressing the delete key.

4.2 Company Fiscal Year

4.2.1 Current Fiscal Year

The Company Fiscal Year page is normally to be used only when first setting up a company. A fiscal year is added for a company when you first add a company to DepreciationWorks. Year End Closing is subsequently used to advance the fiscal year.

Use the controls on the page to set the fiscal year of the company you are adding to DepreciationWorks. In most cases, you will want to set the fiscal year to the current fiscal year of the company.

Note that the fiscal year in DepreciationWorks will always begin on the first day of the month and end on the last day of the month. Short fiscal years are allowed, short months are not. In case of a short month, you may want to look to the fractional year convention to decide whether or not to include a full month in the fiscal year for the short month.

Ordinarily, once you have set the fiscal year of the company, you do not need to set the fiscal year here again. DepreciationWorks will set the current fiscal year each time you do a year end closing. However, you may return here at some future time to change to or from a short current fiscal year. In that case you will also need to recalculate depreciation for all assets.

If you presently maintain your fixed assets in another program, then before you add your assets to DepreciationWorks, you need to decide how to handle accumulated depreciation. By default, DepreciationWorks will recompute your beginning of year accumulated depreciation amount. If there is a material difference between your accumulated depreciation and accumulated depreciation as computed by DepreciationWorks, consider booking the difference to retained earnings as a prior period adjustment. A prior period adjustment is required to correct an error in the financial statements of a prior period discovered subsequent to their issuance.

If you don't want DepreciationWorks to recompute your accumulated depreciation, then

check the Override Prior check box when adding your assets and enter the amount manually.

It is also recommended that you enter your asset information without changing the methods or lives. You should also be sure that the company's fractional year convention and declining balance option have been set correctly in DepreciationWorks. For an explanation, see Depreciation Changes.

4.2.2   Prior Short Years

Short years are fiscal years of the company containing fewer than twelve months. A company's very first fiscal year may or may not be a short year. A company may subsequently have a short year if the business was acquired, or if it converted to S corporation status and was required to adopt the calendar year as its fiscal year.

A short year only affects depreciation calculations when it occurs concurrent with or after the in service date of a company's oldest fixed asset. It may be that the fixed assets acquired in the company's first year of operation were retired long ago. In that case, it doesn't matter to the depreciation calculations that the first year may have been a short fiscal year. What does matter are short years that intervene between an asset's in service date and the current fiscal year. You only need to enter prior intervening short years into DepreciationWorks for the depreciation calculations to be valid.

If your current fiscal year is a short year, do not enter it into the prior short years table. Just set the current fiscal year to have fewer than twelve months. DepreciationWorks will update the prior short year table during year end closing.

Entering prior short years can be tricky. You cannot do so unless you have first entered the current fiscal year of the company. Once you have entered the current fiscal year of the company, you may enter prior short years if you need to.

Enter only short years in the prior short year table. The prior short year table is just that. It is not a history of all the company's past fiscal years. It is only a history of past short fiscal years.

You can enter an unlimited number of prior short years.

Remember that the current fiscal year will begin on the month and day following the last month and day in the most recent short year. DepreciationWorks requires that you enter the most recent short years first. Short years that do not end on the month and day immediately preceding a subsequent fiscal year will not be accepted.

For example, a five month short year ending July 31 will be followed by a full year beginning August 1 and ending July 31. It will be preceded by a full year beginning March 1 and ending on the last day of February. Note that DepreciationWorks handles leap years properly.

4.2.3 Year End Closing

Year end closing computes depreciation for the year you are closing, advances the current fiscal year to the next fiscal year, adds current depreciation to prior depreciation, computes current depreciation for the new current fiscal year, and deletes assets with a retirement date falling within the fiscal year you are closing. Such retired assets are concurrently added to a table of prior year retired assets. Those retired assets can be viewed using the View Retired Prior Year/Restore screen. They can later be restored if you reopen a year. Restoring a year is discussed in the following and can be problematic. Note that the document and picture archive is not affected by year end closing, that is, documents and pictures for retired assets are not deleted.

It is recommended that you do a backup before closing a fiscal year.

If the year you closed was a short year, that short year will be added to the prior short year table. If prior depreciation was an override, the prior depreciation for the new fiscal year will also be an override and DepreciationWorks will not have recomputed your prior depreciation. If current depreciation was an override, it will not be an override in the new fiscal year and DepreciationWorks will have calculated current depreciation amount for the new fiscal year.

Before you close a fiscal year, you should be sure your depreciation computations are up to date, and that you have printed any reports you may require.

The year end closing cannot be automatically undone, and DepreciationWorks does not print prior year reports.

DepreciationWorks lets you print next year depreciation schedules. You can even enter assets for a subsequent year and retire assets for a subsequent year. The current year depreciation schedule will exclude next year assets and retirements. Next year assets and retirements will be included in the next year depreciation schedule. You can consequently delay the year end closing until you are absolutely sure that is what you want to do, decreasing the probability that you will want to reconstruct a prior year.

If you closed a year and then regret it, you can reconstruct the prior year manually with little effort if there were no prior short years and no override amounts. If there were prior short years, then you can reconstruct the prior year manually with a little effort. If there were override amounts, the effort will depend on how many of such kind there are since you will have to enter the override amounts again for the reconstructed year.

If there are no prior short years (confirm this by looking at the prior short year table to be sure it contains no entries) then change the current fiscal year back to the year you closed. If there were no assets that were deleted because they were retired, then simply compute depreciation. Your calculations should now be restored to the proper amounts and it is as if you didn't close that fiscal year. However, if you had overrides for certain assets, you will have to enter those override amounts again for the reconstructed fiscal year.

If retired assets had been deleted by a previous closing they can be recovered to a reconstructed year. Go to Asset Maintenance - View Retired Prior Years/Restore. The Restore Retired button will be enabled if there are retired assets for the current fiscal year that had previously been deleted when that year was closed. Press the Restore Retired button and any retired assets from the year you are reconstructing will be restored to the asset database for the company. You should compute depreciation and confirm that the calculations have been reset to the proper amounts for the reconstructed fiscal year.

If there are prior short years then you will have to delete the short years before setting the current fiscal year back to the year you wish you hadn't closed. After deleting the short years, set the current fiscal year back. Then add the prior short years back to the prior short year table. Once your years are set properly, recovery any retired assets and compute depreciation. If you had overrides for certain assets, you will have to enter those override amounts again for the reconstructed fiscal year.

4.3   Quick Fill Tables

4.3.1   Overview

Set defaults by property type in the Quick Fill Associations table for depreciation method, life, general ledger accounts, property tax category, and salvage percentage for each company. A quick fill associations table exists for each company. Property types and property tax categories are global, accessible by any company.

Property types are descriptions of the kinds of property depreciated. Property types are used in the quick fill associations table. Property types in DepreciationWorks can be set up to roughly equate to class types. When use as a substitute for class type, the summaries by property type and month placed in service provide totals that can be entered into income tax preparation software.

Property tax categories are descriptions of property as shown on applicable business property tax forms. Property tax categories are used with the Location field.

4.3.2   Global Property Types

Property types are the means by which default information can be filled out for you as you add assets to DepreciationWorks. The property type table includes many of the common kinds of fixed assets that a business may acquire. You can add more property types as needed at any time.

The property type table is global and available to each company.

Property types in DepreciationWorks are similar to class types for income tax depreciation. An income tax preparer will be able to work with summary totals of acquisitions and retirements by property type and date placed in service, included in DepreciationWorks'

standard reports.

For each company, you set defaults for each type of property in the property type table. You only need to set company defaults for the types of fixed assets that the company owns or acquires.

Associating defaults with property types is strongly recommend for two reasons. First, asset entry is faster when many of the fields are filled in for you. Second, consistency is achieved in the assignment of depreciation methods, lives, general ledger accounts, property tax category, and salvage percentage to like kind properties.

Remember, as you add an asset, you can choose to not accept the default for any field and make your own selections for the asset instead. You can also edit any field later if you need to.

When you set the property type for an asset, you are actually entering the name of the property type into the asset's record. If you edit the name of a property type in the property type table, DepreciationWorks will write the new name to all instances of the old name appearing in the asset table, *for all companies*. The property type name in the associations table for each company will be changed as well. So be careful if you edit the name of a property type. The new name will appear everywhere the old name did, and the old name will have been rewritten.

4.3.3   Global Property Tax Categories

Property tax categories are used together with the Location field (Business Property Tax Location). Counties in many states assess a business property tax. Typically the property is required to be reported to an assessor when the aggregate cost of business property exceeds a threshold amount. The assessors require property to be listed by category and categories typically don't match a company's general ledger account classification of property.

When location and property tax category are entered for an asset, the asset will sort into the property tax worksheet report and grid view.

4.3.4   Company Quick Fill Associations

The company quick fill associations table is the means by which default information can be filled out for you as you add assets to DepreciationWorks. The associations you establish are specific to the company you are working on. For each kind or type of property the company owns or acquires, set the defaults for depreciation method, life, general ledger accounts, property tax category, and salvage percentage.

Remember, when you later add an asset, you can choose to not accept the default for any field and make your own selections for the asset instead. You can also edit any field later if

you need to.

Associating defaults with property types is strongly recommend for two reasons. First, asset entry is faster when many of the fields are filled in for you. Second, consistency is achieved in the assignment of depreciation methods, lives, general ledger accounts, property tax category, and salvage percentage to like kind properties.

Look to the company's depreciation policy for guidance in setting the defaults for property types.

Ordinarily, once you set the defaults, you should not change the method, life or salvage percentage.

Press the + button on the navigator bar to add a property type and associate it with a default depreciation method, life, general ledger account cost, accum and expense account, property tax category, and salvage percentage. Once you press the add button on the navigator bar, use the drop down controls to choose the default method and life. Then move on to the general ledger page. You will still be in the insert mode.

Suggestion for declining balance users: If you use double declining balance for new assets of a particular type and 150 declining balance for used assets of the same type, chose either one as the default and change the default for any particular asset you add as necessary.

4.4   Asset Maintenance

4.4.1   Asset Add/Edit/Retire

Enter, edit and retire assets and view depreciation results on scree in the Asset Add/Edit/ Retire section.

4.4.1.1   Quick Fill

The quick fill page is a record view of the selected company's assets. The assets are in ascending order by Sys ID number (system identification number).

The Sys ID number is an integer that, together with the company code, uniquely identifies the asset in DepreciationWorks. The Sys ID number is assigned to an asset as you add it and cannot be changed. Its value is the last Sys ID number assigned, plus one. This is the case even if you have deleted or retired the asset associated with the last Sys ID number entered.

Note that you can press the add (+) button on the navigator bar followed by pressing the post button (check mark), repeatedly to add incomplete asset records. You can then

complete the asset information on the quick grid page. From that page you can fill out the rest of the asset information by working down the grid, one column at a time. Working down columns can be faster than working in a record view. Note that incomplete records will not raise an exception during depreciation calculation, though you should remove unwanted incomplete records. Delete them one by one, or you can delete many from Asset Utilities, Delete Selected Company Assets page using the delete by range of Sys ID facility.

When you add an asset to the company, the property type of the asset selected just before you add becomes the property type of the asset you are adding. This means that the default values for that selected asset's property type are immediately reflected in the new asset's fields. The location and division of the previously selected asset are repeated for the new asset as well. Change the property type if it has changed for the asset you are now adding.

The asset code is an optional, 25 character, alphanumeric field you can use to enter a company specific identifier for each asset.

The location and division fields will display a default value when you add an asset. You can accept the defaults or change them for any particular asset. Note that the company itself is always division 000 (three zeros).

The intangible field when checked indicates that an asset is not tangible property. Unchecked, the asset is treated as tangible property. The intangible field is not used in the calculation of depreciation and is for information purposes.

An acquisition date and an in service date are required for each asset. Type in an acquisition date as you add an asset, and then press the tab key or the enter key. Change the in service date to a later date if necessary. The in service date cannot be earlier than the acquisition date. Dates display based on the Windows control panel regional settings.

Enter a description for the asset, comprised of up to 50 characters.

Select a property type for the asset. The selection of a property type will trigger the defaults for the method, life, property tax category, and general ledger accounts. You can change the defaults if necessary. Salvage is computed once you enter the cost of the asset based on the salvage percentage associated with the property type selected for the asset.

Enter the asset's cost and press the enter or return key. Salvage will be computed if you entered a salvage percentage for the applicable property type in the Quick Fill Associations table. You can change the computed amount if necessary.

You can prevent DepreciationWorks from calculating prior and/or current depreciation by checking the appropriate override check boxes.

