Sage FAS Fixed Assets

FAS 100 Asset Accounting

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1 Introduction

Congratulations on having purchased FAS 100 Asset Accounting. We think you'll find the application to be the easiest and most complete software tool available to help you calculate the depreciation of your fixed assets. It contains all the tools necessary for you to complete depreciation calculations without ever having to lift a pencil or press the keys on a calculator—that's because FAS 100 Asset Accounting does all the work for you!

At this time, we'd like to introduce you to the best depreciation experts around: our staff. You can turn to us to get the depreciation expertise you need to make your fixed asset management a breeze. Whether it's depreciation questions or technical advice, we're here to help you and to answer your questions. Having FAS 100 Asset Accounting and our expert staff on hand is like having money in the bank and a financial advisor to show you how to invest it.

Here are some of the features included in FAS 100 Asset Accounting and some of the tasks the application performs:

- The application organizes your asset information for you in one easy-to-use screen. All your asset information is easily accessible using two specially designed asset displays, Group View and Detail View.

- The application contains special rapid data entry features, ensuring that adding assets and performing asset maintenance are fast and easy tasks, without sacrificing accuracy.

- The built-in calculations implement the complicated tax laws related to the depreciation of fixed assets.

- The reports are clear and easy-to-use, and provide tax and financial information necessary for both tax filings and financial statement reporting, as well as for financial planning.

- The application comes ready to use, or you can use it's many customization features. Create an interface that feels as if it were programmed just for you!

FAS 100 Asset Accounting - Network Edition

If you have purchased FAS 100 Asset Accounting - Network Edition, please read Appendix D, "FAS 100 Asset Accounting - Network Edition." This appendix describes the features not included in the standalone version of FAS 100 Asset Accounting and explains how it handles potential conflicts when two or more users are working in the same company or database.

The *FAS 100 Fixed Assets Network Installation & Administration Guide* contains information on application requirements, installing and starting the application, converting databases, and troubleshooting. Please refer to it for information on these areas, as well as other network-related issues.

Welcome to Sage FAS Fixed Assets

Welcome to the world of Sage FAS! Understanding fixed asset management takes the right experience. For almost two decades, Sage FAS has remained the industry's most reliable, most respected name in fixed asset management. Today, Sage FAS is hard at work helping more than 25,000 fixed asset managers nationwide. In fact, we outsell every other package three to one. For fixed asset management done right, there's just one choice: Sage FAS. For information about the rest of the Sage FAS line of fixed asset management solutions, contact your Sage FAS sales representative, or visit our web site at **www.sagefas.com**.

Customer Support

Sage FAS offers outstanding service and support right from the start. Our Sage FAS SupportPlus members benefit from numerous time and money-saving benefits, as described below.

■ **Free Upgrades**
You'll be the first in line to receive the latest version of application changes. You'll receive product enhancements that make it easier and faster to manage your assets. They're all based on customer requests and the very latest technological advances. Additionally, you'll receive annual tax law changes to ensure up-to-date calculations.

■ **Sage FAS Expertise**
Fast, accurate answers to your questions are just a toll-free call away. The top-notch team of experts is dedicated to providing you with excellence in service and customer support.

■ **Discounts**
Sage FAS SupportPlus entitles you to special money-saving discounts on Sage FAS products. You pay less to trade up to more advanced software.

■ **Sage FAS Newsletter**
This information-packed FASforward newsletter covers the latest in effective fixed asset management every quarter. You'll pick up important news about trends, learn how your fellow users are handling tricky fixed asset management issues, hear application tips and short-cuts from the depreciation experts . . . and more.

■ **Electronic Services**
Electronic customer support is just a keystroke away. Access the web site at **www.sagefas.com/support** to receive the following services:

- Visit the Sage FAS SupportPlus Online area of our web site for online support services.

- Access the Solution Center knowledge base for self-service customer support. Simply enter your question. Don't worry about fancy technical language; Solution Center understands plain English. Just ask your question, and Solution Center shoots back an answer.

- Read about new products.

- Exchange messages with other FAS 100 Asset Accounting customers in the Discussion Forum to learn how they get the most from their application.

- Subscribe to FAS Tech Flash, an electronic newsletter that highlights useful technical and product information—such as troubleshooting tips, answers to frequently-asked questions, updates available for download, and other technical matters that are posted in the Sage FAS SupportPlus Online area—with links that will connect directly to the site.

- Download the applications and user's guides, as well as free demos of other Sage FAS products.

For information on contacting Customer Support from within the application, see "Contacting Sage FAS," page 2-4.

Verifying Your Computer's Equipment

For information on the minimum system requirements for operating the application, please refer to the *FAS 100 Fixed Assets Installation & Administration Guide*, which is available on the installation CD. The installation guide is also available at **www.sagefas.com/support**.

Key Steps in Implementing the Application

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

■ **Install FAS 100 Asset Accounting**
Use the installation instructions provided in the *FAS 100 Fixed Assets Installation & Administration Guide* to install the application on your computer.

■ **Read Chapter 3 of this Manual**
This short chapter introduces you to the basic concepts necessary for you to understand how the application works. Make your life easier, see Chapter 3, "Understanding Key Elements." Don't skip this step.

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

■ **Set Preferences and Define User Security**
Decide who is going to be the system supervisor for the product. The system supervisor has access rights to the entire application. The person responsible for setting up the application and defining company and user security is usually the system supervisor. For full details on setting up preferences and user security, see Chapter 4, "Setting Up the Product."

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

■ **Enter Asset Data Information**
If your asset data is not already contained in some electronic form, then you must enter your asset data from scratch. If you currently use a spreadsheet to track your assets, you can quickly import your data into the application using Custom Import. For more information on importing your data, see Appendix F, "Custom Import." For details on entering asset information and using templates, see Chapter 6, "Working with Assets."

■ **Create Groups**
Use Group Manager to divide your assets into useful groups. Groups logically divide and order your assets, and make reporting on assets much easier. For a full conceptual discussion of groups, see Chapter 3, "Understanding Key Elements." For detailed instructions on how to create groups, see Chapter 4, "Setting Up the Product."

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

■ **Perform Asset Maintenance**
Use the application to perform basic asset maintenance, such as adding assets, transferring assets, or disposing of assets. For information about the transferring and disposing of assets, see Chapter 7, "Performing Asset Functions."

■ **Run Reports**
Run any or all of the 32 available reports. These reports provide information on every aspect of your asset maintenance, including, of course, budgetary projections and depreciation. For report information, see Chapter 9, "Standard Reports."

■ **Customize Standard Reports (Requires Purchase of FAS Report Writer)**
Using FAS Report Writer, you can customize a standard report from within the application. You get all of the report logic designed by the Sage FAS experts, but you are able to modify the report format to fit your company's needs. For example, you can add and remove columns, change the order of columns, and change the text in column headers. For information about customizing a report, see Chapter 11, "Customizing Standard Reports."

■ **Create Custom Reports (Requires Purchase of FAS Report Writer)**
Create your own customized reports that appear exactly the way you want. For details on using Crystal Reports® to make your own customized reports, see the online *FAS Report Writer User's Guide*.

2 **Getting Started**

This chapter introduces you to FAS 100 Asset Accounting and describes the application's interface. You'll learn about the two views of your assets—Group View for looking at a group of assets and Detail View for looking at a single asset. You'll also learn how to accomplish some basic tasks, such as finding and selecting assets, globally replacing data, entering dates in date fields, and browsing the currently selected group of assets.

Installing the Application

This chapter assumes you have already installed the application on your computer. Installing FAS 100 Asset Accounting is a simple task that takes only a few minutes. For complete instructions on installing the application, please refer to the *FAS 100 Fixed Assets Installation & Administration Guide*.

Installing FAS 100 Asset Accounting - Network Edition

The process of installing the FAS 100 Asset Accounting - Network Edition differs from installing the standard version of FAS 100 Asset Accounting. Please read the *FAS 100 Fixed Assets Network Installation & Administration Guide* for more information.

Starting the Application

The FAS 100 Asset Accounting software icon appears under the Sage Software software group by default.

To start the application

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

2. Select Sage Software from the Programs submenu, and then select the FAS 100 Asset Accounting software group.

3. Select the FAS 100 Asset Accounting software icon.

   The application opens and displays the main window. If security is enabled, you must enter your user name and password. For more information, see "Entering a User Login and Password," page 2-8.

   Note If you are using Windows authentication and have entered a user name and password to log into your workstation, you do not need to enter a password to use the application. See "Switching to Windows Authentication," page 4-71.

We have provided demonstration data for a company called "Westfields Bakery - Demo." This demonstration data makes it much easier for new users to learn the application. Depending on whether you are a new user, or the first user of the application for your company, Westfields Bakery - Demo might open automatically after startup. If not, you can open it as you would any other company. See "Opening an Existing Company," page 5-1.

Getting Help

There are many ways to learn to use the application. Your options include:

- Using the online Help system
- Viewing the online user's guide
- Viewing the *FAS Depreciation Guide*
- Contacting Sage FAS
- Sage Live Connect

Using Online Help

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

To activate the online Help

1. Select Help/Contents from the menu bar. The online Help screen appears.

2. Do one of the following:

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

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

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

    - Click the Favorites tab to add the current topic to a list of favorite topics, so you can quickly locate it at a later time.

- Click the Glossary tab to find the definition of an unfamiliar term.

Viewing the FAS Depreciation Guide

The *FAS Depreciation Guide* contains everything you need to know about depreciation for both Tax and GAAP purposes, written in easy-to-understand language.

When you installed the application, you also installed the *FAS Depreciation Guide*, an electronic reference tool that answers all of your questions about depreciation.

You must have Adobe Reader installed on your computer to view the *FAS Depreciation Guide*. We have included the Adobe Reader software on the installation CD in the \ACROBAT directory. You can also download the Adobe Reader software from the Adobe web site (www.adobe.com).

Follow these steps to view the online *FAS Depreciation Guide*.

To view the FAS Depreciation Guide

1. Select Help/Depreciation Guide from the menu bar. The application opens Adobe Reader and displays the first page of the *FAS Depreciation Guide*.

Contacting Sage FAS

Sage FAS operates a web site for our customers. You can quickly access various pages on this web site from the Help menu.

To contact Sage FAS

1. Select Help/Contact Us from the menu bar. The Contact Us screen appears.
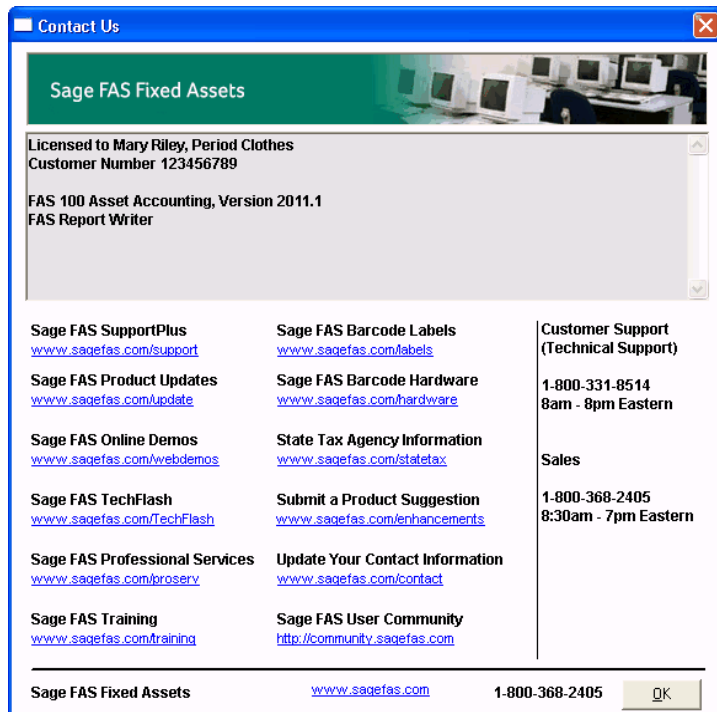
2. Click on a link to receive customer support, find information about training opportunities, view online demos of our products, purchase barcode labels or barcode hardware, or to send us a product suggestion.

Sage Live Connect

The Sage Live Connect option on the Help menu allows you to connect your computer directly to a Customer Support representative. The Customer Support representative can then take control of your computer to more quickly diagnose your computer's problem.

Before using the Sage Live Connect feature, you must first contact Customer Support by calling 800-331-8514. If the Customer Support representative decides that taking control of your computer would be helpful, you will be asked to click on Sage Live Connect.

To access Sage Live Connect

1. At the request of a Customer Support representative, select Help/Sage Live Connect from the menu bar. A screen appears that provides further instructions.

Note You must have access to the Internet to use the Sage Live Connect.
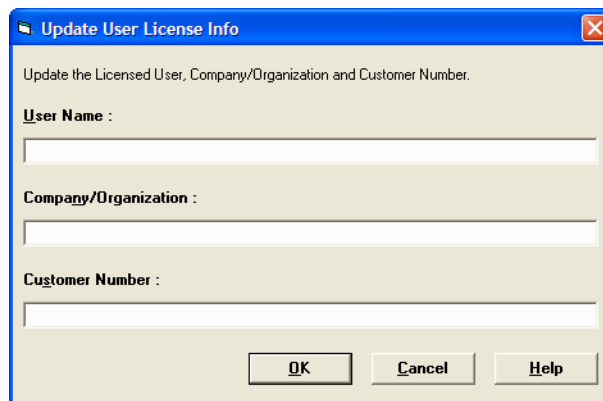
Updating Your Customer Number

After you purchase the application, you will be given a customer number. You must have your customer number when you call Customer Support with a question about using the application.

After you receive your customer number, you can enter it in a screen so it will be readily available when you need it.

To update your customer number

1. Select Help/Update User License Info from the menu bar. The Update User License Info screen appears.

2. Enter your name, the name of your company or organization, and your customer number. For more information, see "Completing the Update User License Info Screen," page 2-7.

3. Click OK.

You can view your customer number at any time from the Help menu. For more information, see "Viewing Your Customer Number," page 2-7.

Completing the Update User License Info Screen

Follow the guidelines below to complete the fields on the Update User License Info screen.

■ **User Name**
Use this field to enter your name.

■ **Company/Organization**
Use this field to enter the name of your company or organization.

■ **Customer Number**
Use this field to enter your customer number. Your customer number is located on the package list that comes with your software. If you cannot find your customer number, you can call Customer Service at 800-368-2405.

Viewing Your Customer Number

You must have your customer number when you call Customer Support with a question about using the application.

To view your customer number

1. Select Help/About FAS Asset Accounting from the menu bar. A screen appears containing information about your application, including your customer number.

Entering a User Login and Password
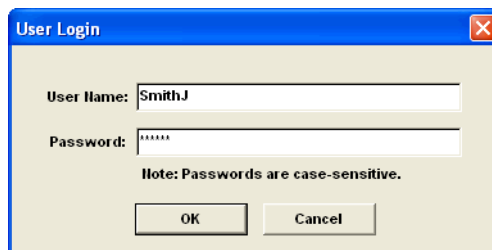
If security is enabled, you must enter your user login name and password to access the application.

Note If you are using Windows authentication and have entered a user name and password to log into your workstation, you do **not** need to enter a password to use the application. See "Switching to Windows Authentication," page 4-71.

You must get your user login name from your system security administrator. Your temporary password is the same as your user login name. Once you log into the application, you can change your password. For more information, see "Changing Passwords," page 2-9.

To enter a user login name and password

1. Start the application. The main system window and the User Login screen appears.

2. Type your user name in the User Name field.

3. If you are using the Windows Authentication security mode, type the domain name in the Domain field. For more information, see "Selecting a Security Mode," page 4-70.

Note If you are logging in as the Supervisor, the Domain field is unavailable. Supervisors are not required to enter the Domain name.

4. Type your password in the Password field, and then click OK.

Note Passwords are case-sensitive. That is, MyPassword and MYPASSWORD are two different passwords.

The application closes the User Login screen. You now have access only to those functions as defined by your system security supervisor.

Changing Passwords

To change your password you must be logged into the application using your old password. If you've lost your old password, ask your system security supervisor to reset it back to your user name.

To change your password

1. Select File/Password Security/Change Password from the menu bar. The Change Password screen appears.

2. Complete the Change Password screen, and then click OK.

Completing the Change Password Screen

Follow the guidelines provided below to complete the fields in the Change Password screen.

■ **User Name**
This field displays the name of the user currently logged into the application. You can only change the password for the currently logged-in user.

■ **Old Password**
Use this field to type your old password as a security verification.

■ **New Password**
Use this field to enter the new password you want to use.

■ **Confirmation**
Use this field to re-enter the new password. This ensures that you have not made a typing mistake and thereby typed in a password that you won't be able to access.

Note Passwords are case-sensitive. That is, MyPassword and MYPASSWORD are two different passwords.

Exiting the Application

There are many ways to exit FAS 100 Asset Accounting.

To exit the application

1. Do any one of the following:

   • Select File/Exit from the menu bar.

   • Press ALT+F4.

   • Click the close box button in the upper right corner.

   The system returns to the Windows desktop.

The Application Interface

After starting the application, the main application window appears. It is in the main window that you'll be working most of the time.

The main window contains all the elements of a standard Windows application, plus many features that are specific to FAS 100 Asset Accounting.

Viewing Your Assets—Group View, Detail View

In the main window, there are two ways in which to view your assets—Group View and Detail View. Group View displays all assets in the currently selected group. Detail View displays six pages of information about a single selected asset. Each page is designated by a display tab.

The application opens in Group View.

To switch between Group View and Detail View

1. Do any one of the following:

    - Click the Detail View or Group View button.

    - Select Asset/Detail View or Asset/Group View from the menu bar.

    - Click the Detail View or Group View button from the toolbar.

    - Right-click anywhere on the spreadsheet, and then select either Detail View or Group View from the pop-up menu.

    You can also switch from Group View to Detail View using methods not available when switching from Detail View to Group View.

    - Double-click on any asset in Group View.

- Select any asset in Group View and press ENTER.

- Select any asset in Group View and click an asset tab.

- Enter an asset's System Number in the Goto field, and then press ENTER.

Elements of the Main Window

The diagrams on the following pages illustrate the most important elements of the main window in both Group View and Detail View. Following the diagrams are brief explanations of most elements.

Group View

The following describes most elements of the FAS 100 Asset Accounting interface listed in the above illustration.

■ **Menu Bar**
The menu bar is a standard Windows interface tool used to access specific areas of an application. The menu bar contains menu headings that list specific functions or actions in the application. To initiate an action, click the menu heading that corresponds to the desired action, or use keyboard commands to access the menu heading.

■ **Toolbar**
The toolbar is a standard Windows interface tool used to initiate specific functions in an application through the use of buttons. The application toolbar makes many standard tasks easier to accomplish.

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

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

■ **Goto**
This field allows you to quickly enter a specific asset that you want to display in Detail View. When in Detail View, the Goto field moves the asset list forward and backward.

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

Detail View

Number of the Asset

Asset Tabs

General Information Fields

The Seven Books

Book-Related Fields

Detail/Group View Button

IRS Table Button

The following describes most elements of the FAS 100 Asset Accounting interface listed in the above illustration.

■ **Asset Tabs**
Asset tabs display additional detailed information about your assets. Each tab displays a page of specialized information, such as disposals, transfers, history, and more.

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

■ **The Seven Books**
The seven depreciation books available in the application are displayed across each of these column headings. Data in each column relates to the book listed at the top of the column.

■ **Book-Related Fields**
The book-related fields display depreciation data specific to each book displayed in the column headings. In Detail View,

you can view all depreciation data for a single asset. Use the scroll bars to the right to scroll through all available fields.

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

- Commonly used assets.

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

- Assets used in specialized businesses. (For example, assets used in recreational services are listed under "R" in this table.)
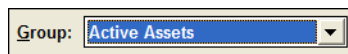
By locating an asset in the appropriate table and entering both its MACRS GDS life and ADS life, the application will default the correct lives into both the AMT and ACE books as needed.

Viewing Groups

There are five default groups. In addition, you can create many more groups. Use the Group field in Group View to switch between groups.

To switch between groups

1. Place the cursor in the Group field and select the group you want displayed from the list.

Group: Active Assets

The application displays the group in the Group View main window.

Selecting Assets

In the application, you often work with many assets at once. Therefore, the application does not unselect an asset when you select another. Each time you select an additional asset, the previously selected assets remain in the selection group. You can select or unselect assets individually or you can select or unselect them all.

To select an individual asset from Group View

1. Do any one of the following:

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

    *   Press the UP and DOWN ARROW keys on your keyboard until the double line surrounds the asset you want to select, and then press the SPACEBAR.

    The application highlights the asset you select.

To unselect assets individually from Group View

1. Do any one of the following:

    *   Click on the highlighted asset. The application removes the center of the highlight bar. The next time you click anywhere else in the asset list, the double line surrounding the asset disappears.

    *   Press the UP and DOWN ARROW keys on your keyboard until the double line surrounds the asset you want to unselect, and then press the SPACEBAR.

To select all assets in the current group from Group View

1. Do any one of the following:

    *   Click the Select All button on the toolbar.
    *   Select Edit/Select All from the menu bar.

    The application highlights all assets in the current group.

To unselect all assets in the current group from Group View

1. Do any one of the following:

    *   Click the Unselect All button on the toolbar.
    *   Select Edit/Unselect All from the menu bar.

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

Keyboard Shortcuts

Keyboard commands are sometimes faster than using the mouse. The following chart outlines keyboard commands specific to the product.

Key Combination	Feature
Working with Many Assets:	
CTRL+R	Refresh the selected group
F3	Search again for the next occurrence of a data item
Working with an Asset:	
Ctrl+N	Create new asset
Ctrl+G	Move to the Goto field to find an existing asset
Ctrl+S	Save changes to an asset, or save a new asset
Ctrl+A	Run the Asset Status report
Ctrl+P	Print the detail of an asset
Moving between Fields in Detail View:	
Tab	Move to next entry field or button
Shift+Tab	Move to previous entry field or button
Ctrl+Enter	Move to next section of Detail View
Ctrl+Right Arrow	Skip to next depreciation book
Ctrl+Left Arrow	Skip to previous depreciation book
Editing a Field in Detail View:	
Alt+Down Arrow	Open a drop-down list box, calendar, or other special function
F2	Switch to Edit Mode (move cursor within field)
Down Arrow	Open a drop-down list box or calendar in Edit Mode
Working with Depreciation Books in Detail View:	
Ctrl+F	Force defaults
Ctrl+Q	Quick depreciation projection

Key Combination	Feature
Standard Windows key combinations:	
Space	Toggle a check box
F1	Open the Help index
Ctrl+K	Launch the online calculator
Alt+A **Alt+B (etc.)**	Execute the command that contains the underscored letter
Cut/Copy/Paste:	
Ctrl+X	Edit/Cut
Ctrl+C	Edit/Copy
Ctrl+V	Edit/Paste
Moving between Windows/Applications:	
Ctrl+F4	Close the screen (from the Control Menu box)
Shift+F5	Cascade the application screens
Ctrl+F6	Switch between the application screens
Alt+F4	Exit the application

Toolbar Buttons

The toolbar provides an array of buttons that simplify many tasks. Following are each of the toolbar buttons and a brief description of each.

■ **New Asset**

 Display a blank asset form.

■ **Save Asset**

 Save all information in the current asset.

- **Select All**

  Select all assets in the current group.

- **Unselect All**

  Unselect all assets in the current group.

