

Fixed Assets with the Depreciation Module

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A fixed asset is a long-term tangible piece of property that a farm owns and uses in the production of its income and is not expected to be consumed or converted into cash any sooner than at least one year's time. In CenterPoint, fixed assets are setup separately from accounts, but are associated with a general ledger account. A benefit of fixed assets is the ability to view a detailed Balance Sheet without including the long list of individual assets. The fixed assets are summarized in their associated general ledger accounts.

There are specific asset account categories that are defined as depreciable type assets. These account categories have additional properties not included in a general ledger account. In Setup > Fixed Assets, the fixed assets display in a tree view. The tree view identifies the general ledger account that will summarize the fixed assets.

Maintaining fixed assets in CenterPoint has additional benefits as well. CenterPoint allows you to identify a specific piece of equipment that a repair expense is being recorded for by selecting that fixed asset in the **Associated Account** field on the Transaction screen. You could also record the piece of equipment in the Notation field, but the Notation field could not then be totaled up to show all expenses to a piece of equipment.

This topic explains how to:

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Prerequisite: You must have the Depreciation module purchased, installed and registered in the module configuration manager (File > Administration > Module Configuration Manager) and follow the [Setting Up the Depreciation module](#) topic prior to proceeding with the processes outlined below.

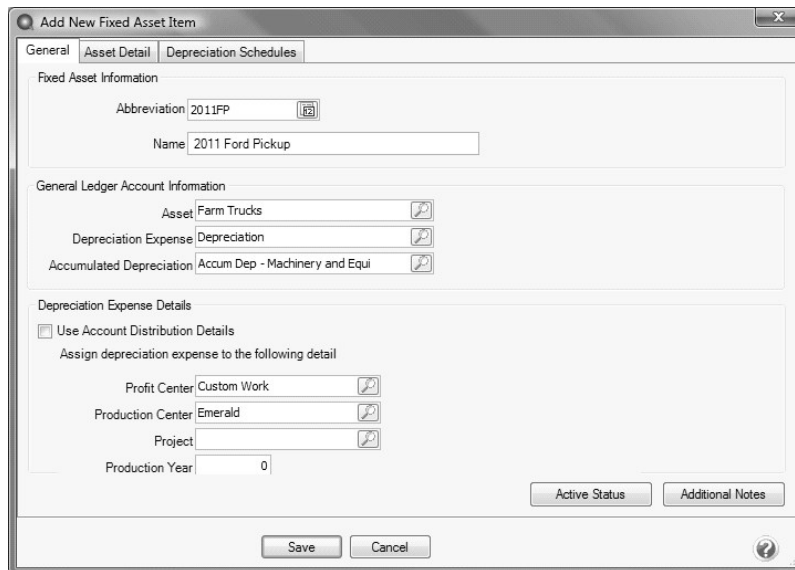
 Note: Publication 946 - How to Depreciate Property on the IRS website provides detailed explanations about depreciation definitions and requirements.

Enter a New Fixed Asset:

Option 1: Purchase a New Fixed Asset

A fixed asset item can easily be created during the transaction entry that purchases the item. This would normally be a Vendor Invoice (A/P), Payment or General Journal Entry. The same instructions can be used for any transaction that purchases a new fixed asset.

1. Select **Processes > Purchases > Payments**.
2. Enter the payment information (**Pay to the Order of, Date, Check Number**, etc.) at the top of the screen as you normally would.
3. In the grid, right click in the **Account** field and select **New Fixed Asset Item**. A fixed asset item screen displays.



4. When a new asset is created on this screen and from the Asset Entry screen, the default sequence will be automatically selected in the **Abbreviation** field and the next available number generated; if no sequence is specified, the abbreviation will be blank. A custom abbreviation may be entered at any time overriding the default sequence value. These sequences can be created/maintained via Setup > General > Numbering Sequences.



5. Enter the **Name** of the new item.
6. In the **Asset** field, select the required general ledger account to be associated with this fixed asset. Only those accounts assigned a depreciable asset account category will be displayed in the lookup screen.
7. Enter the required appropriate **Depreciation Expense** account.
8. Enter the required appropriate **Accumulated Depreciation** account.
9. Select the **Asset Detail** tab to complete the applicable item details.
 - » On the left side of the screen, select the company the asset detail information is for.

