The **Financial** Edge ™

Records Guide for Fixed Assets

Contents

Assets

Note: Visit our Web site at www.blackbaud.com for the latest documentation and information.

Assets are physical items an organization buys with a useful life greater than one fiscal year. In *Assets*, you can create asset records containing information including the book value, acquisition date, asset location, and depreciation method. Using the tabs on an asset record, you can view asset transaction activity and calculate projected depreciation. You can also create new transactions directly from the asset record and define transaction distributions using default accounts. For more information about adding transactions, see the Transactions chapter.

Accessing Asset Records

Because records are such an important part of *The Financial Edge*, we have placed all record types for *Fixed Assets* in one area so you can quickly access them. Think of *Records* as a filing cabinet. You open a filing cabinet to pull out a record or file. When you open *Records*, you can directly access several record types, including asset records. Click **Records** on the navigation bar and then click **Assets**. The Assets page appears.
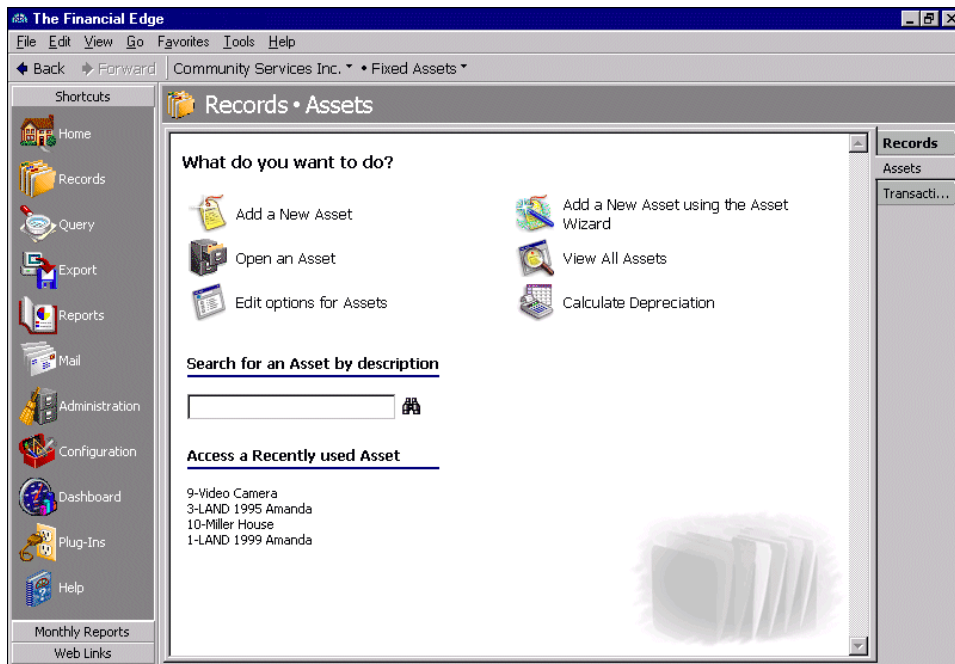
Tip: To save time when searching for a specific asset record, you can use the **Search for an Asset by description** field. For more information about searching in *The Financial Edge*, see the Program Basics chapter of the *Program Basics Guide*.

The Assets page is the starting point for working with asset records. From this page, you can add a new asset record or open an existing record. The Assets page also lists recently accessed asset records and provides a way to quickly locate assets by description. In addition, you can create multiple asset records, calculate depreciation, and edit asset user options directly from this page. For more information about options, see the Options chapter of the *Program Basics Guide*.

On the Assets page, click **View All Assets** to view the Assets List of all assets in the database. You can search for, add, open and delete assets directly from this page. You can also set criteria to filter the assets in the grid.

Finding and Opening Asset Records

To find and open an asset record, you need to be familiar with the Open screen. The Open screen has several filters you can use to narrow a search and quickly locate the asset you want to open. The search process is not case-sensitive, so you can enter Smith, smith, or SMITH and get the same results. You can also use wildcard characters if you are not sure how a word is spelled. For more information about wildcards, see the *Query Guide*.

> **Tip:** You can also search for assets using **Find** on the menu bar of the Assets List. For more information about using **Find**, see the Program Basics chapter of the *Program Basics Guide*.

To access the Open screen, select **File**, **Open** from the menu bar or click **Open an Asset** from the Assets page.

▶ **Opening an asset record from the Assets page of Records**

1. On the Assets page, click **Open an Asset**. The Open screen for assets appears. For more information about using the Open screen, see the Program Basics chapter of the *Program Basics Guide*.

> **Tip:** You can designate asset records you use most frequently as favorites and create shortcuts to their locations. You can also place favorites on the *Fixed Assets* Home page, the **Favorites** menu, or the navigation bar. For more information about favorites, see the Program Basics chapter of the *Program Basics Guide*.

2. In the **Find Assets that meet these criteria** frame, enter the criteria you are using to search for the asset. Criteria include asset number, description, location, and acquisition date.

3. After you enter search criteria, click **Find Now**. The program searches the database and displays all assets meeting the search criteria. Again, depending on how limited or detailed the criteria are, the program may find one record or many records.

Tip: Instead of selecting the asset and clicking **Open**, you can double-click the asset in the grid.

4. In the grid, select an asset and click **Open**. The asset record opens to the General tab.

5. After you view or edit the record, click **Save and Close** on the toolbar. You return to the Assets page.

Managing Asset Records

You can add new asset records from the Assets page of *Records*, the **File** menu on the Assets page, the **File** menu of an existing asset record, or the Assets List page. We recommend adding and opening records from *Records* because it provides the easiest and most complete access to all record types. From the Assets page, you can add new asset records in two ways: using the **Add a New Asset** link or using the Asset Wizard.

> **Note:** To establish asset user options, click **Edit options for Assets** or select **Tools**, **Options** from the menu bar in *Fixed Assets*. For more information about asset options, see the Options chapter of the *Program Basics Guide*.

Once you create, save, and close a record, you can make changes or add new information by editing the asset record. If you have an asset you no longer use, you can delete the asset record if these conditions are met: the asset must either have no transactions, or the disposal date must not be in this year and all transactions must be posted or marked as Do not post. For more information about deleting records or making them inactive, see the Program Basics chapter of the *Program Basics Guide.*

Adding Asset Records

When you add an asset record in *Fixed Assets*, you are creating a new record in the database. You should add as much information as you can. Adding additional information such as asset attributes and other textual details can help you manage assets accurately and efficiently.

When adding asset records, we recommend you perform a search for duplicate assets to ensure the asset has not been previously added to your database. You can search from the **Asset** menu of an asset record or from the **Search for duplicates** link in *Administration*. Duplicate asset criteria are defined in Business Rules in *Configuration*.

> **Glossary:** A default set is a record of default transaction information you can create and load in a batch. Once loaded, the defaults appear on the record.

You can use default sets to save time when adding asset records instead of entering the values manually each time. The values are only defaults and you can change any field on a record even if you have entered the default set. For more information about loading default sets, see the Program Basics chapter of the *Program Basics Guide*. You can set a business rule that requires the program to automatically check for duplicate asset criteria upon data entry. This prevents entry of duplicate records. For more information about business rules, see the *Configuration Guide for Fixed Assets*.

▶ **Searching for duplicate asset records**

> **Warning:** You must define depreciation years in *Configuration* before you can start working with asset records. For more information about depreciation years, see the *Configuration Guide for Fixed Assets*.

1. From an open asset record, select **Asset**, **Duplicate Search**. The Duplicate Search Results screen appears listing any duplicate assets.

2. To view the duplicate record, click **View**.

    If no duplicate records are found in the search, you receive a message stating that no duplicates were found.

3. To return to the asset record, click **OK**.

▶ **Adding an asset record**

For this example, we create an asset record using the straight line depreciation method. For more information about depreciation methods, see the Depreciation Methods chapter of the *Configuration Guide for Fixed Assets*.

Note: The asset record opens to the General tab by default. In Options, you can select a different tab to be the default. For more information about asset options, see the Options chapter of the *Program Basics Guide*.

1. From the Assets page, click **Add a New Asset**. A New Asset record opens to the General tab.

Tip: You can create multiple assets at one time using the Asset Wizard. For more information about multiple assets, see "Adding multiple assets using the Asset Wizard" on page 9.

2. The program automatically generates an asset number in the **Asset #** field. You cannot edit this field.

3. In the **Asset ID** field, enter an asset ID. The ID must be unique. If you set the business rule in *Configuration*, the program automatically generates an asset ID for each new asset record.

4. Enter or select the asset name in the **Description** field.

Note: If the option is set, you can define new asset descriptions on an asset record. For more information about asset options, see the Options chapter of the *Program Basics Guide*.

5. In the **Model #** and **Serial #** fields, enter the asset's model and serial numbers.

6. Select an asset class in the **Class** field. Classes include IRS classifications such as "Office Equipment", "Information Systems", and "Land Improvements". You can also add your own classes in *Configuration*.

    When you select a class, default information automatically appears in the depreciation fields. By selecting a class, you can group similar assets and assign them the same depreciation information and distribution accounts. For more information about classes, see the Fixed Assets Configuration chapter of the *Configuration Guide for Fixed Assets*.

Note: You can use Asset Inventory in *Administration* to identify assets that have been moved or are missing by comparing asset records in *Fixed Assets* to an inventory file. Inventory files contain asset numbers or asset IDs and locations or departments for assets inventoried by either scanning or manual counts.

7. In the **Location** field, select the asset's physical location. You define locations in *Configuration*.

8. In the **Department** field, select the department to which the asset is assigned. You define departments in *Configuration*.

9. Enter a vendor name in the **Vendor** field. If you have ***Accounts Payable***, you can click the binoculars to search for or add a vendor. For more information about vendors, see the Vendors chapter of the *Records Guide for Accounts Payable*.

10. In the **Acquisition date** and **Date in service** fields, enter the purchase date and date the asset was placed in service by your organization.

11. In the **Acquisition value** field, enter purchase price of the asset.

Note: You can change the depreciation method of an asset. If the amount of current year depreciation calculated before changing methods is greater than the amount calculated using the new method, depreciation for the remaining periods is zero. If the amount is less, depreciation equals Annual depreciation using new method — Year-to-date depreciation using old method / # of remaining periods.

12. In the **Depreciation method** field, select "Straight line". Additional fields appear. For more information about depreciation methods, see the Depreciation Methods chapter of the *Configuration Guide for Fixed Assets*. Fields for depreciation information contain default values if you selected an asset class with default settings. You can change or overwrite these values.

13. Select the number of years you plan to depreciate the asset in the **Useful Life** field.

14. In the **Salvage value** field, enter the estimate of the asset's value at the end of its useful life.

Note: You can enter disposal information at any time during an asset's life and update that information when your organization disposes of the asset.

15. In the **Convention** field, select "Full month", "Full-year", "Half-year", "Mid-month", "Zero in first year", or "Zero on first month".

16. In the **Disposal Information** frame, enter the disposal date in the **Asset disposed of on** field. The disposal date cannot be earlier than the last depreciation date.

17. In the **Method** field, select the disposal method.

Note: The **Statistics** frame displays updated depreciation information including book value, accumulated depreciation, and last depreciation date.

18. In the **Disposal price** field, enter the amount you expect to receive for the sale of an asset at its disposal. This amount can be $0.00.

Note: A message appears asking if you want to add an acquisition transaction when you save a new asset record.

19. Click **Save and Close** on the toolbar. A message appears asking if you want to add an acquisition transaction. Click **Yes**. The New Transaction screen opens to the Distribution tab.For more information about asset acquisitions, see "Managing Asset Acquisitions" on page 13.

20. In the **DR Account Number** column, enter the debit fund or account for the acquisition distribution. You can use the small binoculars to search for an account segment or use the large binoculars to search for an account number.