- **Depreciate**

  Calculate depreciation for an asset or a group of assets.

- **Reset Depreciation**

  Reset depreciation to the beginning date, placed-in-service date, or last period close date.

- **Bulk Disposal**

  Dispose of a group of assets in a single transaction.

- **Bulk Transfer**

  Transfer a group of assets in a single transaction.

- **Depreciation Projection**

  Project depreciation for the current asset.

- **Replicate Asset**

  Create a number of assets identical to the current asset.

- **Save as a Template**

  Save asset data as a template.

■ **Force Defaults**

Force defaults based on entries in the Tax book.

■ **Replace Data**

Replace text in a field in the currently selected assets.

■ **Delete Asset**

Delete an asset or group of assets.

■ **Create Group**

Define groups for use in Group View or reports.

■ **Customize Fields**

Customize field characteristics for the current company.

■ **Print Asset**

Print groups of assets or portions of an asset.

■ **Calculator**

Open the Windows calculator.

■ **Group View**

Display a group of assets.

■ **Detail View**

Display a single asset.

Finding Specific Assets or Specific Data

You have two tools available to help you find specific assets. One of these tools also helps you find specific data in the general information fields of an asset. The two tools are:

- The Goto field

- The Search feature

The Goto field is available in both Group View and Detail View. It is useful when you know the System Number or the Company Asset Number of an asset you want to display in Detail View. (You specify which of the two types of numbers you want to use in the Goto field in the Preferences screen.) For more information, see "Setting Preferences," page 4-48.

Here is an illustration of the Goto field.

The Search feature is only available in Group View. It is useful when you don't know the System Number or the Company Asset Number for an asset but you do know other information about the asset. You search for an asset or a group of assets based on data in the general information fields. The application finds the first occurrences of matching data in the database, and then highlights that asset in Group View. The Search Again feature (F3) finds the next occurrence. You can continue to select the Search Again feature until you have viewed all assets with matching data.

To find an asset using the Goto field

1. Type the System Number or the Company Asset Number of the asset you want to find in the Goto field, and then press ENTER. (In the Goto field, you must use the same number type you specified on the Company page of the Preferences screen.)

    The Detail View of the specified asset appears. Once in Detail View, you can use the Goto field to scroll through the assets. For more information, see "Browsing Your Assets," page 2-25.

To find an asset using the Search feature

When using the Search feature, don't worry about entering upper or lower case letters. This feature is not case-sensitive. The Search feature does not support the use of wild card characters.

1. Select Edit/Search from the menu bar. The Search screen appears.
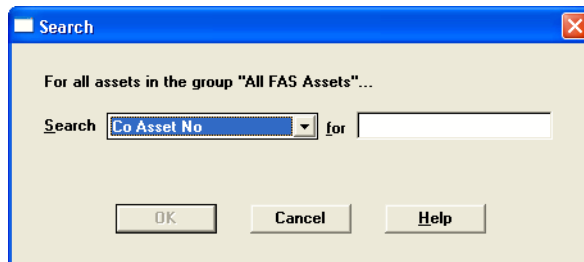
2. Complete the Search screen, and then click OK. For more information, see "Completing the Search Screen," page 2-23.

    The application returns to Group View and highlights the first occurrence of an asset in the database with matching data in the selected field. You can enter Detail View for the highlighted asset. If you enter Detail View, you must return to Group View before you can continue searching.

3. Select Edit/Search Again from the menu bar to continue searching, or press the F3 key. The application highlights the next occurrence of an asset in the database with matching data in the selected field.

4. Repeat step 3 until you find the desired asset.

Completing the Search Screen

Follow the guidelines provided below to complete the fields in the Search screen. The application displays the message "For all assets in the group 'XXX' …" at the top of the screen. This indicates that the application is searching for matching assets only in the currently active group.

■ **Search**
Use this field to select the general information field that you want to use in the search to look for specific data.

■ **For**
Use this field to type the specific data you want to find in the selected field.

Globally Replacing Data

You can globally replace data in any one of the general information fields for *selected* assets. The Replace feature is only available in Group View, and it operates only on assets that have been selected from the currently active group. That is, you must first select the assets from the currently active group before using the Replace command. For information on selecting assets, see "Selecting Assets," page 2-16.

To globally replace data

1. Select the assets in which you want to replace data. (To globally replace data for all assets in a company, make sure the currently active group is All Assets, and then click the Select All button from the toolbar.)

2. Select Edit/Replace from the menu bar. The Replace screen appears.

3. Complete the Replace screen, and then click OK. The application asks you to confirm your intention to replace the

data. Once you confirm your intention, the application informs you of how many replacements were made, and then returns to Group View.

Completing the Replace Screen

Follow the guidelines provided below to complete the fields in the Replace screen. The application displays the message "For all tagged assets in the group 'XXX' …" at the top of the screen. This indicates that the application is searching for matching assets only in *selected* assets of the currently active group. That is, you must first select the assets in the currently active group before using the Replace command. For information on selecting assets, see "Selecting Assets," page 2-16.

■ **Change**
Use this field to select the general information field in which you want to replace data.

■ **From**
Use this field to type the old data you want to replace.

■ **To**
Use this field to type the specific data you want replacing the old data.

■ **All**
Select this check box if you don't want to enter data in the From field and would rather have the application replace all data in the specified field for the selected assets.

Browsing Your Assets

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

Group View

In Group View, use the scroll buttons located on the right-hand side of the asset list as follows:

Use this button to go to the *first* asset in the group.

Use this button to go to the *last* asset in the group.

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

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

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

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

Detail View

In Detail View, you can use the scroll buttons on the Goto field, as shown below.

Goto: |◄|◄|5 |►|►|

The Goto field buttons move the asset list forward or backward as follows:

Use this button to go to the first asset in the currently active group.

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

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

Use this button to go to the last asset in the currently active group.

In Detail View, you can select Edit/Previous Asset and Edit/Next Asset from the menu bar.

Using the Right Mouse Button

You can use the right mouse button to navigate between Group View and Detail View, save a new asset, access the IRS Table, and more.

In Group View, right-click anywhere on the current group of assets to display the following menu:

```
New
Print
Refresh
Detail View
Help
```
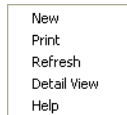
In Detail View, right-click anywhere on the current asset to display the following menu:

```
Save
New
Print
Refresh
Group View
Projection
IRS Table
Help
```
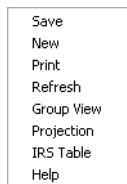
Note The menu items differ slightly, depending on which page you are on: Main, Disposal, Transfer, History, Image, or Notes.

Changing the Column Width

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

To change the column width

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

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

To restore the column width

1. Select Customize/Restore Columns from the menu bar. The application returns the columns to their default widths.

Temporarily Changing the Asset Sort Order

You can temporarily alter the Group View interface by changing the sort order of your assets.

The application displays assets in Group View according to the Sort Criteria page of the currently active group (most often by System Number or Company Asset Number). To temporarily change asset sort order, select another general-information field by which to sort the group. The general-information field names are listed at the top of each column in Group View.

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

To temporarily change asset sort order

1. Double-click the general-information field name by which you want the assets sorted. The application sorts the assets by the selected field.

   To return to the normal sort order, double-click on the same general-information field name.

> **Note** When you use this method to sort assets, the new sort order is only temporary. When you exit from the company and then open it, the assets will be sorted in their original order.

Accessing the Windows Calculator

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

To access the Windows calculator

1. Do any one of the following:

   - Click the Calculator button on the toolbar.
   - Select Window/Calculator from the menu bar.

   The Windows calculator appears.

Click the Close button in the upper right corner of the calculator screen to close the calculator.

Entering Dates in Date Fields

The application contains an easy-to-use calendar feature that you can access in any date field by selecting the arrow button that appears when the cursor is in the field.

To use the built-in calendar

1. Click the arrow button that appears in any date field when you place the cursor in the field. The calendar appears.

2. Select a date from the calendar. For more information, see
    "Selecting Dates in the Calendar," page 2-30.

    The application enters the date you selected in the date field.

Selecting Dates in the Calendar

To change the year, use the arrow buttons in the upper right corner
of the calendar. To change the month, use the arrow buttons in the
upper left corner. Once you've displayed the appropriate month
and year, double-click the desired date.

Date Formats

The three formats the application uses for dates are MMDDYYYY,
MMYYYY, and MMYY. You do not have to enter slashes or dashes.

This Date Is in Which Century?

Because we have just entered a new century, we've allowed you to
enter dates in both centuries. You can enter a four-digit year into
the application and the application will recognize it.

However, it considers two-digit years as follows:

00 - 19	2000 - 2019
20 - 99	1920 - 1999

Cutting, Copying, and Pasting Data

In the application, you can cut, copy, and paste data just as you can in any other Windows-based software. Follow the guidelines provided below to cut, copy, or paste data.

Cutting Data

When you cut data, you delete highlighted data from one area of the application. That data is placed in the Windows clipboard so you can then paste it somewhere else.

To cut data

1. Highlight the data you want to cut.

2. Do any one of the following:

   - Select Edit/Cut from the menu bar.

   - Press CTRL+X.

   The application deletes the highlighted data and places it in the clipboard.

Copying Data

When you copy data, you place a copy of highlighted data in the Windows clipboard so you can then paste it somewhere else. The old copy remains behind.

To copy data

1. Highlight the data you want to copy.

2. Do any one of the following:

   - Select Edit/Copy from the menu bar.

- Press CTRL+C.

The application copies the highlighted data and places it in the clipboard.

Pasting Data

When you paste data, you paste data from the Windows clipboard into a new location.

To paste data

1. Place the cursor in the area where you want to paste the data.

2. Do any one of the following:

   - Select Edit/Paste from the menu bar.

   - Press CTRL+V.

   The application pastes the contents of the clipboard into the cursor location.

3 **Understanding Key Elements**

This chapter explains the concepts of the FAS 100 Asset Accounting operating structure and its key features: databases, companies, groups, asset fields, and SmartLists. Taking the time to read and digest these concepts will help you accomplish your asset management tasks in a smarter, more efficient manner. The better you plan for using an automated asset manager, the easier your job will be.

Understanding Data Structure

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

You store each company you create in a database. You can store one or more companies in one database, or you can create multiple databases for storing multiple companies. To optimize application processing speed and convenience, determine which number of databases is best for you. Storing all your companies in one database is convenient because you do all your work in one place, and you can run comprehensive reports for all of your companies. However, distributing your companies among multiple databases optimizes application processing speed.

You can create more than one database in each directory (or file folder) on your computer. The database is a file with a BDB extension. You can give this file any name that conforms to Windows file naming standards. You can assign each database a unique name that you use to reference the database within the

application. For example, you might create two databases—
named MACHINES and OFFICE—as shown below.

FAS Data Structure

The database file **MACHINES.BDB** contains your database Machines. It is stored inside the DATA directory.

C:\PROGRAM FILES\BEST SOFTWARE\
FAS ASSET ACCOUNTING\
DATA\MACHINES.BDB

Database named Machines stores assets for three companies.

Database: You named MACHINES
Central
Western — **Companies**
Eastern

The database file **OFFICE.BDB** contains your database Office. It is stored inside the DATA directory.

C:\PROGRAM FILES\BEST SOFTWARE\
FAS ASSET ACCOUNTING\
DATA\OFFICE.BDB

Database named Office stores assets for one company.

Database: You named OFFICE
Furniture — **Company**

Understanding Companies

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

Why Use More Than One Company?

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

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

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

■ **Different Fiscal Year Ends or Short Years**
Fiscal year ends and short years must be the same within a single company. If this is not so for the different reporting units within your organization, then you must create separate companies for each reporting unit.

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

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

■ **Large Number of Assets**
The application processing speed depends on how many assets you store in your working database. Many functions process *all* data in *all* companies in the working database. Therefore, if you maintain a large number of assets (more than about thirty thousand), to gain optimal processing speed you should organize them into multiple companies stored in

multiple databases. For example, you might organize your assets according to the reporting structure for different areas of your organization based on accounting principles.

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

When to Keep Assets in One Company?

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

Use one company to store assets in the application, if:

- Your organization is a single legal entity.

- Your organization has a centralized management and accounting structure.

- Your organization does not have diversified products or markets.

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

- Your organization has a relatively low number of assets (say less than thirty thousand).

Understanding Groups

A group is a logical—not physical—subset of assets within a company. You can define multiple groups per company, and include any asset in multiple groups. For example, you might want to organize your assets into several groups because you have different reporting requirements for each group. In addition,

because a group is simply a logical view of a company, it is always current—you never have to update a group.

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

The specific action of creating groups is accomplished through the Group Manager option. Creating groups can be a single task or a series of tasks, depending on the complexity of the criteria you are using to define your group.

What Is a Group?

A group is often referred to as an asset group. A group is exactly what you think it means. A group is a collection of assets grouped together for the purpose of tracking them, working on them, or reporting on them collectively.

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

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

- Calculate Depreciation

- Run Reports

- Browse Your Asset List

- Sort Your Assets

- Find a Specific Asset

- Activate or Inactivate Assets

- Dispose of Assets

- Make Global Changes

- Transfer Assets

- Delete Assets

- Perform a MACRS Convention Switch or a 168 Allowance Switch

- Reset Depreciation

How the Application Updates Groups

The illustration below shows how the application processes your requests for a group.

How the Application Processes Requests for Groups

You Request:

Group:
Office Equipment
Criteria: Class is OE

Group:
All FAS Assets
Criteria: Pre-defined

Group:
2007 Assets
Criteria: Placed-in-Service Date
is between 01/01/2007
and 12/31/2007

Asset Database

Automobile	File Cabinet
Chair	Fork Llift
Computer	Furnace
Copier	Phone
Desk	Printer
	Zamboni

The application looks to the current database to process your request by comparing all assets to the specified criteria. Then it displays the matching assets.

All FAS Assets

Application Displays

Automobile
Chair
Computer
Copier
Desk
File Cabinet
Fork Lift
Furnace
Phone
Printer
Zamboni

Office Equipment

Application Displays

Computer
Copier
Phone
Printer

2007 Assets

Application Displays

Computer
Printer
Fork Lift

Understanding Asset Fields and SmartLists

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

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

- Machining

- machining

- MACHINING

- Mach

- Mchng

- MAC

- Machineing

- Masheening

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

Understanding Asset Identification

Assets are identified by their System Number. The application assigns a unique System Number to each asset in a company. You also have the ability to track assets based on your own identification scheme by entering pre-existing or internal numbers into the Company Asset Number field.

Asset Extension Numbers

Every System Number contains a numeric extension. Extension numbers allow the application to maintain the integrity of an asset's System Number when partial activity occurs, and they help you track partial activity. New assets are given the extension of .000. Extensions change when assets have been partially transferred or partially disposed and the remaining values have changed.

During either of these activities, there are three asset conditions created out of the original asset. The conditions are different depending on which of the two activities you are performing.

These asset conditions are created when you partially <u>transfer</u> an asset.

- The *original asset* retains its current System Number and extension. The asset is inactivated in order to be replaced by the remaining asset. The application assigns an Activity Code to the asset based on the details of the transaction.

- A *remaining asset* is created using the original System Number, but it is given a new extension. This remaining asset replaces the original asset in the asset list in Group View. It retains all field attributes of the original asset except for Acquired Value, which is decreased by the amount that has been transferred or disposed.

- A *transferred asset* is created out of the portion of the asset that was transferred. The transferred asset is given a new System Number and a .000 extension.

These asset conditions are created when you partially <u>dispose</u> of an asset:

- The *original asset* retains its current System Number and extension. The asset is inactivated in order to be replaced by the remaining asset. The application assigns an Activity Code to the asset based on the details of the transaction.

- A *disposed asset* is created using the original System Number, but it is given a new extension and its Activity code is changed to Disposed. You cannot view this asset in the asset list in Group View. To view this asset, you must enter the Disposal page in Detail View of the core System Number and scroll to its extension.

- A *remaining asset* is created using the original System Number, but it is given a new extension. This remaining asset replaces the original asset in the asset list in Group View. It retains all field attributes of the original asset except for Acquired Value, which is decreased by the amount that has been disposed.

When a partial transfer or a partial disposal is performed on an asset, the application assigns a new extension number to the remaining asset. This is to identify the new condition of the asset. The remaining asset has less of an Acquired Value than it had prior to the transfer or disposal, when it was in the original condition. Therefore, in order to correctly calculate depreciation on the remaining asset, the application must recognize its new condition.

Once a new extension number has been assigned to the remaining asset, it replaces the original asset in the asset list in Group View.

System Number 142.000
Original Asset (100%)
Appears in spreadsheet

Transfer 25% of original asset to new location

System Number 142.000
Original Asset (Inactivated)
Does not appear in spreadsheet

System Number 142.001
Remaining Asset (75%)
Replaces original asset
Appears in spreadsheet

System Number 268.000
Transferred Asset (25%)
Newly created
Appears in spreadsheet
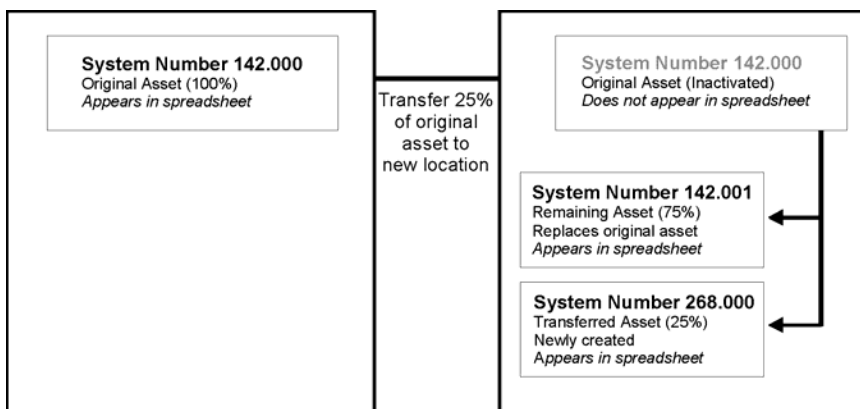
The history of the original asset is available through the Transfer or Disposal tabs in the Detail View of the core System Number, or through reports.

To illustrate this process, imagine the partial transfer of a hypothetical asset with a System Number of 142.000. During the transfer, the application creates a remaining asset and assigns it a new extension, making it asset 142.001. Asset 142.001 takes the place of the original asset 142.000 in the asset list in Group View. At the same time, the application creates an entirely new asset (the transferred asset) with a new System Number and a .000 extension (it could be asset 268.000). To view the original asset 142.000, enter Detail View of asset 142, click on the Transfer tab, and click the Previous button.

It is important to mention that you can perform a partial transfer or partial disposal on a remaining asset after the original partial activity. In fact, you can repeat this process several times, until the value of the asset is decreased to zero. If you perform partial activity on a remaining asset, the remaining asset becomes the original asset for the current partial activity. The application creates a new remaining asset, and all activity outlined above is repeated.

Note When you transfer an asset in its entirety and treat it as a disposal, the application creates a disposed asset with the same System Number as the original asset, but with a new extension. However, in this case, the disposed asset with the new extension does not take the place of the original asset and is only visible in the Disposal report.

Understanding Activity Codes

Activity Code is an important field, it indicates the activity status of an asset. Activity Codes are automatically assigned during asset activity.

The activity status of an asset affects your ability to perform certain functions on the asset. It also affects how the asset appears in reports. For instance, after you have disposed of an asset, the Activity Code of that asset changes from Active to Disposed. Once

disposed, you cannot perform any asset functions on the asset. The asset appears on most reports indefinitely. Two exceptions to this rule are the Depreciation Expense report and the Adjusted Current Earnings report, where a disposed asset appears on the report only until the end of the year in which it was disposed. On reports in which it does appear, the application flags the asset as disposed by placing a "D" in the Key column of the report.

Every activity status has a distinct code. Here is a chart outlining the activity statuses, their corresponding codes, their definitions, and the effects the statuses have on an asset's activity.

Activity Code	Type	Definition
A	Active	Active Asset
D	Disposed	Disposed Asset
I	Inactive	Inactive Asset (other than codes F, J, K, L, M, and N)
F	Whole	Asset that was disposed of when fully transferred and is inactive
J	Partial	Asset that was partially disposed of and is inactive
K	Whole	Asset that was fully transferred to another company or within the company and is inactive
L	Partial	Asset that was partially transferred to another company and is inactive
M	Partial	Asset that was partially transferred within the company and is inactive
N	Partial	Asset that was disposed of when partially transferred and is inactive

4 Setting Up the Product

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

Creating a New Database

The application already contains a default database where the demonstration data for Westfields Bakery - Demo is located. You can store your new company in the default database, but you might also want to create databases with unique names to assist your database management. The default database is located in the C:\Program Files\Best Software\FAS Asset Accounting\Data directory (if you accepted the defaults during installation). It is recommended that you store your databases in directories created in this location as well.

Before creating your first database, make sure you read "Understanding Data Structure," page 3-1. A folder can contain two or more databases.

To create a new database

1. Select File/Database List Manager from the menu bar. The application displays the Database List Manager screen.
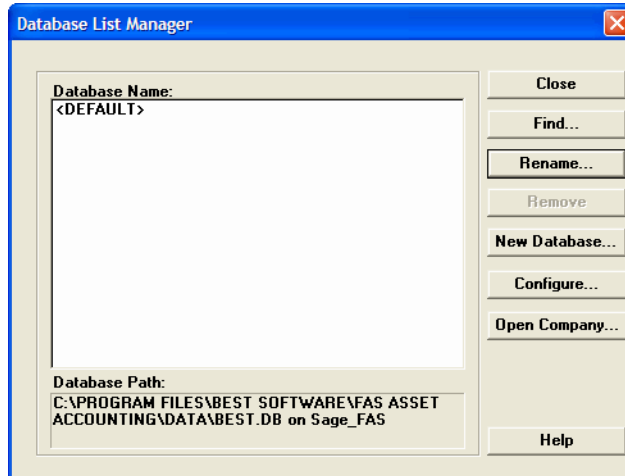
2. Click the New Database button. The application displays the New Database screen.
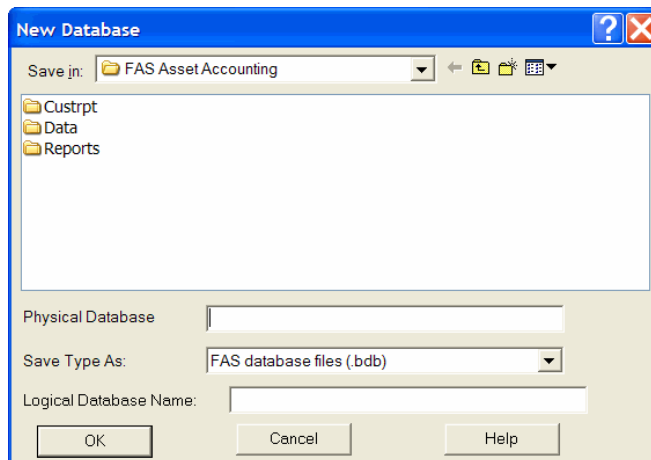
3. Complete the New Database screen, and then click OK. See "Completing the New Database Screen," page 4-3.

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

4. Click the Close button to exit the Database List Manager screen.

Completing the New Database Screen

Follow the guidelines provided below to complete the fields in the New Database screen. A folder can contain two or more databases.