Storing Documents and Pictures for an Asset

The quick fill tab page is also the access point for a particular asset's stored documents and/or pictures. For each asset, you can choose to store documents and pictures inside the DepreciationWorks database. Note that DepreciationWorks maximizes the supported file types you can store by not providing a document viewer or a picture viewer.

It is best to store files with file sizes of less than 300 KB. Picture files in particular can be much larger, and it is best to reduce the size of large picture files before storing them in DepreciationWorks.

To store a document or a picture related to a particular asset, use the applicable tool bar button to display the document or picture archive. Select the file you want to store in DepreciationWorks. Then click the Store in New Record button to insert the file into the DepreciationWorks database. Use the Replace in Selected Record to replace an existing record's document or picture. In the grid view, enter a description if applicable. The description is intended to be similar to a document or picture title. It is also used as a suggested file name when later you save the stored file back to a hard drive. The file source path is entered for you and is the location from where you originally copied the file into DepreciationWorks. Included in the file source path is the file extension. The file extension is used when viewing the document or picture in your external viewer and when saving the stored file back to your hard drive. DepreciationWorks depends on the file extension for your external viewer to be properly identified by your operating system. The operating system will launch the default "open with" program for the type of file indicated by the file extension. Consequently, you can store and later view practically as many file types as you have the software to produce.

To view a stored document or picture, select the record and click the View Stored File button. DepreciationWorks will write the stored file to your temp folder and then launch the program for viewing that is associated in the operating system with the file type indicated by the file extension. For example, if you select a PDF file to view, DepreciationWorks will launch the program you normally view PDF files within and open the saved file within that program. For PDF files, commonly the Adobe Reader will launch. However, you don't have to use the Adobe Reader in particular, but do need have some program associated with and able to open PDF type files.

Note that the field '"file source path " is merely a reference to the location from where you originally copied the file into the DepreciationWorks database tables. Once the file is stored in DepreciationWorks, it does not matter if the original file is deleted, moved, renamed or modified. DepreciationWorks does not keep track of the original file, changes to it or whether it is moved or deleted from your system. A copy of the file actually exists within the DereciationWorks database. No matter what you do the the original source file, the file in DepreciationWorks stays the same as it was when you originally stored it in DepreciationWorks. The file source path is a reminder to you as to where the file originally came from. DepreciationWorks uses the reference to determine the type of file saved, and hence, the type of file stored in the database that you will be viewing or saving back to your hard drive.

4.4.1.2 Card View

The Card view is comparable to the Quick Fill page augmented to include field filtering and to show selected grand totals within the field captions.
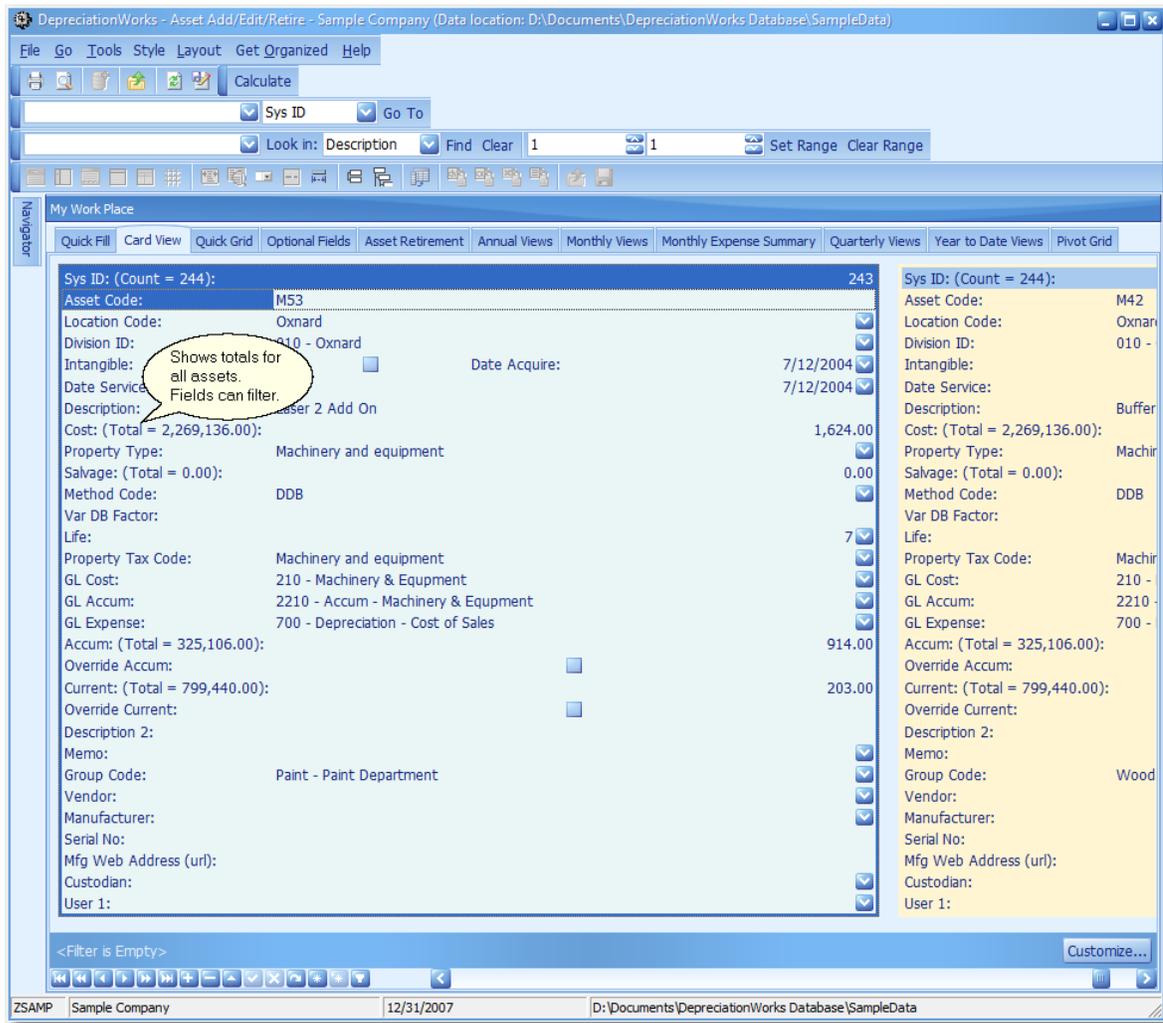
4.4.1.3 Quick Grid

The quick grid page is a grid view of the selected company's assets. The assets are initially in ascending order by Sys ID number. You can click on any column heading to change the sorted column, or field. Clicking a column again toggles the sort back and forth between ascending and descending order.

When you add an asset to the company, the property type of the asset selected just before you add becomes the property type of the asset you are adding. This means that the default values for that selected asset's property type are immediately reflected in the new asset's fields. The location and division of the previously selected asset are repeated for the new asset as well. Change the property type if it has changed for the asset you are now adding.

The quick grid displays the optional asset code field and, if you are using quick fill associations, the minimum number of fields for which entries are required in order to

calculate depreciation for an asset. To add an asset, use the new item row at the top of the grid. Enter an optional asset code if you like. Enter the acquisition date and modify the in service date if it is different from the acquisition date. Dates will be displayed with four digit years regardless if you only enter the last two digits of a year. Enter a description and the cost of the asset. Then select a property type. The property type selection will trigger the default values for the property type: method, life, property tax category, and general ledger account numbers. Salvage is computed once you enter the cost of the asset based on the salvage percentage associated with the property type selected for the asset. If you need to change the default values, post (save) and then switch to the Quick Fill record view page and edit as necessary. The selected asset will not change as you switch between pages.

The quick grid page also includes drop down look ups if you need to change the default location and/or division for a particular asset. The depreciation method and life for the selected asset are displayed above the grid.

The quick grid page allows you to add, edit, or delete.

Note that you add incomplete asset records. You can then complete the asset information by working down the grid, one column at a time. Working down columns can be faster than working in a record view. Note that it may be faster too add incomplete asset records from the Quick Fill page and then switch over to the Quick Grid to complete them. Note that incomplete records will not raise an exception during depreciation calculation, though you should remove unwanted incomplete records. Delete them one by one, or you can delete many from Asset Utilities.

The Optional Fields page allows you to quickly enter fields not available for entry in the Quick Grid. It too is an editable grid for working down columns.

4.4.1.4   Optional Fields

The optional fields page is a grid view of the selected company's assets and is enabled for editing only. The assets are initially in ascending order by Sys ID number. You can click on any column heading to change the sorted column, or field. Clicking a column again toggles the sort back and forth between ascending and descending order.

Optional fields are available in DepreciationWorks for those who want to use them and entries are not required. The optional fields are description 2, group code, memo, vendor, manufacturer, serial number, manufacturer web address, custodian, and user 1.

The group code field is a look-up to the Company Groups Table. Note that the group code can be deleted by holding down the ALT key and then pressing the delete key.

The memo field allows you to enter extended notes for any particular asset. Assets for which a memo has been entered are printed in the Asset Memo Listing report on the Supplemental page of Reports - Company Asset Reports. Note that you can cut and paste in the memo field. You can cut and paste using the popup menu that appears with a right mouse click.

Other fields are available to view in the Optional Fields grid view, e.g., division and general ledger cost account number. Their inclusion allows grouping, sorting and filtering of your assets by those fields. To group by division, drag the division column header to the group band at the top of the grid. To group by division and account number, drag both of those column headers to the group band at the top of the grid. Note that the full collapse button functions only when a column header is in the group band. Use the full collapse button when assets are grouped in order to collapse the full view and then expand just a portion of the group using the plus icons in the grid. And use the full expand button to fully expand the grid's groups.

The column header filter buttons access column filtering. Use filtering to set criteria to exclude records from the grid view. For example you can filter the custodian column to include in the view only assets for a particular custodian. The Preview button activates a print preview screen. You can use the print preview screen to print the grid as it appears on screen. The print preview screen also allows you to change the page orientation, page size, fonts, and other properties of the printed page. If there are columns that you don't need to display and print and there isn't room on paper for those columns, then you can hide the columns using quick customization or by displaying the column customization form from the popup menu that appears when you right click the column header row (2nd row from the top). You can then make more room for the columns that you do want to appear on the printed page.

4.4.1.5   Asset Retirement

The asset retirement page is a grid view of the selected company's assets. The assets are initially grouped by division and general ledger cost account number. You can click on any column heading to change the sorted column, or field. Clicking a column again toggles the sort back and forth between ascending and descending order. You can change the grouping by dragging column headings to and from the group band at the top of the grid.

The asset retirement page allows you to edit only.

To retire an asset, enter a retirement date for the asset. You can type in a retirement date, or use the drop down calendar to pick a retirement date. The retirement date may not be earlier than the asset's in service date. The retirement date may be after the last day of the selected company's current fiscal year. A future retirement date will not affect the depreciation computation's for the company's current fiscal year.

Once you enter a valid retirement date for an asset, current depreciation will be recomputed, as will the gain or loss on disposition. You can enter a sales price and selling expenses if applicable, and the gain or loss on disposition calculation will be updated. A loss displays as a negative number.

To unretire an asset, clear the retirement date.

To retire multiple assets, first select them in the grid. You may need to unhide the grouping box at the top of the grid to be able to put the assets to retire into a reasonable order. You can filter the grid if there is an appropriate criteria common to just the assets to retire. You can use a field to enter a common identifier to allow for such filtering. At the top of the page,

enter the retirement date and other information and select to allocate by historical cost or net book value after retirement, if applicable. The Un-Retire button allows for removing the retirement date for multiple assets selected in the grid.

Partial retirements are not automated. You can retire a portion of an asset by bifurcating its cost, prior and current depreciation between itself and a new asset added for that purpose.

Company assets that have a retirement date that falls within the current fiscal year will be deleted during year end closing. During year end closing, those retired assets are saved to a separate retired assets table. You can view those assets from the View Retired Prior Years/Restore page. Note that although the retirement date does flag an asset for deletion during year end closing, the documents and pictures for the retired asset are not deleted. Documents and pictures for prior year retired assets can be accessed from the View Retired Prior Years/Restore page.

4.4.1.6   Annual Views

The Annual Views page displays an editable Detail View together with Cost, Expense, Forecast and Property Type views. These views are of fiscal year cost and depreciation amounts as opposed to allocations of year amounts to months within the fiscal year.

The views are banded to allow quick customization such that bands can be hidden and unhidden.

4.4.1.6.1 Detail View

The various Annual Views are on screen results. The Detail view allows asset information to be edited directly in the grid. The other views within the Annual Views tab page do not allow editing, inserting or deleting. The views have incremental search enabled so that individual asset records may be located and focused quickly in the grid.

The Detail view is an annual depreciation schedule.

4.4.1.6.2 Cost View

The Cost view is an annual reconciliation.