- » **Service Date:** You begin to claim depreciation when your property is placed in service for either use in a trade or business or the production of income. The placed in service date for your property is the date the property is ready and available for a specific use. The default date is set as today's date.
- » **Acquisition Type:** Select a required acquisition type, options are: Gifted, Inherited, New, Related Party or Used. When an acquisition type is selected, the Active status for the asset and company will be set to Active for the selected company.
- » **Date Sold, Cash/Boot, and Original Units** are updated from posted transactions and are for information only.
- » **Disposition Type:** When a fixed asset is sold or disposed, select the type of disposition that occurred. The options are: Basis Reduction, Casualty/Theft, Death, Gifted, Installment Sale, Junked, or Sale.
- » **Serial Number:** Enter the serial number for the fixed asset.
- » **Capital Asset Type:** Select a required capital asset type. The selection will be used on the Depreciation Schedules tab to supply default values and determine if values can change.
- » **Creditor** - Select the name of the creditor associated with the fixed asset.
- » **Improves/Improved By** - The list of assets improving this asset or the list of assets this asset improves is set during transaction entry and must be edited by editing a transaction. This information displays when the current asset has been debited in a transaction where another account in the same offset is also a fixed asset.
- » **Assets Traded In/Traded For** - The list of assets traded in for this asset or the list of assets traded for is set during transaction entry and must be edited by editing a transaction. This information displays when the current asset has been debited in a transaction where another account in the same offset is also a fixed asset.

10. Click the **Depreciation Schedules** tab. This tab is separated into three sections:

- » **Left Column** - The left column identifies the companies in the database and the schedules that have been selected to depreciate the asset. If this is a new asset, and you have default schedules selected in File > Preferences > Depreciation > Default Schedules, they will display here. You can click **Select** to assign other schedules to depreciable and non-depreciable assets.
- » **Middle Column** - The area in the middle identifies the various pieces of information used to determine how the asset is to be depreciated. The information that displays in this area

depend on the depreciation system used which is tied to the method selected. The methods and values available are based on the range of dates the schedule may be used as defined by the capital asset type.

- » **Right Column** - The right column provides snapshot information about this asset's depreciation and the total depreciation for the current company and schedule. For the most part these fields are for information purposes only. The exception is when the Previous System checkbox is selected. In this case, you've indicated that depreciation for the asset prior to the current year was calculated using a different program. CenterPoint will need to know what prior depreciation has been taken and calculate the remainder.

11. In the top left column, select the **Company** this information applies to.
12. In the bottom left column, if you are creating a new asset, and you have default schedules selected in File > Preferences > Depreciation > Default Schedules, they will display here and are sorted by Schedule Type. You can manually select a schedule for depreciable and non-depreciable assets by clicking **Select** and moving the appropriate schedule(s) for this asset to the Selected column using the green arrows. You can move more than one schedule to the Selected column only if the schedule has a Schedule Type of Basic or Management. Click OK.



Note: If you have a Federal and a Alternate Minimum Tax schedule the Alternate Minimum Tax schedule values (method, property class, recovery years, etc) in most cases can be determined by the values found on the Federal schedule and some IRS rules. If no Federal Schedule has been defined, no Alternate Minimum Tax values will be changed.

13. If you are editing a fixed asset, schedules for the company displays with the status of the schedule:
 - » **OK** - All required fields have been entered and there are no compliance issues.
 - » **Missing Data** - There are one or more required fields that are missing data.
 - » **Compliance** - Applies only to Federal, State, or Alternative Minimum tax schedules and indicates that a compliance rule was violated. Pressing the Compliance button will allow you to see the problem and fix it.
14. If the Capital Asset Type selected on the Asset Detail tab contained selections where no changes were allowed, some or most of the fields in the middle column will be display only. If the following fields were set to Allow Changes on the Capital Asset Detail tab you can change the displayed information:
 - » **Method** - The methods that display depend on the start and end date and Schedule Type set in the Capital Asset Type selected in the Asset Detail tab.
 - » The Method selected determines the fields that will also display in the middle column:
 - » **MACRS**
 - » **Property Class** - The default value will display if set in the Capital Asset Type selected in the Asset Detail tab. Available values are also determined by the start and end dates selected in the Capital Asset type.
 - » **Class Life** - The default value will display if set in the Capital Asset Type selected in the Asset Detail tab. If the Property Class changes, the value changes to either the MACRS or ADS Years value set in the Property Class.
 - » **Convention** - If the Property Class value is 3, 5, 7, 10, 15 or 20 year property, the value will either be Half Year or Mid Quarter. If the Property Class value is 27.5, 31.5 and 39 year property the select is set to Mid Month.
 - » CenterPoint determines the selected value for the Convention based on the property class and the percentage of (Cost - Section 179) placed in service in the fourth quarter of the tax year. When 40% or more of the total (Cost - Section 179) of 3, 5, 7, 10, 15 and 20 year assets is in the fourth quarter, all of those assets purchased that year must use the Mid Quarter convention. CenterPoint will set the correct value for new

assets, the compliance process can be used to change existing assets.