Tip: To move between rows in a grid column, press **CTRL** + the up or down arrow key.

21. In the **Amount** column, enter the dollar amount to be distributed.

22. In the **CR Account Number** column, enter the credit fund and account for the accumulated depreciation. You can use the small binoculars to search for an account segment or use the large binoculars to search for an account number. For more information about acquisition distributions, see "Managing Asset Acquisitions" on page 13.

23. Click **Save and Close**. You return to the Assets page.

Adding Multiple Asset Records

Using the Asset Wizard, you can create one or multiple asset records at one time. This method is quicker than using the **Add a New Asset** link because there are less fields and tabs in which to enter information. You can access the Asset Wizard by selecting **Tools**, **Add a New Asset using the Asset Wizard** from the toolbar, by clicking the **Add a New Asset using the Asset Wizard** link on the Records page, or by clicking **New** and selecting **Asset Wizard** on the Assets List page. You can also use the Asset Wizard to create assets from a purchase order in *Accounts Payable*.

▶ **Adding multiple assets using the Asset Wizard**

For this example, we create asset records using the straight line depreciation method. For more information about depreciation methods, see the Depreciation Methods chapter of the *Configuration Guide for Fixed Assets*.

Note: In Options, you can select the Asset Wizard as the default method of creating new asset records.

1. From the Records page, click **Add a New Asset using the Asset Wizard**. The Asset Wizard screen opens to the General tab.

> **Note:** You can define new asset descriptions on an asset record if you made that selection in Options. For more information about asset options, see the Options chapter of the *Program Basics Guide*.

2. In the **Description** and **Class** fields, select the asset name and class. Classes include IRS classifications such as "Office Equipment", "Information Systems", and "Land Improvements".

   When you select a class, default information automatically loads into the depreciation fields. By selecting a class, you can group similar assets and assign them the same depreciation information and distribution accounts. For more information about classes, see the Fixed Assets Configuration chapter of the *Configuration Guide for Fixed Assets*.

3. In the **Model number** field, enter the asset's model number.

4. In the **Vendor** field, enter a vendor name. If you have *Accounts Payable*, you can click the binoculars to search for or add a vendor. For more information about vendors, see the Vendors chapter of the *Records Guide for Accounts Payable*.

5. In the **Acquisition date** and **Date in service** fields, enter the purchase date and date the asset was placed in service.

> **Glossary:** Date in service is the date an asset is placed in service by an organization for daily operations, usually the installation date. Depreciation begins accruing on the date in service.

6. In the **Acquisition value** field, enter the purchase price of the asset.

7. In the **Depreciation method** field, select "Straight line". Additional fields appear. For more information about depreciation methods, see the Depreciation Methods chapter of the *Configuration Guide for Fixed Assets*. Fields for depreciation information contain default values if you select an asset class with default settings. You can change or overwrite these values.

8. In the **Useful Life** field, select the number of years to depreciate the asset.

9. In the **Salvage value** field, enter the estimate of the asset's value at the end of its useful life.

10. In the **Convention** field, select "Full month", "Full-year", "Half-year", "Mid-month", "Zero in first year", or "Zero on first month".

11. To create multiple assets with this information, select the number of assets to create in the **Create [ ] Asset(s) with this detailed information (optional)** frame. You can create up to 99 records.

Note: You can use Asset Inventory in *Administration* to identify assets that have been moved or are missing by comparing asset records in *Fixed Assets* to an inventory file. Inventory files contain asset numbers or asset IDs and locations or departments for assets inventoried by either scanning or manual counts. For more information about asset inventory, see the Administration Basics chapter of the *Administration Guide for The Financial Edge*.

12. For each new asset, enter an asset ID, serial number, location and department in the columns.

13. To create an acquisition transaction for each new asset, mark **Create asset acquisition transaction**.

14. Click **Next** or select the Historical Transactions tab. If you are creating records for assets already in service, you can add acquisition and depreciation history.

Note: The transaction date in the **Asset Acquisition** frame must be after the date in service and prior to the current year to enable the **Accumulated Depreciation** frame.

15. In the **Asset Acquisition** frame, the transaction date and amount automatically appear. Enter a post status for the acquisition transaction, a post date, and any comments about the transaction.

16. In the **Accumulated Depreciation** frame, enter the date the asset was depreciated and the amount of depreciation. Also, enter a post status for the depreciation transaction, a post date, and any comments about the transaction. The transaction date in the **Accumulated Depreciation** frame must be the last day of the previous fixed assets year to enable the **Year-to-Date Depreciation** frame.

Glossary: Year-to-date depreciation is depreciation incurred from the beginning of the year until the current date.

17. In the **Year-to-Date Depreciation** frame, enter the first day of the depreciation period in the **Transaction date** field. This date must be after the ending date of the previous fixed assets year. Year-to-date depreciation is for the period between the ending date and the Transaction date. Also, enter a post status for the depreciation transaction, a post date, and any comments about the transaction.

> **Note:** You can add distributions and attributes on the Acquisition Distribution, Depreciation Distribution, and Attributes tabs. For more information about adding information on these tabs, see "Managing Asset Distributions" on page 21 and "Adding Attributes" on page 36.

18. Click **Create Assets Now**. The program processes the transactions and a screen appears telling you whether transactions were generated successfully. Click **OK**.

19. A Historical Transactions control report appears with information about the generated transactions. You can print or send this report as e-mail. Click **X** to exit the report.

20. A message appears asking if you want to create another asset, go to the asset record, or close and return to the Assets page.

Managing Asset Acquisitions

When you create a new asset record, you can automatically add acquisition transactions to debit and credit the asset accounts. If you have the optional module *Purchase Orders*, you can create asset records and acquisition transactions when you receipt the items. If you do not have *Purchase Orders*, you can create suspense accounts to manage purchases of fixed assets.

Asset Acquisitions With Purchase Orders

If you have the optional module *Purchase Orders*, you can access the Asset Wizard directly from the receipt record to create asset records and acquisition transactions. For more information about creating receipts, see the Receipts chapter of the *Records Guide for Accounts Payable*.

Creating a purchase order for the purchase of a fixed asset, consists of two steps:

• Create the purchase order with a line item for the asset.

• After the fixed asset is received, create a receipt and asset record for the item.

Warning: To avoid problems with reconciliation, make sure you debit the asset account when you create the line item distribution and when you create the acquisition transaction on the asset record.

To avoid problems later with reconciliation, make sure the line item distribution debits the asset account. We highly recommend you use the same debit account for the acquisition distribution. Later, you can use acquisition or depreciation reports to reconcile the *Fixed Assets* ledger to *General Ledger*.

▶ **Adding line items for asset acquisitions**

1. From an open purchase order, select the Line Items tab and click **New Line Item**. The New Line Item screen for the purchase order appears.

Glossary: A line item is a good or service ordered from a vendor using a purchase order. In the optional module *Purchase Orders*, you can enter regular, comment, or miscellaneous line items.

2. In the **Type** field, select "Regular". The line item number is automatically generated to identify the line item on the purchase order.

3. In the **Product ID** field, select the type of product you are ordering. If the product you want to order is not listed, you can create a new product record from this screen. To create a new product, click the binoculars, then click **Add a New Product**.

4. Information in the **Description** field defaults from the product record, however you can edit the description.

5. Information in the **Unit of Measure** field defaults from the product record. If a unit of measure was not selected on the product record, select the correct unit of measure.

6. In the **Quantity Ordered** and **Unit Cost** fields, enter the number of items ordered and cost of the items per unit.

   If you enter a quantity in the **Quantity Ordered** field and a unit cost in the **Unit Cost** field, the **Extended cost** field displays the total cost of the line item.

7. In the **Date required** field, enter the date your organization needs to receive the item.

8. In the **Date promised** field, enter the date the vendor has promised to deliver the item.

9. In the **Vendor part #** field, enter the vendor's part reference number for the item you are ordering.

10. In the **Requisition #** field, enter the requisition number if your organization uses internal tracking numbers for goods purchased.

11. In the **Department** and **Requested by** fields, select the department for which the item is being ordered and the person who requested the line item.

12. In the **Deliver to** field, select the person to whom the item is being delivered.

13. In the **Post status/Date** fields, enter a post status and post date.

14. In the **Notes** field, enter notes or special circumstances about this item. The notes you enter do not appear on the purchase order form.

15. Click **Next** or select the Distribution tab.

16. In the distribution field, select "Distribution". Click the **$** button to enter distributions by amount or click the **%** button to enter distributions by percentage.

Warning: To avoid problems later with reconciliation, make sure the line item distribution debits the asset account and credits the cash account.

17. In the **DR Account Number** column, enter the fixed assets account for the distribution. You can use the small binoculars to search for an account segment or use the large binoculars to search for an account number.

18. In the **Amount** column, enter the amount of the distribution. If you enter an amount less than the line item total, you must add additional distribution lines until the total equals 100 percent.

Glossary: An account segment is a set of digits in an account number, such as the fund and account code segments, that categorize transactions for creating financial statements. For example, in account 01-1100-00-00, the first set of numbers in the series is usually the fund (01), followed by more segments such as the account code (1100), department (00), and location (00). Fund and account code segments are required.

19. In the **CR Account Number** column, enter the encumbrance account for the distribution. You can use the small binoculars to search for an account segment or use the large binoculars to search for an account number.

20. If you have the optional module *Projects and Grants*, you can distribute to projects by entering a project ID number in the **Project ID** column. You can also use the binoculars to search for a project. When you enter a valid project ID number, the description appears automatically in the **Project Description** column.

21. In the **Class** column, select "Unrestricted Net Asset", "Temporarily Restricted", or "Permanently Restricted" as the class for the distribution. The class may default from the vendor or account record.

22. If you have the optional module *Projects and Grants* and have defined transaction codes, additional columns appear based on the number of transaction codes you entered in *Configuration* in **General Ledger**. In the grid, select a value for each transaction code.

23. To save the distribution and return to the Line Items tab, click **Save and Close**.

▶ **Adding asset acquisition transactions from the receipt record**

1. From an open purchase order, select the Receipts tab and click **New Receipt**. The Add a Receipt screen appears.

2. In the **Received by** field, select your user ID.

3. In the **Description** field, enter a description of the item received.

4. On the action bar, click **New Receipt**. A message appears asking if you want to save the receipt. Click **Yes**. The Receipt screen for the selected purchase order appears.

5. In the **PO Line number** field, select the line item number. The display shows you how the information appears on the purchase order.

6. In the **Action** field, select "Receive".

7. In the **Quantity** field, enter the number of items received. Once you enter the quantity the extended cost is calculated and displayed in the **Extended Cost** field, and the post amount is calculated and displayed in the **Post amount** field.

8. The **Unit cost** field defaults from the unit cost on the purchase order.

9. In the **Location** field, select the department to which the item was delivered. If a product record exists for the line item, the location defaults from the product record.

10. Click **Serial Numbers** to access the Serial Numbers screen. You can then assign serial numbers to line items by entering them in the grid. Click **OK** to return to the line item receipt.

11. Click the **Create Assets** button to access the Asset Wizard. The Asset Wizard screen opens to the General tab. Vendor and acquisition information appear automatically from the purchase order.

12. The number in the **Create [ ] Asset(s) with this detailed information** automatically appears from the entry in the **Quantity** field on the line item receipt screen.

13. To create an acquisition transaction, mark **Create asset acquisition transaction**.

Warning: To avoid problems later with reconciliation, we strongly recommend you enter the same distribution accounts as those used on the line item distribution tab. You can add distributions and attributes on the Acquisition Distribution, Depreciation Distribution, and Attributes tabs. For more information about these tabs, see "Managing Asset Distributions" on page 21 and "Adding Attributes" on page 36.