4.4.1.6.3 Expense View

The Expense view is an annual reconciliation.

4.4.1.6.4 Ten Year Expense Forecast

The Ten Year Expense Forecast presents depreciation expense for each of the ten years following the current fiscal year.

4.4.1.6.5 Quarterly Expense & 4 Year Quarterly Forecast

The Quarterly Expense & 4 Year Quarterly Forecast presents depreciation expense by quarter for the current and four subsequent fiscal years. The quarter amounts are obtained by adding a quarter's monthly allocation for the current year. Subsequent years are forecast and the quarter amounts are sums of monthly forecast amounts.

The Quarterly Expense & 4 Year Quarterly Forecast does not have a comparable Report.

4.4.1.6.6 Property Type View

The Property Type view is a grouping of assets by division, property type and month in service.

The property type field can be used to equate to class types used in income tax depreciation. Property type totals by month in service can be entered into income tax preparation software in order to minimize duplicative data entry.

4.4.1.7   Monthly Views

The Monthly Views page displays reconciliations for Cost, Accumulated Depreciation, Depreciation Expense and Gain(Loss) on Retirements. These views are of fiscal year cost and depreciation amounts allocated to months within the fiscal year.

The views are banded to allow quick customization such that bands can be hidden and unhidden.

4.4.1.7.1 Cost

The Cost view is a monthly reconciliation.

4.4.1.7.2 Accumulated Depreciation

The Accumulated Depreciation view is a monthly reconciliation.

4.4.1.7.3 Depreciation Expense

The Depreciation Expense view is a monthly reconciliation.

4.4.1.7.4 Gain(Loss) on Retirements

The Gain(Loss) on Retirements view is a monthly reconciliation.

4.4.1.8   Monthly Expense Summary

The Monthly Expense Summary is a pivot grid arranged to display monthly depreciation journal entries.

Field totals for quarter and year to date amounts are included so that you can also create quarterly and cumulative year to date depreciation journal entries.

Fields for cost additions and retirements by quarter and year to date have also been

included.

Pivot grid cells can be double clicked to drill down to the detail comprising the cell totals and are displayed in a grid view that can be printed and exported to supported file formats.

4.4.1.9   Quarterly Views

4.4.1.9.1 Quarter Reconciliation

The Quarter Reconciliation includes both cost and accumulated depreciation.

4.4.1.9.2 Quarter Depreciation Expense

The Depreciation Expense view is a quarter reconciliation.

4.4.1.9.3 Quarter Gain(Loss) on Retirements

The Gain(Loss) on Retirements view is a quarter presentation.

4.4.1.10   Year to Date Views

4.4.1.10.1 Year to Date Reconciliation

The Year to Date Reconciliation includes both cumulative cost and accumulated depreciation.

4.4.1.10.2 Year to Date Depreciation Expense

The Depreciation Expense view is a Year to Date cumulative reconciliation.

4.4.1.10.3 Year to Date Gain(Loss) on Retirements

The Gain(Loss) on Retirements view is a cumulative year to date presentation.

4.4.1.11   Pivot Grid

The Pivot Grid is by default a property type summary and is an example of the type of data analysis that can be performed in a pivot grid.

The Pivot Grid can be used is to build custom multidimensional arrangements that can be saved and then restored in subsequent sessions.

Field totals for quarter and year to date amounts are included and fields for cost additions and retirements by quarter and year to date have also been included.

Pivot grid cells can be double clicked to drill down to the detail comprising the cell totals and are displayed in a grid view that can be printed and exported to supported file formats.

4.4.2   Display Calculate All Company Assets Screen

Normally use of Display Calculate All Company Assets Screen isn't necessary. DepreciationWorks calculates depreciation as an asset is added and when it is posted after an edit.

The calculate company assets screen allows you to compute depreciation for the assets you have entered for the company. Calculating all assets is required after Asset Import, after Data Conversion from DepreciationWorks version 1.x, and when having reset the fiscal year to a prior or future year without actually closing.

The company's assets are grouped by division and general ledger cost account number. This grouping, together with the subtotals in the grid, means you can view your depreciation schedule here on screen. Note that the display of the assets here is not filtered to exclude assets whose acquisition dates are after the last day of the company's current fiscal year.

You can click on any column heading to change the sorted column, or field. Clicking a column again toggles the sort back and forth between ascending and descending order. You can change the grouping by dragging column headings to and from the group band at the top of the grid.

You should calculate company assets after adding or editing the selected company's assets.

4.4.3   View Retired Prior Years/Restore

The View Retired Prior Years/Restore view displays previous year retired asset information.

The Restore Retired button ordinarily is not used. It is used if a closed year needs to be set as the current fiscal year. Previously closed fiscal years cannot be automatically re-opened.

A prior year can be reconstructed and the retired assets can be moved back to the Asset table as part of the reconstruction. If retired assets had been deleted by a previous closing they can be recovered to a reconstructed year. The Restore Retired button will be enabled if there are retired assets for the current fiscal year that had previously been deleted when that year was closed. Press the Restore Retired button and any retired assets from the year you are reconstructing will be restored to the asset database for the company. You should compute depreciation and confirm that the calculations have been reset to the proper amounts for the reconstructed fiscal year. See more on reconstructing a previously closed year in the topic Year End Closing.

Note that documents and pictures survive the year end closing for retired assets so that they can continue to be accessed.

Note that you may decide to delete assets retired in a prior year. Documents and pictures will be deleted for prior years retired assets should you decide to delete assets retired in a prior year.

4.4.4   Property Tax Worksheet

The Property Tax Worksheet is similar to the <u>Property Tax Worksheet</u> report. Assets retired within the reporting period are presented in the Retired In Tax Year grid view. Assets retired before the company's current fiscal year are included if applicable, as are assets retired within the company's current fiscal year. It is therefore possible to generated a worksheet for any year in which fixed assets were owned by the company.

4.4.5   Expensed Property

Expensed property consists of items purchased that were not capitalized because their cost was less than the minimum capitalization amount. Consequently the cost was charged to expense in your books and was not capitalized. DepreciationWorks provides a separate table for expensed property should you wish to track such period costs.

The Expensed Property set of tab pages is similar to those provided for assets. Note that expensed property does not include a life field since there is no allocation of the cost over the life or other calculations. Expensed property does include a retirement date. However retired expensed property is not automatically deleted when you close the year.

Expensed property includes a tab page for viewing and analyzing combined asset and expensed property records. A pivot grid is provided for both expensed property and for combined asset and expensed property data. Pivot grid cells can be double clicked to drill down to the detail comprising the cell totals and are displayed in a grid view that can be printed and exported to supported file formats.

4.5   Asset Utilities

4.5.1   Asset Operations

4.5.1.1   Reassign Assets

You can reassign assets in a company to another division, location, group, property type, property tax category, cost, accum or expense account of the same company. The assets will be treated for all purposes as though they had originally been assigned to the new assignment.

You can reassign all assets that have the selected change from/change to values, or you can select records in the grid and apply the changes to just those selected rows using the Selected button.

4.5.1.2   Delete Assets

DepreciationWorks allows you to delete some or all of the assets of a company. Normally assets are retired when disposed of. There are times when you may want to delete them instead. Deleting them removes them from the asset table. You can use the Delete Assets view to delete multiple assets simultaneously.

To delete, select the assets to be deleted and press the minus button on the navigator bar.

4.5.2   Import Assets

The Asset Utilities group includes a page from which you can import assets for a new company. In order to use the import feature, you must have set up the company's general ledger cost accounts and expense accounts, and have added any applicable company divisions and locations and groups.

After importing you must calculate depreciation for all the company's assets. Use the Calculate All Company Assets page to do so.

If you presently have asset information in Microsoft ® Excel, you can import much of that information into DepreciationWorks using a DepreciationWorks generated template file in Excel format.

If you presently have asset information in another fixed asset program, you must first transfer that information into Excel. Your present program may be able to export its asset information to an Excel file, or to a file format that Excel can read. If such is not the case, consider that Excel is able to open a tab delimited or fixed length file. You may be able to create a tab delimited or fixed length file from your present program just by printing your depreciation schedule to disk.

Once your present asset information is in Excel, use DepreciationWorks' Asset Import page which displays the template within DepreciationWorks. The DepreciationWorks template can be saved to disk and opened in Excel if you find it easier to work within Excel.

The template has predefined columns into which you drag and drop and/or copy and paste your asset information. When you have populated the DepreciationWorks template then import it. Your work will be validated before it is imported. If your template contents won't validate, DepreciationWorks will identify problem cells with a row and column reference.

All of DepreciationWorks' depreciation methods are supported except variable declining balance methods.

Take a look at the template's column headings for field lengths and data type. Negative currency amounts are not allowed, net book value must not be less than zero, the date acquired must not be earlier than the in service date, retirement date importing is not supported, memo field import is not supported, all other fields can be imported. Leave cells blank for unused columns.

Note that empty rows would import as blank records. Before importing be sure to delete several blank rows at the very end of the Data worksheet that you may have used.

In the template, following the User_1 column, there are columns that are used to communicate certain information to you. A Net Book column allows you to identify rows whose cost, prior and current depreciation amounts result in negative basis and can't be imported. A Cost Missing column identifies rows where cost was not entered. A Life Missing

column identifies rows where a life was not entered for an asset. A Date Service < Date Acquired column identifies assets whose in service date is earlier than the date acquired entered in a row and can't be imported.

The In Transaction column identifies rows that were imported and the Sys ID Assigned column displays the Sys ID of the asset record added for the row upon a successful import.

The template, in addition to the Data sheet, has sheets that provide valid values for various fields. For example, there is a Method ID Legend sheet providing the Method ID to enter for the applicable method description. There are sheets for valid property types and property tax categories, general ledger accounts and divisions, locations and groups. These values are those that were entered into DepreciationWorks prior to generating the template. Your data row entries are validated against these values prior to import and import fails if the data row values you entered can't be found.

Note that documents and pictures may not be imported using the Import Assets screen.

4.5.3   Data Conversion

DepreciationWorks data conversion works only with DepreciationWorks version 1.x data files.

Select the source company you want to convert and click the Convert Source Company button to accomplish a conversion. You must calculate depreciation for all the company's assets after the company is converted. Use the Calculate All Company Assets page to do so.

4.5.4   Company Transfer

Asset data is maintained in one table, even if multiple companies are present in DepreciationWorks. Use Company Transfer to move a company's data to a separate folder. That target folder will be populated with tables and the tables will be populated with the selected company's data. You can copy the target folder to another computer and transfer the company contained into another DepreciationWorks main database. The main database will be updated and appended to agree with the data transferred in. You can also transfer back from the separate folder to the main data folder you normally use.

4.5.5   Re-Number Sys IDs

Assets are assigned a system identification number when they are added to a company within DepreciationWorks. System identification numbers (Sys IDs) are not available to you to edit or to assign. Instead they are generated internally as part of the primary index of the Asset table. Sys IDs are visible on screen and in reports and are there used for sorting and grouping. DepreciationWorks does allow you to re-number your selected company assets' Sys ID numbers in ascending Date Acquired sequence should you desire to do so. You should consider carefully whether or not you want to use the re-numbering feature. For example, no other users should be running DepreciationWorks when Sys IDs are renumbered. Also, because it is an operation that affects all of the selected company's assets, you shouldn't use the feature during thunder storms or when there are electricians working at your facility because a power outage at the wrong time can result in data loss.

Therefore it is also important that you backup your data before renumbering the Sys IDs.

Re-numbering assigns new Sys IDs to your selected company's assets where the lowest Sys IDs are assigned to the oldest assets for a company based on the date they were acquired. Keep in mind that assets that were retired in a prior fiscal year have Sys IDs. The Sys IDs of assets retired in a prior fiscal year will not be assigned a new Sys ID. The selected company's assets, including those retired in the selected company's current fiscal year will be assigned a new Sys ID. The sequence of the new Sys ID numbers assigned will have gaps if there are assets that were retired in prior fiscal years. By default, no record of their previous Sys ID will be retained for reference. You can choose to check the Append check box in order to write the old Sys ID to an asset's Memo or Description 2 field. The old Sys ID will then be added to the end of the Memo or Description 2 field. The Description 2 field is limited to 50 characters and if there isn't enough space left to write the old Sys ID to the Description 2 field then the reference to the old Sys ID field will be truncated or lost.

4.6   Reports

4.6.1   Company Data Reports

4.6.1.1   Company List

The company list includes information on all the companies whose fixed assets you are maintaining in DepreciationWorks.

4.6.1.2   Company Data

The Company Data report lists for companies information entered for a company including divisions, locations, groups, general ledger accounts and quick fill associations.

4.6.1.3   Global Property Types

The property type table contents is printed with this report.