Note: It is possible to change which assets receive Section 179 credit to avoid having assets fall into the Mid Quarter convention.

- » **Listed Property** - The default value will display if set in the Capital Asset Type selected in the Asset Detail tab. Select this check box if a listed property type should be assigned to the asset. The Listed Property Type selections will not be active. If you select this check box, you will also need to select the **Listed Property Type**.
- » **% Business Use** - This box can contain numbers between 0 and 100 with two decimal places. The default value on a new schedule will be set to 100. A Section 179 deduction is not allowed if the percentage business use is 50% or less. If an asset is marked as listed property and the value entered into this box is 50% or less, the value in the Section 179 box is changed to 0 and the Section 179 box will not be active. When you tab off of the % Business Use field, Section 179 is validated so it does not exceed the Cash Boot amount multiplied by the % Business Use.
- » **Listed Property Type** - The default value will display if set in the Capital Asset Type selected in the Asset Detail tab. This box is active only when the Listed Property check box is selected. The options are:
 - » Autos < 6,000 lbs. (subject to 25,000 Section 179 limit)
 - » Autos > 6,000 lbs
 - » Trucks < 6,000 lbs.
 - » Trucks > 6,000 lbs. with < 6 ft. bed
 - » Trucks > 6,000 lbs. with > 6 ft. bed
 - » SUV < 6,000 lbs.
 - » SUV > 6,000 lbs.
 - » Computers and Other Listed Equipment
- » **Section 179** - An entry of any value is allowed in this box, however certain restrictions and limits apply by tax year and deduction limit.

The tax year of an asset depends on the date placed in service and the fiscal year end of the company. The tax year is always the year of the ending fiscal month from the company. So if a fiscal year for a company ends in June then the tax year for an asset placed in service in April of 2011 would be 2011. The tax year for an asset placed in service in November of 2010 would also be 2010.

Two deduction limits that currently apply and fluctuate from year to year are the Maximum Total 179 Limit (the total that may be taken for all assets placed in service in the tax year) and Individual SUV 179 Limit (the maximum 179 deduction that may be taken on an individual SUV asset). Also, Autos > 6,000 lbs. are subject to the 25,000 Section 179 limit.

If a restriction or limit applies, a warning will be displayed when you tab off of this box.

If a 25,000 limit is exceeded indicating that an adjustment will be made to the Section 179 to reflect the limit and the Section 179 will be adjusted accordingly. Section 179 will also be validated for acquired assets so that the amount taken on an asset does not exceed the cash/boot amount multiplied by the % Business Use for the asset. This validation does not apply to assets from a previous system or the Management Schedule.

This box will not be active and set to zero when:

- » The asset is marked as "Listed property" and the % Business Use is 50% or less.
 - » The asset is in the property class of 27.5, 31.5 or 39 years.
 - » The property class is not 3, 5, 7, 10, or 15 year property.
 - » The Acquisition Type is not New or Used.
 - » The asset is added to a Federal Tax - Schedule E type of a schedule.
 - » **Remaining Section 179** - This box is for information only and will display the difference between the adjusted maximum allowed Section 179 adjustment and the total Section 179 deduction already applied to assets placed in service in the same tax year as this asset.
 - » **Special Allowance** - This check box will not be active when:
 - » The property class is 27.5, 31.5, or 39 year property.
 - » The property is listed property with a % Business Use less than or equal to 50%.
 - » The Acquisition Type is not New.
 - » **SDA Percent** - This box is for information only and will display if the Special Allowance box is selected. The amount of the Special Allowance taken will be the original cost minus the Section 179 taken multiplied by the SDA Percent (this value may be adjusted once depreciation is calculated for certain types of listed property).
 - » **Investment Tax Credit** - This checkbox is active only when the depreciation schedule selected has the Include Investment Credit % checkbox selected. This checkbox is used for reporting purposes.
 - » **ACRS** - The information that displays will be the same as the same named boxes under the MACRS section.
 - » **CLS**
 - » **Useful Life** - Indicates the number of years the asset will be depreciated for.
 - » **Salvage Value** - A number entered by you that indicates the expected value of the asset once it has been fully depreciated.
15. The right column displays the following read-only information unless the Previous System checkbox is selected. If this check box is selected, certain boxes become active so values can be entered from the previous system's depreciation calculations.
- » **Placed in Service During** - Displays the tax year the current asset was placed in serve. If the company's tax year runs from July 1st through June 30th and an asset was placed in service on 9/20/2011, the date will display as 2012.
 - » **Cash/Boot** - Displays the amount entered into the Cash/Boot box on the Asset Detail tab. In the years following a partial disposition, it is adjusted by the the percentage remaining of the original asset on-hand at the beginning of the fiscal tax year.