14. Click **Next** or select the Historical Transactions tab. The transaction date and amount default from the General tab. The **Post date** field is disabled because you cannot post the acquisition transaction. The asset cost is posted when the invoice created from the receipt is posted.

15. Click **Create Assets Now**. The program processes the transactions and, a message appears telling you whether the transactions generated successfully. A Historical Transactions control report appears displaying information about the generated transactions. Click **X** to exit the report.

16. A message appears asking if you want to create another asset, go to the asset record, or close. Click **Close**. You return to the line item receipt screen.

17. Click **OK** to save the line item receipt and return to the receipt record.

Asset Acquisitions With Suspense Accounts

If you purchase a single asset that is shipped as a complete order, you can simply debit the appropriate asset accounts on the invoice record and add an asset record in *Fixed Assets*. On the asset record, enter the same acquisition value, debit the same asset accounts, and select "Do Not Post" as the post status on the asset acquisition transaction so the invoice posting is not duplicated.

However, you may have situations where assets are "in progress", meaning multiple purchases are required to complete the order or you have already purchased and received the assets, but they have not yet been put into service. For example, your organization builds a new library. You purchase many different supplies and services for the construction over several periods including contractors, subcontractors, architects, and building materials. In this case, you do not want to charge the Land and Improvements assets account until the building is complete and you can add transactions for the total value of the building.

Glossary: A suspense account is an account you can use to temporarily record receipts and disbursements that have yet be classified. For example, in *Fixed Assets* you can use a suspense account to postpone the application of purchases of assets until all items are received and the asset is placed in service. During reconciliation, you can use the suspense account to determine the asset purchases that remain to be added as assets to the *Fixed Assets* subsidiary ledger.

As an alternative, you can use a suspense account to postpone the application of payments until all items are received and the asset is placed in service. As you receive the individual services and materials used to construct the building, you debit each item individually to the suspense account. Then once construction is complete, you can add an asset record in *Fixed Assets* for the building with the acquisition transaction crediting the suspense account and debiting the Land and Improvements fixed asset account.

This process requires having a suspense account in the long-term asset accounts. The account code should be close in number to the other fixed assets accounts and named something like "Construction in Progress" or "Fixed Assets — to be capitalized" to identify how the account is used.

Using suspense accounts for asset acquisitions consists of two steps:

1) As you receive items, create invoices that debit the suspense account.

2) Once you receive all items or once they are ready to be put in service, create asset records. Create an acquisition transaction debiting a fixed asset account and crediting the suspense account.

Using Suspense Accounts to Reconcile Fixed Assets

Managing acquisitions with suspense accounts makes reconciling *Fixed Assets* easier because you debit the fixed assets account only when the asset in progress is complete and you create the asset record. Any asset that is still in progress, including the materials and services used to construct the asset, is charged only to the suspense account. Fixed assets reports reflect all activity in the fixed assets accounts and no reconciling items, such as for the suspense account, are required. You can analyze the suspense account balance independently at the end of each period to determine the assets to be capitalized and those still in progress.

▶ **Creating invoices for asset acquisitions using suspense accounts**

1. From the Invoices page in *Accounts Payable*, click **Add a New Invoice**. The New Invoice screen opens to the Invoice tab. For more information about adding invoices, see the Invoices chapter of the *Records Guide for Accounts Payable*.

2. Select the Distribution tab.

3. In the **DR Account Number** column, enter the fixed assets suspense account number.

4. The dollar amount in **Amount** column defaults from the **Invoice Amount** field on the Invoice tab.

5. In the **CR Account Number** column, enter the accounts payable liability account number.

6. Click **Save and Close**.

▶ **Creating asset records for asset acquisitions using suspense accounts**

1. On the Records page, click **Add a New Asset**. A new asset record opens to the General tab. For more information about the General tab, see "Adding an asset record" on page 6.

Tip: If you assigned default depreciation distribution accounts for asset classes, the default accounts automatically fill the Distribution tab.

2. Select the Distribution tab. On this tab, you designate the amounts distributed to depreciation expense accounts and depreciation accumulation accounts. For more information about depreciation distributions, see "Distributing depreciation transactions" on page 21.

3. Select the Activity tab and click **New Acquisition Transaction**. A screen appears asking if you want to save the asset.

4. Click **Yes**. The New Transaction screen appears. Asset information defaults from the General tab.

5. Enter a post date in the **Post Date** field.

6. Select the Distribution tab. In the **DR Account Number** column, enter the fixed assets account number. You can use the small binoculars to search for an account segment or use the large binoculars to search for an account number.

7. In the **Amount** column, enter the dollar amount for the first invoice.

8. In the **CR Account Number** column, enter the suspense account number. You can use the small binoculars to search for an account segment or use the large binoculars to search for an account number.

9. Continue adding distributions for each invoice created for the asset until the total acquisition amount is distributed.

10. Click **Save and Close**. You return to the Activity tab, and the acquisition transaction appears in the grid.

11. Click **Save and Close**.

Managing Asset Distributions

When you create transactions for an asset, you must define account distribution information. For depreciation transactions, you designate the depreciation expense and accumulated depreciation accounts for the asset. For acquisition transactions, you designate the asset expense and fixed asset accounts for the asset. You must also determine whether to classify the distributions using projects, classes, or transaction codes.

When creating assets using the **Add a New Asset** link, you make these selections on the Distribution tab. When you create assets using the Asset Wizard, you create distributions on the Acquisition Distribution and Depreciation Distribution tabs. You can assign default accounts for distributions on the Distributions tab of *Configuration*. You can also assign default distribution accounts to asset classes for acquisition transactions. With this feature, when you select an asset class on the General tab of an asset record, the assigned accounts default to the Acquisition Distribution tab.

▶ **Distributing depreciation transactions**

Note: When creating assets using the Asset Wizard, the tab is named the Depreciation Distribution tab. These tabs are essentially the same.

1. From an open asset record, select the Distribution tab.

2. If debit and credit accounts are not in the same fund, in the **Interfund** field, select an interfund entry set to balance the accounts.

You create interfund entry sets in *Configuration*. For more information about interfunds, see the Fixed Assets Configuration chapter of the *Configuration Guide for Fixed Assets*.

3. In the **DR Account Number** column, enter the debit fund and account for the depreciation expense. You can use the small binoculars to search for an account segment or use the large binoculars to search for an account number.
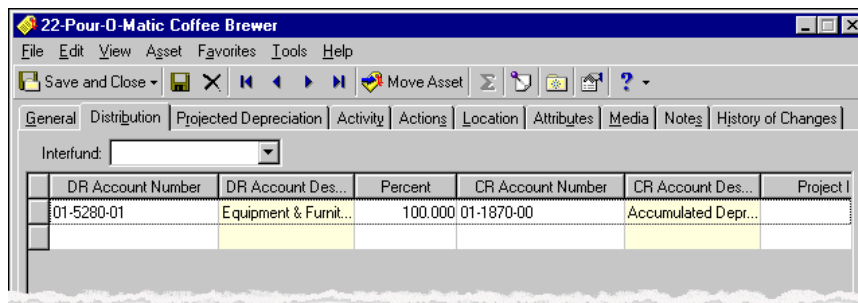
When you enter a valid debit account number, the description appears automatically in the **DR Account Description** column.

Note: To delete all the distributions, click **Delete All**. To delete one distribution line, select a row by clicking the button to the left of the grid. Select **Delete Row** from the menu that appears. The program deletes the row.

4. In the **Percent** column, enter the percentage of the distribution.

5. If you have the optional module *Projects and Grants*, enter the project ID number in the **Project ID** column, or use the binoculars to search for a project ID. When you enter a valid project ID number, the description appears automatically in the **Project Description** column.

6. In the **CR Account Number** column, enter the credit fund and account for the accumulated depreciation. You can use the small binoculars to search for an account segment or use the large binoculars to search for an account number.

Tip: To move between rows in a grid column, press **CTRL** + the up or down arrow key.

When you enter a valid credit account number, the description appears automatically in the **CR Account Description** column.


Note: To delete all the distributions, click **Delete All**. To delete one distribution line, select a row by clicking the button to the left of the grid. Select **Delete Row** from the menu that appears. The program deletes the row.

7. To display a list of all default account distributions defined in *Configuration* for **Fixed Assets**, click **Load Distribution**.

You assign default accounts for transaction distributions in *Configuration*.

8. To divide the distribution evenly among all accounts entered in the distribution grid, click **Distribute Evenly**.

9. To save the information and return to the Assets page, click **Save and Close**.

▶ **Distributing acquisition transactions**

Note: When adding an asset record using the **Add a New Asset** link, you can add an acquisition transaction on the New Transaction screen. On this screen, you enter acquisition distribution information on the Distribution tab. When adding asset records using the Asset Wizard, you enter acquisition distribution information on the Acquisition Distribution tab. These tabs are essentially the same.

1. From an open asset record, select the Distribution tab.
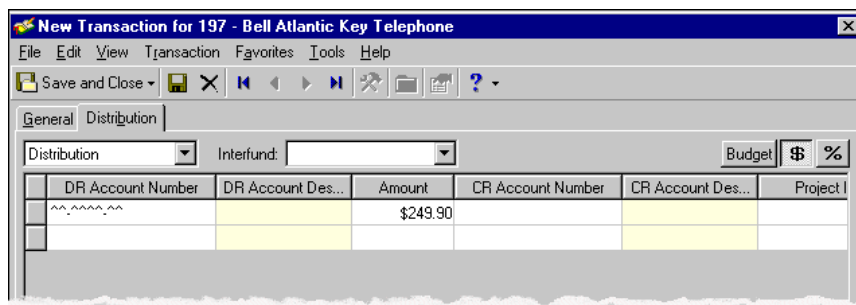
2. If debit and credit accounts are not in the same fund, in the **Interfund** field, select an interfund entry set to balance the accounts. You define interfund entry sets in *Configuration*. For more information about interfunds, see the Fixed Assets Configuration chapter of the *Configuration Guide for Fixed Assets*.

3. In the **DR Account Number** column, enter the debit fund or account for the acquisition distribution. You can use the small binoculars to search for an account segment or use the large binoculars to search for an account number.

Tip: You assign default distribution accounts to asset classes for acquisition transactions in *Configuration*.

When you enter a valid debit account number, the description appears automatically in the **DR Account Description** column.

4. Enter the dollar amount to be distributed in the **Amount** column.

5. In the **CR Account Number** column, enter the credit fund and account for the acquisition distribution. You can use the small binoculars to search for an account segment or use the large binoculars to search for an account number.

Tip: To move between rows in a grid column, press **CTRL** + the up or down arrow key.

When you enter a valid credit account number, the description appears automatically in the **CR Account Description** column.

6. If you have the optional module *Projects and Grants*, enter the project ID number in the **Project ID** column, or use the binoculars to search for a project ID. When you enter a valid project ID number, the description appears automatically in the **Project Description** column.

7. To display a list of all existing account distributions defined in *Configuration* for *Fixed Assets*, click **Load Distribution**.

Note: To delete all the distributions, click **Delete All**. To delete one distribution line, select a row by clicking the button to the left of the grid. Select **Delete Row** from the menu that appears. The program deletes the row.

8. Click **Distribution**. The Transaction Distribution screen appears.

9. To divide the distribution evenly among all accounts entered in the distribution grid, click **Distribute Evenly**.

10. To view attribute information, click **Attributes**.

Managing Asset Activity

The Activity, Projected Depreciation, and History of Changes tabs on the asset record help you manage asset activity. On the Activity tab, you can view, sort, and add depreciation, acquisition, improvement, and disposal transactions. For more information about adding transactions, see the Transactions chapter. From this tab, you can also generate depreciation and access the Summary screen on which you can view and graph summaries of asset statistics, depreciation, and disposal information.