- **Save In**
  This field displays the folder where you want to store the database. (Long file names for folder names are supported by the application.) Use the box below this field to select the folder. Use the toolbar buttons to the right of this field to move up a level or to create a new folder. Click the arrow button to select another drive letter.

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

- **Save Type As**
  This field displays the file type of the database file. You must accept the default file type of .BDB.

- **Logical Database Name**
  Use this field to enter the logical database name of the database. This is the name of the database that appears in the Database field of other screens.

Note Each logical database name in the Sage FAS system must be unique. You cannot enter a logical database name that already exists in the Database List Manager.

Creating a New Company

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

The most important fields are the book-related fields. These fields set up your company so that the application can properly depreciate its assets.

Note If your company uses short fiscal years, make sure you complete the Short Years page before you calculate depreciation. For more information, see "The Short Years Page," page 4-12.

Before creating your first company, make sure you read "Understanding Companies," page 3-2.

To create a new company

1. Select File/New Company from the menu bar. The New Company screen appears.

New Company							
Company Name							
Identifying Number (EIN)				**Business Start Date**		01/1920	
Starting system number		000001		**Round reports to whole dollars?**		No	
Include Sec 168 Allow & Sec 179 in expense?		No		**Transfer By**		Location	

Book Defaults | Short Years | Book Overrides

	Tax	Internal	State	AMT	ACE	Book 6	Book 7
Open Book?	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Book Title	Tax	Internal	State	AMT	ACE	Book 6	Book 7
FY End	December	December	December	December	December	December	December
Emulate Book	N/A	None	N/A	N/A	None	None	None
Default Method	N/A	SL	N/A	N/A	NO	SL	SL
Allow Prior Depr?	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Database   <DEFAULT>   ▼   New Database...

OK   Cancel   Copy Setup...   Help

2. Complete the New Company screen, and then click OK. See "Completing the New Company Screen," page 4-5.

The application opens the new company in Group View, and you are ready to begin adding assets.

Completing the New Company Screen

Follow the guidelines provided below to understand the New Company screen and to complete the fields contained in it.

The New Company screen is divided into the following three sections:

- Company Information at the top.
- Book Defaults, Short Years, and Book Overrides pages in the middle.
- Database information at the bottom.

The Company Information

Follow the guidelines provided below to complete the fields in the company information section of the New Company screen.

- **Company Name (Required Field)**
  Use this field to enter a unique name for the company you are creating (up to 32 characters). The company name appears in the title bar of screens and reports.

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

- **Business Start Date (Required Field)**
  Use this field to indicate the start date of your company. Enter the date in MMYY or MMYYYY format. The date entered in this field cannot be later than the placed-in-service date of the company's oldest asset.

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

  For example, Company #1 might start at 1, Company #2 at 5001, and Company #3 at 10,001. Always leave plenty of room for growth. The highest available system number is 999,999. Therefore, the starting System Number affects the number of assets a company can contain. For example, if you entered a starting system number of 300,000, you could not create more

than 700,000 assets for the company. If you have purchased the FAS 100 Asset Accounting - Select Edition, the application allows you to enter up to 100 assets in each company.

Note You cannot change the starting System Number after you begin adding assets.

- ■ **Round Reports to Whole Dollars?**
  Use this field to indicate whether you want dollar amounts to print as whole dollars on tax reports. Select Yes if you want dollar amounts rounded. Select No if not. This field does not affect dollar amounts in calculations and quick projections, because neither of these are ever rounded.

- ■ **Include Section 168 Allowance and Section 179 in Expense?**
  Use this field to indicate whether you want the Section 168 Allowance and Section 179 expense included, when applicable, in depreciation expense for reporting purposes only.

  - If you select Yes, the application includes these two amounts when displaying the following columns on reports: Prior Accumulated Depreciation, Depreciation This Run, Current Year to Date, and Current Accumulated Depreciation. Both Section 179 and the Section 168 Allowance are claimed on the first day of the placed-in-service month. For transferred assets, Section 179 and Section 168 Allowance are claimed on the month-end following the Beginning Date.

  - If you select No, the Section 168 Allowance and Section 179 expense are not included in depreciation expense on reports.

  Whether you select Yes or No, the application always reduces the acquired value by the Section 168 Allowance and Section 179 expense, if applicable, when calculating the depreciable basis. Also, because the Section 168 Allowance and Sec. 179 expense can be both basis reductions and included in expense, selecting Yes does not change the amounts displayed in the Current Year-to-Date field and Current Accumulated Depreciation field in Detail View. The Current Year-to-Date field and the Current Accumulated Depreciation field in Detail View always display depreciation without inclusion of the Section 168 Allowance and Section 179 expense, which are displayed separately.

Changing the selection in this field (from Yes to No or from No to Yes) will affect the depreciation expense amounts shown on reports. However, you do not need to recalculate depreciation after changing the selection in this field because this field does not affect the depreciation calculations displayed in Detail View.

■ **Transfer By**
Use this field to select the general information field by which you want to conduct the transfers of your assets. For instance, the most common type of transfer is by location. If you want to conduct transfers based on location, select the Location field here. You can only conduct transfers by the field selected in the company setup. If you need to conduct a transfer by another field at a later date, you can re-enter the company setup and change this field.

■ **Copy Setup Button**
Click this button to display a screen that allows you to copy the company setup information to a new company or an existing company. For information on copying a company setup, see "Copying a Company Setup," page 5-25.

The Book Defaults Page

Follow the guidelines provided below to complete the fields on the Book Defaults page of the New Company screen.

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

Name	Description
Tax	For federal tax reporting
Internal	For internal depreciation calculations (GAAP)
State	For state tax reporting
AMT	For depreciation under the Alternative Minimum Tax rules
ACE	For Adjusted Current Earnings depreciation under Code Section 56(g)
Book 6	For use as desired
Book 7	For use as desired

The fields on the Book Default page are arranged in columns and rows. One field is duplicated across a row and corresponds to the book listed at the top of each column. The information you enter in the Book Default page affects the Book-related fields you access when adding a new asset.

■ **Open Book?**
Use this field to specify whether or not you want to use the book listed at the top of the column.

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

If a corporation is exempt from AMT (under the rules prescribed by the Taxpayer Relief Act of 1997), it should close the AMT book, as well as the ACE book, for the first year beginning after December 31, 1997.

Note The FASB 109 Projection report and the Form 4626 AMT worksheet require at least one financial statement book to be open before you can define and run the reports. The financial statement book can be the Internal book or user-defined Book 6 or Book 7. For more information, see "FASB 109 Projection Report," page 10-32, and "Form 4626: Alternative Minimum Tax Worksheet," page 10-87.

■ **Book Title**
The application uses this field to display the name of the book in the current column. You cannot edit the book title for the Tax, Internal, State, AMT, and ACE books because the purpose of these books is predefined. For Book 6 and Book 7, you can change the title to identify your use of the book.

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

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

If the company's first year of business was less than 12 months and you later need to correct the original fiscal year-end date, you must first clear all the short years. For information on clearing short years, see "Clearing Short Years," page 4-13. If you have already calculated depreciation, you must also reset depreciation. See "Resetting Depreciation," page 8-9.

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

When you enter data into the Tax book, the application automatically applies data to the other books based on GAAP principles or IRS rules and regulations that pertain to the destination book. This procedure is referred to as setting the book defaults. You can also force the application to update default data anytime you change asset information. See "Forcing Book Defaults," page 6-53.

This feature is only effective if both the emulated book and the destination book are open. Book emulation is available for the Internal book, for Books 6 and 7, and for the ACE book (the ACE book can emulate only the AMT book and only for post-1993 assets). To make the ACE book emulate the AMT book, see "Book Emulation for the ACE Book," page 4-21.

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

When the application defaults Tax book data into other books, you can tell the application you want one of those books to receive the same data as another book, rather than receiving it directly from the Tax book. This is called book emulation. For instance, you can set Book 6 to emulate the AMT book. When you default the Tax book data, the application applies the default data to the AMT book, which is then copied into Book 6.

Generally, once the defaults are applied, any changes you make to the emulated book are not applied to the destination book. In the above example, this means that if you make changes to the AMT book, the changes will not automatically be applied to Book 6.

There is one exception: When you make changes to the Tax book and then use the Force Defaults option, all data is

changed as specified. In the above example, the application would default data to the AMT book and then copy the AMT book defaults to Book 6. When you force the defaults, the application overwrites all data previously entered. It also clears any depreciation that was calculated in all books except the Tax book.

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

■ **Default Method**
Use this field to select a default depreciation method for the user books. The application default method for the user books is the straight-line method (method SL). This field is disabled if the Emulate Book field is set to anything but None.

Select from the following valid method codes:

Code	Depreciation Method
SD	Straight-line, modified half-year
SL	Straight-line
SF	Straight-line, full month
SH	Straight-line, half-year
DC	Declining-balance, no switch to SL
DE	Declining-balance, modified half-year, no switch to SL
DI	Declining-balance, half-year, no switch to SL
DB	Declining-balance, switch to SL when optimal
DD	Declining-balance, modified half-year, switch to SL when optimal
DH	Declining-balance, half-year, switch to SL when optimal
YH	Sum-of-the-years'-digits, half-year
YD	Sum-of-the-years'-digits, modified half-year
YS	Sum-of-the-years'-digits
RV	Remaining value over remaining life
OC	Own depreciation calculation
NO	Do not depreciate
	Custom methods

■ **Allow Prior Depreciation?**
Use this field to select whether you want the application to allow users to enter beginning depreciation amounts for assets. The application default allows users to enter beginning amounts in all books.

Note You may want to disallow entry of beginning amounts after all assets previously maintained on another fixed asset solution have been entered, because these fields are not required for newly acquired assets.

The Short Years Page

Follow the guidelines provided below to complete the fields on the Short Years page of the New Company screen.

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

You can enter up to twenty different short years for each book. If the first year of business was a short year, its fiscal year-end date

will already be displayed in the screen. All fields on this page are date fields. Enter dates in either the MMYY or MMYYYY format.

- **Year 1**
  When setting up a company that has a *first* year of less than 12 months duration, the application completes this field automatically based on the entries you made in the Company Information fields. If the *first* year of business is not a short year, this field is available for use in the future. See the explanation for Years 2-20 below.

- **Years 2-20**
  Use the fields on each row to enter the month and year of the new fiscal year-end for each book listed at the top of the column.

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

Example: Suppose that the Original Company was established in May 1999 and decided to use a fiscal year-end of April. In 2002, the company adopted a new fiscal year-end of December. In 2007, the Bigger Company bought the Original Company and required that it change its fiscal year-end to September, to match its own. How would you enter this in the application?

Notice that the first year of business for the Original Company was not a short year. For the fiscal year-end, you enter April. The company had two subsequent short years, so you select the Short Years page. In the Year 1 field, you enter the first new fiscal year-end date, 12/2002. Then you enter the second new fiscal year-end date of 09/2007 in the Year 2 field.

The application considers the fiscal year-end from 2002 through 2006 to be December, and the fiscal year-end after 2006 to be September. The Fiscal Year-End field on the Book Defaults page now displays September. The application automatically makes all adjustments necessary to prorate depreciation for the short years when you update depreciation.

Clearing Short Years

You can clear the short years entered in Years 2 to 20 on the Short Years page by clicking the Clear Short Years button. The application asks for your confirmation before clearing the short years.

To clear the Year 1 field, you must select the Book Defaults page and enter a month in the Fiscal Year-End field that is 12 months after the Business Start Date. For example, if the Business Start Date is 01/2007, then enter December in the Fiscal Year-End field. Because the fiscal year-end is now 12 months after the date the business began, the application clears the short years in the Year 1 field on the Short Years page.

If you clear short years, you must also reset depreciation for all assets. For information on resetting depreciation, see "Resetting Depreciation," page 8-9.

Note Ideally, you should enter a short year before you use the application to calculate depreciation for the year. However, if you need to enter a short year after you've calculated depreciation for the year, or if you need to change a short-year date you've entered (including a short first year of business), you must clear all application-calculated depreciation figures first by resetting depreciation. See "Resetting Depreciation," page 8-9.

You do not need to reset depreciation if you are adding a short-year date later than the date(s) through which current depreciation has been calculated for all assets.

The Book Overrides Page

Follow the guidelines provided below to complete the fields on the Book Overrides page of the New Company screen.

New Company							
Company Name							
Identifying Number (EIN)			**Business Start Date**			01/1920	
Starting system number	000001		**Round reports to whole dollars?**			No	
Include Sec 168 Allow & Sec 179 in expense?	No		**Transfer By**			Location	

Book Defaults | Short Years | **Book Overrides**

	Tax	Internal	State	AMT	ACE	Book 6	Book 7
Midquarter	Half Year	Half Year	Half Year	Half Year	Half Year	Half Year	Half Year
Adjustments	None	None	None	None	None	None	None
Reduce by ITC	Yes	No	Yes	Yes	Yes	Yes	Yes

Database \<DEFAULT\> ▼   New Database...

OK   Cancel   Copy Setup...   Help

The Book Overrides page displays some of the default settings the application uses for the way it calculates the depreciation of your assets. The Midquarter field should be reviewed annually to decide whether or not the midquarter convention applies to the current year asset additions. You can override any of the defaults on this page by entering the field you want to change and then selecting another valid option.

The book defaults are as follows:

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

- The application does not apply a depreciation adjustment amount to the depreciation calculation. The depreciation adjustment amount is the difference between the user-entered beginning depreciation amounts and the amounts the application calculates for the same period.

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

Follow the guidelines provided below for understanding the fields on the Book Overrides page to see if you are satisfied with the application defaults that are applied by the application.

■ **Midquarter Convention**
Important: This field is extremely important to depreciation calculations for the tax-related books. Once you select the midquarter convention and calculate depreciation, you cannot undo the depreciation results unless you use the MACRS Convention Switch (the most desirable method) or unless you reset depreciation for the asset (which is undesirable, since you lose asset history when you reset depreciation). However, this does not apply to depreciation projections. To change the application of the midquarter convention after calculating depreciation, first reset the application-calculated depreciation for the asset or use the MACRS convention switch. See "Performing a MACRS Convention Switch," page 8-28, and "Resetting Depreciation," page 8-9.

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

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

Note For assets previously depreciated outside of a Sage FAS application, when you enter a date in the Beginning Date field in Detail View, the application asks you if you used the midquarter convention.

■ **Depreciation Adjustments**
Use this field to specify how you want the application to adjust incorrect depreciation calculation amounts that result from mixing past calculation amounts (accomplished outside of a Sage FAS application) with current FAS 100 Asset Accounting calculations. You need only concern yourself with this field if you added assets to the application that had depreciation previously calculated by another solution.

When you add previously depreciated assets to the application, you can enter beginning depreciation amounts. These amounts were previously calculated by the accounting solution you were using in the past.

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

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

There are two kinds of depreciation adjustment amounts, only one of which that you can do anything about:

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

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

To handle underdepreciated assets you have three
options from which to select. Each of these options
contains at least one exception. The exceptions are
explained below.

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

- **Immediate**: Select this option to take an immediate
  adjustment. After entering the beginning
  depreciation amount, the application takes the
  adjustment amount the next time you calculate
  depreciation. (This is not the case for depreciation
  method RV, which handles this adjustment type the
  same as it does for None and Postrecovery, as
  explained below.) The adjustment will be included in
  the Current-Year-to-Date figures. In reports, the Key
  column displays an "a" for adjustment.

- **Postrecovery**: Select this option to take a
  postrecovery period adjustment. The application
  takes the adjustment amount in the first period in the
  next fiscal year after the end of the asset's life. The
  asset is then fully depreciated. On the Depreciation
  Expense report for the postrecovery period, the
  Year-to-Date columns reflect the adjustment amount,
  and the Key column displays an "a" for adjustment.

(This is not the case for the depreciation methods listed below. These methods handle this adjustment type differently, as explained.)

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

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

- Declining-balance (DB)

- Declining-balance half-year (DH)

- Declining-balance modified half-year (DD)

- Declining balance, no switch to SL (DC)

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

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

- Remaining value over remaining life (RV)

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

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

An asset's life ends on 6/30/07, at which point it should be fully depreciated. XYZ Manufacturing, a calendar year company, has under-depreciated the asset in another solution and now enters it in the application.

Example A: XYZ Manufacturing enters a Beginning Date of 03/07 (that is, in the last year of the asset's life). The application takes the adjustment amount when it

calculates depreciation for 1/31/08, the first period in the following fiscal year.

Example B: XYZ Manufacturing enters a Beginning Date of 03/08 (that is, in the fiscal year following the fiscal year in which the asset's life ends). The application takes the adjustment amount when it calculates depreciation for 4/30/08, the first period following the Beginning Date.

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

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

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

● Take a reduced ITC without adjusting the basis.

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

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

To have the application not reduce the basis of appropriate assets in a book, select No.

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

The Database Information

Follow the guidelines provided below to complete the database information section of the New Company screen.

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

■ **New Database Button**
Click this button if you want to create a new database to store the company you are creating. The application displays the New Database screen. This button is available only when you first create a company. See "Completing the New Database Screen," page 4-3.

Book Emulation for the ACE Book

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

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

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

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

Once you've set this option in the Emulate Book field, it affects only new assets added into the application. However, when you are actually setting this option, you have the opportunity to copy existing AMT book data into the ACE book for any

previously-entered, post-1993 property. This process can take a long time if you have a great number of assets. You can return to this option later, if desired.

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

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

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

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

4. Click OK to save your changes to the company. This message appears if you are editing an already existing company:
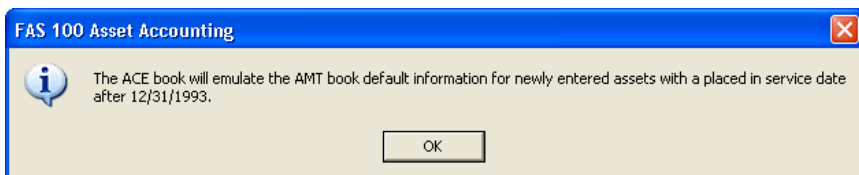
5. Click Yes or No based on the information below:

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

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

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

Predefined Groups

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

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

- All FAS Assets: Activity codes A, D, F, I, J, K, L, M, and N. For a description of each activity code, see "Understanding Activity Codes," page 3-11.

- All Non-FAS Assets: Assets created by another of our fixed asset management applications, such as FAS 100 Asset Inventory. (For information about other products, call 1-800-368-2405.)

- Active Assets: Activity codes A, D, F, J, K, L, M, and N. (Disposals are included in the Active Assets group because they are considered to have current activity in the year of disposal.)

- Inactive Assets: Activity code I.

- Disposed Assets: Activity codes D and F.

Note The group All Non-FAS Assets is used for assets created by our other applications that FAS 100 Asset Accounting can open. You can even create groups based on fields inside FAS 100 Asset Inventory that don't exist in FAS 100 Asset Accounting. Read about the Activate Non-FAS Fields in Group Manager option in "Completing the Company Page of the Preferences Screen," page 4-52.

Creating Groups

You can create groups of assets based on any asset attributes specified in the general information fields. Therefore, a group is a request to search the current company for assets matching criteria you specify. To create groups you should have a basic understanding of how to apply criteria to build expressions. See Appendix C, "Understanding and Specifying Criteria."

The application contains a tool called Group Manager. Use Group Manager to create a new group, edit an existing group, rename an existing group, or delete a group.

Note As a precaution, the application does not permit you to edit or delete the All FAS Assets group or the All Non-FAS Assets group.

You can access Group Manager from either the menu bar or from the Group field.
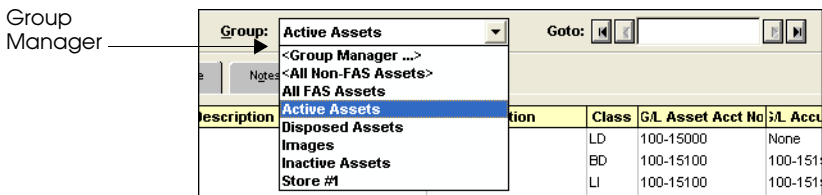
Group
Manager

If you access Group Manager from the Group field, the group you create or edit becomes the active group when you return to Group View. This is not the case when you access Group Manager from the Customize menu. Before creating your first group, make sure you read "Understanding Groups," page 3-4.

To create a group using Group Manager

1. Do any one of the following:

    •   Select Customize/Group Manager from the menu bar.

    •   Select Group Manager in the Group field, located in Group View.

    •   Click the Group Manager button from the toolbar.

The Group Manager screen appears.
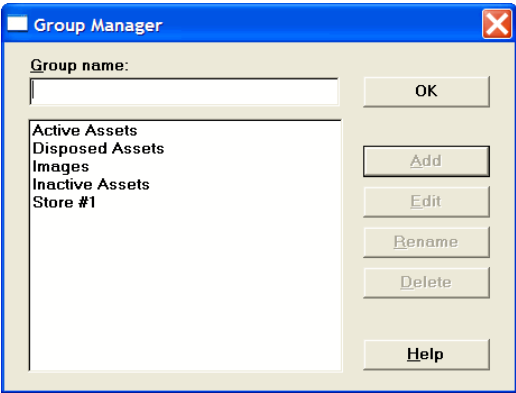
2. Enter a name for the group you are creating in the Group Name field, and then click the Add button. The Group Manager [*Group Name*] screen appears.
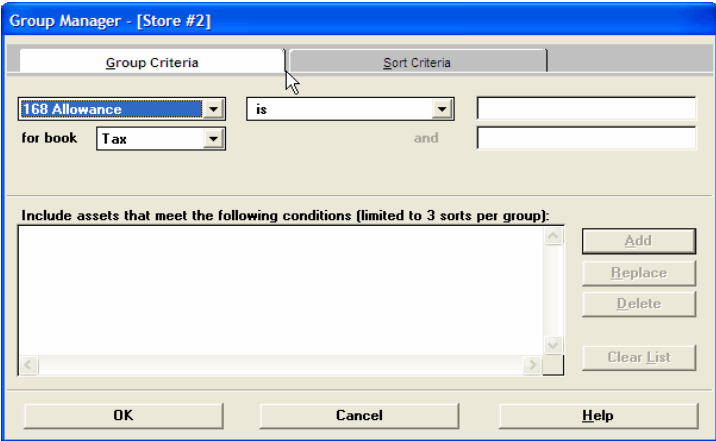
3. Complete the Group Manager [*Group Name*] screen, and then click OK. See "Completing the Group Manager [Group Name] Screen," page 4-27. The application returns to the Group Manager screen.

4. Click OK to close the Group Manager screen.

To create a group from selected assets

1. Select the assets in Group View that you want to form into a group.

2. Select Asset/Save as Group from the menu bar. The Save As Group screen appears.
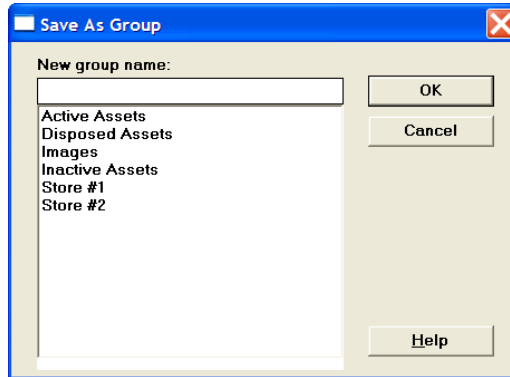
3. Type a name for the group in the New Group Name field, and then click OK. The application saves the selected assets as a group.