- » **Traded Basis** - Displays the Traded Basis Adjustment from the current schedule. In the years following a partial disposition, it is adjusted by the the percentage remaining of the original asset on-hand at the beginning of the fiscal tax year. When the Previous System check box is selected and the Previous System Year is one less than the current year, this box is active and an amount can be entered. The entered amount is saved as the Traded Basis Adjustment for the schedule.
- » **Section 179** - Displays the amount entered into the Section 179 box for this asset multiplied by the percentage of the original asset on-hand at the beginning of the fiscal year.
- » **SDA** - Displays the calculated Special Depreciation Allowance value. This amount is calculated by multiplying the SDA percentage by the (Original Cost - Section 179 deduction). This amount may be adjusted when depreciation is calculated. Certain listed property types define a maximum depreciation that may be taken. If the total of the Section 179 and SDA exceed that limit, then the amount will be adjusted. The displayed SDA is adjusted by the percentage of the original asset on-hand at the beginning of the fiscal year. For trades, the SDA value is the display of SDA taken on the original purchase plus SDA taken on trades through the current tax year.
- » **Depreciable Basis** - Displays a calculated amount. The amount is calculated as follows: Cash/Boot + Traded Basis - Section 179 - SDA.
- » **Prior Depreciation** - Displays the total value of depreciation taken in the years prior to the current tax year on the remaining assets on-hand at the beginning of the year. The amount will be validated by the system and cannot exceed the Original Cost - SDA - Section 179.
- » **Dispositions/Adjustments** - Displays the reduction in basis due to a partial sale or loss.
- » **Beginning Basis** - Displays a calculated amount. The amount is calculated by subtracting the Prior Depreciation taken adjusted for partial dispositions from the Depreciable Basis
- » **Current Year Depreciation** - Displays the regular depreciation calculated for the current tax year.
- » **Ending Basis** - Displays a calculated amount. The amount is calculated by subtracting the current year depreciation from the Beginning Basis.
- » **Previous System/Year** - Select this checkbox to indicate that this asset was originally depreciated using a different system and therefore CenterPoint needs to continue depreciating the asset based on the values entered in the previous system. The Year will display the year end for which the Year End for which the previous system depreciation was entered. See the *Previous System Depreciation button description in Step A* of the Depreciation with the Depreciation module topic for more information.
- » **Current Tax Year** - Displays the tax year as set in the **File > Administration > Current Depreciation Tax Year**.
- » **Section 179** - Displays the total Section 179 taken from all assets placed in service in the current tax year for the current company for all federal tax schedules (this will be listed separately for other schedules).
- » **SDA** - Displays the total Special Depreciation Allowance from all assets placed in service in the current tax year for the current company for all federal tax schedules (this will be listed separately for other schedules).

16. Click **Compliance**. This button performs a check for compliance with tax laws. The button is active for federal, alternative minimum tax, and state tax schedules. See the [Compliance Validation](#) topic for more information.
17. Click **Refresh** to recalculate depreciation for the asset. A compliance check will also be executed if the schedule type is not a management or basic type. The displayed schedule will reload after clicking Refresh so that it reflects any changes that may have occurred as a result of the recalculation.
19. Back on the Payment screen, enter the **Amount** for the purchase of this fixed asset.
20. Enter any additional applicable information in the payment transaction and click **Save**. The fixed asset balance will automatically be updated by the purchase of the asset.

Option 2: Quickly Add New Fixed Assets

The Asset Entry screen allows you to quickly add assets to the database. This process is designed primarily for a Tax Preparer with depreciation only records (Tax Only database).

Quickly Add a Fixed Asset for the Current Tax Year

1. Select **Processes > Depreciation > Asset Entry**. Assets acquired with a service date between the start and end date range of the current tax year in the database display.
2. Select the **Company** that acquired the fixed asset.
3. The **Current Tax Year** displays the current tax year set in File > Administration > Current Depreciation Tax Year. This field cannot be changed.
4. Select the **Bank Account** that will be changed by this transaction.
5. For new assets, enter the **Depreciation Expense** and **Accumulated Depreciation** accounts to use in the acquisition transaction.
6. In the **Abbrev Sequence** box, select the sequence that should be used to automatically set the fixed asset's abbreviation. Note: See the Numbering Sequences topic for more information.
7. In a new row, enter or select the **GL Account** for the fixed asset. The list will only include postable Fixed Asset accounts.