4.6.1.4   Global Property Tax Categories

The property tax category table can be printed with this report.

4.6.2   Company Depreciation Reports

The company depreciation reports allow the selection of various filters and report options. Filtering is available for division, general ledger cost account and various field contents. Several reports allow you to change the contents of the asset description column.

Options include report format and asset sorting within the secondary report group. By default reports print without group page breaks and with entire contents. Page breaks can be added and reports can be set to print only the summary page. By default, sorting within the secondary groups is by Service Date and Sys ID. That order can be changed for several of the reports.

Several reports can be printed as a projection of the next fiscal year amounts.

4.6.2.1   Depreciation Schedule

The depreciation schedule groups your assets by general ledger cost account for each division. Within each general ledger cost account, the assets are sorted by the in service date.

The depreciation schedule identifies whether depreciation is an override (P for prior, C for current, B for both). Assets with an acquisition date that is in a future fiscal year are not included in the depreciation schedule for the current fiscal year.

To print the depreciation schedule for the next fiscal year, check the Next Year check box. Note that the next fiscal year is always assumed to contain twelve months.

4.6.2.2   Depreciation Schedule - Expense Act. Subtotals

This depreciation schedule groups your assets by general ledger cost account for each division. Within each general ledger cost account, the assets are grouped by the general ledger expense account to which they are assigned. Within each expense account, the assets are sorted by in service date.

The depreciation schedule identifies whether depreciation is an override (P for prior, C for current, B for both). Assets with an acquisition date that is in a future fiscal year are not included in the depreciation schedule for the current fiscal year.

To print the depreciation schedule for the next fiscal year, check the Next Year check box. Note that the next fiscal year is always assumed to contain twelve months.

This report is useful when your general ledger expense accounts are departmental. Simply assign each asset to its related expense account and print this report for a departmental

breakdown of current depreciation expense. A sample print preview page is displayed below.

4.6.2.3 Retired Asset Report

The retired asset report groups your asset retirements by retirement date for each division. The assets retired are sorted within each retirement date by general ledger cost account. This grouping facilitates the preparation of your journal entry to retire the assets in your general ledger. Total accumulated depreciation is summarized in a cross tab summary at the end of the summary section of the report.

4.6.2.4 Annual Reconciliation

The annual reconciliation report groups your assets by general ledger cost account for each division. Within each general ledger cost account, the assets are sorted by the in service date. The reconciliation report shows cost and accumulated depreciation broken down by beginning balances, additions, retirements, and ending balances.

4.6.2.5 Net Book Value

The net book value report groups your assets by location and date acquired for each division. Within each location, the assets are sorted by the in service date. Cost and accumulated depreciation show amounts for total, retired, ending and there is a net book value final column.

4.6.2.6   Monthly Reconciliation

The monthly reconciliation allows you to select a month for which to view cost and accumulated depreciation with beginning, additions, retirements and ending columns. Month amounts for general ledger expense and accumulated depreciation are summarized in a cross tab summary at the end of the summary section of the report.

4.6.2.7   Quarterly Reconciliation

The quarterly reconciliation allows you to select a quarter for which to view cost and accumulated depreciation with beginning, additions, retirements and ending columns. Quarter amounts for general ledger expense and accumulated depreciation are not summarized in a cross tab summary at the end of the summary section of the report as has the monthly reconciliation. You can use the Monthly Expense Summary pivot grid to create a quarterly cross tab summery instead.

The quarterly reconciliation is supported by a grid view in Asset Add/Edit/Retire.

4.6.2.8   Year To Date Reconciliation

The year to date reconciliation allows you to select a month for which to view cost and accumulated depreciation with beginning, additions, retirements and ending columns. The selected month amounts for general ledger expense and accumulated depreciation are not summarized in a cross tab summary at the end of the summary section of the report as has the monthly reconciliation. You can use the Monthly Expense Summary pivot grid to create a quarterly cross tab summery instead.

The year to date reconciliation is cumulative through the date selected and always begins with the cost and accumulated depreciation as of the beginning of the year.

The year to date reconciliation allows you to select the GL Cost account as the top level sort with Division as the second sort level.

The year to date reconciliation is supported by a grid view in Asset Add/Edit/Retire.

4.6.2.9   Current Depreciation for Months of Fiscal Year

The current depreciation for months of fiscal year report displays the allocation of each asset's current fiscal year depreciation to each month of the current fiscal year. Month amounts for general ledger expense and accumulated depreciation are summarized in a cross tab summary at the end of the summary section of the report.

4.6.2.10 Forecast Annual Expense: Next 10 Years

Depreciation expense for the next 10 years is presented in this report for each asset where assets are grouped by division and general ledger cost account. The report includes a cross tab summary of general ledger expense and accumulated depreciation account amounts at the end of the summary section of the report.

4.6.2.11 Cost Reports

These report groups your assets by division and next by the field named in the title of the report. The available fields for the secondary grouping are property type, location, group code, custodian and user 1. Cost, additions, retirements and net cost are presented. The Cost by Property Type report contains subtotals within each property type for the month the assets were placed in service.

4.6.3 Company Asset Listings

4.6.3.1 Asset Detail (one asset per page)

The asset detail lists each field including the memo field. The memo field will print entirely and may cause an assets listing to exceed one page in length.

4.6.3.2 Bar Code Labels

Property tax categories are used together with the Location field (Business Property Tax Location). Counties in many states assess a business property tax. Typically the property is required to be reported to an assessor when the aggregate cost of business property exceeds a threshold amount. The assessors require property to be listed by category and categories typically don't match a company's general ledger account classification of property.

When location and property tax category are entered for an asset, the asset will sort into the property tax worksheet report and grid view.

4.6.3.3   Property Tax Worksheet

The property tax worksheet groups your assets by property tax category and date acquired for each location. Each location may include assets from any division. Within each property tax category, the assets are sorted by the acquisition date. The property tax worksheet also includes a listing of assets retired during the property tax reporting period. A sample print preview page is displayed below, as well as a sample of the retired asset summary portion of the report.

To print the property tax worksheet, select the month end through which you want to include assets acquired or retired. Note that retired asset summary will include any asset retired during the property tax jurisdiction's reporting period, regardless of the company's fiscal year. The presentation of retired asset information facilitates reconciling the current year property tax report to the prior year property tax report. To reconcile, for each category, add this year's acquisitions to the prior year report total, and then subtract retirements for that category. The result should equal the current year total for the category. If it doesn't, you may have changed an assets property tax category since the report was last prepared.

4.7   Company Expensed Property Reports

The expensed property reports are similar in design to reports for assets. Reports by default exclude assets. However, the reports can be run with asset and expensed property records combined.

4.8   Company Utilities

4.8.1   Company Master View

The company master view displays all tables in which company specific data is stored. It is intended as a convenient way to review information entered for companies.

4.8.2   Company Consolidation (Worksheet)

The company consolidation view provides an on-screen worksheet approach to combining asset data across companies. Use the filter drop downs to select companies to include in the tabulations. Note that the Reports section does not support consolidation so that printing is limited to the printing available from the on-screen view.

4.8.3   Consolidated Pivot Grid

The consolidated pivot grid allows data mining within the entire asset table. Right click the header area in order to display a fields list that allows customization. One use would be to examine if across companies, like property types are assigned methods and lives consistently.

Pivot grid cells can be double clicked to drill down to the detail comprising the cell totals and are displayed in a grid view that can be printed and exported to supported file formats.

4.8.4 Copy Company to New Company

The Copy Company screen allows copying all the data of a company to a new company. It also allows selective copying of data from an existing company to a new company where the new company's structure is similar to an existing company.

Copying all the data includes asset documents and pictures, as does selective copying of data when assets are included in the data to copy to a new company. Copying all the data includes expensed property while selective copying of data always excludes expensed property.

4.8.5 Copy Assets Between Companies

Introduction

The Copy Assets Between Companies screen allows you first to preview the effect on a company of copying another company's assets to it. You can then actually copy assets after deciding that the preview effect is the desired effect. Within the Copy Assets Between Companies screen, there is no automatic way to undo the changes to a company after actually copying another company's assets to it. Those changes can be manually deleted, which can be time consuming and confusing. Preparing a preview before actually copying is important. However, you can first backup or transfer the target company in order to restore or transfer it back in should the results of the copy operation be unsatisfactory.

Note that expensed property records are also copied. They are copied with source company attributes unchanged and may need manual edits in the target company afterward.

You would best first create a copy of the target company and to work with that copied target company when previewing and actually copying source assets to a target company. Using a copy preserves the target company pre-combination history where the copy would become the new company you subsequently work with when managing your assets for that target company. You may also want to do a backup of all your data, and/or do a transfer of the target company to another folder. Transferring a target company to another folder has the advantage of being able to restore only the target company. A backup restores all companies and some of the companies restored may have been modified in the meantime by other users, where doing a restore would write over their work on other companies.

Note that there isn't a way to save your preview settings. If you leave the screen or close the program before finishing, your preview work will not be saved.

Copying assets between companies allows for business combinations and business purchases. It also allows for splitting a single company into several separate companies. For example, two companies with common ownership may combine into a single company. Let's refer to the single resulting company as the target company. Let's use source company as the company whose assets are to be copied to the target company. Target and source companies have attributes. The attributes are divisions, general ledger

accounts, locations, group codes, property tax categories, quick fill property types, custodians and the User 1 field. These attributes are available for mapping between the target and source company.

The source company in DepreciationWorks is always the company you have selected as the active company, the company whose data you are working with. The target company is selected from the list of the other companies set up within DepreciationWorks. In other words, the target and source company have to be companies that are set up in DepreciationWorks.

With respect to combinations, it is important to understand that the target company will treat the source company's assets as having been target company assets for both the current fiscal year and all prior fiscal years. In other words, after source company assets are copied to the target company, the target company will appear to have owned those assets all along. At present, such combinations in DepreciationWorks can be meaningfully done perhaps only at the beginning of the fiscal year of the resulting single company. For source assets copied to the target company, the dates acquired and dates in service will be the same in the target company as they were in the source company. Other consequences of such date behavior will be discussed later in this topic.

With respect to business purchases, the source company's assets are copied to the target company with significant modifications. Their costs are changed and their dates acquired and dates in service change as well. With respect to business purchases, the acquisition date and the in service date will be the same. The acquisition / in service date cannot be earlier than the beginning of the target company's fiscal year. The acquisition and in service date however can be after the end of the target company's fiscal year.

With respect to splitting one company into several, new companies will need to be created to act as target companies for source company assets. The Copy Company to New Company screen can be used to create new shell companies to act as target companies for source assets. The source company can be copied to as many new companies as you like.

With respect to combinations, purchases and splitting, assets that are retired will not be copied from the source to the target company. A retired asset is an asset for which a retirement date has been entered, whether in the current or prior fiscal year.

In certain circumstances, separate companies can be consolidated by copying source assets to a target company. Consolidation does copy current year retired assets from the source to the target company, the only exception to the general rule that retired assets do not copy into the target company for combinations, purchases and splitting. A consolidation cannot be automatically undone. It is best to create a new copy of the target company and consolidate the source company with that new copy of the target. Doing so emulates a worksheet approach to consolidation while at the same time actually combining the assets of the consolidated companies. The target company then has access to the reports available in DepreciationWorks. Consolidations are allowed only when the source and target companies have the same fiscal year and also both use the same DB Option and Fractional Year Convention.

Tasks for Combination, Purchase and Splitting

The work that you do prior to actually copying assets between companies, that is, the work you do to prepare a preview, exists in memory only. When you are in the Copy Assets Between Companies screen and working on mapping attributes, your work will not be saved should you, before finalizing, close the program or navigate away from the Copy Assets Between Companies screen to another DepreciationWorks screen. Note that most of the work you do to develop a satisfying preview consists of identifying in the target company the attributes that you want to use for the source assets to be copied.

No changes are made to either the source or target company when a preview is performed. Note that changes are never made to the source company. Changes are made to the target company only when you press the button labeled "Copy Source Assets To Target Company".

It is a good idea, for both the source and target company, to begin by going to Asset Maintenance - Calculate All Company Assets and being sure that the depreciation calculations for both companies are up to date. To be sure they are up to date, calculate all company assets for the target and for the source company.

The first task is to select a target company. Use the drop down box to do so. Then tab off the drop down box to initialize the target company assets for preview. When you select a target company, the attribute tabbed pages display columns to use for assigning source attributes to target company attributes. The preview grid is at that time populated with target company assets.

The Copy Assets Between Companies screen has a panel on the right hand side. That panel contains a master view of the companies present in DepreciationWorks. The master view allows you to inspect for any company the Divisions, Locations, Groups, Default Associations, GL accounts, and assets of selectable target companies. When you use the Select Target Company drop down and select a particular company, then the master view will contain information for only the selected company. The master view panel has a splitter that allows you to horizontally position it to occupy more or less of the screen area. The master view of the target company is a handy reference to information about the target company and lets you inspect the target company without leaving the Copy Assets Between Companies screen.

