

Setting Up the Depreciation Module

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Follow the topics below to properly set up the Depreciation module:

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

Step 1: Set the Current Depreciation Tax Year

file > administration > Current Depreciation tax year

The menu can be used to change the current depreciation tax year used by the Depreciation module.

The menu has a security policy associated with it, so that access can be restricted to certain users if needed.

1. Select **File > Administration > Current Depreciation Tax Year**.
2. Enter the current **Tax Year**. This value is set to the current Year when the Depreciation module is first installed. Any year between 1900 and 2299 may be entered.
3. Click **OK**. When the OK button is clicked, a convention compliance check is performed automatically. If any of the compliance validation tests fail, the Compliance Validation screen displays. You can make some changes to assets from this screen for some tests, but not all. Other changes that cannot be made from this screen will need to be made after closing the Compliance Validation screen. See the [Compliance Validation](#) topic for more information.

Step 2: Define How Often to Depreciate Fixed Assets

Depreciation Frequency defines the number of times you wish to post depreciation during the year. Selecting the frequency that you want those depreciation transactions recorded makes sure that the transactions are only recorded in valid periods and that they are not duplicated in any one period.

1. Select **Setup > Companies**. **Edit** the appropriate **Company**.
2. Click on the **Additional Detail** tab.

3. In the **Depreciation Frequency** field, select the appropriate option for your company. The options are Monthly, Quarterly, or Annually.
4. Click **Save**.

Step 3: Create Depreciation Schedules

- » Follow the *Create a Depreciation Schedule* section of the [About Depreciation Schedules](#) topic.

Step 4: Create Capital Asset Types

- » Follow the *Create a Capital Asset Type* section of the [About Capital Asset Types](#) topic.

Step 5: Create Fixed Assets

- » **Option 1:** Follow the *Enter a New Fixed Asset Option 1: Purchase a New Fixed Asset or Option 2: Quickly Add New Fixed Assets* section of the [Fixed Assets with the Depreciation module](#) topic.
- » **Option 2:** Follow the *Change/Edit a Fixed Asset* section of the [Fixed Assets with the Depreciation module](#) topic.

Step 6: Enter Previous Depreciation Balances

- » If you will be bringing depreciation balances forward from a system other than CenterPoint, follow the *Entering Depreciation Balances from Another System* topic.

or

- » If you will be using the depreciation balances previously posted in CenterPoint, follow the *Transferring Depreciation Balances from Depreciation (Basic) to the Depreciation Module* topic.