 Note: The Asset grid can be customized for your specific situation by right-clicking and selecting Add/Remove Columns and selecting the specific columns you need for your data entry. The grid can also be sorted by clicking on the column header you want to sort the grid by.

8. Enter the **Asset Name**.
9. The **Asset Abbreviation** value will default to the next sequence from the Abbrev Sequence selection made at the top of this screen.
10. Enter the **Service Date** (the date placed you placed the asset in service).
11. If the new asset is the result of a trade, click the **Trades** button, select the asset that was traded.

 Note: To display the History tab for the current asset to make trade/cash boot adjustments, right-click and select **Adjust Trades/Cash Boot**.

 Note: You cannot update trades on assets that are themselves traded.

» Determine if you want to **Continue to depreciate this asset on its own schedule**.

- » Assets that have this checkbox selected will not change the value of the new asset.
- » Assets that do not have this checkbox selected will be added in the journal entries for the purchase of the new asset. Three journal entries are created:
 - » The first journal entry is created that credits the traded asset with its account balance in the period that includes the trade date. The Tax Amount is filled in with the value from the modified cash account balance.
 - » The second journal entry is created to the Accumulated Depreciation account for the traded asset debiting the account by the sum of the Depreciation Amount of the schedule that adjusts book value as calculated factoring in the trade. The Tax Amount would be set to the sum of the Depreciation Amount from the schedule adjusting modified cash.
 - » The third journal entry is created to the new asset with where the amount debited is the difference from the first journal entry created minus the amount from the second journal entry created. The tax amount is also the tax amount from the first journal entry minus the tax amount from the second journal entry.

Click **OK**. The grid will display the **Trade Amount** (this is the total of the undepreciated book value of the assets that will not continue depreciating their own schedule but whose value is added to the new asset)

12. Enter the **Cash/Boot** amount. This is the additional value of the asset other than that coming from trades. This will be the amount where the bank account is offset by the fixed asset.
13. The **Total Basis** will be calculated and will display the Trade Amount + the Cash/Boot Amount.
14. Enter the original **Units**. The default units display as 1.00. This value will update the Original Units on the Fixed Asset Detail.
15. If the new asset **Improves** another asset, select the asset that was improved.
16. Select the **Acquisition Type**, the options are: Gifted, Inherited, New, Related or Used.
17. Select the **Capital Asset Type**. Capital Asset Types can be created or changed in Setup > Fixed Assets > Capital Asset Types.
18. Click the **Schedules** button, select the depreciation schedule(s) for this fixed asset, use the green arrows to move the schedule(s) to the Selected column, and then click **OK**. The selected schedules will display in the Schedules column.
19. Click **Save**.
20. Click the **Schedules** tab and select the appropriate schedule. All assets are included on the Schedules tab and the values for the schedules are used regardless of the methods that are used on those schedules.

 Note: The Schedules grid can be customized for your specific situation by right-clicking and selecting Add/Remove Columns and selecting the specific columns you need for your data entry. The grid can also be sorted by clicking on the column header you want to sort the grid by.

21. If the capital asset type allows changes, enter or select:
 - » **Method** - This box displays the available depreciation methods.
 - » **Listed** - This check box indicates whether this asset is listed property.
 - » **Listed Type** - This box displays the available listed property types:
 - » Autos < 6,000 lbs.
 - » Autos > 6,000 lbs.
 - » Trucks < 6,000 lbs.
 - » Trucks > 6,000 lbs. with < 6 ft. bed
 - » Trucks > 6,000 lbs. with > 6 ft. bed

- » SUV < 6,000 lbs.
- » SUV > 6,000 lbs.
- » Computers and Other Listed Equipment
- » **% Business Use** - This box can contain numbers between 0 and 100 with two decimal places. The default value on a new schedule will be set to 100. A Section 179 deduction is not allowed if the percentage business use is 50% or less. If an asset is marked as listed property and the value entered into this box is 50% or less, the value in the Section 179 box is changed to 0 and the Section 179 box will not be active.
- » **SDA** - This check box will not be active when:
 - » The property class is 27.5, 31.5, or 39 year property.
 - » The property is listed property with a % Business Use less than or equal to 50%.
 - » The Acquisition Type is not New.
- » **% Business Use** - This box can contain numbers between 0 and 100 with two decimal places. The default value on a new schedule will be set to 100. A Section 179 deduction is not allowed if the percentage business use is 50% or less. If an asset is marked as listed property and the value entered into this box is 50% or less, the value in the Section 179 box is changed to 0 and the Section 179 box will not be active.
- » **Section 179** - An entry of any value is allowed in this box, however certain restrictions and limits apply by tax year and deduction limit. When this value changes, Section 179 is validated so it does not exceed the Cash Boot amount multiplied by the % Business Use.