Note that the label source company displays in the upper right of the screen and includes the current fiscal year of the source company. Note also that the current fiscal year of the target company is also included in the company's description. When a target company is selected, the program compares the source and target company's DB Option and Fractional Year Convention and declares in a label if they are different in the source and target company. Once the source company assets are actually copied to the target company, then the target company DB Option and Fractional Year Convention will be used for calculating prior and current depreciation for all assets within the target company. Source company assets in the target company can have their accumulated and current depreciation change when re-calculated in the target company. It is appropriate for such assets' current depreciation to recalculate based on target company conventions when either of the conventions is different in the target company. Accumulated depreciation should not be allowed to be recalculated in the target company under most circumstances. For assets copied using the purchase option, there should be no accumulated depreciation

to consider. For combinations, accumulated depreciation does exist to consider. By default, when the conventions are different and the copy operation is of type Combination, the accumulated depreciation of the source company assets is marked in the target company as an override so that future calculations in the target company won't change the copied assets' accumulated depreciation. You can turn off this default behavior if you so desire, though it isn't generally recommended. The Preview tabbed page has a check box that can be used to control whether accumulated depreciation is copied as an override or not. That check box is disabled and has no affect when the copy operation is Purchase as opposed to Combination.

Use the tabbed pages to map the source company attributes to the appropriate target company attributes. You can select from existing target company attributes, or you can make entries for new target company attributes that you want to add to the target company. The preview itself does not make any changes to the target company. The new attributes you designate will be created in the target company when you click the button to actually copy the assets from the source to the target company. The new target company attributes you add exist only in memory as you add them as part of the mapping tasks. Actual changes to the target company are only made when you are satisfied with the preview and choose to actually copy source assets to the target company.

You may decide that it is more efficient to work on the target company first. Before working to create a preview, it may be more efficient to add new target company attributes by working directly with the target company in the applicable data entry screens. For example, you may want to add new general ledger accounts to the target company in order to later map them to the source general ledger accounts. Alternatively, the Copy Assets Between Companies screen does allow you to designate new attributes to be added. However it may be easier to add them directly to the target company yourself before moving on to work with the Copy Assets Between Companies screen.

The source and target companies each have assets that differ significantly. The names may be different for their divisions and locations. Their general ledger accounts and group codes may differ. Their property tax categories may be different and the default associations for quick fill property types may also differ. The custodian field of the source company may be meaningless to the target company and the same can be said for the user 1 field.

The Copy Assets Between Companies screen allows you to map source to target attributes. You can also enter new attributes that will subsequently be added to the target company. For example, you can choose to copy source company assets to an existing target division. Or you can choose to create a new division in the target company to receive the source assets. The division assignment made for source assets is made for each source division. You can't copy assets from a particular source division to more than one target company division. You can choose to not copy a particular source division at all. For source divisions that are to be copied to the target company, you can unselect particular assets so that they will not copy to the target company. For source divisions unselected for copying, you can't mark assets within such divisions for copying to the target company. Note that it is only the division attribute that allows selecting and unselecting assets for copying. None of the other attributes can be used to control whether a source company asset or group of assets will copy to the target company.

Note: Source company assets that are retired will not be copied from the source to the target company. A retired asset is an asset for which a retirement date has been entered, whether in the current or prior fiscal year. The only exception is when you choose to consolidate the source into the target company: current year retired assets are always copied to the target company when performing a consolidation.

If you do not assign target company attributes to source company asset attributes then the target division will be 000 for source company assets copied to the target company and the other attribute fields for the source company will have no values copied to the target company for those fields. In other words, if you don't map source company GL Accounts, Locations, Groups, Property Tax Categories, Quick Fill Property Types, Custodians and User_1 field values to their target company equivalents then source company assets will be copied to the target company's division 000 and the other source company attributes will come over to the target company as blanks.

Source company attributes are identified and displayed by analysis of source company assets. For example, there may be source company general ledger accounts that have not been assigned to particular assets in the source company. General ledger accounts that haven't been assigned to particular source company assets will not be among the source company general ledger accounts to be mapped to target company equivalents.

Source company assets lacking a particular source company attribute will be displayed among those to be mapped to the target company. For example, some assets may not have a general ledger account assigned. By not mapping such assets to target company assets, such assets will have no attribute assignment in the target company. You can assign target company assets without a particular attribute to one and only one target company attribute of the same type. Once the source assets are actually copied to the target company, you may subsequently need to work within the actual target company to further refine the attributes. For example, some source company assets may not have a general ledger cost account assigned to them in the source company. You can assign such assets to one and only one target company general ledger account and later work within the target company to assign the applicable target company GL Cost account for those assets.

Each attribute tabbed page has to the left the references to the source company assets. On the right are drop downs. One is for use in assigning existing attributes and the other is for use in adding a new attribute for the target company. If the two companies are similar enough then the program will preliminarily make some assignments for you. For example, if both companies have a location named Los Angeles, then Los Angeles will preliminarily be assigned as the target company location for source company Los Angeles locations. The program will identify partial matches and assign them as a best guess when possible. You should carefully inspect such preliminary assignments to be sure they are appropriate.

It is important to recognize that the general ledger accounts are mapped using the GL Accounts tabbed page. The Quick Fill tabbed page does not affect the source company assets' general ledger accounts. The Quick Fill tabbed page allows for mapping source company property types to target company property types.

The Quick Fill tabbed page allows you to add a new property type to both the global property

type table of the target company and to the target company's quick fill associations table. When designating a new quick fill associations property type for the target company, you must also assign a method and a life, where the salvage percent is optional. Once you actually copy source assets to the target company, you will need to work within the target company Quick Fill Associations table to complete any newly added property type. You will need to assign general ledger accounts and a property tax category for newly added quick fill property types.

There is a relationship between quick fill default functionality and the Disable Quick Fill field. The Disable Quick Fill field is a Boolean field that is assigned True when assets are imported into DepreciationWorks using the Asset Import screen accessible under Asset Utilities. Asset Import is most commonly used when first setting up a company and bringing in assets from another program or from an Excel spreadsheet. When importing, general ledger accounts may be assigned to imported assets while the quick fill property type is not. After importing, a property type may be assigned manually for information purposes, but not for the purpose of bringing the default values over for a property type. The Disable Quick Fill will prevent imported assets field values from being affected by the assignment of a property type. Source company assets whose Disable Quick Fill field is checked will be copied to the target company without changing the check or unchecked value of the Disable Quick Fill field.

Consolidation Considerations

Consolidation is only allowed for target and source companies that have the same fiscal year and use the same DB Option and Fractional Year Convention. In DepreciationWorks' implementation of consolidating companies, the source company's assets are copied to the target company and assigned the target company's Company Code. Once consolidated, there are not two company codes available for grouping and sorting within the target company. You therefore need to rely on the Division field to identify the source company assets consolidated into the target company. With careful planning, you can produce meaningful reports for the consolidated target company. The source company division 000 should likely always be assigned a different division in the target company to ensure that source company division 000 assets don't copy to the target company's division 000 where they would become indistinguishable from the assets of the target company. For source companies with multiple divisions, the same rule should apply to all the source company divisions, where they aren't assigned to existing target company divisions. The optimal consolidation occurs when both companies use the same general ledger chart of account numbers for cost, accumulated depreciation and depreciation expense. Such is likely with related companies.

The best approach would begin with creating a copy of the target company. Then use that copy of the target company to receive the source company assets. Using such an approach preserves the independence of each company's data because the consolidation is performed on a copy of the real target company. Consolidations are hypothetical combinations that accommodate consolidated reporting for entities that preserve their status as separate legal entities.

Creating a Preview

The Preview tabbed page has at the bottom a grid view that is on a panel with a splitter that allows you to horizontally position it to occupy more or less of the screen area. The preview grid is printable. Once a target company is selected, the preview grid is populated with target company assets for reference. The preview grid is grouped first by a target or source company identifier. Again, the target company assets are presented for reference only. They are not included in the operation that actually copies the source assets to the target company.

The preview grid view allows for limited asset editing. The fields that can be edited are Asset Code, Description, Description 2 and the Memo field. Assets can also be deleted from the preview. Edits and deletions of target company assets will have no effect on the actual target company at any time. The intended use of the edit and delete capability of the preview grid is to allow you to do some fine tuning to source company assets in the preview. Such edits and deletes will have no effect on the actual source company data. All the data in the preview grid exists in memory only.

The preview grid is the presentation of the source company assets adjusted to automatically exclude any source company assets that have a retirement date and adjusted to reflect any target company attributes assigned to the source company assets. The source company assets presented in the preview are the assets that will be copied from memory into the actual target company.

You may need to preview the source assets several times before you are satisfied that the source assets will copy to the target company in a meaningful condition. Each time you do a preview, the existing preview is cleared and re-prepared. Any edits or deletions will be lost when a new preview is performed.

Source company assets are presented in the preview with depreciation calculated using the target company's DB Option, Fractional Year Convention and fiscal year. Preview depreciation calculations include current year depreciation allocated to months of the target company's fiscal year. These depreciation calculations ultimately are not actually copied to the target company and are considered preview estimates of those amounts that will ultimately compute in the target company once the assets are actually copied. After actually copying, you must navigate to the target company and then go to Asset Maintenance - Calculate All Company Assets and click the Calculate button. This target company recalculation is necessary because the source company assets don't come over to the target company with the preview depreciation calculations for the current target company fiscal year and don't come over with preview current depreciation allocated to the target company current fiscal year months.

There are some circumstances where a preview cannot be processed for either a combination or a purchase copy operation. A preview cannot be prepared when the fiscal year of the source company ends after the fiscal year end of the target company. For a combination where the source and target company's fiscal years don't begin on the same date, you will be asked to confirm that you want to continue although the resulting preview may not be meaningful. For a purchase copy operation, the purchase transaction date cannot be before the first day of the target company's fiscal year. For a purchase copy operation, the purchase transaction date can be after the last day of the target company's fiscal year. The purchase price allocation is based on historical cost, not net book value,

and such future year purchases may be useful in evaluating hypothetical transactions. In evaluating contemplated purchases, it is better to first make a copy of the target company and use the copy of the target to evaluate the effects.

Preview Combinations

Combination options consist of selecting whether or not source asset accumulated depreciation should be an override. There are other issues to consider. First, the the source and target company's fiscal years may not begin on the same date. In that case, you will be asked to confirm that you want to continue although the resulting preview may not be meaningful. You can continue in that case. However keep in mind that DepreciationWorks calculates depreciation for a fiscal year. Current depreciation for a source asset copied to a target company will compute a year's worth of depreciation regardless of the combination occurring mid-year. This full year calculation occurs regardless of whether or not accumulated depreciation for the copied source assets is an override or not. The fiscal year depreciation for the source assets copied to the target will be allocated to pre-combination target company months as well should you attempt a combination where the years of the two companies don't begin on the same date, which is troublesome. One way to affect the combination calculations is to change the target company fiscal year to a short year ending the month before the mid-year combination. Such an approach would also require that the target company's short fiscal year be closed. In reality though, the target company did not necessarily have an official short year and DepreciationWorks will treat it as though the short year isn't an artificiality contrived for the purpose of effecting a mid-year combination. In effect you would loose the ability to run reports for the full year of the target company. An integral part of such an approach would be to change the source company current fiscal year to end the month prior to the combination and then close the year. Both companies would then begin on the same date and could meaningfully combine. In reality, the source company probably did have a real short year. However the target company probably did not really have a short year, with the consequence that full year reporting for the target company would be compromised. For combinations, the best result is obtained when the combination occurs at the beginning of the target company's next fiscal year where the previous pre-combination year has been closed. The source company, if necessary, should be closed to begin on the first day of the target company's new fiscal year. The source company can be set to have a final short year ending the month before the first month of the target company's new fiscal year. Both companies would then have new years that are full years and begin on the same date. Source company accumulated depreciation may need to be marked as an override, as previously discussed.

Preview Combinations and Purchases

For both combinations and purchases, you can choose to clear the source company's Asset Code field so that its contents won't copy to the target company. For both combinations and purchases, you can choose to append the target company's Memo field to reference the source company and the asset Sys ID.

Preview Purchases

Purchase options include a transaction date, a purchase price allocation for other than

intangibles like goodwill and the ability to either use source company methods and lives or to use methods and lives associated with target company quick fill property types assigned to source company assets using target company values.