Completing the Group Manager Screen

Follow the guidelines provided below to complete the fields in the Group Manager screen. This screen is accessed by selecting Customize/Group Manager from the menu bar.

■ **Group Name**
Use this field to enter the name of the group you want to add. Choose a unique name that describes the purpose of the group. This field displays the group selected in the Group list box.

■ **Group List Box**
This list box displays the names of all the groups in the current company. Use this list box to select a group on which you want to perform one of the functions listed on the buttons to the right of this list box (Delete, Edit, etc.).

■ **Add Button**
Click this button to add the group name that you enter in the Group Name field to the Group list box. When you add a new group name to the Group List box, the Group Manager [Group Name] screen appears. See "Completing the Group Manager [Group Name] Screen," page 4-27.

■ **Edit Button**
Click this button to display a screen that allows you to edit the criteria for the selected group. See "Completing the Group Manager [Group Name] Screen," page 4-27.

■ **Rename Button**
Click this button to rename the selected group. Select the group you want to rename in the Group List Box. Enter the new name in the Group Name field, and then click the Rename button.

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

Completing the Group Manager [Group Name] Screen

The Group Manager [Group Name] screen contains two pages. In the Group Criteria page, you define the group. In the Sort Criteria page, you define how the group is sorted.

If you intend to specify complex criteria to build a group, there is information critical to both of these pages in Appendix C, "Understanding and Specifying Criteria."

Understanding and Completing the Group Criteria Page

The illustration below outlines important fields on the Group Criteria page that specify the criteria you are applying to build an expression which defines the group.

Data Selector Field

Field Selector Field

Book Selector Field

Operator Selector Field

Range Field

Expression List Field
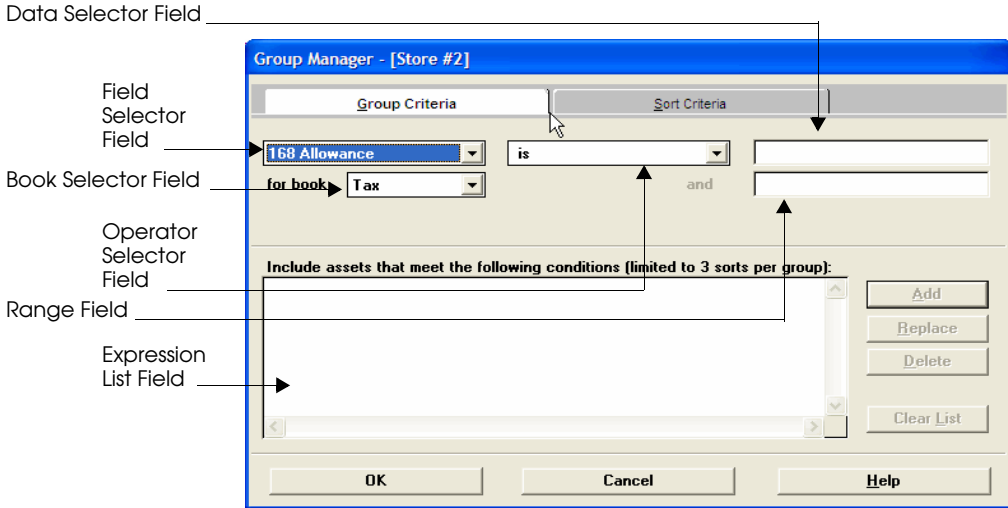
Think of the fields outlined above as being divided into three sections, like a mathematical equation.
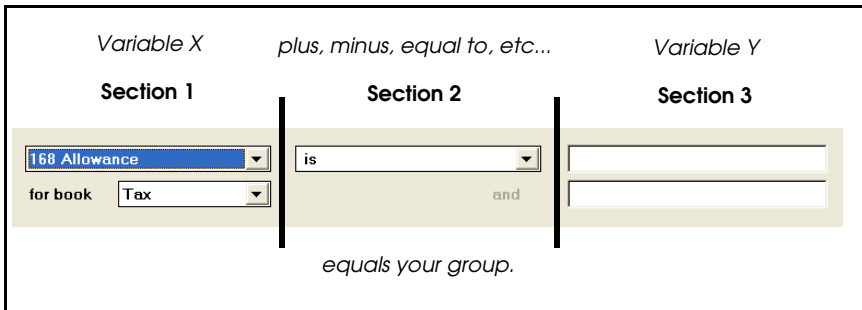
The three sections together form an expression which defines the group.

- Section 1 tells the application where to look for the data you want to use to define the group.

- Section 2 tells the application how to look at the data in Section 3.

- Section 3 tells the application what specifically to look for in Section 1. The application then compares what it finds based on how it is looking at it as specified in Section 2.

Once you've created an expression, you add that expression to the Expression list field. You can create multiple expressions to define a group. Each added expression further restricts the asset selection for the group. For example, suppose you choose to select by date placed-in-service and then by location. The application selects assets that match both criteria. However, if you add two expressions using the same field but requesting different data, the application selects all assets that fall in either range (for instance, location is New York or location is Chicago). To understand how multiple expressions work together, see Appendix C, "Understanding and Specifying Criteria."

Follow the guidelines provided below to complete the fields in the Group Criteria page.

- ■ **Field Selector**
  Use this field to specify the asset field you want to use to define your group. For non-FAS fields, the application displays the application name in parentheses next to the field name in the drop-down list.

- ■ **Book Selector**
  Use this field to specify the book containing the field you selected above. This field is only enabled if you selected a book-related field in the Field Selector drop-down list box.

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

- ■ **Data Selector**
  Use this field to specify the data you want to find or not find in the field you selected above. This is a case-sensitive field; that is, if you enter Bakery, the application will not find assets that contain BAKERY in their Location fields. Enter dates in the format MMDDYYYY. For operators that require a range, enter the first value in the range in this field. See below.

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

■ **Expression List Field**
This field displays all the expressions you have created for this group.

■ **Add Button**
Click this button to add an expression you have created into the Expression list field.

■ **Replace Button**
Click this button to replace an expression selected in the Expression list field with a newly created expression. Select the expression you want to change in the Expression list field, make the desired changes, and then click the Replace button.

■ **Delete Button**
Click this button to delete a selected expression from the Expression list field.

■ **Clear List Button**
Click this button to clear the Expression list field of all expressions.

Understanding and Completing the Sort Criteria Page

By default, assets are listed in Group View in order by System Number. In reports, they are also ordered by book. The Sort Criteria page allows you to change the order in which assets are listed in Group View and in reports. You can also indicate whether or not you want subtotals to appear for each sort level. There is information critical to creating complex sort criteria in Appendix C, "Understanding and Specifying Criteria." Refer to it if you plan to build such a sort.

Field Selector Field ────

Sort Order Field ────

Subtotals Field ────

Group Manager - [Store #2]

| Group Criteria | Sort Criteria |

Acquisition Date ▾   in ascending order ▾   no subtotals ▾

Include assets that meet the following conditions (limited to 3 sorts per group):

Add

Replace

Delete

Clear List

OK   Cancel   Help
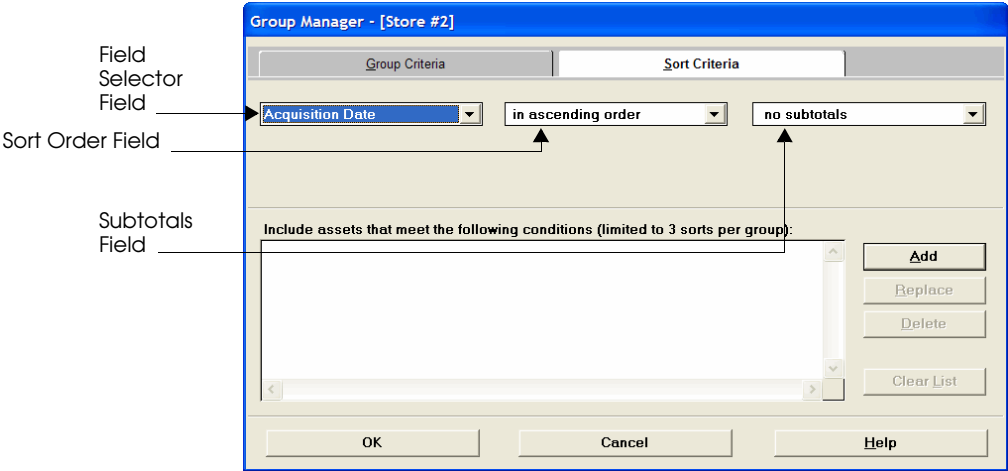
Note You can override the sort criteria that you select on the Sort Criteria Page when you run reports.

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

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

Follow the guidelines provided below to complete the fields on the Sort Criteria page.

■ **Field Selector**
   Use this field to select the field you would like the application to use as the primary sort. For non-FAS fields, the application displays the application name in parentheses next to the field name in the drop-down list.

■ **Sort Order**
   Use this field to select whether you would like the sort to list assets in ascending or descending order.

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

Updating Groups

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

Inside the Preferences option, you can specify that you want to automatically update groups. For more information, see "Setting Preferences," page 4-48. You can also force the application to update groups anytime you want. When you use the manual refresh group option, the application refreshes the current group only when you perform the procedure. This eliminates the need for you to wait every time the application refreshes the group as specified in the Preference settings.

To update the current group

1. Select Asset/Refresh from the menu bar.

   The application automatically updates the current group. Any assets you added are displayed if they meet the criteria of the current group.

Editing, Renaming, or Deleting Groups

See "Completing the Group Manager Screen," page 4-26.

Customizing Your Asset Fields

You can customize the assets' general information fields to suit the individual needs of your organization. When customizing these fields, keep in mind that the application contains ten alphanumeric User Fields for you to customize and one numeric User Field (called User Numeric 1). Therefore, you might not want to customize any of the pre-existing fields until you've exhausted the User Fields. You customize the pre-existing fields or the User Fields using the same set of procedures.

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

- Company Asset Number.

- The three G/L asset account numbers: G/L Asset Account Number, G/L Accumulated Account Number, and G/L Expense Account Number.

Before attempting to customize your fields for the first time, make sure you read "Understanding Asset Fields and SmartLists," page 3-8.

Warning Do not change the name of a field to a name that is reserved for use by a Sage FAS application. For more information, see "Reserved Field Names," page 4-37.

To customize asset fields

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

2. Complete the Customize Fields screen, and then click OK. See "Completing the Customize Fields Screen," page 4-34.

Completing the Customize Fields Screen

Follow the guidelines provided below to complete the fields in the Customize Fields screen.

■ **Field**
Use this field to select the asset field you want to customize. The application lists all customizable asset fields here.

■ **View**
Use this field to determine what kind of viewing or entry rights users are going to have for the selected field. Following are the available options:

❑ **Allow Entry**
Selecting this option allows users to enter data in the field, but the data is not mandatory. The data is viewable.

❑ **Require Entry**
Selecting this option requires users who are creating an asset to enter data in the field before saving the asset. The data is viewable.

❑ **View Only**
Selecting this option allows users to view the default data entered for the field, but does not allow users to enter data.

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

■ **Title**
Use this field to edit the name of the field. The name of the currently selected field is displayed here. To change it, type over the current name. After changing the name of a field, the original name is still displayed in the list of available fields to the left. This option is most often used for the User Defined fields.

Warning Do not change the name of a field to a name that is reserved for use by a Sage FAS application. For more information, see "Reserved Field Names," page 4-37.

■ **Entry Mask**
Use this field to determine how many characters the users are allowed to type in the field. The default number is listed on top of the field and as you change the number of characters, the application tracks the number of characters you are typing. To change the number of characters allowed, type or delete the Xs. This field is disabled for the Acquisition Date and the Warranty Date.

If you wish, you can specify characters such as decimal points, hyphens, and slashes that will appear in the field. When entering data, the user will not be able to type over those characters.

You can specify the kinds of characters the user can enter from the following table:

Character	Meaning
X	Any ASCII character
9	Any number 0-9; decimal point
N	Any alphanumeric character
Any other character	Any nonalphanumeric character (except ! ' #)

You must use all Xs, such as XXXXX, or any combination of 9, N, and nonalphanumeric characters, such as NN-999-99. You can use all nonalphanumeric characters except an exclamation point (!), an apostrophe ('), or a pound sign (#).

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

When you click OK to exit the Customize Fields screen in either of the above situations, the application prompts you with this message:

Click Yes to continue.

- ■ **Default**
  Use this field to type in a default entry for the field. The user still has the ability to overwrite the default.

- ■ **Entry Order**
  Use this field to select the order in which you want the fields to appear. The succeeding fields will be renumbered.

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

■ **Activate SmartList Containing Valid Entries**
Select this check box if you want to enable the SmartList Manager button. This option is not available for those fields where SmartLists cannot be created.

■ **SmartList Manager Button**
Click this button to display the List Manager screen, which allows you to create valid entries for asset fields. A list of valid entries for an asset is called a SmartList. See "Creating Valid Field Entries with SmartLists," page 4-42.

■ **Restore Button**
Click this button to restore the default settings for this screen. Choosing this command erases all modifications you've made to all the fields.

Reserved Field Names

You can customize the names of fields so that you can tailor the application to meet the specific needs of your organization. However, you should not rename a field to a name that is reserved for use in the FAS 100 Asset Accounting application. In addition, we recommend that you avoid using a field name that is reserved for use in FAS 100 Asset Inventory.

Renaming a field to a reserved field name can cause problems when you create a group or change the sort order when running a report. You could also experience problems when you add columns to a report. (This feature is available only if you have purchased FAS Report Writer.)

Below is a list of field names that you should avoid because they are reserved for use by a Sage FAS application.

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

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

FAS 100 Asset Accounting Fields
168(k) Allowance
168(k) Expense
168(k) Percent
ACE Basis
ACE Remaining Life
Acquisition Date
Acquisition Value
Activity
Activity Code
Adjustment Amount
ADS Life
Beg. Accum
Beg. YTD
Begin Accum Depr
Begin Prior Accum Depr
Begin Thru Date
Begin YTD Depr
Beginning Date
Business Use
Business Use 100%
Cash Proceeds
Class
Co Asset No
Creation Code
Current Accm
Current Accum Depr
Current Depr This Run
Current Net Book Value
Current Prior Accum Depr
Current Remaining Life
Current Thru Date
Current YTD
Current YTD Depr
Custodian

FAS 100 Asset Accounting Fields
Date of Transfer In
Date of Transfer Out
Deferral Date
Department
Depr Method - full
Depr Method - short
Depreciable Basis
Depreciation Method
Depreciation Pct
Depreciation Percent
Description
Disposal Date
Disposal Desc
Disposal Method
Disposal Percent-In
Disposal Percent-Out
Disposal Percent Out
Entity
Estimated Life
Exclude on DER?
Expense of Sale
Extension
G/L Accum Acct No
G/L Asset Acct No
G/L Expense Acct No
Gain/Loss Amount
Insurance Category
ITC Amount
ITC Option
ITC Percent
ITC Recap
Key Code
Last Calc Date
Location
Mfg Serial No
Net Value
Non-Cash Proceeds

FAS 100 Asset Accounting Fields
Non Cash Proceeds
Percent Transferred-In
Percent Transferred-Out
Period Accum
Period Date
Period YTD
Placed In Service Date
Prd Close Accum Depr
Prd Close Depr This Run
Prd Close Net Book Value
Prd Close Prior Accum Depr
Prd Close Thru Date
Prd Close YTD Depr
Prior Thru Date
Property Type
Purchase Order No
Recognize G/L?
Replacement Value
RV Override
Salvage Value
Section 179/Bonus
Section 179 Qualified?
Section 179/Other Amount
Section 179/Other Code
System No
Transfer 168(k)-In
Transfer 168(k)-Out
Transfer Date-In
Transfer Date-Out
Transfer By
Transfer From
Transfer To
Transfer-by Field
Transferred-In From
Transferred-In To
User Field 1
User Field 2

FAS I00 Asset Accounting Fields
User Field 3
User Field 4
User Field 5
User Field 6
User Field 7
User Field 8
User Field 9
User Field 10
User Numeric 1
Vendor/Mfg
Warranty Date

FAS I00 Asset Inventory Fields
Checked Out Date
Condition
Exception Status
Expected Return Date
FAI Repl Val Cat
FAI Replace Value
FAI User Field 1
FAI User Field 2
FAI User Field 3
FAI User Field 4
FAI User Field 5
FAI User Field 6
FAI User Field 7
FAI User Field 8
FAI User Field 9
FAI User Field 10
Floor
Reconcile Status
Room

Creating Valid Field Entries with SmartLists

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

Creating a SmartList does not necessarily eliminate the ability of a user to add an entry to a field that is not currently on the SmartList. The ability or inability to perform such an action is controlled in the List Manager screen.

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

You can copy SmartLists from one company to another by using the Copy Setup feature in the Edit Company screen. For more information, see "Copying a Company Setup," page 5-25.

Before creating your first SmartList, make sure you read "Understanding Asset Fields and SmartLists," page 3-8.

To create asset SmartLists

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

2. Select the field from the list that you want to create a SmartList for, and then select the Activate SmartList Containing Valid Entries check box. See "Completing the Customize Fields Screen," page 4-34.

3. Click the SmartList Manager button. The List Manager screen appears.
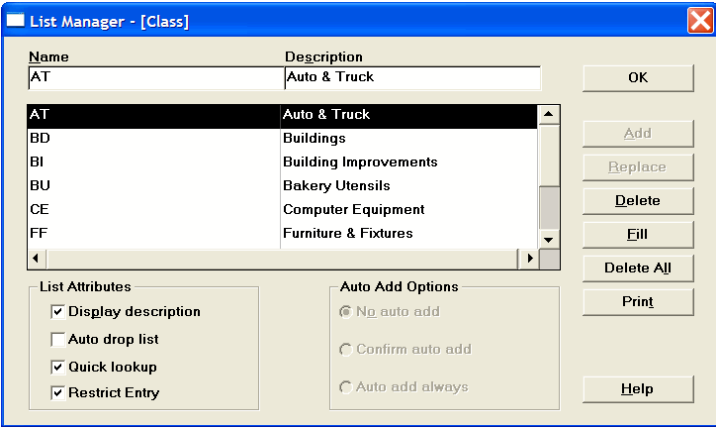
4. Complete the List Manager screen to build the list of valid entries for the selected field, and then click OK. The application returns to the Customize Fields screen. See "Completing the List Manager Screen," page 4-43.

5. Click OK to exit the Customize Fields screen.

Completing the List Manager Screen

Follow the guidelines provided below to complete the fields in the List Manager screen.

■ **Name**
Use this field to type the valid entry you want your users to have the option of selecting from the SmartList when they create or edit an asset. The number of characters is determined by setting the entry mask in the Customize Fields screen.

■ **Description**
Use this field to provide users with more detail about the SmartList entry. For example, if the name is HW, then a description of computer hardware would greatly aid your users. You have the option of selecting whether to display descriptions in a SmartList by using this screen in conjunction with the Display Description field (see below). If you don't want to display descriptions, skip this field.

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

■ **List Attributes**
Select the attributes you want applied to your SmartList:

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

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

❑ **Quick Lookup**
Select this check box if you want to enable the quick
lookup feature. The quick lookup feature allows users to
enter only the first three characters of an entry in the
drop-down list box, and then the application quickly
finds the first entry in the list box that matches the
characters.

❑ **Restrict Entry**
Select this check box if you want users to only be able to
enter data in a field by using an entry from the SmartList.
Selecting this option disables the Auto Add options.

■ **Auto Add Options**
Select the option that describes how you want the application
to react to users making entries that are not currently in the
SmartList.

❑ **No Auto Add**
Click this option button if you want users to be able to
make entries that are not on the SmartList into the
selected field, but you don't want the application to add
those entries to the SmartList.

❑ **Confirm Auto Add**
Click this option button if you want users to be able to
make entries that are not on the SmartList into the
selected field, and you also want the application to add
the entry into the SmartList after confirmation by the user.

❑ **Auto Add Always**
Click this option button if you want users to be able to make entries that are not on the SmartList into the selected field, and you also want the application to automatically add the entry into the SmartList every time. Think twice before selecting this one.

■ **Add Button**
Click this button to add an entry to the SmartList. To add another entry, enter the Name field and complete the rest of the screen.

■ **Replace Button**
Click this button to replace the selected SmartList entry with another entry you have created. If the SmartList entry you are replacing has already been used for an asset, a screen appears informing you of the number of existing assets in the current company that will be affected by the change. You then have three update options available:

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

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

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

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

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

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

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

> **Note** The application displays a warning during the Fill process if it detects over 1,000 unique entries. This warning indicates that system performance may be affected by such a large volume of data in a single field.

■ **Delete All Button**
Click this button to delete all SmartList entries from the list. If the SmartList entries you are deleting have already been used for an asset, a screen appears informing you of the number of existing assets in the current company that will be affected by the change. You then have two update options available:

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

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

■ **Print Button**
Click this button to send the SmartList report to the default printer. The SmartList report shows a field's SmartList entries. For more information, see "SmartList Report Sections," page 4-47.

Sample SmartList Report

May 03, 2004
5:09 pm

Page 1

Westfields Bakery - Demo
SmartList Report
Field: **Class**

Field Customizations

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

SmartList Manager

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

Field Name (Value)	Description
LD	Land
BD	Buildings
LI	Land Improvements
BU	Bakery Utensils
ME	Machinery & Equipment
FF	Furniture & Fixtures
BI	Building Improvements
CE	Computer Equipment
LH	Leasehold Improvements
AT	Auto & Truck

10	Total SmartList Entries

List Options

List Attributes

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

SmartList Report Sections

The SmartList report contains three sections:

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

- Title field

- View field

- Entry Mask field

- Default field

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

- List of available SmartList entries

- Description of each available SmartList entry

- Total number of available SmartList entries

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

- Which of the List Attributes have been selected

- Which one of the Auto Add Options has been selected

Setting Preferences

The application contains a Preferences screen that allows you to make several decisions about how your system operates. The Preferences screen contains four pages of options. The Network page is only available if you have purchased FAS 100 Asset Accounting - Network Edition. For information on the Network page, see "Turning Off the Network Warning Messages," page D-3.

To set your Preferences

1. Select File/Preferences from the menu bar. The Preferences screen appears.
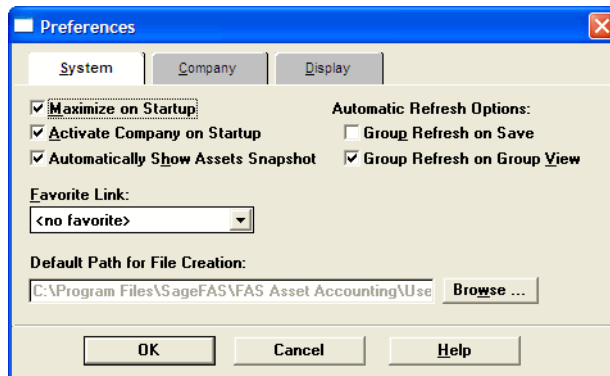
2. Complete the System page of the Preferences screen. See "Completing the System Page of the Preferences Screen," page 4-50.

3. Complete the Company page of the Preferences screen. See "Completing the Company Page of the Preferences Screen," page 4-52.

4. Complete the Display page of the Preferences screen. See "Completing the Display Page of the Preferences Screen," page 4-53.