The tax year of an asset depends on the date placed in service and the fiscal year end of the company. The tax year is always the year of the ending fiscal month from the company. So if a fiscal year for a company ends in June then the tax year for an asset placed in service in April of 2011 would be 2011. The tax year for an asset placed in service in November of 2010 would also be 2010.

Two deduction limits that currently apply and fluctuate from year to year are the Maximum Total 179 Limit (the total that may be taken for all assets placed in service in the tax year) and Individual SUV 179 Limit (the maximum 179 deduction that may be taken on an individual SUV asset). If a restriction or limit applies, a warning will be displayed when you tab off of this box.

This box will not be active and set to zero when:

- » The asset is marked as "Listed property" and the % Business Use is 50% or less.
- » The asset is in the property class of 27.5, 31.5 or 39 years.
- » The property class is not 3, 5, 7, 10, or 15 year property.
- » The Acquisition Type is not New or Used.
- » The asset is added to a Federal Tax - Schedule E type of a schedule.

Section 179 will also be validated for acquired assets so that the amount taken on an asset does not exceed the cash/boot amount multiplied by the % Business Use for the asset. This validation does not apply to assets from a previous system or the Management Schedule.

- » **SDA** - This check box will not be active when:
 - » The property class is 27.5, 31.5, or 39 year property.
 - » The property is listed property with a % Business Use less than or equal to 50%.
 - » The Acquisition Type is not New.
 - » **Investment Tax Credit** - This selection is used in calculations when the asset's method is a pre-1981 method.
22. The **Totals** row includes the following columns: Total Basis, Section 179, Salvage Value, Current Year Depreciation, Cash/Boot, Trade Amount/Cost Basis, Previous Depreciation, Previous System SDA, Special Depreciation Allowance (this is a new read-only column).

23. The **Total Depreciation** field displays and is calculated as: Special Depreciation Allowance + Section 179 + Current Year Depreciation from other assets + First Year Depreciation.
24. The **Curr Yr. Assets Depr** box displays the sum of SDA, Section 179, and First Year calculated depreciation.
25. The **Prior Yr Assets Depr.** box displays the calculated depreciation for the current tax year for assets that were acquired prior to the current tax year.
26. Click **Compliance**. When the Compliance button is clicked, a convention compliance check is performed. If the convention compliance check fails for a company-schedule combination the convention for the assets are changed according to the rules found in the current convention compliance check. See the [Compliance Validation](#) topic for more information. The following message will display if changes were made, "Your modifications required a change to the convention used to depreciate certain assets. These changes have been made and the assets now comply with convention rule."
27. Click **Close**.
28. The account information is created/updated for the assets on the screen and the necessary transactions are recorded for the acquisition. Each transaction is placed in its own batch. If you acquired a fixed asset with a Cash/Boot balance of 32,873.45 without any trades, the general journal entry displays like the example below.

Journal	Debit Amount	Credit Amount
Fixed Asset	32,873.45	
Bank Account		32,873.45

View Depreciation History for a Fixed Asset

1. Select **Setup > Fixed Assets > Fixed Assets**.
2. Double-click on the fixed asset and then select the **History** tab.
3. Select the **Company** you want to view history for.
4. The **Purchases** section displays the number of transactions and the total amount where this asset was debited. Click the **Review Purchases** button to display the Transaction Search screen filtered by the asset. If the File > Preferences > Depreciation > Client Type preference is set to Tax Only, you can enter an amount and click the Adjustments button to reverse previous entries and adjust purchases to this amount.
5. The **Trades & Improvements** section displays the number of fixed assets traded for this asset. When the **Update Trades** button is clicked the Traded Assets screen displays (this is the same screen that displays in the Fixed Asset Entry screen when the Trades button is clicked). You can update trades on this screen after you have acquired a fixed asset. Note: You cannot update trades on assets that are themselves traded.. Click **Review Trades** to display trades previously made for this fixed asset. If the current fixed asset improves another fixed asset, select the improved fixed asset in the **This Asset Improves** box and click the **Update Improvements** button. This information also displays on the Setup > Fixed Assets > Asset Detail tab.
6. The **Dispositions** section displays disposition information. If an asset has a Date Sold, the asset displays as fully disposed. If there are disposition transactions for this asset, but it does not have a date sold, the asset displays as partially disposed. If there aren't any disposition transactions for this asset, the asset displays as not disposed of. Click the **Review Dispositions** button to display a Transaction Search screen filtered to display this fixed asset with any disposition transactions.
7. The **Depreciation Taken** section displays depreciation transaction information with the total the book value of the asset was reduced in depreciation expense through any open accounting period. Click the **Review Depreciation** button to display a Transaction Search screen filtered to display this fixed asset with any depreciation transactions.
8. The **Depreciation Calculation** section displays whether depreciation was calculated and for the number of schedules through any open accounting period. To view the calculation details by schedule, click **Review Calculations** and then select the appropriate schedule. Note: You can add the following optional columns to the grid: Disposition Date, Disposition Reason, Trade Date, Continue to Depreciate, Asset Acquired, SDA Taken, Accumulated Depreciation, and Undepreciated Basis. Click **OK**.