The transaction data must be on or after the beginning of the fiscal year of the target company. The price allocation to the source assets must be the portion of the total purchase price that is not for intangibles like goodwill, customer lists, vendor relationships and so forth. The price allocation for source assets must be for the existing source assets. If the source company is already amortizing it's own goodwill that resulted from a previous transaction, then you should unselect that asset for copying, either on the Divisions tabbed page or by deleting it from the preview. You should carefully inspect the source company assets for items that received allocations of purchase price separate from other assets. You can mark them for not copying or delete them from the preview and later, when working with the target company after the copy operation is complete, you can add such items and their special allocations as appropriate. In the target company, the price you enter is allocated to assets in proportion to the source company assets' historical cost.

For purchases, source assets previewed in the target company include current fiscal year depreciation based on the target company DB Option, Fractional Year Convention and fiscal year. These preview amounts do not actually copy to the target company. Preview depreciation calculations include current year depreciation allocated to months of the target company's fiscal year. After actually copying, you must navigate to the target company and then go to Asset Maintenance - Calculate All Company Assets and click the Calculate button. This target company recalculation is necessary because the source company assets don't come over to the target company with the preview depreciation calculations for the current target company fiscal year and don't come over with preview current depreciation allocated to the target company current fiscal year months.

The ability to either use source company methods and lives or to use methods and lives associated with target company quick fill property types accommodates circumstances where the target company as a matter of policy does not use the methods and lives used in the source company and doesn't want the source company methods and lives to be copied to the target company. The purchase options includes a grid that displays the property type default methods, lives and salvage percentage for the target company available to tag onto the source company assets. Such re-assignments of methods and lives occurs during the preview preparation and should be inspected to confirm the result is as intended.

Copy Source Assets to Target Company

Preparing a preview is required before actually copying source assets to the target company. You must prepare a preview in order to check the box that confirms you want to finalize and perform the actual copy operation. Checking the confirmation box enables the button labeled Copy Source Assets to Target Company. The actual copy operation can't be automatically undone. A bad result would have to be corrected manually unless a backup existed, a copy of the target company was used, or the target company was first transferred to a separate folder.

After actually copying, you must navigate to the target company and then go to Asset Maintenance - Calculate All Company Assets and click the Calculate button. This target

company recalculation is necessary because the source company assets don't come over to the target company with the preview depreciation calculations for the current target company fiscal year and don't come over with preview current depreciation allocated to the target company current fiscal year months.

Note that documents and pictures for assets are copied to the target company as part of the copy operation.

DepreciationWorks

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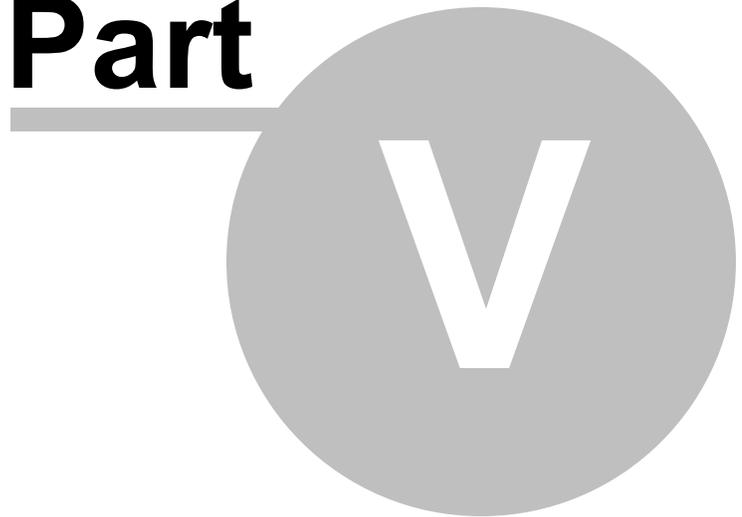
5 Depreciation Methods

5.1 Introduction

The goal of depreciation methods is to rationally and consistently match revenue and expense by allocating the cost of fixed assets (less salvage value, if any) over their useful lives in a systematic manner. DepreciationWorks supported methods are explained in the sections that follow. Note that the fractional year convention applies at the company level, not the method level. The declining balance end of estimated useful life option (declining balance option) also applies at the company level, but can be overridden on the method level.

You override the declining balance option for any particular asset by selecting an override method. Set the company option to continue depreciation indefinitely, to switch to straight-line, or to leave a residual at the end of an asset's useful life. The declining balance option you select for the company will then apply to all company assets depreciated with a declining balance method. Unless, of course, the method is specifically described as an override method.

The supported methods are:

NONE - No method - depreciation will be zero

USER - User maintains prior and current amounts with overrides

SL - Straight-line

SLRL - Straight-line over remaining life

Note that when you change to this method you must also check the prior depreciation override check box. Otherwise prior depreciation will be computed as though straight-line over remaining life was the original method.

SYD - Sum-of-the-years'-digits (life in full years)

FPDB - Fixed-percentage-on-declining-base. Note: salvage required

DB - Declining balance (uses company DB option)

DDB - Double-declining balance (uses company DB option)

DB175 - 175 declining balance (uses company DB option)

DB150 - 150 declining balance (uses company DB option)

DB125 - 125 declining balance (uses company DB option)

DBVAR - Variable declining balance (uses company DB option)

o-DBSLC - Force declining balance with straight-line conversion

o-DDBSLC - Force double-declining balance with straight-line conversion

o-DB175SLC - Force 175 declining balance with straight-line conversion

o-DB150SLC - Force 150 declining balance with straight-line conversion

o-DB125SLC - Force 125 declining balance with straight-line conversion

o-DBVARSLC - Force variable declining balance with straight-line conversion

o-DBR - Force declining-balance with residual

o-DDBR - Force double-declining balance with residual

o-DB175R - Force 175 declining balance with residual

o-DB150R - Force 150 declining balance with residual

o-DB125R - Force 125 declining balance with residual

o-DBVARR - Force variable declining balance with residual

o-DB - Force declining balance continue beyond useful life

o-DDB - Force double-declining balance continue beyond useful life

o-DB175 - Force 175 declining balance continue beyond useful life

o-DB150 - Force 150 declining balance continue beyond useful life

o-DB125 - Force 125 declining balance continue beyond useful life

o-DBVAR - Force variable declining balance continue beyond useful life

5.2   NONE - No Method

Prior and current depreciation compute to zero if you set the depreciation method to NONE. Set the depreciation method to NONE if you want prior and current depreciation to compute to zero.

5.3   USER - User maintains prior and current amounts with overrides

If you do your own computation of prior and current depreciation for an asset, you can set the depreciation method to USER and check the prior and current override check boxes to prevent DepreciationWorks from calculating depreciation.

5.4   SL - Straight-line

Straight-line depreciation is computed by dividing an asset's cost less salvage value by its estimated useful life in years. Since resulting depreciation is the same for each year of an asset's life, a graph of each year's depreciation amount would resemble a straight line. Note that dividing by years is the same as multiplying by a fraction expressed as 1/years. This fraction is the straight-line depreciation rate. For example, an asset whose estimated useful life is 5 years would be depreciated 1/5 per year, which is represents an annual straight-line depreciation rate of 20 percent.

The straight-line method is simple, widely used, and is appropriate when the decline in an asset's usefulness is more or less the same each year.

5.5   SLRL - Straight-line over remaining life

Straight-line over remaining life is a method you can change to in order to expense the undepreciated cost (less salvage) of an asset using a straight-line calculation over the asset's remaining life. This method change may be appropriate because of a reassessment of the useful life or remaining productive potential of an asset previously depreciated using other than the straight-line method.

When you change to this method, your must check the override prior depreciation check box so that prior depreciation will not be recomputed.

5.6   SYD - Sum-of-the-years'-digits (life in full years)

Sum-of-the-years'-digits is an accelerated method that provides higher depreciation expense in the early years and lower depreciation expense in later years. Accelerated methods assume that new assets contribute more than old assets, that the benefits from an asset's use flow unevenly and are greater in the early years than in later years. Theoretically higher repair and maintenance expenses incurred in the later years of an asset's useful life would then occur as the annual accelerated method depreciation amounts decrease, thus resulting in a perhaps more realistic allocation of the overall cost of using an asset in operations. Accelerated methods are appropriate for assets whose productivity or revenue-generating power declines discernibly after the earlier years of their lives.

Sum-of-the-years'-digits depreciation is calculated by multiplying a changing rate by the asset's cost (less salvage value, if any). The rate is a fraction whose numerator is the asset's remaining years of useful life and whose denominator is the sum of each of the years of useful life. For example, an asset with a three year estimated useful life would have a rate of 3/6 in the first year, 2/6 in the second year, and 1/6 in the last year of useful life. Sum-of-the-years'-digits accepts useful lives in whole years only.

5.7   FPDB - Fixed-percentage-on-declining-base. Note: salvage required

Fixed-percentage-on-declining-base is an accelerated method that provides higher depreciation expense in the early years and lower depreciation expense in later years. Accelerated methods assume that new assets contribute more than old assets, that the benefits from an asset's use flow unevenly and are greater in the early years than in later years. Theoretically higher repair and maintenance expenses incurred in the later years of an asset's useful life would then occur as the annual accelerated method depreciation amounts decrease, thus resulting in a perhaps more realistic allocation of the overall cost of using an asset in operations. Accelerated methods are appropriate for assets whose productivity or revenue-generating power declines discernibly after the earlier years of their

lives.

Fixed-percentage-on-declining-base is calculated by multiplying the asset's undepreciated cost by a constant percentage rate. The percentage rate is determined in such a way that the undepreciated cost at the end of the asset's useful life will equal the asset's salvage value. A salvage value must be set for the asset when using this method.

5.8   DB - Declining balance (uses company DB option)

Declining balance is an accelerated method that provides higher depreciation expense in the early years and lower depreciation expense in later years. Accelerated methods assume that new assets contribute more than old assets, that the benefits from an asset's use flow unevenly and are greater in the early years than in later years. Theoretically higher repair and maintenance expenses incurred in the later years of an asset's useful life would then occur as the annual accelerated method depreciation amounts decrease, thus resulting in a perhaps more realistic allocation of the overall cost of using an asset in operations. Accelerated methods are appropriate for assets whose productivity or revenue-generating power declines discernibly after the earlier years of their lives.

Declining balance is calculated by multiplying the asset's undepreciated cost by a constant percentage rate. The percentage rate is the straight-line percentage rate, that is, 1 divided by the life in years. Under declining balance, the asset's undepreciated cost is not reduced below salvage value. Each year the rate is multiplied by a declining book value, and each year, depreciation is then lower than in the preceding year. If no salvage value has been set, then in theory depreciation will continue indefinitely since a small amount of undepreciated cost will always remain. Declining balance is a method more common outside of the USA.

Instead of computing depreciation indefinitely, as a practical matter, some companies may stop declining balance depreciation at the end of an asset's estimated useful life. A residual undepreciated cost would then remain. Alternately, the declining balance method may be switched to straight-line at the point in an asset's life when the straight-line method computes a higher depreciation amount.

DepreciationWorks requires that you set a company's declining balance option. (Note however that you can nevertheless override the option for any particular asset by selecting an override method.) Set the company option to continue depreciation indefinitely, to switch to straight-line, or to leave a residual at the end of an asset's useful life. The declining balance option you select for the company will then apply to all company assets depreciated with a declining balance method. Unless, of course, the method is specifically described as an override method.

5.9   DDB - Double-declining balance (uses company DB option)

Double-declining balance (also known as 200 declining balance, 200DB) is an accelerated method that provides higher depreciation expense in the early years and lower depreciation expense in later years. Accelerated methods assume that new assets contribute more than old assets, that the benefits from an asset's use flow unevenly and are greater in the early

years than in later years. Theoretically higher repair and maintenance expenses incurred in the later years of an asset's useful life would then occur as the annual accelerated method depreciation amounts decrease, thus resulting in a perhaps more realistic allocation of the overall cost of using an asset in operations. Accelerated methods are appropriate for assets whose productivity or revenue-generating power declines discernibly after the earlier years of their lives.

Double-declining balance is calculated by multiplying the asset's undepreciated cost by a constant percentage rate. The percentage rate is determined by multiplying the straight-line percentage rate by two. Under double-declining balance, the asset's undepreciated cost is not reduced below salvage value. Each year the rate is multiplied by a declining book value, and each year, depreciation is then lower than in the preceding year. If no salvage value has been set, then in theory depreciation will continue indefinitely since a small amount of undepreciated cost will always remain. Double-declining balance is commonly chosen for new property while 150 declining balance is chosen for used property.

Instead of computing depreciation indefinitely, as a practical matter, some companies may stop declining balance depreciation at the end of an asset's estimated useful life. A residual undepreciated cost would then remain. Alternately, the declining balance method may be switched to straight-line at the point in an asset's life when the straight-line method computes a higher depreciation amount.