5. Click OK to exit the Preferences screen.

Setting the Default Folder for File Creation

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

- exporting files
- saving export field map files
- importing files
- saving import field map files
- backing up companies
- restoring backed-up companies
- adding images to the Image Catalog

To specify the default folder for file creation

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

2. Select the System page of the Preferences screen (it may already be selected). For more information, see "Completing the System Page of the Preferences Screen," page 4-50.

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

4. Click OK to close the Preferences screen.

Completing the System Page of the Preferences Screen

Follow the guidelines provided below to complete the fields on the System page of the Preferences screen.

Note The preferences that you select on this page apply only to the individual workstation.

- **Maximize on Startup**
  Select this check box to maximize the main system window so that it occupies the entire screen when the application starts up. (For the application to occupy the entire screen, you must also activate the Microsoft Windows "auto hide" feature for the Windows task bar and the Microsoft Office toolbar, if present.)

- **Activate Company on Startup**
  Select this check box if you want the last open company to open when the application starts up.

- **Automatically Show Assets Snapshot**
  Click this check box if you want to display the Assets Snapshot screen every time you open a company. See "Viewing an Assets Snapshot," page 5-2.

■ **Automatic Refresh Options**
  ❑ **Group Refresh on Save**
    If you select this option, the application automatically refreshes the list of assets in the current group when you save new assets or changes to existing assets. If the additions or changes do not meet the criteria of the current group, you will no longer be able to locate the assets using the previous and next (arrow) buttons in the Goto field. If you do not select this option, you can continue to use the Goto field to find the assets until a refresh occurs. You can manually refresh the current group by clicking the Refresh button. See "Updating Groups," page 4-32.

  ❑ **Group Refresh on Group View**
    If you select this option and add new assets or make changes to existing assets while in Detail View, the application automatically refreshes the current group when you return to Group View. Group View will display the most recent changes to the assets, display any new assets that qualify for the group, and remove any assets that no longer qualify for the group. If you do not select this option, Group View does not reflect changes made to existing assets or new assets until a refresh occurs. You can manually refresh the current group by clicking the Refresh button. See "Updating Groups," page 4-32.

■ **Favorite Link**
  Use this field to select theSage FAS link that you use most often. The application displays the selected link at the bottom of the Links menu, making it easier to access. See "Selecting a Favorite Sage FAS Link," page G-2.

■ **Default Path for File Creation**
  Use this field to specify the default folder for creating files in the application. The folder that you select becomes the default folder for exporting files, saving export field map files, importing files, saving import field map files, backing up and restoring companies, and adding images to the Image Catalog. See "Setting the Default Folder for File Creation," page 4-49.

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

Completing the Company Page of the Preferences Screen
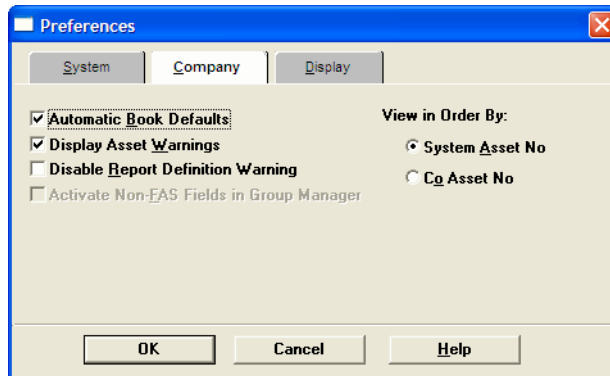
Follow the guidelines provided below to complete the fields on the Company page of the Preferences screen.

■ **Automatic Book Defaults**
Select this check box if you want the application to enable the automatic defaulting feature. This feature defaults information you've entered from one book into another. This is an extremely useful feature when you are adding a new asset. It saves data entry time.

■ **Display Asset Warnings**
Select this check box if you want the application to send warning messages each time you enter data inconsistent with depreciation concepts and rules.

■ **Disable Report Definition Warning**
Click this check box if you do *not* want the application to display a warning message when you select another report without saving your changes in the Report Definition screen. Clear this check box if you do want the application to display the warning message.

■ **Activate Non-FAS Fields in Group Manager**
Select this check box to use asset groups created in our other applications and to use FAS 100 Asset Inventory fields when creating new groups. This option is available only if you have installed our other applications. You must have opened the company in the other Sage FAS application to view these groups and fields.

■ **View In Order By**
Use this field to specify which of the two available fields you want to use as a searching mechanism in the Goto field. The Goto field is a quick-find feature that allows you to enter a System Asset Number or a Company Asset Number, which the application then locates and displays.

❑ **System Asset Number**
Click this option button if you want to enter system numbers in the Goto field when switching between assets.

❑ **Company Asset Number**
Click this option button if you want to enter company asset numbers in the Goto field when switching between assets.

Completing the Display Page of the Preferences Screen
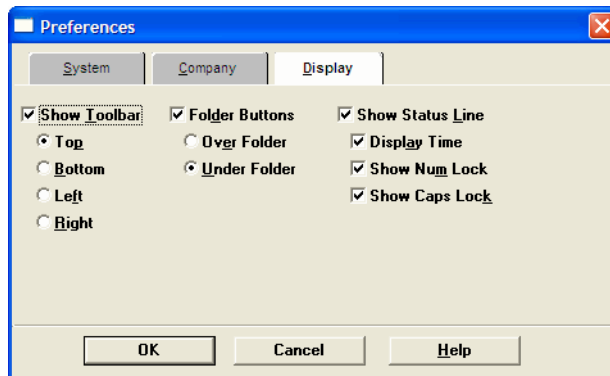
Follow the guidelines provided below to complete the fields on the Display page of the Preferences screen.

■ **Show Toolbar**
Select this check box if you want to display the toolbar. Click one of the option buttons below to specify where you want the placement of the toolbar.

❑ **Top**
Click this option button to place the toolbar at the top of the application screen.

❑ **Bottom**
Click this option button to place the toolbar at the bottom of the application screen.

❑ **Left**
Click this option button to place the toolbar on the left-hand side of the application screen.

❑ **Right**
Click this option button to place the toolbar on the right-hand side of the application screen.

■ **Folder Buttons**
Select this check box if you want to display the folder buttons (for example, Save, New, Print, Refresh, Detail View/Group View, and Projection).

❑ **Over Folder**
Click this option button to display the folder buttons at the top of the spreadsheet, just above the Template, Group, and Goto fields.

❑ **Under Folder**
Click this option button to display the folder buttons at the bottom of the spreadsheet. This is the default position for the folder buttons.

■ **Show Status Line**
Select this check box to display the status line at the bottom of the application screen. The status line displays a brief and informative message based on the location of the cursor. For example, if the cursor is over an active toolbar icon, the status line displays a message explaining the function of the icon. Select the check boxes below to specify which additional options you want displayed on the status line.

❑ **Display Time**
Select this check box to display the time on the status line.

❑ **Show Num Lock**
Select this check box to display the Num Lock indicator on the status line.

❑ **Show Caps Lock**
Select this check box to display the Caps Lock indicator on the status line.

Setting Up Your Printer

The Print Setup option is a standard Windows option. It allows you to select the printer that you want to use to print asset pages, asset images, and reports.

To set up your printer

1. Select File/Print Setup from the menu bar. The Print Setup screen appears.
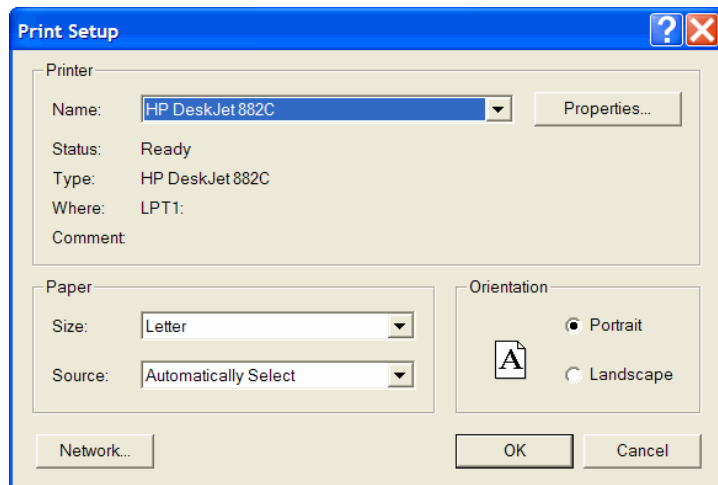
2. Select the printer that you want to use, and then click OK.

Note For details about completing the Print Setup screen, see your Windows documentation.

Setting User Security

The security feature enables you to define the kind of access each of the users in your organization has to the many functions of the application. You might want some users to have access only to data entry functions, while you might want others only to be able to read the information in the database but not to be able to change data. You can specify all of this and more through the security feature.

Security is implemented through the use of login names and passwords and through security profiles. A security profile is a detailed specification of a security level as defined by what a user can and cannot do or what a user can or cannot access. You can have many security profiles. For instance, you might have a security profile named Managers. This profile might specify access to everything in the application to those users who are assigned this profile. You might have another security profile named Data Entry. This profile can specify access only to functions associated with data entry. It can disable access to the more advanced functions.

The first profile you'll use is the Supervisor profile. This profile is pre-defined as having access rights to everything in the application.

Caution The first task you'll perform in setting up security is to assign a password to the Supervisor profile. Do not lose this password. If you lose the password assigned to the Supervisor, once you enable system security you'll be locked out of the application. To obtain a new supervisor password, fax your request to our Customer Support department (866-856-6844) on your company's letterhead. The fax should include a brief statement requesting a temporary password, your customer number, an authorized signature, and a job title. A customer support analyst will respond within 24 hours of receiving your fax.

There are two levels of password security:

- System level security

- Company level security

System level security specifies the type of access a user has to application functions. Company level security specifies what the user can and can't do to the data in a company. You can assign a user to different profiles in different companies.

System level security is effective across all companies within the same database. Each database must have its own system level security profile.

Setting user security is a four-step process.

- Assign a supervisor password and enable system security. For more information, see "To assign a supervisor password and enable system security," page 4-57.

- Create system level security profiles. For more information, see "To create system level security profiles," page 4-59.

- Create company level security profiles. For more information, see "To create company level security profiles," page 4-59.

- Assign privileges to users. For more information, see "Assigning User Privileges," page 4-64.

To assign a supervisor password and enable system security

Once system security is enabled, every user must have a login name and a password to enter the application.

Note Passwords are case-sensitive. That is, MyPassword and MYPASSWORD are two different passwords.

1. Select File/Password Security/Supervisor from the menu bar. The Assign Supervisor Password screen appears.
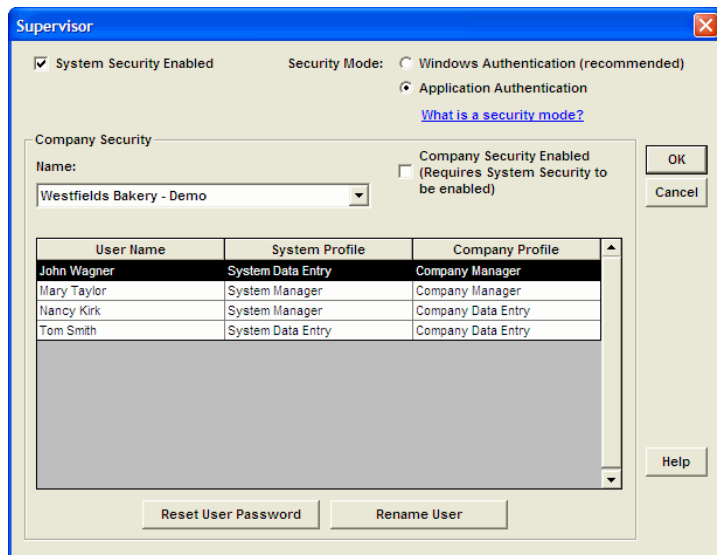
2. Type a password in the Password field, and then retype the password in the Confirmation field.

3. Click OK. The Supervisor screen appears. See "Completing the Supervisor Screen," page 4-60.

4. Select the System Security Enabled check box.

5. Select a company from the Name field, and then select the Company Security Enabled check box to enable security for that company.

6. Complete the rest of the Supervisor screen, then click OK.

To create system level security profiles

1. Select File/Password Security/Define Profiles/Define System Profiles from the menu bar. The Define System Profiles screen appears.
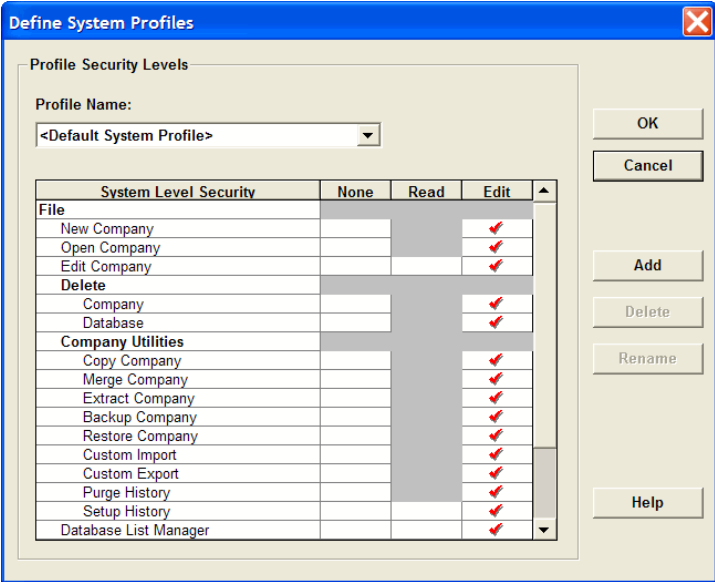
2. Complete the Define System Profiles screen, and then click OK. See "Completing the Define System Profiles Screen," page 4-62.

To create company level security profiles

Company level security specifies what the user can and cannot do to the data in a company.

1. Open the company for which you want to create company level security profiles.

2. Select File/Password Security/Define Profiles/Define Company Profiles from the menu bar. The Define Company Profiles screen appears.

3. Complete the Define Company Profiles screen, and then click OK. See "Completing the Define Company Profiles Screen," page 4-63.

Completing the Supervisor Screen

Follow the guidelines provided below to complete the fields in the Supervisor screen.

■ **System Security Enabled**
    Select this check box to enable the system security. Once you enable system security, every user must have a login name and a password to enter the application.

■ **Security Mode**
    Use this field to select how the application handles the rules regarding user names passwords. For more information, see "Selecting a Security Mode," page 4-70.

    ❑ **Windows Authentication (recommended)**
        Click this option to allow the Windows operating system to handle the rules regarding user names and passwords.

❑ **Application Authentication**
Click this option to allow the Sage FAS application to handle the rules regarding user names and passwords.

■ **Name**
Use this field to select a company for which you want to view user profiles or enable company level security. This field displays the names of all companies in the current database. If you want to access a company in a different database, you must exit this screen and open a company in the desired database. See "Opening an Existing Company," page 5-1.

Tip Select the <All Companies> option in the Name field to locate a user name when you don't know the company to which the user has been assigned. Selecting the <All Companies> option displays all of the users in the application, whether or not they have been assigned a system or company profile.

■ **Company Security Enabled**
Select this check box to enable security for the selected company. This check box is available only if you click the System Security Enabled check box.

Note This check box is not available if you select the <All Companies> option in the Name field.

■ **User Profiles List**
This field displays the profiles for each user in the selected company.

■ **Reset User Password Button**
Click this button to reset the password for the selected user. Select the desired user in the User Profile List, and then click the Reset User Password button. A message confirms that the password has been reset to the user name. For example, when you select user MSMITH and click the Reset User Password button, the password for that user becomes "MSMITH." See "Resetting User Passwords," page 4-75.

■ **Rename User Button**
Click this button to rename the selected user. Select the desired user in the User Profiles List, and then click the Rename User button. A screen appears that allows you to

enter a new user name and, if you selected Windows Authentication, a new domain. See .

Completing the Define System Profiles Screen

Follow the guidelines provided below to complete the fields in the Define System Profiles screen.

■ **Profile Name**
Use this field to select the name of the profile you want to view or edit. Once you add a new profile using the Add button, the application displays the new profile in this field.

■ **System Security List**
Assign system security based on the following explanation of each field in the system security list. Shaded areas represent areas that are not applicable to a specific function.

❑ **System Level Security**
This column displays the names of all the application functions in the application where you can impose security restrictions. Select one of the three security options in the columns to the right to specify a security level.

❑ **None**
Select this security option if you don't want users assigned this profile to have access to the specified application function.

❑ **Read**
Select this security option if you want users assigned this profile to have the ability to read the data in the specified application function, but you don't want them to be able to edit the data.

❑ **Edit**
Select this security option if you want users assigned this profile to have all rights to the specified application function.

■ **Add Button**
Click this button to add a new profile to the application. The application displays the Add Profile screen. Type a name for the new profile you are adding, and then click OK. The

application returns to the Define System Profiles screen. The new profile name you added is then displayed in the Profile Name field.

■ **Delete Button**
Click this button to delete the security profile displayed in the Profile Name field. The application asks you to confirm your intention before deleting the profile.

■ **Rename Button**
Click this button to rename the security profile displayed in the Profile Name field. The Rename Profile screen appears. The old profile name is displayed at the top. Type in the new name, and then click OK. The application returns to the Define System Profiles screen.

Completing the Define Company Profiles Screen

Follow the guidelines provided below to complete the fields in the Define Company Profiles screen.

■ **Profile Name**
Use this field to select the name of the profile you want to view or edit. Once you add a new profile using the Add button, the application displays the new profile in this field.

■ **Company Security List**
Assign company security based on the following explanation of each field in the company security list. Shaded areas represent areas that are not applicable to a specific function.

❑ **Company Level Security**
This column displays the names of all the company level functions in the application where you can impose security restrictions. Select one of the three security options in the columns to the right to specify a security level.

❑ **None**
Select this security option if you don't want users assigned this profile to have access to the specified company function.

❑ **Read**
Select this security option if you want users assigned this profile to have the ability to read the data in the specified

company function, but you don't want them to be able to edit the data.

❑ **Edit**
Select this security option if you want users assigned this profile to have all rights to the specified company function.

■ **Add Button**
Click this button to add a new profile to the security system. The Add Profile screen appears. Type a name for the new profile you are adding, and then click OK. The application returns to the Define Company Profiles screen. The new profile name you added is then displayed in the Profile Name field.

■ **Delete Button**
Click this button to delete the security profile displayed in the Profile Name field. The application asks you to confirm your intention before deleting the profile.

■ **Rename Button**
Click this button to rename the security profile displayed in the Profile Name field. The Rename Profile screen appears. The old profile name is displayed at the top. Type in the new name, and then click OK. The application returns to the Define Company Profiles screen.

Assigning User Privileges

Once you've created security profiles, you must assign your users a system profile and a company profile. After you assign users a profile, they only have access to the functions as specified in their profile.

If you're assigning user privileges for the first time, you must first create a user list.

To create a user list

The application uses the names in the user list as the user's login ID. Create names on the user list as you would any other login IDs. You might want to use the same standard as with most network IDs: last name, followed by first initial.

1. Select File/Password Security/Assign User Privileges/ Assign System Privileges from the menu bar. The Assign System Privileges screen appears. See "Completing the Assign System Privileges Screen," page 4-67.
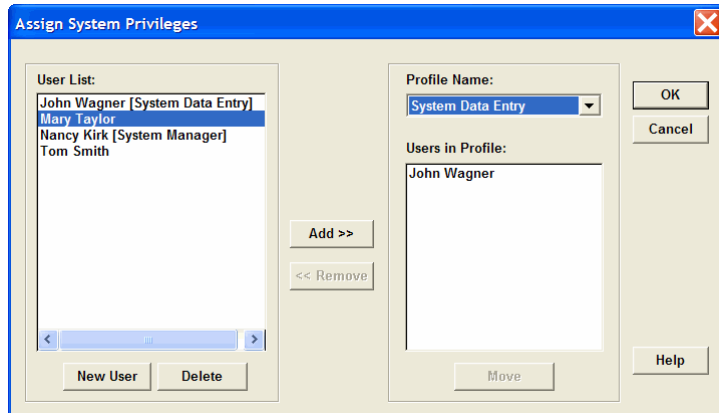
2. Click the New User button. The Add New User screen appears.
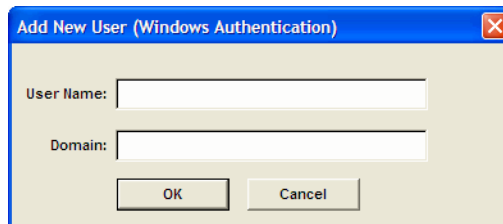
3. Type a new user login name in the User Name field, and then click OK. If you are using Windows Authentication security mode, enter the Domain name. See "Selecting a Security Mode," page 4-70.

Note Enter the computer name in the Domain field if you are running a standalone computer or you are in a Windows for Workgroups environment.

> **Warning** Do not enter "Supervisor" as a user name. The word "Supervisor" is reserved for use by the application.

The application returns to the Assign System Privileges screen and adds the new user name to the User List. By default, the application initially creates case-sensitive user passwords that are the same as the user login.

4. Repeat steps 2 and 3 for additional names.

5. Click OK to exit the Assign System Privileges screen, or complete the rest of the screen to assign profiles to your users.

To assign system profiles

1. Select File/Password Security/Assign User Privileges/ Assign System Privileges from the menu bar. The Assign System Privileges screen appears.

2. Complete the Assign System Privileges screen, and then click OK. See "Completing the Assign System Privileges Screen," page 4-67.

To assign company profiles

1. Select File/Password Security/Assign User Privileges/ Assign Company Privileges from the menu bar. The Assign Company Privileges screen appears.
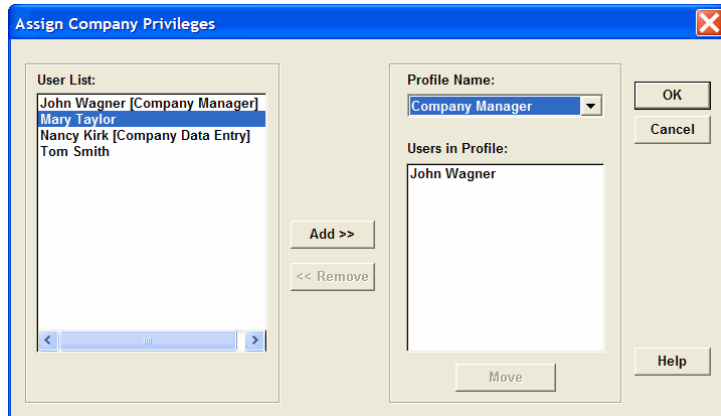
2. Complete the Assign Company Privileges screen, and then click OK. See "Completing the Assign Company Privileges Screen," page 4-68.

Completing the Assign System Privileges Screen

Follow the guidelines provided below to complete the fields in the Assign System Privileges screen.

■ **User List**
This field displays the names of all users in the application. Next to each user name, the application displays the system profile assigned to that user. Use this field to select user names in order to add them to the Users in Profile list to the right, or to delete them from the user list.

■ **Profile Name**
Use this field to select the system profile you want to assign to users. Once you select the profile, select users from the User List, and then click the Add button.

■ **Users in Profile**
This field displays the names of all users added to the system profile selected in the Profile Name field. Use this field to select names you want to remove from the profile or you want to move to another profile by clicking the Move button.

■ **New User Button**
Click this button to add a new user to the application.

■ **Delete Button**
Click this button to delete selected users from the user list.

■ **Add Button**
Click this button to add selected users from the User List to the Users in Profile list to the right.