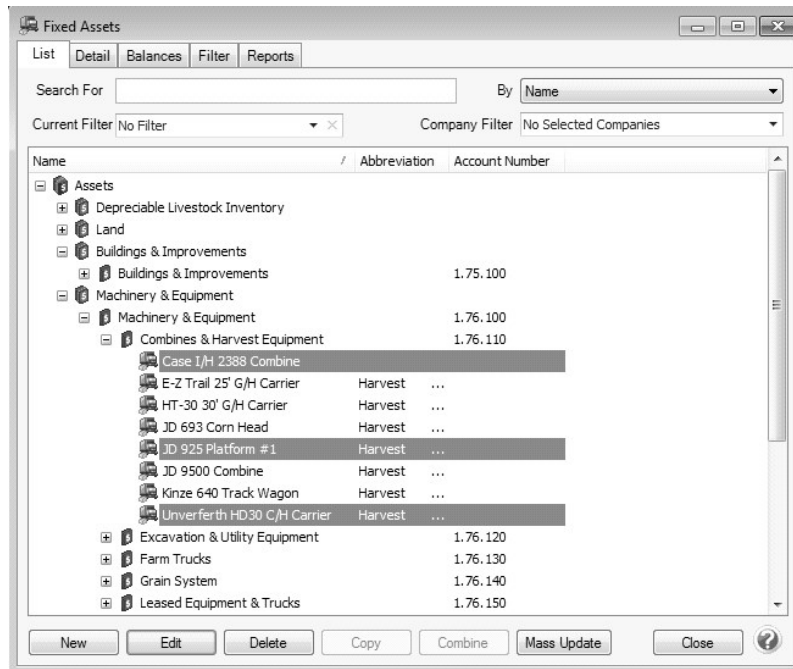
Update more than One Fixed Asset at the Same Time (Mass Update)

The mass update process can be used to update more than one fixed asset at the same time. You can mass update various types of information; replace schedules, add schedules, remove schedules, or recalculate depreciation.



Note: We recommend you do a backup of your database prior to starting the mass update process.

1. From the List tab, select the fixed assets you want to update. Multiple fixed assets can be selected by pressing the CTRL key while you make your selections.



2. Click **Mass Update**.
3. The Mass Update Wizard window will open. The wizard will guide you through the process. Click **Next**.



Note: Next proceeds through the mass update screens, Cancel exits the mass update screen and Back returns to the previous page of the mass update process. The Back button is in the upper-left side of the screen.

4. Select the type of item you'd like to change and click **Next**:
 - » **Replace Schedule** - Replaces one schedule of a particular type (Federal, State, Book, AMT, etc.) with another.
 - » Select the **Schedule Type**, existing schedule of that type to **Replace**, select the new schedule of that type to replace **With**, and then select the **Companies** to replace the schedule for.
 - » **Add Schedules** - Allows you to add a new schedule to multiple assets.
 - » Select the **Add Schedule**, select one or more **Companies** to add the schedule to, select the **Copy Schedule** to be used to copy information from, select the items you want to copy; **Prior System Depreciation, Section 179, SDA, or Traded Basis**. Note: Depreciation schedules can be added to traded assets or non-depreciable assets through Mass Update.
 - » **Remove Schedules** - Allows you to remove a schedule from multiple assets.
 - » Select the **Schedule** to remove and then select the **Companies** to remove the schedule from.
 - » **Recalculate Depreciation** - Used when instructed by Technical Support to recalculate depreciation for selected assets only.

- » **Transfer Assets-** Used to transfer assets from one company to another and adjust the depreciation taken for the company the asset was transferred from as well as the company it was transferred to based on the months remaining in each year from the transfer date (short year) .The transfer also requires a gain/loss account.
- » For example, if you transfer assets from "Company A" that has a company type of Corporation with a fiscal year end date of 6/30/18 on 6/30/18 to "Company B" that has a company type of Partnership with a calendar year end date:
 - » The assets from Company A will be fully depreciated for the calendar year 7/1/17 - 6/30/18 and all financial reports will reflect the full depreciation.
 - » The assets transferred to Company B on 6/30/18 will be depreciated from 7/1/18 - 12/31/18 (the calendar year end date of Company B) and all financial reports will reflect a short year of depreciation. The transferred assets will be depreciated for an entire year from 1/1/19 - 12/31/19.