> **Tip:** Click **New <Transaction>** on the Activity tab to add transactions directly from the asset record.

Select the Projected Depreciation tab to view projected depreciation for future periods. On the History of Changes tab, you can view a list of changes to the asset record, including who made the change and the date the change was made. Both of these tabs are for informational purposes only; you cannot edit information on these tabs.

Viewing Asset Activity

The Activity tab displays all transactions created for the asset. Accumulated depreciation and book value are displayed in the status bar at the bottom of the screen. You can click **New <Transaction>** on the Activity tab to add transactions directly from the asset record. For more information about adding transactions, see the Transactions chapter.

▶ **Viewing asset activity**

> **Note:** In Options, you can select to display deleted transactions in the activity grid. For more information about asset activity options, see the Options chapter of the *Program Basics Guide*.

1. From an open asset record, select the Activity tab. The activity grid displays all transaction information for the record.

2. To view only one type of transaction activity, select the transaction type on the action bar.

Note: The activity grid displays asset activity for all dates by default. In Options, you can select a different period of time as the default. For more information about asset activity options, see the Options chapter of the *Program Basics Guide*.

3. To view depreciation activity for a particular period of time, select "This depreciation year", Last depreciation year", "This depreciation period", or "Last depreciation period".

4. To view transactions by posting status, select "Not yet posted", "Posted" or "Do Not Post".

5. You can also sort the information in the grid. For example, you can change the order of the columns. For more information about sorting in a grid, see the Program Basics chapter of the *Program Basics Guide*.

Viewing Summary Depreciation Activity

On each tab of the asset record, you can view summary depreciation activity as of the present date. Summary information includes the current book value, prior, year-to-date, and future depreciation. You can also customize graphs comparing the percentage of accumulated depreciation to future depreciation of the asset.

▶ **Viewing summary depreciation activity**

Glossary: Accumulated depreciation is the cumulative amount of all depreciation including prior years and the current year-to-date.

1. From an open asset record, select **View**, **Summary** or click the **Summary** button on the toolbar. The summary screen appears displaying accumulated depreciation information.
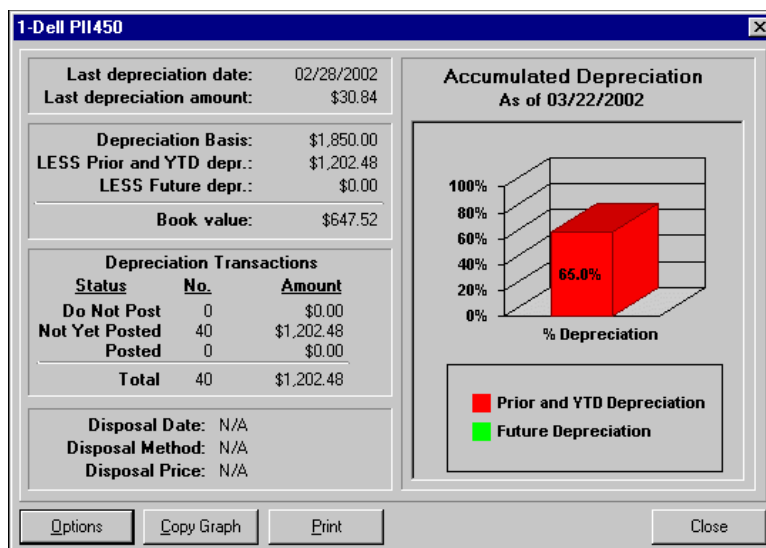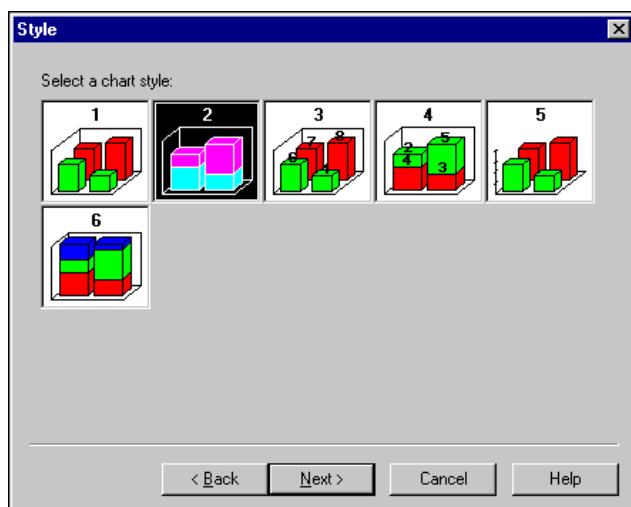

Note: To view two-dimensional graphs, mark **2D** at the top of the screen. To view three-dimensional graphs, mark **3D**.
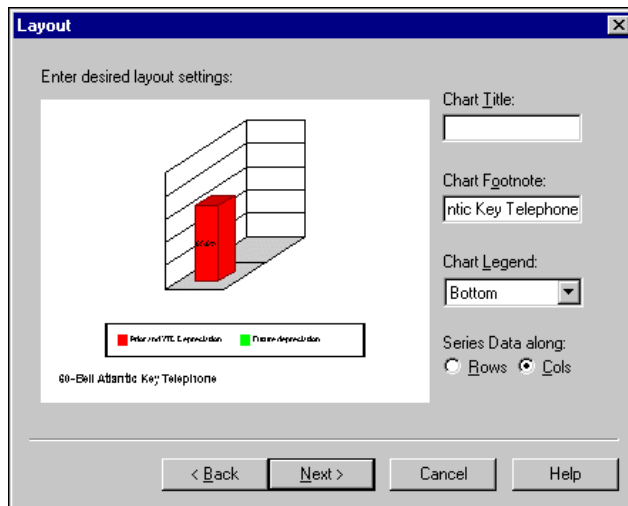
2. To change the graph type, style, or text, click **Options**. The Gallery screen appears with an array of graph types. Click a type, for example, "Bar".
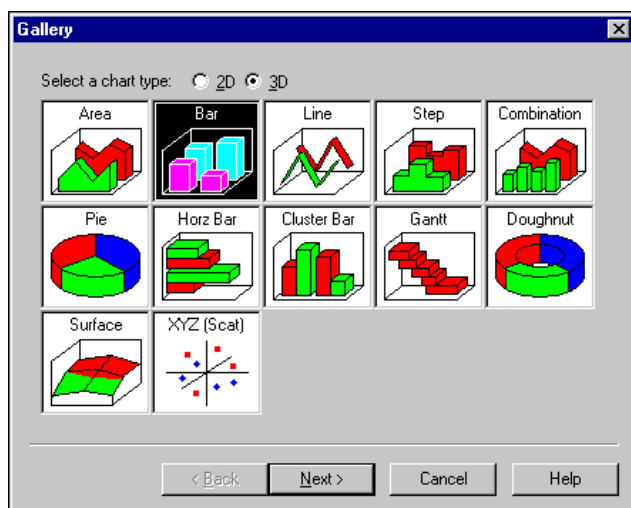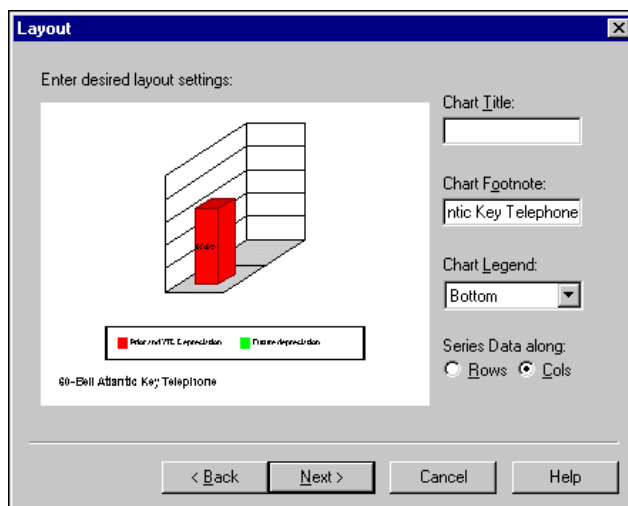

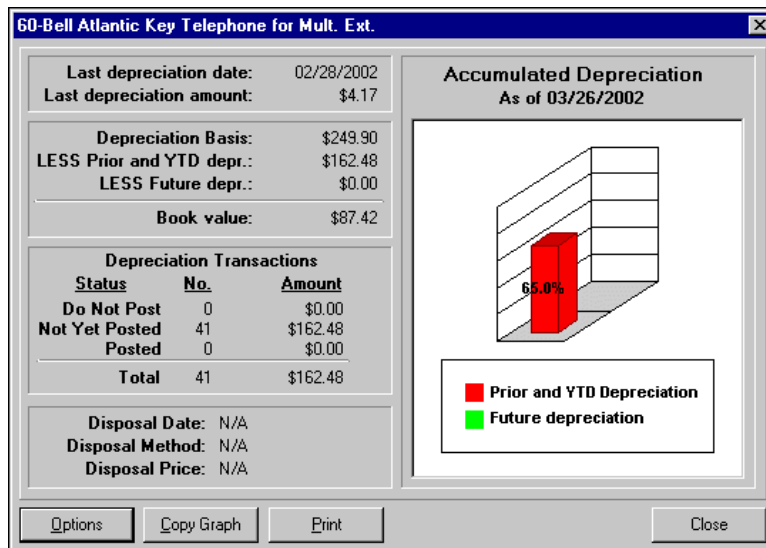3. Click **Next**. The Style screen appears. Click a style, for example, "1".

4. Click **Next**. The Layout screen appears so you can create a title, footnote, and legend for the graph.

5. Click **Next**. The Axes screen appears so you can define the category and value for the axes on the graph.

6. Click **Finish**. The graph for the asset activity appears in the format you selected.

7. To copy the graph to the clipboard for pasting into documents, click **Copy**. A message appears, telling you the graph has been copied to the clipboard.

8. To print the graph, click **Print**. The graph prints on your default printer.

9. When you finish making selections for the graph, click **Close**. You return to the Activity tab of the asset record.

Viewing Projected Depreciation

On the Projected Depreciation tab, a grid displays projected depreciation for upcoming periods. You can view asset information including depreciation amounts, accumulated depreciation, and book value for each period. This information is for viewing only; you cannot edit information in the grid.

▶ **Viewing projected depreciation**

1. From an open asset record, select the Projected Depreciation tab.

Warning: If you made changes to the record, you must save the record to update projected depreciation.

2. Click **Recalculate** to view changes to projected depreciation based on changes made to other tabs. You must save all changes before you can recalculate. If you have not saved changes, a message appears asking if you want to save the record. Click **Yes** to update.

3. The program refreshes the grid with the new information. Close the asset record to return to the Assets page.

Generating Depreciation

You can use **Calculate Depreciation** on the Assets page to calculate depreciation for all or a selected group of assets. However, in some instances you may need to calculate for only one asset. For example, you may add an asset record after you have already calculated depreciation for the period. Using the **Generate** button on the Activity tab, you can create depreciation transactions for only this asset without calculating depreciation for all assets.

▶ **Generating depreciation for an asset**

Note: You can use **Calculate Depreciation** on the Assets page to calculate depreciation for all or a selected group of assets. For more information about depreciation in *Fixed Assets*, see the Transactions chapter.

1. From an open asset record, select the Activity tab and click **Generate**. The Generate Depreciation Transactions screen appears.

2. In the **Generate Depreciation Through** frame, select a period for generating assets:

    • **Generate for <Period, Year>** — Calculates depreciation for only the period after the last depreciation transaction for the selected asset.

    • **Generate through [ ]** — Calculates depreciation from the last depreciation transaction through the designated period (can be multiple periods). If the period ending date is beyond the life of the asset, depreciation is calculated up to and including the last valid depreciation period. If the date falls in a depreciation year that has not yet been defined, a message appears asking if you want to create the required depreciation years using the current period structure.