■ **Remove Button**
Click this button to remove selected users from the Users in Profile list. Removing users from the Users in Profile list removes all privileges assigned to those users' login names. You must reassign each user a new profile or they won't have access to the application. You can also use the Move button to accomplish both tasks more efficiently. See "Move Button."

■ **Move Button**
Click this button to move a selected user in the Users in Profile list to another profile. Choosing this command displays the Move User screen. See "Completing the Move User Screen," page 4-69.

Completing the Assign Company Privileges Screen

Follow the guidelines provided below to complete the fields in the Assign Company Privileges screen.

■ **User List**
This field displays the names of all users in the application. Next to each user name, the application displays the company profile assigned to that user. Use this field to select user names in order to add them to the Users in Profile list to the right.

■ **Add Button**
Click this button to add selected users from the User List to the Users in Profile list to the right.

■ **Remove Button**
Click this button to remove selected users from the Users in Profile list. Removing users from the Users in Profile list removes all privileges assigned to those users' login names. You must reassign each user a new profile or they won't have access to the application. You can also use the Move button to accomplish both tasks more efficiently. See "Move Button."

■ **Profile Name**
Use this field to select the company profile you want to assign to users. Once you select the profile, select users from the User List, and then click the Add button.

■ **Users in Profile**
This field displays the names of all users added to the company profile selected in the Profile Name field. Use this field to select names you want to remove from the profile or you want to move to another profile by clicking the Move button.

■ **Move Button**
Click this button to move a selected user in the Users in Profile list to another profile. Choosing this command displays the Move User screen. See "Completing the Move User Screen," page 4-69.

Completing the Move User Screen
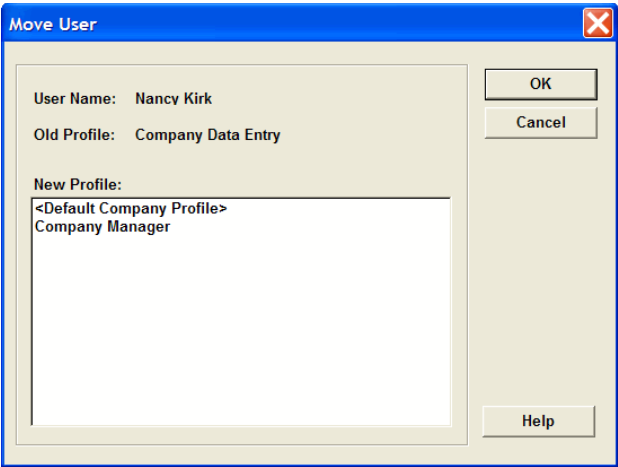
Follow the guidelines provided below to complete the fields in the Move User screen.

■ **User Name**
This field displays the name of the selected user you want to move from one profile to another.

■ **Old Profile**
   This field displays the name of the profile to which the
   selected user is currently assigned.

■ **New Profile**
   Use this field to select the new profile you want to assign to
   the selected user.

Selecting a Security Mode

The Security Mode refers to how the application handles the rules
regarding user names and passwords. You have two options:

Windows Authentication (recommended): You allow the
Windows operating system to handle the rules regarding user
names and passwords. This option is recommended because
password rules can be enforced by Microsoft Windows that are
stricter, making your data more secure. For example, the rules can
require that passwords have a minimum number of characters,
contain both uppercase and lowercase characters, and expire after
a certain amount of time. Under Windows A82uthentication, a
unified logon process is enforced. You do not have to enter a
password when you start the application (unless you are the
Supervisor) because your Windows or network password
becomes your password for using the Sage FAS application.

Note If you select the Windows Authentication security mode,
we recommend the following:

• Each user should become a member of the Domain.

• You should not use a blank password.

Application Authentication: The Sage FAS application handles
the rules regarding your user name and password. These rules are
less strict than under Windows Authentication, and a separate
logon process is required at application startup.

To select a Security Mode

Do one of the following:

- To change to Windows Authentication security mode, see .

- To change to Application Authentication security mode, see .

Switching to Windows Authentication

We recommend using Windows Authentication because your network administrator can establish stricter password rules, making your data more secure.

After you follow the steps below, current users can open and use the application without entering a password. Their Windows or network user account is used for establishing Sage FAS security. When you add new users to the application, you must enter their Windows user name and domain.

Follow the steps below to switch from Application Authentication security mode to Windows Authentication.

To switch to Windows Authentication

1. Select File/Password Security/Supervisor from the menu bar. The Supervisor screen appears.
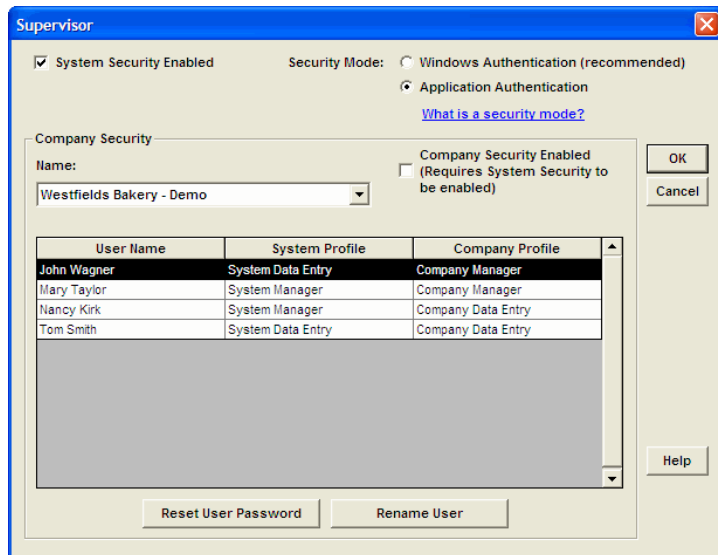
2.   In the Security Mode field, select the Windows
     Authentication option. See "Completing the Supervisor
     Screen," page 4-60.

3.   Click OK. A message asks if you want to continue.

4.   Click Yes to continue. If you are an existing user, then the Map
     to Windows Authentication User Names screen appears.
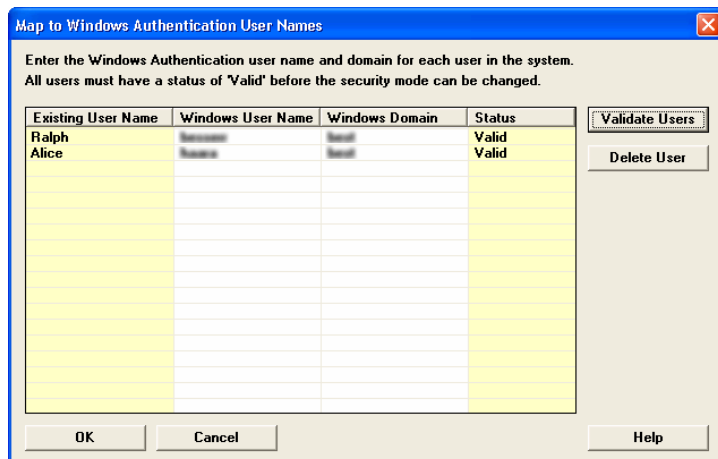
5. For each existing Sage FAS user name, enter the Windows user name and domain. For more information, see "Completing the Map to Windows Authentication User Names Screen," page 4-73.

6. Click the Validate Users button to make sure you have entered the correct user name and domain for each user.

Note You must enter valid Windows user names and domains for all existing users before you can save your changes in this screen. If you do not know the Windows user name or domain for a user, please obtain that information before attempting to switch to Windows Authentication. You can delete users from the list if they are no longer valid Sage FAS users. To delete a user from the list, highlight the user and click the Delete User button. Deleting a user removes all privileges assigned to the user in the security system.

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7. Click OK. The application returns to the Supervisor screen.

8. Click OK to close the Supervisor screen.

Completing the Map to Windows Authentication User Names Screen

Follow the guidelines provided below to complete the fields on the Map to Windows Authentication User Names screen.

- **Existing User Name**
  This column displays the names of users already existing in the Sage FAS application using Application Authentication.

- **Windows User Name**
  Use this column to enter the name for users when then they log on to their computers or the network.

Warning Do not enter "Supervisor" as a user name. The word "Supervisor" is reserved for use by the application.

■ **Windows Domain**
Use this column to enter the domain for each Windows user name.

Note Enter the computer name in the Windows Domain field if you are running a standalone computer or you are in a Windows for Workgroups environment.

■ **Status**
After you click the Validate Users button, this column indicates whether the Windows user name and domain are valid for each existing user.

■ **Validate Users Button**
Click this button to validate the Windows user names and domains that you entered. After you click this button, the Status column indicates whether the Windows user name and domain are valid for each existing user.

■ **Delete User Button**
Use this button to delete an existing user from the list.

Caution Deleting a user removes all privileges assigned to the user in the security system.

Switching to Application Authentication

Follow the steps below to switch from Windows Authentication security mode to Application Authentication.

To switch to Application Authentication

1. Select File/Password Security/Supervisor from the menu bar. The Supervisor screen appears.

2. In the Security Mode field, select the Application Authentication option. See "Completing the Supervisor Screen," page 4-60.

3. Click OK to close the Supervisor screen.

Note When switching from Windows Authentication to Application Authentication, the user names remain the same and the Sage FAS system password is set to the user name.

Resetting User Passwords

You can reset a user's password to the user name. For example, when you reset user MSMITH's password, the password for that user becomes "MSMITH." This is a convenient way to create a new password if a user has forgotten his or her password.

To reset a user password

1. Select File/Password Security/Supervisor from the menu bar. The Supervisor screen appears.

2. Select the user for which you want to reset the password from the User Profile List box. See "Completing the Supervisor Screen," page 4-60.

Tip: Select the <All Companies> option in the Name field to locate a user name when you don't know the company to which the user has been assigned. Selecting the <All Companies> option displays all of the users in the application, whether or not they have been assigned a system or company profile.

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3. Click the Reset User Password button. A message confirms that the password has been reset to the user name.
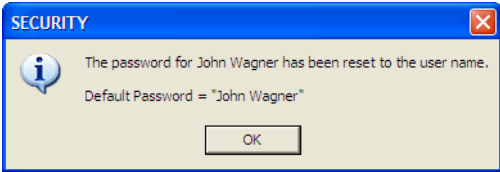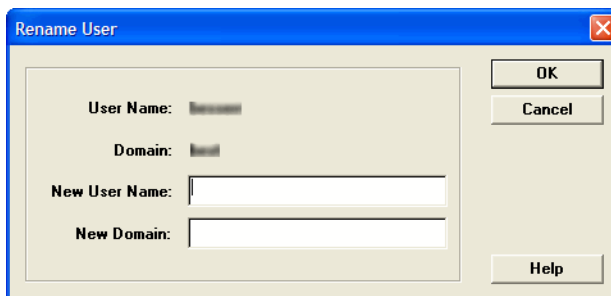
Note The application resets the password as soon as you click the Reset User Password button. The password for the selected user will be his or her user name, even if you click the Cancel button on the Supervisor screen.

Renaming a User

Follow the steps below to change the name of an existing user in the application.

To rename a user

1. Select File/Password Security/Supervisor from the menu bar. The Supervisor screen appears.

2. In the User Profiles List, select the user that you want to rename. See "Completing the Supervisor Screen," page 4-60.

3. Click the Rename User button. The Rename User screen appears. See "Completing the Rename User Screen," page 4-77.

4. Enter the new user name. If you have selected Windows Authentication security mode, you must also enter a domain name. For more information, see "Selecting a Security Mode," page 4-70.

5. Click OK.

> **Warning** Do not enter "Supervisor" as a user name. The word
> "Supervisor" is reserved for use by the application.

Completing the Rename User Screen

Follow the guidelines below to complete the fields on the Rename
User screen.

■ **User Name**
   This field displays the current name of the user that you
   selected to rename.

■ **Domain**
   This field displays the current domain of the user that you
   selected to rename. This field appears only if you selected
   Windows Authentication security mode.

■ **New User Name**
   Use this field to enter the new name of the selected user.

■ **New Domain**
   Use this field to enter the new domain name of the selected
   user. This field appears only if you selected Windows
   Authentication security mode.

> **Note** Enter the computer name in the Domain field if you are
> running a standalone computer or you are in a Windows for
> Workgroups environment.

5 Working with Companies

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

Opening an Existing Company

You can have only one company open at a time. If you don't close a currently open company before attempting to open another, the application will ask you if you want to close the currently open company. Click Yes to continue.

To open an existing company

1. Select File/Open Company from the menu bar. The Open Company screen appears.
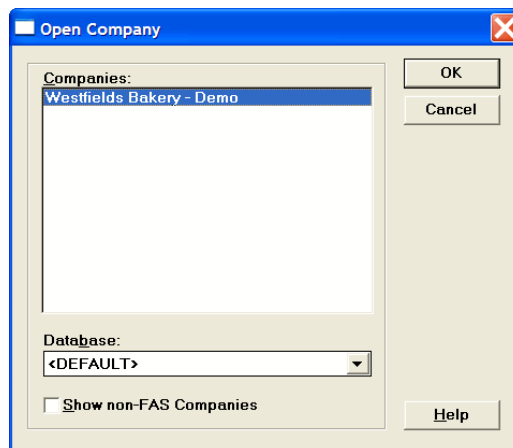
2. Complete the Open Company screen, and then click OK. See "Completing the Open Company Screen," page 5-2. The application opens the company and displays it in Group View.

Completing the Open Company Screen

Follow the guidelines provided below to complete the fields in the Open Company screen.

■ **Companies**
Use this field to select the name of the company you want to open from the list of existing companies. If the name of the company you want to open is not displayed, you might be looking in the wrong database. To view companies in another database, you must change to that database.

■ **Database**
Use this field to select the database containing the company you want to open. You can select Database List Manager from the list if you don't see the database you want or if you want to create a new database. See "Managing Your Databases," page 5-44.

■ **Show non-FAS Companies**
Click this check box to open all non-FAS companies created by our other applications that FAS 100 Asset Accounting can open.

Viewing an Assets Snapshot

The Assets Snapshot provides summary information about the currently open company and its assets. The Assets Snapshot will not display automatically until an asset or assets have been created in a company. Once assets have been created, the snapshot appears automatically every time you open a company, unless you turn this option off or you don't have the appropriate security access to the snapshot. For more information, see "Turning the Assets Snapshot Off and On," page 5-18.

You can also view the Assets Snapshot at any time by accessing it from the Reports menu.

To view the Assets Snapshot

1. Open the company for which you want to view the Assets Snapshot screen.

2. Select Reports/Assets Snapshot from the menu bar. The Assets Snapshot screen appears. For more information, see "Assets Snapshot Screen," page 5-4.

Assets Snapshot Screen

The Assets Snapshot screen displays summary information about the currently open company and its assets. It is divided into the following three main sections:

- **The Header** displays the name of the current company and the current reporting period. It also allows you to select one of the seven FAS books. For more information, see "Assets Snapshot: Header," page 5-4.

- **Assets Overview** displays information about your assets and your latest asset activity. For more information, see "Assets Snapshot: Assets Overview," page 5-5.

- **Charts and Charts Data** display four different charts with chart data specific to the selected chart beneath. For more information, see "Assets Snapshot: Charts and Chart Data," page 5-9.

Assets Snapshot: Header

The Header appears at the top of the Assets Snapshot screen.

Assets Snapshot	**Westfields Bakery - Demo**
📖 Select a book Internal ▼	Current reporting period: 12/31/2008

It contains the following information about the currently open company:

- **Company Name**
  The Header displays the name of the currently opened company.

- **Select a Book**
  Select the FAS book for which you want to display information in the Assets Snapshot screen. When you select a different book from the drop-down list, the application refreshes the Assets Snapshot screen. The next time you open the snapshot, the drop-down list displays the last selected book from the previous session, unless that book is closed.

■ **Current reporting period**
The application displays the current reporting period date for the currently selected FAS book. For more information, see "Setting the Current Reporting Period," page 9-35. If you select a new book with a different current reporting period, the application performs a refresh and updates the date in this field.

Assets Snapshot: Assets Overview

The Assets Overview section appears on the left-hand side of the Assets Snapshot screen. The section displays the following information about your assets and your latest asset activity:

- **Asset Listing** displays the net value of your active assets, as well as the number of your assets and their acquired values broken down by their current status (active, disposed, inactive, or transferred). For more information, see page 5-6.

- **Active Assets by Property Type** chart shows the total acquisition values for the top four property types with all other property types grouped into a category called Other. For more information, see page 5-7.

- **Latest Activity Dates** displays the most recent date that various activities occurred, such as the most recent date depreciation was run, the most recent date you performed a Period Close, and the most recent date an asset was placed in service, disposed, and transferred. For more information, see page 5-8.

Asset Listing

The Asset Listing table is part of the Assets Overview section of the Assets Snapshot screen.

Asset Listing		
Active Assets Net Value $2,607,959.35		
Assets	**Acq Value**	**Count**
Active	$4,085,952.87	171
Disposed	$21,851.00	6
Inactive	$0.00	4
Transferred	$0.00	0
Other	$0.00	0
Total	**$4,107,803.87**	**181**

* Not all assets depreciated through current reporting period.

It displays the following information about your assets for the currently selected book:

■ **Active Assets Net Value**
The application displays the net book value amount for active assets (Activity Code = A). If any of the active assets have been depreciated through different dates, an asterisk appears next to the net value and a note appears below the table. The note informs you that not all assets were depreciated through the current reporting period and thus the total net book value displayed may not represent the value on your balance sheet.

■ **Count of the Assets and their Acquired Values**
The table groups your assets into five categories based on the assets' activity code status. For more information, see "Understanding Activity Codes," page 3-11. The table shows the acquired value and number of assets in each category. The total acquired value for all categories matches the total acquired value on the File Listing report. For more information, see "File Listing Report," page 10-36. If an asset category does not have any saved assets, the application displays zeros in the Acq Value and Count columns.

It is possible to have a different acquired value for an asset from one book to another. Therefore when a different book is selected, the values may change for the Active Assets Net Value and the Acquired Values of the assets listed in the table.

The following asset categories appear:

- **Active** - assets with an activity code A

- **Disposed** - assets with an activity code D

- **Inactive** - assets with an activity code I

- **Transferred** - assets with activity codes F, K, M, or N

- **Other** - assets with activity code J

Active Assets by Property Type

The Active Assets by Property Type chart is part of the Assets Overview section of the Assets Snapshot screen.

Active Assets by Property Type
Based on Acquisition Value

Real Property 48%
Personal 42%
Real Farm 4%
Automobiles 3%
Other 3%
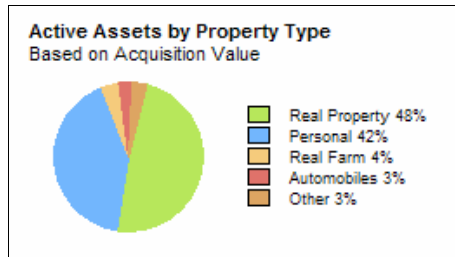
The Active Assets by Property Type pie chart shows the relative percentage of total acquisition values for the top four property types. A category called Other combines all the other property types used by the company. If your company has assets in two property types, then the chart displays only those two property types.

The following property types may appear in the chart:

Description	Code
Personal	P
Automobiles	A
Light Trucks and Vans	T
Listed Personal	Q
Real Property	R
Listed Real	S
Real Conservation	C
Real Energy	E
Real Farm	F

Description	Code
Low Income Housing	H
Amortizable	Z
Vintage Account	V

Latest Activity Dates

The Latest Activity Dates area is part of the Assets Overview section of the Assets Snapshot screen.

Latest Activity Dates

Last depreciation run: 12/31/2008

Last period closed: N/A

Last asset purchased:
System No. 179 on 12/05/2008

Last asset disposed:
System No. 153 on 10/31/2008

Last asset transferred:
N/A

The application displays the following asset activities:

■ **Last depreciation run**
Displays the most recent date for which you calculated depreciation for the currently selected book.

■ **Last period closed**
Displays the most recent date for which you performed a Period Close for the currently selected book.

■ **Last asset purchased**
Displays the System Number of the asset with the most recent placed in service date.

■ **Last asset disposed**
Displays the System Number of the asset with the most recent disposal date, including partial disposals.

■ **Last asset transferred**
Displays the System Number of the asset with the most recent transfer date.

Assets Snapshot: Charts and Chart Data

The Assets Snapshot Charts and chart data appear on the right-hand side of the Assets Snapshot screen. Beneath each chart, the application displays chart data specific to the selected chart.

You can choose to display the following charts:

- **Placed in Service by Quarter Chart** (In Service by Qtr tab) displays the total acquired value of the assets placed in service in each quarter of the current year. For more information, see page 5-9.

- **Investment by Remaining Life Chart** (Investment by Rem Life tab) groups active assets (Activity Code = A) into four categories, according to how much time remains before the assets are completely depreciated, and compares the total acquired values of each group. A fifth category displays active assets that have been fully depreciated or assets that have never been depreciated. For more information, see page 5-11.

- **Five Year Acquisition Comparison Chart** (Acq Comparison tab) shows the total acquired value of assets placed in service in each of the last five fiscal years. For more information, see page 5-14.

- **Depreciation Comparison by Book Chart** (Depr Comparison tab) compares the total acquired value and total accumulated depreciation for all active assets (Activity Code = A) for each open FAS book. For more information, see page 5-16.

Placed in Service by Quarter Chart

The Placed in Service by Quarter chart shows the total acquired value of assets placed in service in each quarter of the current year for the currently selected book.

You can view the chart by selecting it in the Assets Snapshot screen.

| In Service by Qtr | Investment by Rem Life | Acq Comparison | Depr Comparison |

Placed in Service by Quarter

	Amount	Count	Total (%)
Q1 Acq - 03/31/2008	$22,428.00	1	2.81
Q2 Acq - 06/30/2008	$58,877.13	8	7.38
Q3 Acq - 09/30/2008	$693,089.61	7	86.87
Q4 Acq - 12/31/2008	$23,421.72	3	2.94
Total	$797,816.46	19	100.00

This chart and data are not a substitute for the Midquarter Applicability report.
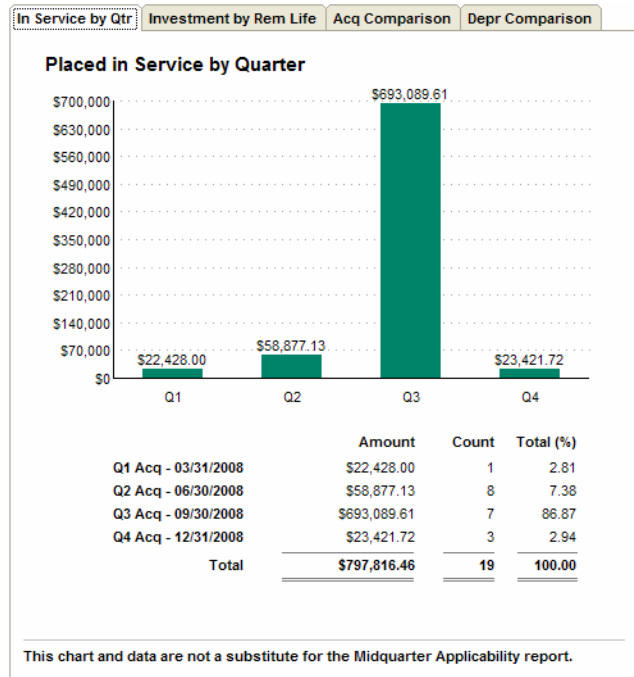
The following guidelines apply to the Placed in Service by Quarter chart:

- The current year is determined by the year of the current reporting period for the currently selected book.