DepreciationWorks requires that you set a company's declining balance option. (Note however that you can nevertheless override the option for any particular asset by selecting an override method.) Set the company option to continue depreciation indefinitely, to switch to straight-line, or to leave a residual at the end of an asset's useful life. The declining balance option you select for the company will then apply to all company assets depreciated with a declining balance method. Unless, of course, the method is specifically described as an override method.

5.10   DB175 - 175 declining balance (uses company DB option)

175 declining balance is an accelerated method that provides higher depreciation expense in the early years and lower depreciation expense in later years. Accelerated methods assume that new assets contribute more than old assets, that the benefits from an asset's use flow unevenly and are greater in the early years than in later years. Theoretically higher repair and maintenance expenses incurred in the later years of an asset's useful life would then occur as the annual accelerated method depreciation amounts decrease, thus resulting in a perhaps more realistic allocation of the overall cost of using an asset in operations. Accelerated methods are appropriate for assets whose productivity or revenue-generating power declines discernibly after the earlier years of their lives.

175 declining balance is calculated by multiplying the asset's undepreciated cost by a constant percentage rate. The percentage rate is determined by multiplying the straight-line

percentage rate by 1.75. Under 175 declining balance, the asset's undepreciated cost is not reduced below salvage value. Each year the rate is multiplied by a declining book value, and each year, depreciation is then lower than in the preceding year. If no salvage value has been set, then in theory depreciation will continue indefinitely since a small amount of undepreciated cost will always remain.

Instead of computing depreciation indefinitely, as a practical matter, some companies may stop declining balance depreciation at the end of an asset's estimated useful life. A residual undepreciated cost would then remain. Alternately, the declining balance method may be switched to straight-line at the point in an asset's life when the straight-line method computes a higher depreciation amount.

DepreciationWorks requires that you set a company's declining balance option. (Note however that you can nevertheless override the option for any particular asset by selecting an override method.) Set the company option to continue depreciation indefinitely, to switch to straight-line, or to leave a residual at the end of an asset's useful life. The declining balance option you select for the company will then apply to all company assets depreciated with a declining balance method. Unless, of course, the method is specifically described as an override method.

5.11   DB150 - 150 declining balance (uses company DB option)

150 declining balance is an accelerated method that provides higher depreciation expense in the early years and lower depreciation expense in later years. Accelerated methods assume that new assets contribute more than old assets, that the benefits from an asset's use flow unevenly and are greater in the early years than in later years. Theoretically higher repair and maintenance expenses incurred in the later years of an asset's useful life would then occur as the annual accelerated method depreciation amounts decrease, thus resulting in a perhaps more realistic allocation of the overall cost of using an asset in operations. Accelerated methods are appropriate for assets whose productivity or revenue-generating power declines discernibly after the earlier years of their lives.

150 declining balance is calculated by multiplying the asset's undepreciated cost by a constant percentage rate. The percentage rate is determined by multiplying the straight-line percentage rate by 1.5. Under 150 declining balance, the asset's undepreciated cost is not reduced below salvage value. Each year the rate is multiplied by a declining book value, and each year, depreciation is then lower than in the preceding year. If no salvage value has been set, then in theory depreciation will continue indefinitely since a small amount of undepreciated cost will always remain. 150 declining balance is commonly chosen for used property while double declining balance is chosen for new property. 150 declining balance is at times chosen for new real property while 125 declining balance is chosen for used real property.

Instead of computing depreciation indefinitely, as a practical matter, some companies may stop declining balance depreciation at the end of an asset's estimated useful life. A residual undepreciated cost would then remain. Alternately, the declining balance method may be switched to straight-line at the point in an asset's life when the straight-line method computes a higher depreciation amount.

DepreciationWorks requires that you set a company's declining balance option. (Note however that you can nevertheless override the option for any particular asset by selecting an override method.) Set the company option to continue depreciation indefinitely, to switch to straight-line, or to leave a residual at the end of an asset's useful life. The declining balance option you select for the company will then apply to all company assets depreciated with a declining balance method. Unless, of course, the method is specifically described as an override method.

5.12   DB125 - 125 declining balance (uses company DB option)

125 declining balance is an accelerated method that provides higher depreciation expense in the early years and lower depreciation expense in later years. Accelerated methods assume that new assets contribute more than old assets, that the benefits from an asset's use flow unevenly and are greater in the early years than in later years. Theoretically higher repair and maintenance expenses incurred in the later years of an asset's useful life would then occur as the annual accelerated method depreciation amounts decrease, thus resulting in a perhaps more realistic allocation of the overall cost of using an asset in operations. Accelerated methods are appropriate for assets whose productivity or revenue-generating power declines discernibly after the earlier years of their lives.

125 declining balance is calculated by multiplying the asset's undepreciated cost by a constant percentage rate. The percentage rate is determined by multiplying the straight-line percentage rate by 1.25. Under 125 declining balance, the asset's undepreciated cost is not reduced below salvage value. Each year the rate is multiplied by a declining book value, and each year, depreciation is then lower than in the preceding year. If no salvage value has been set, then in theory depreciation will continue indefinitely since a small amount of undepreciated cost will always remain. 125 declining balance is at times chosen for used real property while 150 declining balance is chosen for new real property.

Instead of computing depreciation indefinitely, as a practical matter, some companies may stop declining balance depreciation at the end of an asset's estimated useful life. A residual undepreciated cost would then remain. Alternately, the declining balance method may be switched to straight-line at the point in an asset's life when the straight-line method computes a higher depreciation amount.

DepreciationWorks requires that you set a company's declining balance option. (Note however that you can nevertheless override the option for any particular asset by selecting an override method.) Set the company option to continue depreciation indefinitely, to switch to straight-line, or to leave a residual at the end of an asset's useful life. The declining balance option you select for the company will then apply to all company assets depreciated with a declining balance method. Unless, of course, the method is specifically described as an override method.

5.13 DBVAR - Variable declining balance (uses company DB option)

Variable declining balance is an accelerated method that provides higher depreciation expense in the early years and lower depreciation expense in later years. Accelerated methods assume that new assets contribute more than old assets, that the benefits from an asset's use flow unevenly and are greater in the early years than in later years. Theoretically higher repair and maintenance expenses incurred in the later years of an asset's useful life would then occur as the annual accelerated method depreciation amounts decrease, thus resulting in a perhaps more realistic allocation of the overall cost of using an asset in operations. Accelerated methods are appropriate for assets whose productivity or revenue-generating power declines discernibly after the earlier years of their lives.

Note that some users may want to use variable declining balance with a factor of 100 to produce declining balance depreciation calculations. Declining balance is a method that applies a constant percentage to each year's remaining basis to arrive at the depreciation for a particular year.

Variable declining balance is calculated by multiplying the asset's undepreciated cost by a user defined constant percentage rate. The percentage rate is determined by multiplying the straight-line percentage rate by a factor you choose. Enter a three digit factor in the Variable DB Percentage field. Do not enter a decimal. Under variable declining balance, the asset's undepreciated cost is not reduced below salvage value. Each year the rate is multiplied by a declining book value, and each year, depreciation is then lower than in the preceding year. If no salvage value has been set, then in theory depreciation will continue indefinitely since a small amount of undepreciated cost will always remain.

Instead of computing depreciation indefinitely, as a practical matter, some companies may stop declining balance depreciation at the end of an asset's estimated useful life. A residual undepreciated cost would then remain. Alternately, the declining balance method may be switched to straight-line at the point in an asset's life when the straight-line method computes a higher depreciation amount.

DepreciationWorks requires that you set a company's declining balance option. (Note however that you can nevertheless override the option for any particular asset by selecting an override method.) Set the company option to continue depreciation indefinitely, to switch to straight-line, or to leave a residual at the end of an asset's useful life. The declining balance option you select for the company will then apply to all company assets depreciated with a declining balance method. Unless, of course, the method is specifically described as an override method.

5.14 o-DBSLC - Force declining balance with straight-line conversion

Force declining balance with straight-line conversion is a declining balance method that forces straight-line conversion for an asset regardless of the declining balance option selected for the company.

5.15 o-DDBSLC - Force double-declining balance with straight-line conversion

Force double-declining balance with straight-line conversion is a double-declining balance method that forces straight-line conversion for an asset regardless of the declining balance option selected for the company.

5.16 o-DB175SLC - Force 175 declining balance with straight-line conversion

Force 175 declining balance with straight-line conversion is a 175 declining balance method that forces straight-line conversion for an asset regardless of the declining balance option selected for the company.

5.17 o-DB150SLC - Force 150 declining balance with straight-line conversion

Force 150 declining balance with straight-line conversion is a 150 declining balance method that forces straight-line conversion for an asset regardless of the declining balance option selected for the company.

5.18 o-DB125SLC - Force 125 declining balance with straight-line conversion

Force 125 declining balance with straight-line conversion is a 125 declining balance method that forces straight-line conversion for an asset regardless of the declining balance option selected for the company.

5.19 o-DBVARSLC - Force variable declining balance with straight-line conversio

Force variable declining balance with straight-line conversion is a variable declining balance method that forces straight-line conversion for an asset regardless of the declining balance option selected for the company.

5.20   o-DBR - Force declining balance with residual

Force declining balance with residual is a [declining balance](#) method that forces a residual net book value to remain at the end of an asset's useful life, regardless of the declining balance option selected for the company.

5.21   o-DDBR - Force double-declining balance with residual

Force double-declining balance with residual is a [double-declining](#) balance method that forces a residual net book value to remain at the end of an asset's useful life, regardless of the declining balance option selected for the company.

5.22   o-DB175R - Force 175 declining balance with residual

Force 175 declining balance with residual is a [175 declining balance](#) method that forces a residual net book value to remain at the end of an asset's useful life, regardless of the declining balance option selected for the company.

5.23   o-DB150R - Force 150 declining balance with residual

Force 150 declining balance with residual is a [150 declining balance](#) method that forces a residual net book value to remain at the end of an asset's useful life, regardless of the declining balance option selected for the company.

5.24   o-DB125R - Force 125 declining balance with residual

Force 125 declining balance with residual is a [125 declining balance](#) method that forces a residual net book value to remain at the end of an asset's useful life, regardless of the declining balance option selected for the company.

5.25   o-DBVARR - Force variable declining balance with residual

Force variable declining balance with residual is a [variable declining balance](#) method that forces a residual net book value to remain at the end of an asset's useful life, regardless of the declining balance option selected for the company.

5.26   o-DB - Force declining balance continue beyond useful life

Force double-declining balance continue beyond useful life is a [declining balance](#) method that forces depreciation calculations to continue beyond the end of an asset's useful life, regardless of the declining balance option selected for the company. Like all the declining

balance methods, this method does consider salvage and consequently depreciation calculations nevertheless will cease when an asset's undepreciated cost reaches the salvage value amount.

5.27 o-DDB - Force double-declining balance continue beyond useful life

Force declining balance continue beyond useful life is a declining balance method that forces depreciation calculations to continue beyond the end of an asset's useful life, regardless of the declining balance option selected for the company. Like all the declining balance methods, this method does consider salvage and consequently depreciation calculations nevertheless will cease when an asset's undepreciated cost reaches the salvage value amount.

5.28 o-DB175 - Force 175 declining balance continue beyond useful life

Force 175 declining balance continue beyond useful life is a 175 declining balance method that forces depreciation calculations to continue beyond the end of an asset's useful life, regardless of the declining balance option selected for the company. Like all the declining balance methods, this method does consider salvage and consequently depreciation calculations nevertheless will cease when an asset's undepreciated cost reaches the salvage value amount.

5.29 o-DB150 - Force 150 declining balance continue beyond useful life

Force 150 declining balance continue beyond useful life is a 150 declining balance method that forces depreciation calculations to continue beyond the end of an asset's useful life, regardless of the declining balance option selected for the company. Like all the declining balance methods, this method does consider salvage and consequently depreciation calculations nevertheless will cease when an asset's undepreciated cost reaches the salvage value amount.

5.30 o-DB125 - Force 125 declining balance continue beyond useful life

Force 125 declining balance continue beyond useful life is a 125 declining balance method

that forces depreciation calculations to continue beyond the end of an asset's useful life, regardless of the declining balance option selected for the company. Like all the declining balance methods, this method does consider salvage and consequently depreciation calculations nevertheless will cease when an asset's undepreciated cost reaches the salvage value amount.

5.31   o-DBVAR - Force variable declining balance continue beyond useful life

Force variable declining balance continue beyond useful life is a variable declining balance method that forces depreciation calculations to continue beyond the end of an asset's useful life, regardless of the declining balance option selected for the company. Like all the declining balance methods, this method does consider salvage and consequently depreciation calculations nevertheless will cease when an asset's undepreciated cost reaches the salvage value amount.