    • **Generate all depreciation for this asset** — Calculates all remaining depreciation for the asset.

3. In the **Transaction Information** frame, select a transaction date, post status, and post date.

4. To review the transactions before adding them, mark **View results before creating transactions**.

5. To create an output query, mark **Create output query**. For more information about queries, see the *Query Guide*.

6. Click **Generate Now**. The Create Static Query screen appears. Enter a query name and click **Save**. The Generate Depreciation Transactions screen appears listing all depreciation transactions to be created.
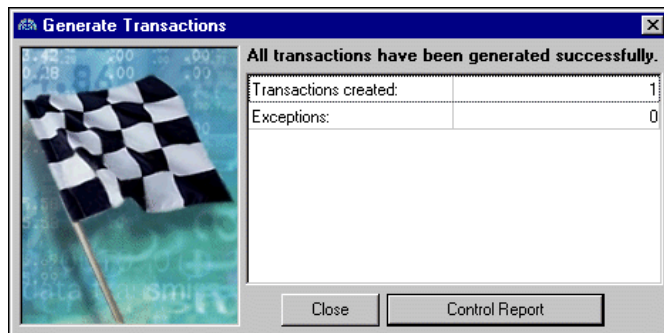
7. Click **Create Transactions Now**. The Generate Transactions screen appears displaying the number of transactions created and the number of exceptions.

8. Click **Control Report** to identify the depreciation transactions the program could not validate and the reason why.

9. Click **Close** to return to the Activity tab. The new depreciation transactions appear in the grid.

Viewing the History of Changes

On the History of Changes tab, you can track all changes to a record. The grid displays the change made, who made the change and when the change was made. Changes tracked include asset ID, description, class, department, depreciation method, useful life, recovery period, property class, salvage value, convention, and rate. This tab is for informational purposes only; you cannot edit information on this tab.

▶ **Viewing an asset's history of changes**

1. From an open asset record, select the History of Changes tab. A grid displays the changes made to the asset with the most recent change appearing at the top.

   The **Item Changed** column displays the kind of change made on the asset record.

   The **Previous Setting** column displays the information recorded for the asset before new information was entered.

   The **New Setting** column displays the new information recorded for the asset.

   The **Change** column displays the date the change was made.

   The **Changed by** column displays the name of the user who made the change.
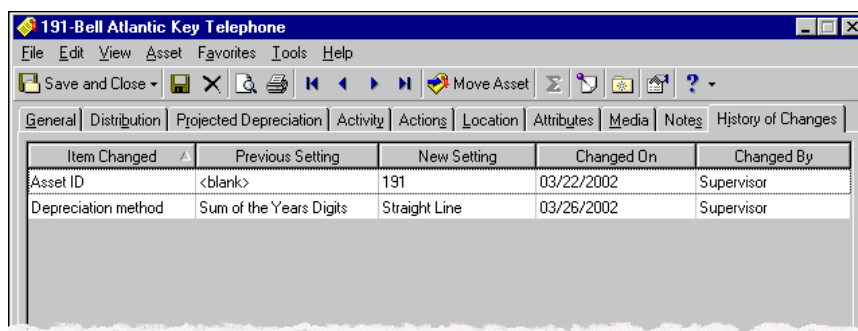
2. Click the **Changed on** column heading. The display now lists the changes with the oldest date on top. Click the heading again, and the newest change appears on top.

3. Close the asset record to return to the Assets page.

Managing Asset Locations

The Location tab displays the history of all asset location changes. This history includes the original location, the new location, who moved the asset and when. You can change an asset's location in three ways: on the General tab (by changing the **Location** field), the Location tab, or the **Asset** menu.

▶ **Viewing asset locations**

> **Note:** You can use Asset Inventory in *Administration* to identify assets that have been moved or are missing by comparing asset records in ***Fixed Assets*** to an inventory file. Inventory files contain asset numbers or asset IDs and locations or departments for assets inventoried by either scanning or manual counts. For more information about asset inventory, see the Administration Basics chapter of the *Administration Guide for The Financial Edge*.

1. From an open asset record, select the Location tab. A grid displays each location change for the asset in the order in which they occurred.
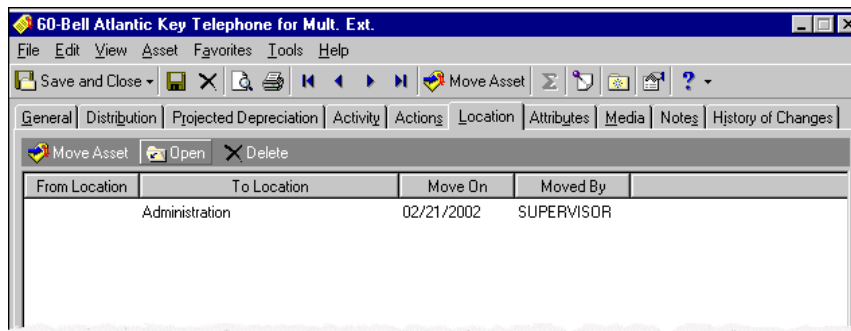

2. Select a location change in the grid and click **Open**. The Location for <Asset> screen appears displaying more information about the location move, including the reason for the move.

3. Close the screen and return to the Location tab.

4. To delete the most recent location change, select the location move and click **Delete**.

   If you delete the most recent record, the last saved location becomes the current location.

5. Close the asset record to return to the Assets page.

▶ **Moving an asset location**

> **Note:** You can also change the location of an asset by selecting **Asset**, **Move Asset** or by changing the **Location** field on the General tab.

1. From an open asset record, select the Location tab.

2. Click **Move Asset** to create a new location for the asset. The New Location for <Asset> screen appears.

3. The **Asset Number** field defaults to the assigned number for that asset. The Asset ID and Description also appear. The **Current location** field displays where the asset is currently located.

4. In the **New Location** field, select where you want the asset moved.

Note: You define locations in *Configuration*. You can also add new locations "on the fly".

5. Today's date appears in the **Moved on** field. You can enter a different date in this field or press **F7** to select a date from the calendar.

6. In the **Moved by** field, the current user name appears. You can select a different name.

7. In the **Reason** field, enter text describing the reason for the move.

8. Close the asset record to return to the Assets page.

Managing Actions, Media, Notes, and Attributes

You can further define an asset record by adding information to the other asset record tabs. On the Actions tab, you can set reminders for asset-related tasks. You can store media objects for an asset on the Media tab. Using the Notes tab, you can add notes specific to that asset record. Furthermore, you can provide an additional level of detail to asset records by adding attributes on the Attributes tab.

Adding Actions

The Actions tab tracks any task or activity that needs to be completed for an asset. Actions, for example, can include scheduled maintenance, cleaning, or moving an asset. If you have security rights, you can add, edit, and delete actions from this tab.

Glossary: An action is a communication, event, status, or other detail assigned to records. Actions can include meetings, mailings, phone calls, and e-mail messages.

You can assign an action to another person, and the program reminds him or her when the action is due. You can also assign actions to yourself. For example, if you need to call to schedule annual maintenance for an asset, you can assign the phone call as an action. When the phone call is due, the program reminds you by adding an action reminder to the Home page of each program in *The Financial Edge*.

▸ **Adding actions to an asset record**

1. From an open asset record, select the Actions tab.
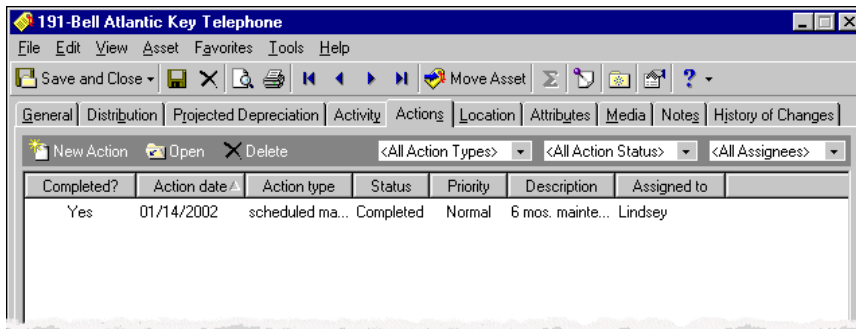
2. Click **New Action** to create a new action. The New Action screen opens to the Actions tab.

3. The **Asset number** field defaults to the assigned number for that asset. The asset ID appears to the right of the field.

4. In the **Action type** field, select a type of action.

5. In the **Action date** and **Time** fields, enter a date and time for the action to be completed.

6. In the **Status** field, select an action status.

7. In the **Priority** field, select "High", "Normal", or "Low".

8. In the **Assigned to** field, select the person responsible for completing the action.

9. To send the user a reminder, mark **Auto-Remind**. When you mark **Auto-Remind**, the other options in the frame become active.

10. In the **Send reminder to** field, select the user to be reminded.

11. In the **Set reminder for [ ] beforehand** field, specify how many days, weeks, or months before the action date you want to send the reminder.

12. When the action is complete, you can mark **Completed on**, and the current date automatically appears in the field.

13. In the **Description** field, add notes to describe the action.

14. Click **Save and Close**. You return to the Actions tab. The new action appears in the grid.

Adding Attributes

The Attributes tab stores additional information about an asset. Use attributes to define specialized information for records, such as information you want to track, but for which no field is available. You can also filter by asset attributes in other areas of **Fixed Assets**, such as *Query* and *Reports*.

You can define new attributes using a variety of data types created in *Configuration*. If you make an asset attribute required, you are prompted to add it when creating a new asset record. You are not reminded when creating multiple assets with the Asset Wizard. For more information about defining attributes, see the Fixed Assets Configuration chapter of the *Configuration Guide for Fixed Assets*.

▶ **Adding attributes to assets**

1. From an open asset record, select the Attributes tab.

Warning: You must define attribute types in *Configuration* before you can add them to an asset record. For more information about attributes, see the Fixed Assets Configuration chapter of the *Configuration Guide for Fixed Assets*.

2. In the **Attribute Type** column, select an attribute type, for example, "Inventory Manager".

3. In the **Description** column, select or enter a description of the attribute.

4. In the **Date** field, enter a date to record when the attribute was added.

5. If this attribute type is required on an asset record, the program automatically marks the checkbox in the **Required** column. You cannot edit this from the Attribute tab.

6. In the **Comments** field, enter any additional comments or more detailed information about the attribute. You can enter free-form text in this column.
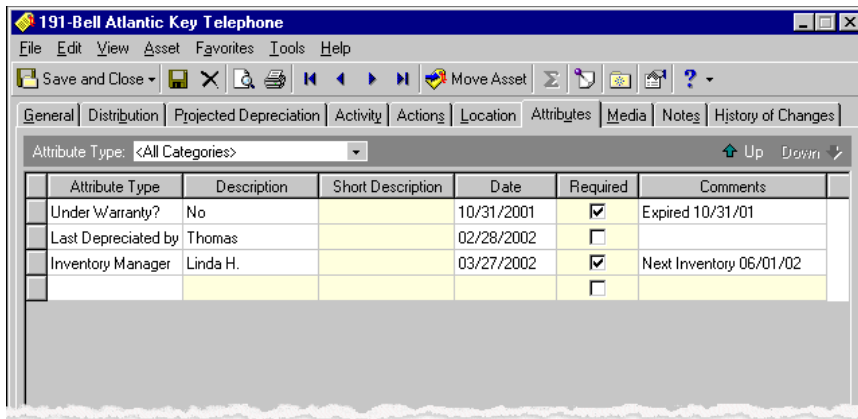

7. Click **Save and Close** on the toolbar. You return to the Assets page.

Add and Export Media

On the Media tab you can store media objects about an asset. Media objects can include items such as newspaper clippings, letters, graphs, pictures, and video clips. Media can be useful for documenting improvements to assets for tax purposes or damage for insurance claims. You can also export media.