- The placed-in-service date determines whether an asset falls within a quarter.

- If the company did not acquire any assets for a quarter, then the chart displays zeros for that quarter.

- An asset that is acquired and disposed of within the same fiscal year is considered an acquisition for the purposes of this chart.

Note Acquired values and fiscal years could be different from one book to the next. The chart's information could change if you select a different book.

A table beneath the chart shows the following information for each quarter:

- **Acq Value**
  Displays the total acquired value of assets placed in service.

- **Count**
  Displays the number of assets placed in service.

- **Total (%)**
  Displays the percentage of the total acquired value.

Note The Placed in Service by Quarter chart and chart data are not a substitute for the Midquarter Applicability report because specific tax rules apply regarding which assets are subject to the midquarter test. You must run the Midquarter Applicability report to determine whether you are required to use the midquarter convention. For more information, see "Midquarter Applicability Report," page 10-46.

The information displayed on this chart and chart data should match the information reported on the Quarterly Acquisition report when run for the same fiscal year, as long as the acquisition date and placed in service date are the same. For more information, see "Quarterly Acquisition Report," page 10-68.

Investment by Remaining Life Chart

The Investment by Remaining Life pie chart groups active assets (Activity Code = A) into five categories, according to how much time remains before the assets are completely depreciated, and compares the total acquired values of each group. If your company has assets in two categories, then the chart displays only those two categories.

You can view the chart by selecting it in the Assets Snapshot screen.
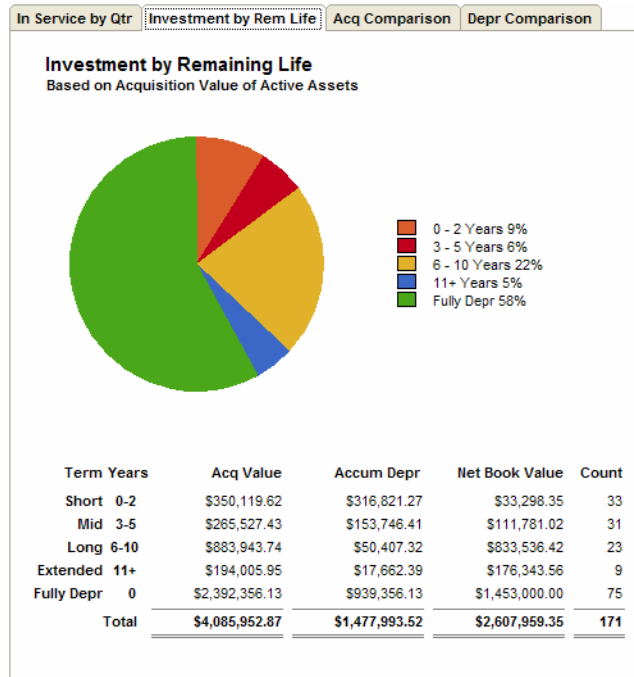
The following guidelines apply to the Investment by Remaining Life chart:

- The Remaining Life and Accumulated Depreciation is determined based on the last Thru date of the asset.

- The chart displays only assets whose last status is active. Running depreciation back in time does not affect the status of the asset for purpose of this chart.

- New assets do not appear in the chart until the assets have been depreciated. Otherwise, they will be grouped into the Fully Depreciated category.

The chart groups assets into the following categories:

Category	Remaining Life
Short	from 1 month to 2 years, 11 months
Mid	from 3 years to 5 years, 11 months
Long	from 6 years to 10 years, 11 months
Extended	from 11 years and above
Fully Depreciated	no remaining life left/assets not yet depreciated

Note The remaining life for an asset is not calculated until depreciation has been run for the asset. Assets that have not been depreciated have a remaining life of zero and will be grouped in with the Fully Depreciated assets. For a correct representation of the remaining life of your assets, make sure all of your assets have been depreciated before viewing this chart.

A table beneath the chart shows the following information for each category:

■ **Acq Value**
   Displays the total acquired value for the assets in this category.

■ **Accum Depr**
   Displays the total accumulated depreciation for the assets in this category.

■ **Net Book Value**
   Displays the total net book value for the assets in this category.

■ **Count**
   Displays the total number of assets in this category.

The information displayed on this chart and chart data should match the Net Grand Totals on the Net Book Value report for Current Accum Depreciation and Net Book Value when the report is run for a group with the criterion "Activity is currently A." For more information, see "Net Book Value Report," page 10-50.

Five Year Acquisition Comparison Chart

The Five Year Acquisition Comparison chart is a line graph that shows acquisitions for the last five fiscal years based on the placed in service date.

Note The application uses the date when the asset was placed in service, NOT the date when the asset was acquired to determine the fiscal year.

You can view the chart by selecting it in the Assets Snapshot screen.
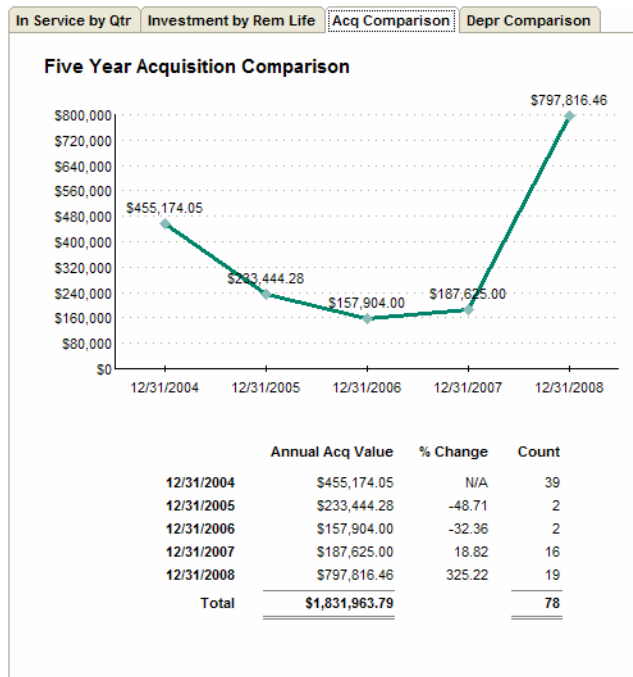
The following guidelines apply to the Five Year Acquisition Comparison chart:

- The chart displays up to five fiscal years from the current reporting period on the computer.

- The date of the fiscal year-end is determined using the FAS calendar for the open book entered in the company definition.

- A fiscal year with no acquired assets will display a zero.

- A short year is considered a fiscal year for purposes of the five year display.

- An asset that is acquired and disposed of within the same fiscal year is considered an acquisition for the purposes of this chart.

Note Acquired values and fiscal years could be different from one book to the next. The chart's information could change if you select a different book.

A table beneath the chart shows the following information for each of the five fiscal years:

- **Annual Acq Value**
  Displays the total acquired value of assets placed in service in the fiscal year.

- **% Change**
  Displays the difference in acquired value from the previous fiscal year, shown as a percentage.

- **Count**
  Displays the number of assets placed in service in the fiscal year.

The information displayed on this chart and chart data should match the Current Year Acquisitions Grand Total on the Annual Activity report when run for groups set up for each of the five acquisition years. For more information, see "Annual Activity Report," page 10-10. For example, assuming a calendar year in acquisition year 2007, you would create a group for assets with the criterion "Placed in Service Date is between 1/31/2007 and 12/31/2007." You would repeat this process for each of the acquisition years.

Depreciation Comparison by Book Chart

The Depreciation Comparison by Book chart compares the total acquired value and total accumulated depreciation for all active assets (Activity Code = A) through the current reporting period for each open book. By selecting a different FAS book, the chart and chart data will not change.

You can view the chart by selecting it in the Assets Snapshot screen.

| In Service by Qtr | Investment by Rem Life | Acq Comparison | Depr Comparison |

Depreciation Comparison by Book
Based on Active Assets

	Acq Value	Accum Depr	Net Value
Tax	$4,096,277.12	$1,901,578.67	$2,194,698.45
Internal	$4,085,952.87	$1,477,993.52	$2,607,959.35
State	$4,085,952.87	$1,815,277.99	$2,270,674.88
AMT	$4,085,952.87	$1,792,940.38	$2,293,012.49
ACE	$4,085,952.87	$1,792,940.38	$2,293,012.49
Budget 1	$4,085,952.87	$1,403,546.97	$2,682,405.90
Budget 2	$4,085,952.87	$1,403,546.97	$2,682,405.90
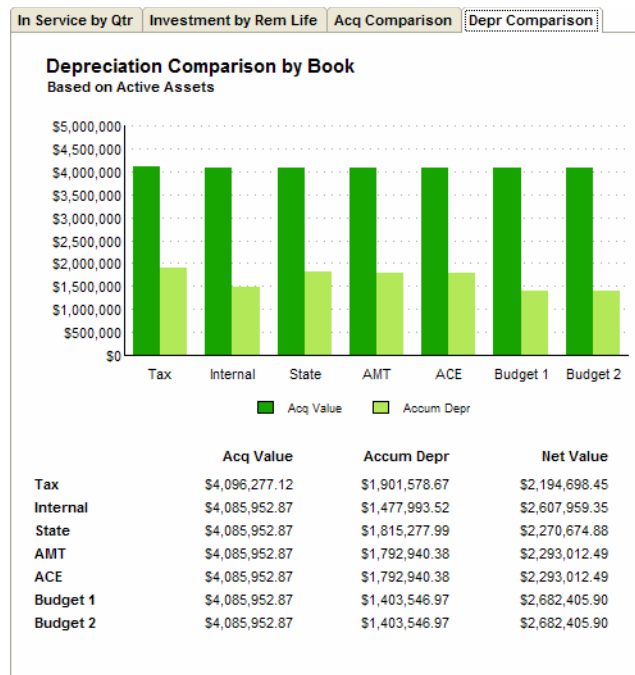
The Depreciation Comparison by Book chart displays double bars for:

- **Total acquired value** of all active assets (Activity Code = A) for each open book

- **Total accumulated depreciation** of all active assets (Activity Code = A) for each open book

The books are in the same order as displayed in Detail View, with the first opened book on the far left-hand side of the chart. If the

book is closed or has no acquired values, it will not appear in the chart.

Note In order to get an accurate representation of the accumulated depreciation for each book, make sure all active assets are depreciated through the most recent date of activity in your general ledger.

A table beneath the chart shows the following information for each open book:

■ **Acq Value**
Displays the total acquired value of all active assets for each open book.

■ **Accum Depr**
Displays the total accumulated depreciation of all active assets for each open book.

■ **Net Value**
Display the total net book value of all active assets for each open book.

The information displayed on this chart and chart data should match the Net Grand Totals for Acquired Value and Salv/168 Allowance/Sec 179 + Current Accum Depreciation on the Depreciation Expense report. For more information, see "Depreciation Expense Report," page 10-21. The report should be run for a group with the criterion "Activity is currently A" and for each open book. The Current Accumulated Depreciation displayed on this chart and chart data will include Section 168 and Section 179 even if you had opted not to include it in expense on the Edit Company screen. The Net Value displayed on the chart data will match the Net Book Value Grand Total on the Net Book Value report when run for each open book and the group with the criterion "Activity is currently A." For more information, see "Net Book Value Report," page 10-50.

Printing the Assets Snapshot

You can print a copy of the Assets Snapshot screen by clicking the Print button on the Assets Snapshot screen. The application sends the currently displayed chart and the assets overview data to the

printer set as default printer in Print Setup located on the File menu. The Assets Snapshot always prints in landscape orientation.

Turning the Assets Snapshot Off and On

The Assets Snapshot appears automatically every time you open a company unless you turn it off.

To turn off the snapshot, do one of the following:

- Select the Do not display on startup check box at the bottom of the Assets Snapshot screen.

- Turn the display off in the Preferences screen (see the steps below).

The snapshot no longer appears when you open a company.

To turn on or turn off the display of the Assets Snapshot

1. Open the company for which you want to turn on or turn off the Assets Snapshot screen.

2. Select File/Preferences from the menu bar. The Preferences screen appears.
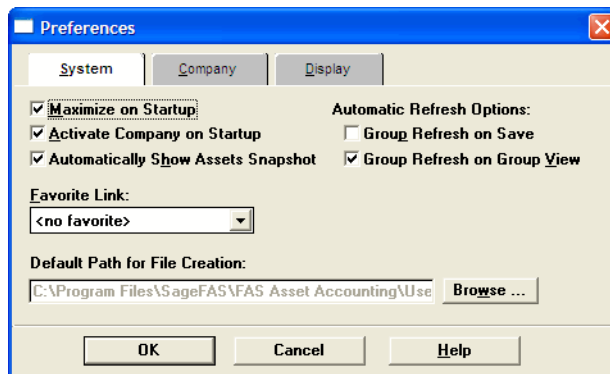
3. Select the System page of the Preferences screen. For more information, see "Completing the System Page of the Preferences Screen," page 4-50.

4. Select the Automatically Show Assets Snapshot check box to display the snapshot. Clear the check box to turn off the display of the snapshot.

5. Click OK to close the Preferences screen.

Even if you turn off the display of the snapshot in the Preferences screen, you can still view the Assets Snapshot for the currently open company at any time from the Reports menu. For more information, see "Viewing an Assets Snapshot," page 5-2.

Note Preferences are saved for the user's machine rather than for the individual user.

Editing a Company Setup

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

To edit a company setup

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

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

You can now make changes to the company setup. The Edit Company screen is the same as the New Company screen. For full details on the fields in this screen, see "Completing the New Company Screen," page 4-5.

You can also use the Edit Company screen to copy the company setup from another company. See "Copying a Company Setup," page 5-25.

Closing a Company

To close an open company

1. Select File/Close Company from the menu bar. The application automatically closes the currently open company.

Deleting Companies and Databases

You should delete a company only if you've moved all data into another company or into another location for a specific purpose. After you delete a company, the data contained within that company cannot be restored except from a company that you have backed up. You can delete only one company at a time. You cannot have any companies open when deleting a company.

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

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

To delete a company

1. Select File/Delete from the menu bar. The Delete screen appears.
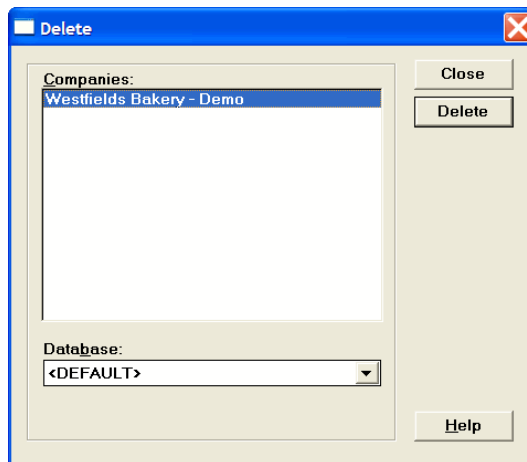
2. Complete the Delete screen, and then click the Delete button.

To delete a database

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

2. Select the database you want to delete in the Database field of the Delete screen, and then click the Delete button.

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

Completing the Delete Screen

Follow the guidelines provided below to complete the fields in the Delete screen.

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

- **Database**
  Use this field to select the database where the company you want to delete is located. You can select Database List Manager from the list if you don't see the database you want. See "Managing Your Databases," page 5-44.

Copying a Company

You might want to copy a company in order to create a new company using the same data. If all you want to copy is the company setup in order to create a new company, see "Copying a Company Setup," page 5-25.

When you copy a company in its entirety, an exact copy of the original company is created. The System Numbers remain intact.

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

To copy a company

1. Select File/Company Utilities/Copy Company from the menu bar. The Copy Company screen appears.
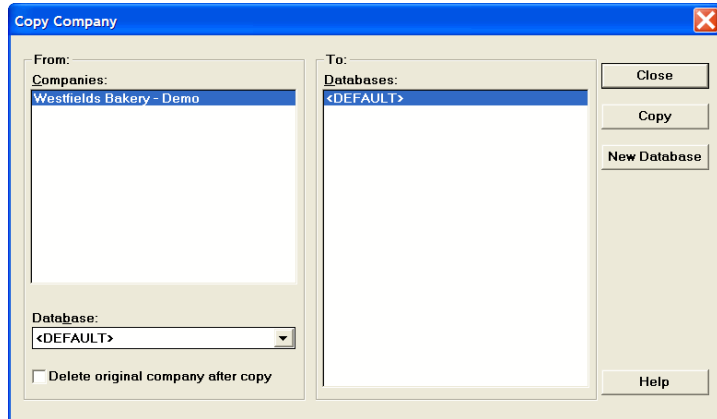
2. Complete the Copy Company screen, and then click the Copy button to copy the company. See "Completing the Copy Company Screen," page 5-24. If you're copying the company into the same database, or into a database containing a company with the same name, the Rename Company screen appears.
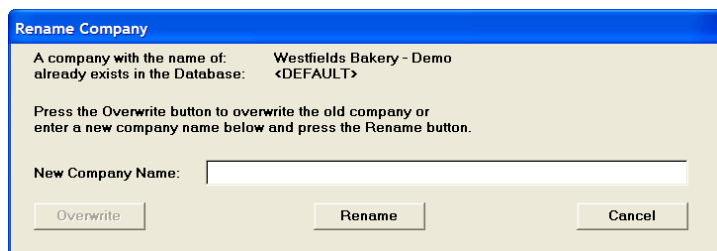
3. Enter a name for the new company, and then click the Rename button, or simply click the Overwrite button if you want to overwrite a company with the same name in the selected database. The application begins the copy process, and then returns to the Copy Company screen.

    Click the Close button to close the Copy Company screen.

Completing the Copy Company Screen

Follow the guidelines provided below to complete the fields in the Copy Company screen.

■ **From**
The fields contained in this section describe the original company you are copying.

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

❑ **Database**
Use this field to select the database containing the company you want to copy. You can select Database List Manager from the list if you don't see the database you want. See "Managing Your Databases," page 5-44.

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

■ **To**
The field contained in this section describes the company you are creating during the copying process.

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

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

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

■ **New Database Button**
Click this button if you want to create a new database to store the company you are copying. The New Database screen appears. For more information, see "Completing the New Database Screen," page 4-3.

Copying a Company Setup

You can copy a company setup from an already existing company and apply it to a new company or to another already existing company.

To copy a company setup into a new company

1. Select File/New Company from the menu bar. The New Company screen appears.

New Company							
Company Name							
Identifying Number (EIN)			**Business Start Date**			01/1920	
Starting system number		000001	**Round reports to whole dollars?**			No	
Include Sec 168 Allow & Sec 179 in expense?	No		**Transfer By**			Location	

Book Defaults   Short Years   Book Overrides

	Tax	Internal	State	AMT	ACE	Book 6	Book 7
Open Book?	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Book Title	Tax	Internal	State	AMT	ACE	Book 6	Book 7
FY End	December	December	December	December	December	December	December
Emulate Book	N/A	None	N/A	N/A	None	None	None
Default Method	N/A	SL	N/A	N/A	NO	SL	SL
Allow Prior Depr?	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Database   <DEFAULT>   New Database...

OK   Cancel   Copy Setup...   Help

2. Click the Copy Setup button. The Copy Setup screen appears. In this screen, you select the company and the attributes of the company you want to copy.

3. Complete the Copy Setup screen, and then click OK. The application returns to the New Company screen.

4. Complete the New Company screen, and then click OK. Although most data should be copied from the originating company into the New Company screen, you must name the new company in this screen, plus you should enter any additional information not copied, or make changes to the company setup as needed. For full details on the fields in this screen, see "Creating a New Company," page 4-4.

Note The new company is not created until you click OK in step 4.

To copy a company setup into an already existing company

Note You cannot copy the Book Defaults, the Short Years, or the Book Overrides into an already existing company. This is to prevent you from accidentally overriding the most critical elements of your already existing company's depreciation calculations.

1. Select File/Edit Company from the menu bar. The Edit Company screen appears.

2. Click the Copy Setup button. The Copy Setup screen appears. In this screen, you select the company and the attributes of the company you want to copy.

3. Complete the Copy Setup screen, and then click OK. See "Completing the Copy Setup Screen," page 5-27. The application returns to the Edit Company screen.

4. Complete any changes to the Edit Company screen, and then click OK. Although most data should be copied from the originating company, you should enter any additional information not copied. For full details on the fields in this screen, see "Creating a New Company," page 4-4.

Completing the Copy Setup Screen

The fields contained in this screen pertain to the company whose setup you want to copy. Follow the guidelines provided below to complete the fields in the Copy Setup screen.

■ **Source Company**
Use this field to select the company whose setup you want to copy.

■ **Database**
Use this field to select the database containing the company whose setup you want to copy. You can select Database List Manager from the list if you don't see the database you want. Database List Manager helps you find hidden databases. See "Managing Your Databases," page 5-44.

■ **Options**
Select the check boxes next to the setup options you want copied into the new company.

❑ **Book Defaults**
Select this check box to copy the information from the Book Defaults page into the new company you are creating. This option is unavailable if you are copying the setup into an already existing company.

❑ **Short Years**
Select this check box to copy the short years into the new company you are creating. This option is unavailable if

you are copying the setup into an already existing company.

❑ **Book Overrides**
Select this check box to copy the information from the Book Overrides page into the new company you are creating. This option is unavailable if you are copying the setup into an already existing company.

❑ **Custom Depreciation Methods**
Select this check box to copy any custom depreciation methods into the new company you are creating. If you are copying the setup into an existing company that contains custom methods with the same custom method codes as those you are copying, the application will not overwrite the already existing methods.

❑ **SmartLists**
Select this check box to copy any SmartLists from the source company into the new company you are creating. If you are copying the setup into an existing company that contains SmartLists for the same fields in the company you are copying, the application will overwrite the existing SmartLists.

❑ **Custom Fields**
Select this check box to copy any custom fields from the source company into the new company you are creating. Custom fields include View, Title, Entry Mask, Default, Entry Order, and Message.

❑ **Customized Reports**
Click this check box to copy any customized standard reports from the source company into the new company that you are creating. If you are copying customized reports into an existing company that contains customized reports with the same name, the application will apply a numeric suffix to create a unique report name.

❑ **Templates**
Select this check box to copy any Templates from the source company into the new company you are creating. If you are copying the setup into an already existing company that contains duplicate names for templates existing in the company you are copying, the application will overwrite the duplicate existing templates.

❑ **Image Catalog**
Select this check box to copy the Image Catalog from the source company into the new company you are creating. If you are copying the setup into an already existing company that contains duplicate names for images existing in the company you are copying, the application will overwrite the duplicate existing images.

❑ **Group Definitions**
Select this check box to copy group definitions from the source company into the new company you are creating. If you are copying the setup into an already existing company that contains duplicate names for groups existing in the company you are copying, the application will overwrite the duplicate existing groups.

❑ **Batch Report Definitions**
Select this check box to copy batch report definitions into the new company you are creating. If you are copying the setup into an already existing company that contains duplicate names for batch reports existing in the company you are copying, the application will overwrite the duplicate batch report definitions.

❑ **Replacement Value**
Select this check box to copy the information from the Replacement Value screen, including the RV Setup page, the RV Index page, and the Estimated Life Override page. The application does not copy calculated Replacement Value or Replacement Value override information pertaining to individual assets.