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6 Company Declining Balance Option

Declining balance computations can switch to straight-line when optimal, continue beyond the useful life, or end with the useful life. The declining balance option is a global setting for a company and affects the depreciation calculations for a company's assets.

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Part VII
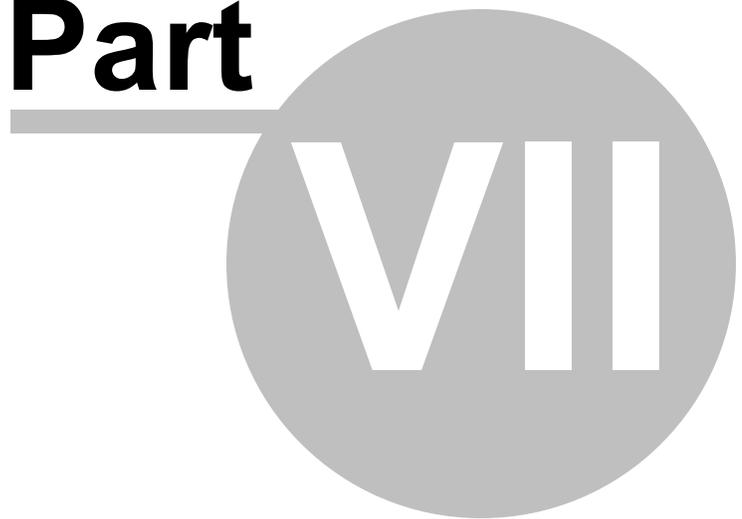
7   Fractional Year Conventions

7.1   Conventions Supported

Assets are seldom placed in service or retired on the first day of the fiscal year, or on the first day of a month. Because depreciation is an estimate, it is acceptable for a company to use an assumed placed in service or retirement date when making depreciation computations. The assumed in service and retirement dates determine when depreciation begins and ends for assets held for only a fraction of a year. The assumption should be applied consistently once adopted by the company.

DepreciationWorks supports the fractional year conventions listed below. The conventions are named based on their assumptions about the in service date and retirement date. For example, the "Month if by 15th, Month if after 15th" convention takes depreciation for the full in service month if the asset was placed in service by the 15 of the month, and takes depreciation for the full retirement month if the asset was retired after the 15th of the month.

Half year, Half year

Takes one half a year of depreciation in the year the asset is placed in service, and takes one half a year of depreciation in the year the asset is retired. Takes no depreciation if acquired and retired in the same year.

Full month, Full month

Takes a full month of depreciation for the month the asset is placed in service, and takes a full month of depreciation for the month the asset is retired.

Even month, Even month

Takes a full month of depreciation if the month in which the asset is placed service is even, and takes a full month of depreciation if the month in which the asset is retired is even. Takes no depreciation for the in service month if the month the asset is placed in service is odd, and takes no depreciation for the retirement month if the month in which the asset is retired is odd.

Month if by 15th, Month if after 15th - DepreciationWorks default convention

Takes a full month of depreciation for the in service month if the asset was placed in service by the 15 of the month, and takes a full month depreciation for the retirement month if the asset was retired after the 15th of the month. Takes no depreciation for the in service month if the asset was placed in service after the 15th of the month, and takes no depreciation for the retirement month if the asset was retired before the 16th of the month.

Full year, Full year: if held more than half a year

Takes a full year of depreciation in the in service year if the asset was in service for more than half of the in service year. Takes a full year of depreciation in the retirement year if the asset was in service for more than half of the retirement year. Takes no depreciation in the

in service year if the asset was not in service for more than half of the in service year. Takes no depreciation in the retirement year if the asset was not in service for more than half of the retirement year. Those rules are also applied when acquired and retired in the same year.

Full month, None

Takes depreciation for the in service month, and takes no depreciation for the retirement month.

Half year, None

Takes half a year of depreciation in the in service year, and no depreciation for the retirement year. Takes no depreciation when acquired and retired in the same year.

Full year, Full year

Takes a year of depreciation in the in service year, and a year of depreciation in the retirement year. Takes a full year of depreciation when acquired and retired in the same year.

Full year, None

Takes a year of depreciation in the in service year and, no depreciation in the retirement year. Takes no depreciation when acquired and retired in the same year.

Modified Half year, Half year: if held more than half a year

This method allows a full year of depreciation in the situations described below.

Takes a full year of depreciation in the in service year if the asset was in service for more than half of the in service year. Takes no depreciation in the in service year if the asset was in service for *half or less than half* of the in service year. However no more than half a year's depreciation is taken in a year that is both the in service year and the retirement year.

If no depreciation was taken in the in service year, a full year of depreciation is taken in the retirement year if the asset was in service for *more than half* of the retirement year. If no depreciation was taken in the in service year, half a year of depreciation is taken in the retirement year if the asset was in service for *half or less than half* of the retirement year.

If depreciation was taken in the in service year, then half a year of depreciation is taken in the retirement year if the asset was in service for *more than half* of the retirement year. If depreciation was taken in the in service year, then no depreciation is taken in the retirement year if the asset was in service for *half or less than half* of the retirement year.

None, Full year

Takes no depreciation in the in service year and, a full year of depreciation in the retirement year.

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VIII
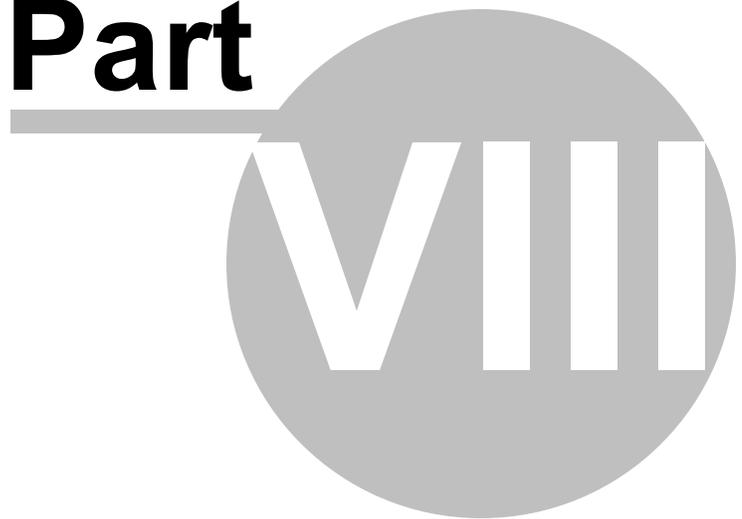
8   Backup

8.1   DepreciationWorks Backup and Restore

The DepreciationWorks backup and restore forms are accessed from the File item of the main menu. The backup and restore menu items are enabled when the Welcome page is active.

Backup and restore operations are provided in order to allow you to backup and restore the entire DepreciationWorks database tables as a supplement to your normal backups.

Note that the database tables are not company specific. Consequently it is only possible to backup data for all companies.

All table files in the Data directory will be included in the backup file. The backup file will be created with a name you specify and will use the file extension BKP.

Backup in general

A "backup" is a copy of data in a second location. Backups implement redundancy. If the original data gets damaged or is lost accidentally, then the backup copy can be used to restore the original data. Backing up data secures your data against:

- Damage to the medium or the system the data is stored on.
- Theft or fire.
- Accidental destruction or unwanted modifications to your data by users or erroneous working programs.

A backup of your data held on the same system (e.g. on a second hard disk) may be convenient, but in case of theft, fire or complete system destruction, your backup may be destroyed as well. You will want to store your backup copies at a different location (off-site).

What is a Backup Archive?

When DepreciationWorks backup creates a backup it does not just copy the information file by file, it puts all backed up files into one single archive. This archive contains a catalog of its contents and contains the compressed original data files and certain mechanisms to ensure data integrity.

The DepreciationWorks backup utility provides various functions to help you.

Backup: This function creates mirror copies of all or some data to a second location (floppy, hd, etc.).

Restore: This function restores all or part of the original data from a second location (floppy, hd, etc.).

Compression: Many data files contain redundancy; for example a large bitmap may contain large areas of just the color white. If during the backup, this file were copied byte by byte,

then this redundancy would be copied too, using valuable space and time on the backup medium. DepreciationWorks backups optionally compress the data, reducing this redundancy. This compression results savings of space and time.

Usable backup media: DepreciationWorks backup creates the backup archive in the folder you specify. It is better to backup to your local hard drive and then copy the backup file to removable media.

DepreciationWorks

DepreciationWorks Help file -
PDF format

Part IX
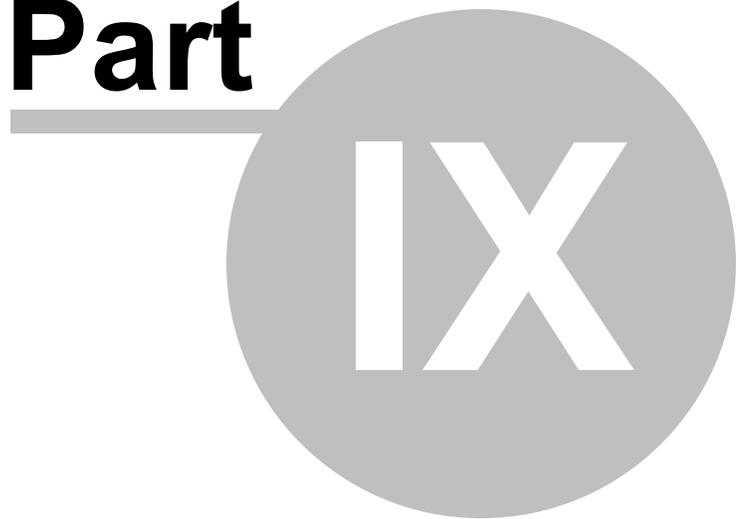
9 Export Assets

9.1 Information on Exporting Data

DepreciationWorks allows you to export your asset information to Microsoft ® Excel and other file formats. The various grid views allow for exporting to Excel, HTML, XML, and text formats using toolbar menu items. Also, each grid view print preview form has an Export to PDF button to create a PDF document from the grid view.

All reports also print to file with various file formats available. Check the print to file option on the print dialog, select the file type, and set a folder for saving the report.

Additionally, the database can be exported to text file format for all fields except the Memo, Pictures, and Documents fields. Use the File menu item Export Asset Table that is enabled at the Welcome screen (same as Tools - Export Asset Table). All assets for all companies are exported when using Export Asset Table.

DepreciationWorks

DepreciationWorks Help file -
PDF format

Part

X
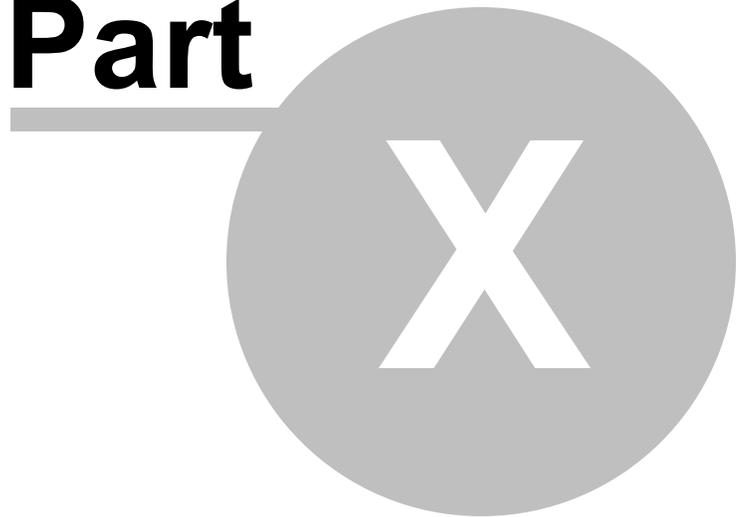
10 Database Utilities

10.1 Optimize Tables; Verify and Repair Tables

DepreciationWorks includes database utilities for optimization and verification and repair of the data files. These utilities are accessed from the File item of the main menu. The database utilities menu items are enabled when the Welcome page is active.

Optimization refers to table indexes and can improve performance. Verify and repair may be required should you encounter database error messages. You may periodically decide to run these utilities. When you run them, if other users are in DepreciationWorks, some of the tables may not be accessed by the utilities. Check the status to confirm all tables were affected by the operation you performed.

10.2 Log Viewer

DepreciationWorks includes a log table which accumulates entries over time. Launch the log viewer using the Database Utilities menu item on the File menu. The log viewer is an application type file located in the DepreciationWorks application folder. The file name is LogViewer.exe. Log entries are made for certain database operations, e.g., verify and repair, and for database errors should they occur. Log entries consist of a date and time, a computer name, a user name and a memo entry. The log table records can be exported to various file formats for further use.

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Thank you.