▶ **Export media**

1. From the Media tab of an asset record, open the media record.
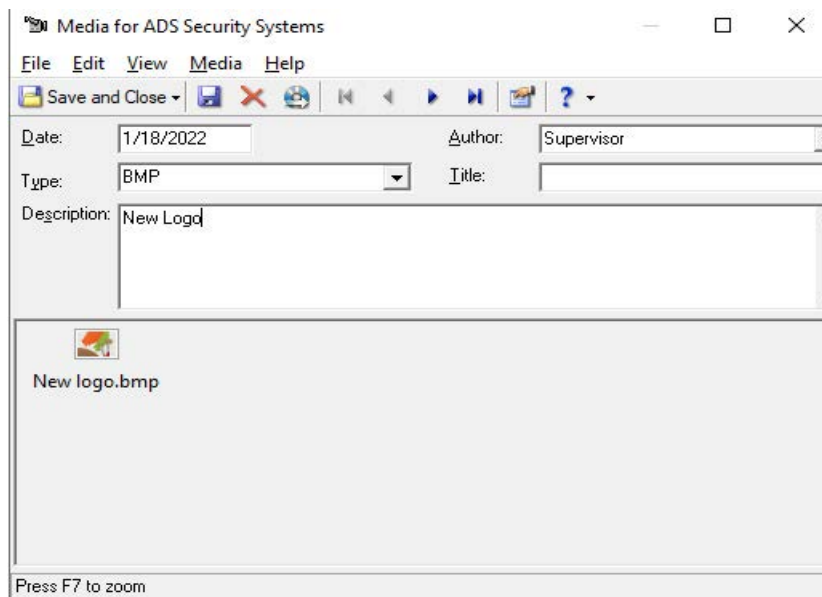
2. Select **Export** on the toolbar, or the **File** menu. The Save As screen appears.

3. Select the **File name** and **Directory**.

4. Select **Save**. The media is exported.

▶ **Adding existing media to an asset record**

1. From the Media tab of an asset record, click **New Media**. The Open screen appears.
2. Select the media object and click **Open**. The New Media screen appears.
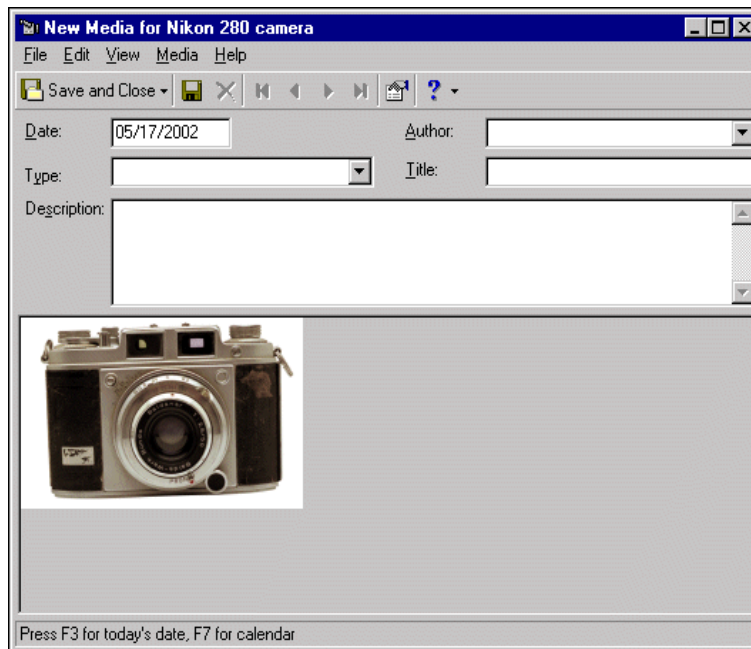
3. In the **Date** field, enter the date to track when the media is added**.**

4. In the **Type** field, select a media type. You define media types in *Configuration*.

5. In the **Description** field, enter a description of the media object.

6. In the **Author** field, select your user name.

7. In the **Title** field, enter a title for the media object.

8. Click **Save and Close** to save the media object and return to the Media tab.

Adding Notes

In *Fixed Assets*, the Notes tab makes it easy to maintain helpful pieces of information you receive, read, or need to remember about an asset. You can create notepads to record special information about the asset not entered elsewhere in the record. Each notepad has a date, type, description, title, and author. The notepad itself accepts free-form text and holds an unlimited amount of information.

> **Glossary:** A note is useful information you can add to a record using free-form text. Notes can include details of phone conversations with vendors, ordering information, and explanations of the invoice distributions.

Notes are different from attributes because they can be secured by type. You can set up securities so only certain users can view particular notepad types. This is especially useful when the information is of a sensitive nature and you want to ensure that only you can access the information. For more information about security, see the Security chapter of the *Administration Guide for The Financial Edge*. You can print asset notes on the Asset Profile Report from *Reports*.

▶ **Adding notes to assets**

1. From an open asset record, select the Notes tab.

2. Click **New Note** on the action bar. The New Note screen appears.

3. Today's date automatically appears in the **Date** field, but you can enter a different date.

4. In the **Type**, **Description**, and **Title** fields, enter information about this notepad.

5. In the **Author** field, select your user name. The **Author** field defaults to the user creating the note, but you can select another user.

6. In the text box, enter the information you need to remember.

> **Note:** You can use buttons on the word processing toolbar to format the appearance of the text, check spelling, and use a thesaurus.

7. Click **Save and Close** on the toolbar. You return to the Notes tab, and the note appears in the grid.

8. Click **Save and Close**. You return to the Assets page.

Transactions

With transactions in **Fixed Assets**, you can efficiently track and manage the value of your organization's property, plant, and equipment. Transaction types, including acquisition, depreciation, improvement, and disposal, provide flexibility and help you determine an asset's value during various stages of its useful life. You can calculate depreciation of assets based on IRS tables or on customized schedules you create.

Note: Documentation for **The Financial Edge** shows you how to select, locate, and use the right resources for a particular task. We encourage you to try the procedures in this chapter with the sample database before recording transactions using your data. Visit our Web site at www.blackbaud.com for the latest documentation and information.

A transaction is a general ledger entry that indicates to the program the amount and account to debit or credit. Transactions also contain additional information that helps you trace and report on them. Transactions include source codes and journal references and may include project and transaction code distributions if you have the optional module *Projects and Grants.*

When you post asset transactions to the general ledger, you can distribute the accounts to debit or credit. By effectively using transaction records, you can produce balance sheets that reflect the true value of your organization's assets. Once a transaction is posted to the general ledger, you cannot delete the transaction record. For more information about posting, see the *Journal Entry Guide*.

Accessing Transaction Records

Note: You can also access transaction records from the Activity tab of an asset record. For more information about asset records, see the Assets chapter.

Because records are such an important part of **Fixed Assets**, we have placed all record types in one area so you can quickly access them. Think of *Records* as a filing cabinet. You open a filing cabinet to pull out a record or file. When you open *Records*, you can directly access several record types, including transaction records. Click **Records** on the navigation bar and then click **Transactions**. The Transactions page appears.
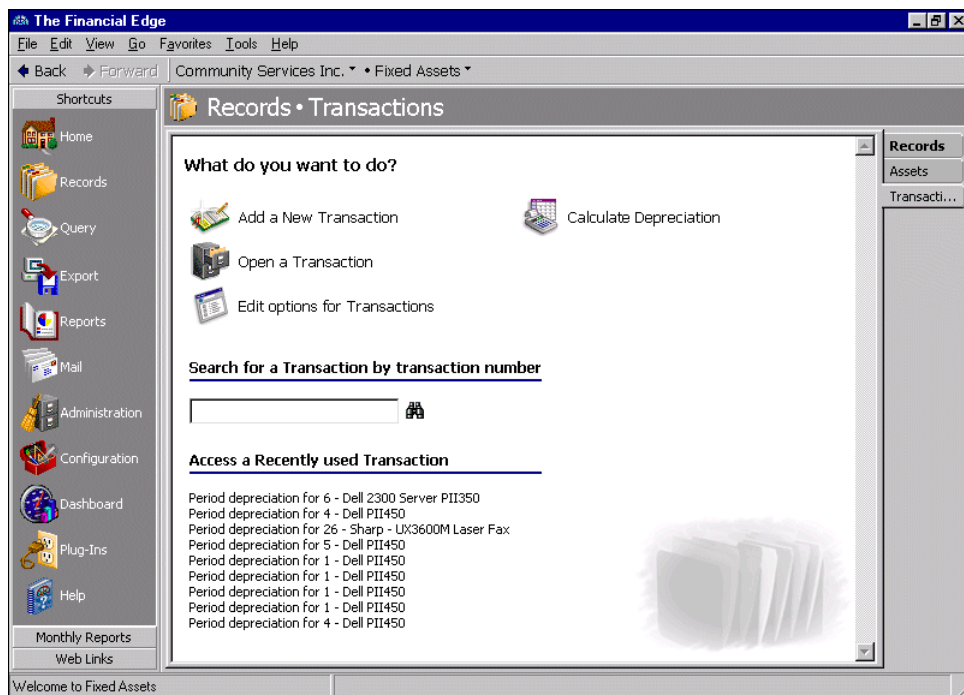
Glossary: Depreciation is the amount charged against an organization's earnings to recognize the cost of an asset over its estimated useful life, giving consideration to wear and tear, obsolescence, and salvage value. Depreciation is calculated on assets for a certain period of time to reflect their decreased value.

The Transactions page is the starting point for transaction records. From this page, you can add a new transaction or open an existing one. You can also calculate depreciation and edit options for transactions from here. You can access transaction options from the Tools menu, which opens the Options screen for transaction records. For more information about options, see the Options chapter in the *Program Basics Guide*.

To calculate depreciation, click **Calculate Depreciation** from the Transactions page. Because *Fixed Assets* calculates the depreciation automatically, all you have to do is select the assets to depreciate and click **Calculate Now**. For more information about depreciation methods in *Fixed Assets*, see the Depreciation Methods chapter in the *Configuration Guide for Fixed Assets*.

Tip: On the Transactions page you can quickly find a transaction by number using the search feature in *The Financial Edge*. For information about this feature, see the *Program Basics Guide*.

The Transactions page also lists recently accessed transaction records and provides a way to quickly locate a transaction by number. These procedures are discussed thoroughly in the *Program Basics Guide*, but this chapter gets you started by showing you how to add a new record and open an existing record from the Transactions page.

Finding and Opening Transaction Records

To find and open a transaction record, you need to be familiar with the Open screen. The Open screen has several filters you can use to narrow a search and quickly locate the transaction you want to open. The search process is not case-sensitive, so you can enter Sharp, sharp, or SHARP and get the same results. You can also use wildcard characters if you are not sure how a word is spelled. For more information about wildcards, see the *Query Guide*. To access the Open screen, click **Open a Transaction** from the Transactions page.

‣ **Opening a transaction record**

Tip: From the Records page in *Fixed Assets*, you can either click **Transactions** or use the navigation tabs on the page to access transaction records.

1. From the Records page, click **Transactions**. The Transactions page appears.

2. Click **Open a Transaction**. The Open screen for transactions appears. For more information about using the Open screen, see the *Program Basics Guide*.

3. In the **Find Transactions that meet these criteria** frame, enter the criteria to use to search for the transaction. Criteria can include the asset number, asset ID, description, transaction number, and transaction amount.