Important Notes:

- » Prior to using the Transfer Assets mass update function, it is highly recommended that a backup is performed as the result of the transfer cannot be reversed.
- » Prior to using the Transfer Assets mass update function, print a Balance Sheet and a Fixed Asset Listing for the company assets are being transferred from.
- » After using the Transfer Assets mass update function, print a Balance Sheet and a Fixed Asset Listing for the company assets were transferred to and the company assets were transferred from. These reports should be compared to the reports that were printed prior to the transfer of assets.
- » Fully depreciated assets will transfer with equal purchase price and accumulated depreciation amounts for a net of zero.
- » Assets that have been disposed of prior to the transfer will not be transferred.
- » Sold or assets that have already been transferred will not be included in a transfer..

5. Click **Finish**.

Change/Edit a Fixed Asset

1. Select **Setup > Fixed Assets > Fixed Assets**.
2. Double-click on the fixed asset and modify the details.
3. Click **Save**. When the Save button is clicked, a convention compliance check is performed automatically. If the convention compliance check fails for a company-schedule combination the convention for the assets are changed according to the rules found in the current convention compliance check. See the [Compliance Validation](#) topic for more information. The following message will display if changes were made, "Your modifications required a change to the convention used to depreciate certain assets. These changes have been made and the assets now comply with convention rule."



Note: Traded assets cannot be modified in Fixed Asset Maintenance, Fixed Asset Mass Update or in Asset Entry because CenterPoint records the remaining basis of an asset when it is traded on a new asset as part of the new assets basis. That value is then used to compute SDA, Section 179 and depreciation.

Delete a Fixed Asset

The Delete button completely removes a fixed asset from the system.



Note: You can delete fixed assets only if the database is a Tax Only database, the fixed asset was placed in service in the current year, and the periods in which transactions including the fixed asset are not locked. Fixed assets that do not meet this criteria will not be deleted, because the fixed asset history or other records linked to it in the system. If you have a fixed asset that is no longer being used, but does have historical activity, please see below on how to inactivate an item. If depreciation was previously posted for this fixed asset, the complete depreciation entry for the asset and all other assets that were posted with it will also be deleted. Please post depreciation again to reenter depreciation for the other assets

1. Select **Setup > Fixed Assets > Fixed Assets**.
2. Select the asset you want to delete, and then click **Delete**
3. At the "**Are you sure you want the item deleted?**" message, click **Yes**.

Change the Status an Existing Fixed Asset

Fixed assets that are no longer being used, but have history, can be deactivated. Fixed assets can be active for some companies and not for others. Fixed Assets cannot be activated if the higher level account is inactive

1. Select **Setup > Fixed Assets > Fixed Assets**.
2. Select a fixed asset, right-click and select **Activate/Deactivate**, select the companies the item is inactive in, and then click **OK**.
3. Click **Save** to save the name and return to the List tab, or click **Close** to save the name and close the Names screen.

Dispose of a Fixed Asset

1. Select **Processes > Depreciation > Asset Disposition**.
2. Select the **Company** that is disposing of the fixed asset.
3. Select the **Bank Account** that will be changed by this transaction.
4. Enter the **Description**. This field will be used to create a batch. One transaction batch is created for all of the assets disposed on this screen.
5. Select the **Fixed Asset** you want to dispose of. The only fixed assets that will display in the list are those that have a ending book value greater than 0 in the latest period.
6. Enter the **Disposition Date**.
7. Select the **Reason**. The options are Basis Reduction, Casualty/Theft, Death, Gifted, Installment Sale, Junked, and Sale.
8. Enter the **Cash Received** for the disposed asset.
9. Enter the **Units** disposed of.
10. Select the **Gain(Loss)** Account for the disposal.
11. Select the name you **Sold To**.
12. Click **Post**. One transaction batch is created for all assets disposed on the Disposition screen. Each row on the grid creates one general journal (accrual) transaction with one subdivision and up to four journal entries. If you have a fixed asset with a balance of 10,000 and an accumulated depreciation balance of -9,000 and you received 3,000 cash, the difference between the debit and credit entries will be the Gain(Loss). The example below displays the journal entries created.

Journal	Debit Amount	Credit Amount
Fixed Asset		10.000
Accumulated Depreciation	9,000	
Bank Account	3000	
Gain (Loss)		2000

13. Click **Close**.