4. Click **Find Now**. The program searches the database and displays all transactions meeting the search criteria.

5. In the grid, select a transaction and click **Open**. The transaction record appears.

6. After you view or edit the record, click **Save and Close** to return to the Transactions page.

Managing Transaction Information

On the General tab, you enter basic information about the transaction, such as asset number, transaction type and date, posting status and date, and transaction amount. To make data entry easier, you can create default sets and use them when you add transaction records. To add default sets, on the menu bar of an open transaction record, select **Transaction**, **Load Defaults from**. For more information about creating defaults, see the Program Basics chapter of the *Program Basics Guide*.

Once a transaction is recorded, you can view activity and details from the asset record. You can edit transaction records, but you cannot delete a transaction after it has been posted to the general ledger.

Adding Transaction Records

When you add a transaction record in *Fixed Assets*, you are creating a new record in the database. A transaction record stores posting and asset information, transaction type and amount, distribution information, comments, and attributes. You can enter this information from scratch, or you can use transaction defaults to speed the process.

> **Tip:** Default sets assign field values to records being newly created or updated and save you time because you do not have to enter the values manually. For more information about default sets, see the *Program Basics Guide*.

You add an acquisition transaction from the asset record and it should be the first transaction for a new asset record created in *Fixed Assets*. The acquisition transaction records the initial acquisition of the asset and posts a debit to the asset account and a credit to the default fixed asset credit account. For more information about creating asset records, see the Assets chapter.

Once an asset record is created in *Fixed Assets* and has the acquisition transaction, you can record other transactions, including depreciation, improvements, and disposal. You create depreciation years in *Configuration*. They do not necessarily have to be the same as your fiscal years. You can have a different number of periods in each year, and period dates can change but cannot overlap.

Period depreciation. Select Period depreciation to record depreciation of an asset for one period of a depreciation year. The program can calculate the depreciation, or you can enter it manually. Period depreciation transactions must be entered sequentially and without gaps. You can delete a period depreciation transaction only if no more recent transaction is recorded for the asset.

Annual depreciation. Select Annual depreciation to manually enter an entire year's worth of depreciation. You can create only one annual depreciation transaction per year for an asset, and it must occur in the current year.

Asset improvement. Select Asset improvement to record changes made to an asset that increases its value.

> **Glossary:** Book value is the net amount recorded for an asset, calculated by deducting the asset's total accumulated depreciation from its acquisition value.

Asset disposal. Select Asset disposal to record the disposal of an asset. This transaction enters a credit to the asset account and a debit to the accumulated depreciation account to zero out the book value of the asset. Any remaining portion of the transaction posts to the disposal loss account. If the disposal is a sale, you can record the proceeds from the sale. Once an asset has been disposed of, you cannot delete the disposal transaction.

▸ **Adding a transaction record**

> **Note:** You can set business rules for transactions in *Configuration*. For more information about business rules, see the *Program Basics Guide*.

1. From the Transactions page, click **Add a New Transaction**. The New Transaction record opens to the General tab.

2. In the **Asset number** field, enter an asset number or ID or use the binoculars to search for an asset record. The asset description, as defined in the asset record, appears in the Description display.

Warning: If the asset record was created but the acquisition not yet recorded, you must select "Acquisition" in the **Transaction type** field.

3. In the **Transaction type** field, select "Period depreciation", "Annual depreciation", "Asset improvement", or "Asset disposal".

4. In the **Transaction date** and **Amount** fields, enter the date and amount of the transaction.

Note: You can delete a transaction record if it has not been posted.

5. In the **Post status / date** field, select "Not yet posted" and enter a date or select "Do not post". For more information about posting, see the *Journal Entry Guide*.

6. In the **Comments** field, enter comments or more detailed information about the transaction.

7. To add account distribution information for the transaction, select the Distribution tab. For more information about distributions, see the Budgets chapter in the *Records Guide for General Ledger*.

8. To save the record and return to the Transactions page, click **Save and Close**.

Adding Improvement Transactions

Once an acquisition transaction for an asset is recorded, you can add improvement transactions for the asset. For more information about acquisition transactions, see the Assets chapter. To add an improvement transaction, depreciation calculations through the date of the improvement must be recorded first. That is, there can be no periods without depreciation recorded for the asset before you can add improvements. You create an acquisition transaction the first time you save an asset record.

▶ **Adding an improvement transaction record**

> **Note:** You can set business rules for transactions in *Configuration*. For more information about business rules, see the *Program Basics Guide*.
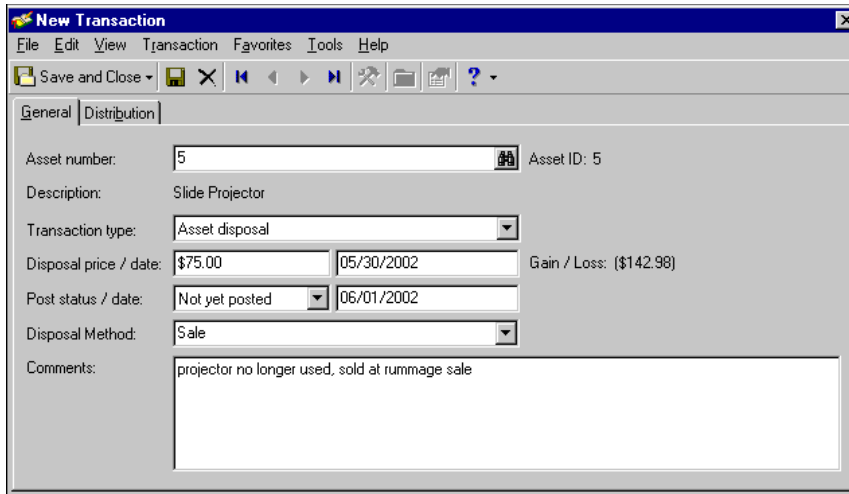
1. From the Transactions page, click **Add a New Transaction**. The New Transaction record opens to the General tab.

2. In the **Asset number** field, enter an asset number or ID or use the binoculars to search for an asset record. The asset description, as defined in the asset record, appears in the Description display.

3. In the **Transaction type** field, select "Asset improvement".

4. In the **Transaction date** field, enter the date of the improvement. The period in which the date falls appears in a display on the right.

5. In the **Amount** field, enter the amount of the improvements made.

Note: You can delete a transaction record if it has not been posted.

6. In the **Post status / date** fields, select "Not yet posted" and enter the date it will be posted. For more information about posting, see the *Journal Entry Guide*.

7. In the **Comments** field, enter any comments or more detailed information about the improvements.

Warning: You must have defined default disposal loss accounts in *Configuration* before you can record the disposal transaction. For more about default accounts, see the *Configuration Guide for Fixed Assets*.

8. To add account distribution information for the improvement, select the Distribution tab. For more information about distributions, see "Adding a distribution to a transaction record" on page 53.

9. To save the record and return to the Transactions page, click **Save and Close**.

   If depreciation is not up-to-date on the asset, you get a message about generating depreciation before the transaction can be saved. Click **OK** to return to the transaction record. For information about calculating depreciation, see "Calculating Depreciation" on page 54.
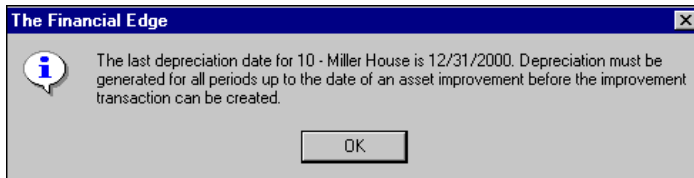
Adding Disposal Transactions

Once an acquisition transaction for an asset is recorded, you can add a disposal transaction for the asset. The disposal date cannot be earlier than the last depreciation date. If an asset has a disposal transaction recorded, you cannot change the asset location or record additional transactions for the asset. For more information about asset records, see the Assets chapter.

▶ **Adding a disposal transaction record**

Note: You can set business rules for transactions in *Configuration*. For more information about business rules, see the *Program Basics Guide*.

1. From the Transactions page, click **Add a New Transaction**. The New Transaction record opens to the General tab.

2. In the **Asset number** field, enter an asset number or ID or use the binoculars to search for an asset record. The asset description, as defined in the asset record, appears in the Description display.

3. In the **Transaction type** field, select "Asset disposal".

Note: The disposal price can be $0.00. The disposal date must be later than the last depreciation date.

4. In the **Disposal price / date** fields, enter the amount received and the date of the disposal. The gain or loss on the disposal appears in the Gain / Loss display on the right.

5. In the **Post status / date** fields, select "Not yet posted" and enter the date it will be posted. For more information about posting, see the *Journal Entry Guide*.

6. In the **Disposal Method** field, select the method used to get rid of the asset.

7. In the **Comments** field, enter any comments or more detailed information about the disposal.

Warning: You must have defined default disposal loss accounts in *Configuration* before you can record the disposal transaction. For more about default accounts, see the *Configuration Guide for Fixed Assets*.

8. To add account distribution information for the disposal, select the Distribution tab. For more information about distributions, see "Adding a distribution to a transaction record" on page 53.

   You must have defined default disposal loss accounts in *Configuration* before you can record the disposal transaction.

9. To save the record and return to the Transactions page, click **Save and Close**.

Loading Default Sets

You can use default sets to save time when adding transaction records instead of entering the values manually each time. The values are only defaults and you can change any field on a record even if you have entered the default set.

▶ **Loading transaction defaults**

Tip: Default sets assign field values to records being newly created or updated and save you time because you do not have to enter the values manually. For more information about default sets, see the *Program Basics Guide*.

You can use default sets to save time when adding transaction records instead of entering the values manually each time. The values are only defaults and you can change any field on a record even if you have entered the default set. In a transaction record, default fields include **Transaction date**, **Post status**, **Post date** and **Comments**. For more information about creating default sets, see the *Program Basics Guide*.

1. From an open transaction record, select **Transaction**, **Load Defaults from**. The Field default sets screen appears.
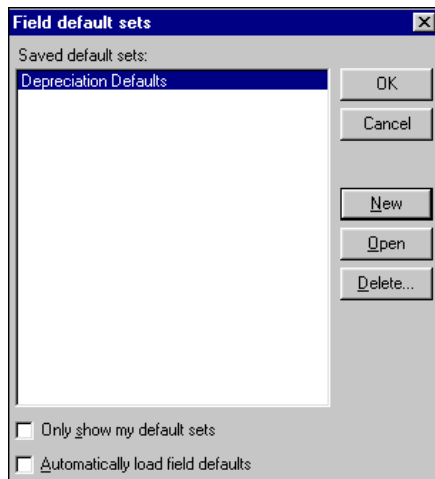
2. In the **Saved default sets** box, select the default set to use.

Note: If no default sets contain the information you want to use, click **New** to create a new set. After entering default values and naming the set, click **Save and Close** to return to the Field default sets screen.

3. Click **OK**. You return to the open record, and the information from the selected default set appears in the fields.
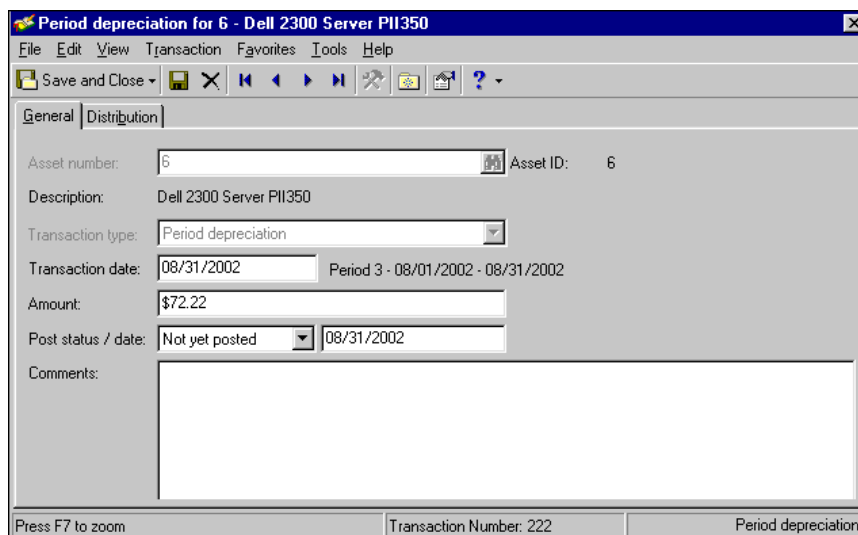
Adjusting Transactions

Adjustments are corrections you make to a posted transaction that reverse the incorrect post and then create another post with new distributions. The Adjustments tab appears only if the transaction has saved adjustments. You can make a new adjustment to a transaction only if all existing adjustments are posted.

▶   **Adding an adjustment to a transaction record**

> **Note:** The **New Adjustment** menu selection appears only if the transaction has been posted. You can post transactions from *Administration*. For more information about posting, see the Basic Administration chapter in the *Administration Guide for The Financial Edge*.

1. From an open posted transaction, select **Transaction**, **New Adjustment** from the menu bar. The New Adjustment screen appears. Your user name appears in the Entered by display.

2. In the **Adjustment date** field, enter the adjustment date.

3. The amount of the new transaction appears in the **New transaction amount** field. The current amount appears in the Current transaction amount display.

4. The current post status appears in the Adjustment post status display.

5. In the **Adjustment post date** field, enter a posting date. This can be the transaction posting date or the date of the most recent adjustment.

> **Tip:** To automatically enter the transaction post date in the **Adjustment post date** field, click **Use Transaction Post Date**.

6. In the **Reason** field, enter a reason for the adjustment, such as "didn't charge enough to year 1".

7. In the **Notes** field, enter notes for the adjustment.

8. To distribute the adjustment, select the New Distribution tab. For more information about distributions, see the Budgets chapter in the *Records Guide for General Ledger*.

9. If you select "Distribution" and enter debit and credit accounts that are in different funds, you must select an interfund entry in the **Interfund** field to balance the accounts.

> **Note:** If you have the optional module *Budget Management*, you can click **Budget** to check the account or project against the budget. Budget checking is not available for miscellaneous entries.

10. To preview *General Ledger* debits and credits for the transaction, click **Dr/Cr Entries**.

11. To enter distributions by amount, click the **$** button. To enter distributions by percent, click the **%** button.

12. If you defined default debit accounts on the Distribution tab of the transaction record, they appear automatically in the **DR Account Number** column. Otherwise, enter debit accounts for the distribution. When you enter a debit account number, the description appears automatically in the **DR Account Description** column.

13. Enter the amount of the distribution in the **Amount** column or the percentage in the **Percent** column.

> **Note:** The Supervisor can establish security options to hide the **CR Account Number** column.

14. The **CR Account Number** column displays default values, depending on settings established in *Configuration*.

Note: If you have the optional module *Projects and Grants*, you can enter additional information for the distribution. Fore more information about *Projects and Grants*, see the *Records Guide for General Ledger*.

15. To view the distribution recorded for the original transaction, select the Previous Distribution tab. You can make changes to distributions on the New Distribution tab but not on the Previous Distribution tab.

16. To save the adjustment and return to the transaction record, click **OK**. The original transaction remains posted, and you post the adjustment separately.

Managing Transaction Distributions

The Distribution tab contains transaction account distribution information. From here, you designate the debit accounts for the transaction, the amounts to distribute to the accounts, and whether to classify the distribution using projects, classes, or transaction codes. Project and transaction codes are available only if you have the optional module *Projects and Grants*.

▶ **Adding a distribution to a transaction record**

Glossary: A distribution is a means of splitting transaction debits and credits among accounts, classes, projects, and transaction codes. You can make distributions manually or with a distribution template.

1. From an open transaction record, select the Distribution tab.

Glossary: An interfund entry is a balancing entry you make between funds. In *The Financial Edge*, you can automate the procedure to create general ledger transactions to transfer activity between funds and ensure each fund is kept in balance.

2. In the distribution field, select "Distribution" or "Miscellaneous Entries". If debit and credit accounts are not in the same fund, in the **Interfund** field, select an interfund entry set to balance the accounts. For more information about interfund sets, see the *Configuration Guide for Fixed Assets*.

3. In the **DR Account Number** column, enter the debit fund or account for the distribution. When you enter a valid debit account number, its description appears automatically in the **DR Account Description** column.

4. In the **Amount** column, enter the amount of the distribution. To distribute by percentage, click the **%** button and enter the percentage in the **Percent** column.

5. If you have the optional module *Projects and Grants*, you can enter a project ID number. For more information about *Projects and Grants*, see the *Records Guide for General Ledger*.

6. In the **CR Account Number** column, enter the credit fund and account for the distribution.

7. To select a distribution for the transaction:

   • Click **Distribution** to distribute the transaction as a debit or credit distribution.

   • Click **Load Distribution** to select an existing account distribution from a template.

Note: To delete the distributions, click **Delete All**. To delete one distribution line, click the button at the left of the row. From the menu bar, select **Edit**, **Delete Row**. The program deletes the selected row.

   • Click **Distribute Evenly** to divide the distribution evenly among all accounts in the grid.

8. To save the distribution and return to the Transactions page, click **Save and Close**.

Calculating Depreciation

Depreciation is the amount charged against an organization's earnings to recognize the cost of an asset over its estimated useful life, giving consideration to wear and tear, obsolescence, and salvage value. Depreciation is calculated on assets for a certain period of time to reflect their decreased value.

From the Transactions page, you can depreciate assets accurately and efficiently. Determining depreciation methods to use requires a firm understanding of Internal Revenue Service (IRS) regulations. If you have questions about depreciating assets, seek advice from an accounting professional. When you select a depreciation method in *Fixed Assets*, fields and field entries vary depending on the method you select. This section provides an overview of the most commonly used depreciation methods and a procedure for calculating depreciation by using the Straight Line method. For more information about all the depreciation methods in *Fixed Assets*, see the Depreciation Methods chapter in the *Configuration Guide for Fixed Assets*.

Selecting Depreciation Methods

When you click **Calculate Depreciation** from the Transactions page, the Calculate Depreciation screen appears. On the Criteria, Filters, and Attributes tabs, you select the assets to depreciate and the method to use. After creating depreciation calculations, you can post the transactions directly to *General Ledger*. For more information about posting, see the *Journal Entry Guide*.

> **Glossary:** Useful life is the period of time that an asset is determined to have commercial value for depreciation purposes. The IRS determines useful life depreciation periods for tax depreciation methods.

Straight Line. Straight Line depreciation is a depreciation method that expenses an asset value in equal amounts over its useful life. Useful life is the period of time that an asset is determined to have commercial value for depreciation purposes. The IRS determines useful life depreciation periods for tax depreciation methods.

Sum-of-the-Years'-Digits. Sum-of-the-Years'-Digits is an accelerated depreciation method. Under this method, depreciation for each year is determined by multiplying the asset's cost less salvage value by a fraction in which the number of years remaining in the asset's life is the numerator, and the sum of the years' digits, or n(n+1)/2, is the denominator. In the formula, n is the asset's useful life in years.

Declining Balance. With the Declining Balance method, you apply the same depreciation rate each year to the adjusted basis of your property using the applicable convention. If you use the Declining Balance method, you must switch to the Straight Line method in the first year in which it gives an equal or greater deduction.

▶ **Calculating depreciation**

1. From the Transactions page, click **Calculate Depreciation**. The Calculate Depreciation screen opens on the Criteria tab.

> **Warning:** The **Calculate through** field is required. You must enter a date before you can calculate depreciation for assets.

2. In the **Calculate through** field, enter the date of the period for which depreciation calculations will be created.

   If the date you enter is not defined in the depreciation year, when you click **Calculate Now**, you get a message asking if you want to create the required depreciation years using the current period structure first. For more information about creating depreciation years, see the *Configuration Guide for Fixed Assets*.

3. In the **Calculate only for these asset numbers** frame, enter a range of asset numbers in the **Start** and **End** fields.

4. In the **Transactions** frame, select "Period End Date" or "Period Start Date" in the **Transaction date** field.

> **Note:** You can define default information for posting asset transactions in *Configuration*.

5. In the **Post status** field, select whether to include transactions with a status of "Not yet posted" or "Do not post".

6. In the **Post date** field, select whether to include transactions with a status of "Transaction Date", "Period End Date" or "Period Start Date". Enter any additional information about the transactions in this process in the **Comments** field.

7. To see the transactions before you perform the calculations, mark **View results before creating transactions**. We recommend you view the transactions before creating them so you can edit selections if necessary.

Tip: If you create and save an output query of the transactions, you can use the query later in other areas of *Fixed Assets*. This saves you time by not having to create the query again for other purposes like reports or mailings. For more information about queries, see the *Query Guide*.

8. To create a query of the transactions included in the process, mark **Create an output query**. You can use the query later in other areas of *Fixed Assets*, such as *Reports* or *Mail*. For more information about queries, see the *Query Guide*.

9. To create an exception query of the transactions for which the program cannot calculate depreciation, mark **Create an exception query**.

Glossary: Straight line depreciation is a depreciation method that expenses an asset value in equal amounts over its useful life.

10. Click **Next** or select the Filters tab. In the **Depreciation Methods** row, choose "Selected" in the **Include** column, and the selection screen appears. Select the Straight Line depreciation method.

Note: You can also filter assets by selecting "Classes", Locations", Departments", "Asset Attributes", and "Asset Numbers". For more information about filtering in *The Financial Edge*, see the *Program Basics Guide*.

11. Click **OK**. You return to the Filters tab, and "Straight Line" appears in the **Selected Filters** column.

Glossary: An attribute is a reporting tool you use to group information based on a common theme. With attributes defined, you can filter information to your specifications. Examples of *Financial Edge* attributes include account attributes, project attributes, transaction attributes, action attributes, vendor attributes, purchase order attributes, invoice/credit memo, and asset attributes.

12. Click **Next** or select the Attributes tab so you can add, update, or delete selected attributes for each asset you depreciate. You can define attributes in *Configuration*.

13. In the **Action** column, select "Add", "Update" or "Delete".

 If you select "Update", the program updates attributes if they match the types you select. If you select "Delete", the program deletes attributes if they match both category and description. If the attribute is defined as required, the program automatically marks the checkbox in the **Required** column. For more information about attributes, see the *Configuration Guide for Fixed Assets*.

14. In the **Attribute Type** column, select an attribute type.

15. In the **Description** column, select a description for the attribute. The program automatically fills in the **Short Description** column.

16. In the **Date** field, enter the date the attribute action becomes effective.

17. Enter any additional comments or more detailed information about the attribute in the **Comments** column.

> **Warning:** You can click **Calculate Now**, but if you did not mark **View results before creating transactions** on the Criteria tab, transactions will be created and you cannot cancel the process. We highly recommend you preview the assets to be depreciated before creating transactions.

18. To see a preview of the assets to be depreciated, click **Pre-Calculation Report**. The Calculation Depreciation screen appears so you can select the assets to depreciate. The program automatically marks all the checkboxes in the **Create?** column. For any assets you do not want to depreciate, unmark the checkbox.

> **Warning:** If the date you enter on the Criteria tab is not defined in the depreciation year, when you click **Calculate Now**, you get a message asking if you want to create the required depreciation years using the current period structure first. For more information about creating depreciation years, see the *Configuration Guide for Fixed Assets*.

19. To create the depreciation calculations, click **Create Transactions Now**.

20. When the program finishes processing the calculations, the Generate Transactions screen appears, listing the number of transactions created and the number of exceptions.

21. Click **Control Report** to see details of the exceptions. Close the preview screen and return to the Calculate Depreciation screen.

22. Close the Calculate Depreciation screen and return to the Transactions page.

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