Merging Companies

You can merge two or more companies to create a third company. The companies you merge must all possess the same fiscal year-end dates and short years. The original companies used in the merge remain intact and are not affected by the merge.

The first company you select for merging is referred to as the primary company. The application uses the primary company to define many important aspects of the new company created during the merging process, including the fiscal year-end date and any

short years. Once you select a primary company, the application makes available only those companies with data compatible for a merge with the primary company. The following information is copied directly from the primary company:

- Book defaults

- Book overrides

- Custom fields

- Group definitions

- Short years

- SmartLists

- Templates

- Batch report definitions

- Replacement Value setup

All company information for the new company, except for password security information, is copied from the primary company.

The assets in the company created by the merge will have different System Numbers than they did in their original companies. During the merge, you have the option of running an Asset Map report which matches up the old System Numbers with the new ones. This report is a one-time offer. You can only run it during the merge. If you want to keep this information, make sure you print the report and store it in your files.

Note In order to merge companies, you must have security rights to all companies you are merging.

You must close any open company prior to initiating a merge.

To merge companies

1. Select File/Company Utilities/Merge Companies from the menu bar. The Merge Companies screen appears.

2. Complete the Merge Companies screen, and then click the Merge button. See "Completing the Merge Companies Screen," page 5-31. The application automatically merges the companies into the new company and returns you to the main application window. If you had opted to run the Asset Map report, the application displays the report. Print the report, or click the Close button to return to the main system window. If you are merging the company into a database containing a company with the same name, the Rename Company screen appears.

3. Enter a new name for the merged company, and then click the Rename button, or click the Append button if you want to add assets to an existing company without changing its name.

To view the merged company, open the company as you would any other.

Completing the Merge Companies Screen

Follow the guidelines provided below to complete the fields in the Merge Companies screen.

■ **Asset Map**
  Select this check box if you want to run the Asset Map report. This report displays the relationship between old System Numbers and new ones created by the merge. This report is

available only during a merge. It cannot be reproduced at any other time.

■ **Available Companies**
Use this field to select the companies you want to merge. Select the primary company first, add it, and then select the rest. You can select more than one company at a time.

■ **Database**
Use this field to select the database where the companies you want to merge are located. You can merge companies from different databases.

■ **Add Button**
Click this button to add companies you have selected for the merge into the list of companies to be merged.

■ **Remove Button**
Click this button to remove companies from the list of companies to be merged.

■ **New Company Name**
Use this field to provide a name to the company that is going to be created by the merge.

■ **Starting System Number**
Use this field to enter a number you want the application to use as the first System Number it assigns to the first asset in the new company. The application will assign all other assets System Numbers in sequential order thereafter.

■ **Companies to be Merged**
This field displays the companies that are going to be merged, and the order in which they are going to be merged.

■ **Database**
Use this field to select the database where you want the new company stored.

■ **Merge Button**
Click this button to merge the selected companies.

■ **New Database Button**
Click this button if you want to create a new database to store the company created by the merge. The New Database screen appears. For more information, see "Completing the New Database Screen," page 4-3.

Extracting Assets from Another Company

You can extract assets from an existing company and place them into a new company. When extracting assets, you are actually copying them and placing them into the new company. The company from which you extracted the assets is not affected.

Extractions are based on groups. You must extract an entire group of assets from a company. If you want to extract only a selection of assets from one company, create a group out of the selection in the original company, and then you can extract that group.

You can extract assets into a new company. You cannot extract assets into an existing company.

The application assigns System Numbers to the assets you extract, based on the starting system number of the new company. For example, if you extract three assets with System Numbers of 51, 55, and 57, and you place them in a new company with a starting System Number of 1, the application assigns System Numbers 1, 2, and 3 to the assets.

All company information for the new company, except for password security information, is copied from the company from which you are extracting the assets.

Note In order to extract assets, you must have security rights to the company from which you are extracting the assets.

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

To extract assets

1. Select File/Company Utilities/Extract Assets from the menu bar. The Extract Assets screen appears.

2. Complete the Extract Assets screen, and then click the Extract button when finished. See "Completing the Extract Assets Screen," page 5-34. The application automatically extracts the assets and creates the new company, and then returns you to the main system window.

Completing the Extract Assets Screen

Follow the guidelines provided below to complete the fields in the Extract Assets screen.

■ **From**
The fields in the From section of the screen pertain to the company from which you are extracting the assets.

❑ **Group**
Use this field to select the group you want to extract from the company you have selected in the Company field.

❑ **Company**
Use this field to select the company from which you want to extract assets.

❑ **Database**
Use this field to select the database containing the company from which you want to extract the assets.

■ **To**
The fields in the To section of the screen pertain to the
company you are creating as a result of the extraction process.

❑ **New Company Name**
Use this field to enter a name for the new company you
are creating out of the extracted assets.

❑ **Database**
Use this field to select the database where you want the
application to store the new company you are creating.

■ **Asset Map**
Select this check box if you want to run the Asset Map report.
This report displays the relationship between old System
Numbers and new ones created by the extraction.

■ **Starting System Number**
Use this field to enter a number you want the application to
use as the first System Number it assigns to the first asset in
the new company. Thereafter, the application assigns all other
assets System Numbers in sequential order.

■ **Extract Button**
Click this button to extract the assets from the selected
company.

■ **New Database Button**
Click this button if you want to create a new database to store
the new company containing the extracted assets. The New
Database screen appears. For more information, see
"Completing the New Database Screen," page 4-3.

Backing Up Your Companies

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

You might also want to back up your data before deleting groups
of assets, performing a global field change, resetting depreciation,

or deleting a company, in case you make an error or later discover you need the original data.

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

To make a backup of your company data

1. Select File/Company Utilities/Backup Company from the menu bar. The Backup Companies screen appears.
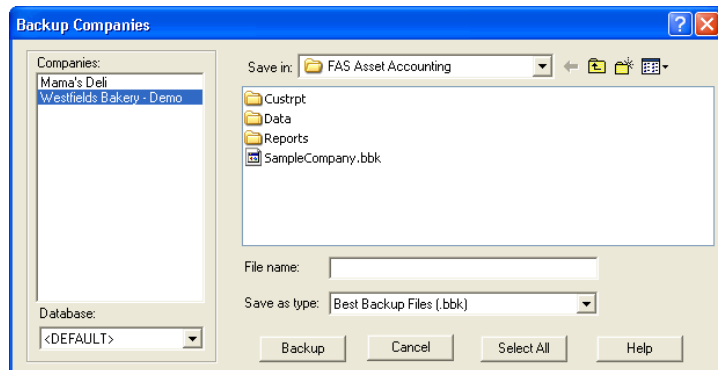
2. Complete the Backup Companies screen, and then click the Backup button when finished. See "Completing the Backup Companies Screen," page 5-37.

   If you're backing up to disk, you'll receive a message informing you of the number of disks necessary to back up your data. Then you'll be prompted to change disks at the appropriate time. During the backup, you'll receive a series of status messages.

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

3. Once the backup is complete, click the Cancel button to close the Backup Companies screen.

The application saves the backed-up company (or companies) in a file with a BBK extension. Because the data is compressed, you can restore it only by using the Restore option.

Completing the Backup Companies Screen

Follow the guidelines provided below to complete the fields in the Backup Companies screen.

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

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

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

■ **Save In**
This field displays the folder in which you want to store the backed-up company (or companies). Use the box below this field to select the folder. Use the toolbar buttons to the right of this field to move up a level or to create a new folder. Click the arrow to select another drive letter.

■ **File Name**
Use this field to enter the name of the backup file. You do not need to enter a file extension because the application automatically adds a BBK extension to the file name.

■ **Save As Type**
This field displays the file type of the backup file.

- **Backup Button**
  Click this button to begin backing up the selected company (or companies) to the selected directory.

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

Restoring a Backed-Up Company

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

During the restore process, you can choose whether to delete the Depreciate history events from the backed-up database that you are restoring. Deleting unwanted Depreciate history events can decrease the size of the database, speed up the restore process, and improve on-going application performance.
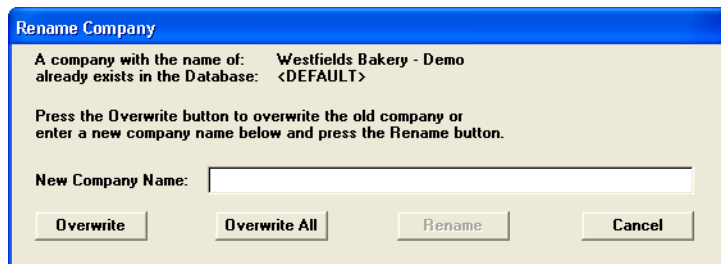
You must close any open company prior to initiating a restore. You can restore the company to the same database as the original company or to another database.

To restore a backed-up company

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

2. Complete the Restore Companies screen, and then click Next when finished. See "Completing the Restore Companies Screen," page 5-40. The Restore - Choose Destination screen appears.

3. Complete the Restore - Choose Destination screen, and then click the Next button. See "Completing the Restore - Choose Destination Screen," page 5-41. The Restore - Purge History screen appears.

4. Complete the Restore - Purge History screen, and then click the Restore button. See "Completing the Restore - Purge

. The application begins the restore process. The application displays a series of status messages as it decompresses and restores the data. If you are restoring from disks, follow the prompts to insert the disks in the order by which they were created.

Note If you are restoring a backed-up company with the same name as a company already existing in the selected database, the Rename Company screen appears.

- To rename the company that you are restoring, type a new name in the New Company Name field, and then click the Rename button.

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

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

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

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

5. Click the Cancel button when the restore is complete to close the Restore - Purge History screen.

Completing the Restore Companies Screen
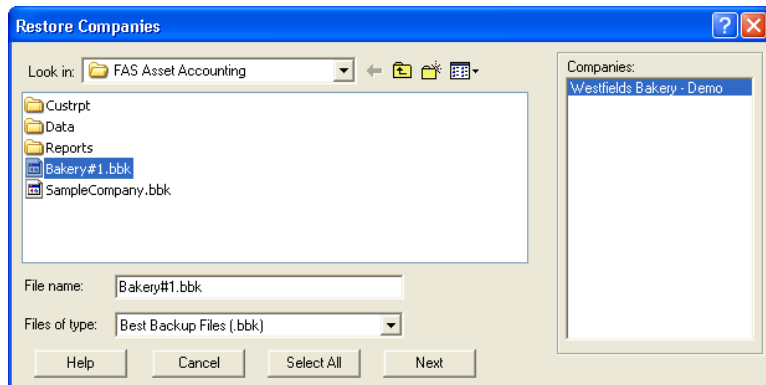
Follow the guidelines provided below to complete the fields in the Restore Companies screen.

- **Look In**
  This field displays the location of the backed-up company (or companies) that you want to restore. Use the box below this field to select the backup file. Use the toolbar buttons to the right of this field to move up a level. Click the arrow to select another drive letter.

- **File Name**
  Use this field to enter the selected backed up file, which holds the company (or companies) that you want to restore. When you select the backup file in the box above this field, the application displays the file name in this field.

- **Files of Type**
  This field displays the file type of the backup file. You must select the default file type of .BBK.

- **Companies**
  This field displays the name of the company (or companies) found in the drive and directory that you specified above. You can choose to restore one or more of the companies found in the backup file.

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

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

Completing the Restore - Choose Destination Screen
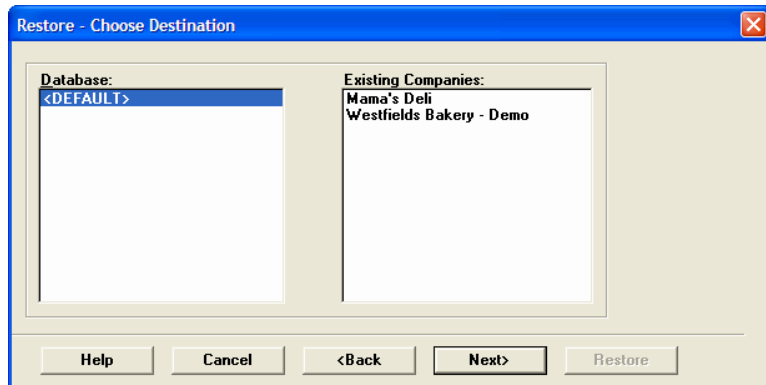
Follow the guidelines provided below to complete the fields in the Restore - Choose Destination screen.

■ **Database**
Use this field to select the database where you want the company or companies restored.

> **Note** If you are renaming the company during the restore process, we recommend restoring the company to a new database. Restoring a company to the database in which it currently resides and renaming it may cause performance problems. You can overwrite an existing company without causing any problems.

■ **Existing Companies**
This field lists the companies already residing in the selected database.

Completing the Restore - Purge History Screen

Follow the guidelines provided below to complete the fields in the Restore - Purge History screen.

■ **Smart Purge**
Click this option button if you want to delete the depreciation events from the database that you are restoring. If you click this button, you have two options:

❑ **Purge All Depreciation Events**
Click this option button if you want to delete all of the depreciation events from the database that you are restoring.

❑ **Purge Depreciation Events Prior To**
Click this option button if you want to delete only the depreciation events prior to the date that you enter in the date field.

■ **Do Not Purge**
Click this option button if you do not want to delete any history events from the database that you are restoring.

■ **Restore Button**
Click this button to begin restoring the company or companies you selected in the Restore Companies screen to the selected database. If you are restoring a backed-up company with the same name as a company already existing in the selected database, the application asks you if you want to overwrite the existing company. You can either overwrite the existing company or rename it by typing a new name in the New Company Name field.

Exporting Data

The Sage FAS Export Helper guides you through the process of exporting asset data to an ASCII Comma Separated Value (CSV) file. A wide range of applications, including popular spreadsheet, can read this file format. For detailed instructions on using the Export Helper, see Appendix E, "Custom Export."

Importing Data

The Sage FAS Import Helper guides you through the process of importing asset data from other sources into the application. When importing data, you can add the assets into a new or existing company. When using Import Helper, you can import asset data only as new assets (that is, the application assigns new system numbers to the imported assets). The new assets you import can be either active or fully disposed. You can import inactive assets if you also import the Activity Code field. For detailed instructions on using the Import Helper, see Appendix F, "Custom Import."

No matter which type of data you are importing, you can import data only by company, and you can only import one company at a time.

Managing Your Databases

The application contains a utility for managing your databases. This utility is called the Database List Manager. In addition to helping you create and rename databases, Database List Manager also helps you find databases. After using the application for some time, you, or other users, might have created databases in locations that you might not remember. Database List Manager is extremely useful when you need to connect to a database created by another user in an unknown location.

Once Database List Manager locates a database, you can add the database to a list of databases that you have created. The application remembers where the database is located. To create a new database using Database List Manager, click the New Database button and complete the New Database screen as outlined in Chapter 3, "Understanding Key Elements."

Using Windows Explorer to Manage Your Databases

You can use the Windows Explorer software to move and copy your database file. The database file name can have any name that complies with Windows standards, as long as it has a BDB file extension. A single folder can contain two or more database files.

If you use the Windows Explorer software to move your database file, make sure that you also move the files with the following extensions:

- ID
- LOG

For example, if you move the MYDATA.BDB file to a new folder, make sure you also move MYDATA.ID and MYDATA.LOG to the same folder.

After you move a database using Windows Explorer, you must locate the database using the Database List Manager.

To locate a database using the Database List Manager

1. Select File/Database List Manager from the menu bar. The Database List Manager screen appears.
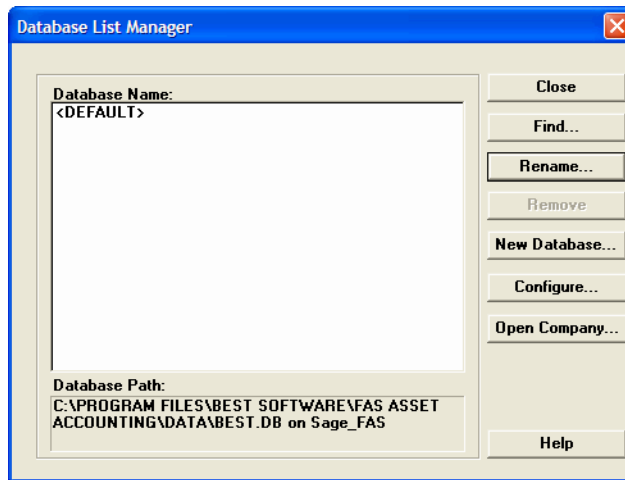
2. Click the Find button. The Find Database screen appears.
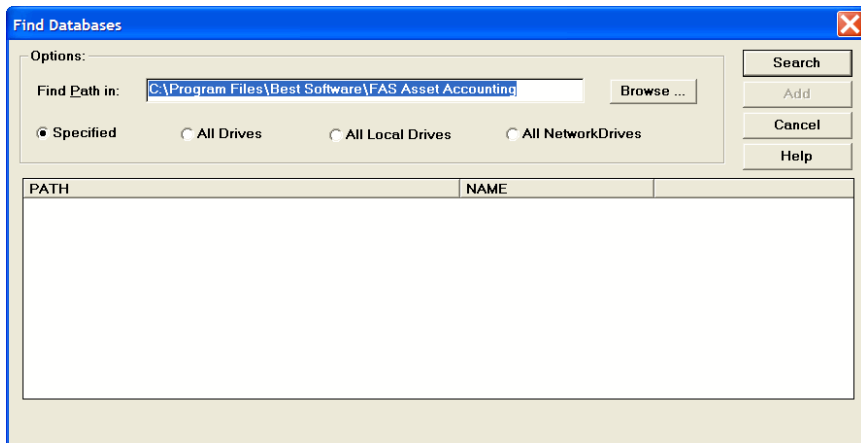
3. Click the Browse button to specify the folder that you want to search for the database. The Locate Path screen appears.
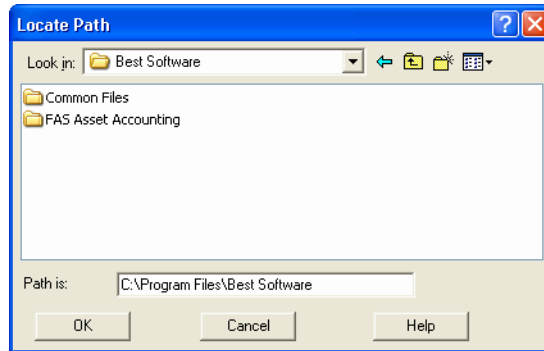
4. Select the folder that you want to search, and then click OK. The application returns to the Find Database screen.

5. Complete the Find Database screen, and then click the Search button. The application searches the selected drive for databases.

6. Select a database in the Found Databases field and click the Add button to add the database to your list. The application adds the database to the list.

7. Repeat step 6 for additional databases you want added to your list.

8. Click the Close button when finished with the Find Database screen.

9. Click the Close button when finished to exit the Database List Manager screen.

To rename a database

You can use the Database List Manager to change the Logical database name. You cannot change the Physical database name.

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

2. Select the database you want to rename from the list.

3. Click the Rename button. The Rename Database screen appears.
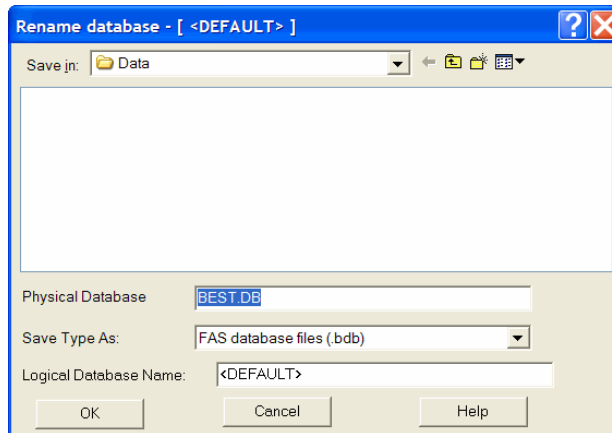
4. Complete the Rename Database screen, and click OK to return to the Database List Manager screen. See "Completing the Rename Database Screen," page 5-50.

5. Click the Close button when finished with the Database List Manager screen.

Important If you are working in a Novell NetWare environment, make sure the physical database name follows the MS-DOS (also known as the 8.3) file-naming rule. The database file name is restricted to eight characters or less followed by a file extension containing up to three characters, and it **CANNOT** contain any word spaces.

To remove a database from the list

Removing a database simply removes the database from the list. It does not delete the database. To delete a database, see "Deleting Companies and Databases," page 5-21.

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

2. Select the database you want to remove from the list.

3. Click the Remove button. The application displays a message asking you to confirm your intention to remove the database.

4. Click Yes to remove the database. The application removes the database from the list and sends a message confirming the removal.

5. Click OK to exit the confirmation message.

6. Click the Close button when finished with the Database List Manager screen.

Completing the Database List Manager Screen

Follow the guidelines provided below to complete the fields in the Database List Manager screen.

■ **Database Name**
This field displays the Logical names of all databases in the database list. The Logical Database Names are the names that appear in the Database field of other screens. To perform a function on a database, select the database, and then click the appropriate button to the right.

■ **Database Path**
This field displays the path of the currently selected database. This field displays the Physical Database Name, which is the name of the database file as it appears in the Windows Explorer software.

Note In addition to using the Database List Manager, you can use Windows Explorer to manage your databases.

■ **Find Button**
Click this button to display a screen that allows you to search for a database.

■ **Rename Button**
Click this button to display a screen that allows you to rename the selected database.

■ **Remove Button**
Click this button to remove the selected database from the list.

■ **New Database Button**
Click this button to display a screen that allows you to select the location and name of a new database. For more information, see "Creating a New Database," page 4-1.

■ **Configure Button**
Click this button to view a series of screens that allow you to specify the protocols and start-up parameters for your databases. For more information, see the *FAS 100 Fixed Assets Installation & Administration Guide*.

■ **Open Company Button**
Click this button to display a screen that allows you to open an existing company in the selected database.

Completing the Find Database Screen

Follow the guidelines provided below to complete the fields in the Find Database screen.

■ **Find Path In**
Use this field to enter the path to the directory where a database is located (if you know it). If not, use the Browse and Search buttons.

❑ **Specified**
Click this option button to search only in the path specified in the Find Path In field.

❑ **All Drives**
Click this option button to search all drives on your computer (both local and network drives).

❑ **All Local Drives**
Click this option button to search only the local drives on your computer's hard disk.

❑ **All Network Drives**
Click this option button to search only the computer network drives.

■ **Browse Button**
Click the Browse button to display a screen that allows you to select the folder that you want to search for the database(s). After you select the folder, the path to the selected folder appears in the Find Path In field. Click the Specified option button, and then click the Search button. The application searches for the database in the selected folder and in all folders underneath the selected folder.

■ **Search Button**
Click this button to search for the database.

■ **Path**
This field displays all databases found during a search. Use this field to individually select databases to add to your list by clicking the Add button.

■ **Name**
This field displays the logical name of the database. This is the name that appears in the Database field of other screens.

■ **Add Button**
Click this button to add the selected database to the list of databases in the Database List Manager.

Completing the Rename Database Screen

Follow the guidelines provided below to complete the fields in the Rename Database screen.

■ **Save In**
This field displays the folder containing the database file that you want to rename. Use the box below this field to select the folder. Use the toolbar buttons to the right of this field to move up a level. Click the arrow button to select another drive letter.

■ **Physical Database Name**
This field displays the physical file name of the database. This is the name that appears in the Windows Explorer software. You cannot use this field to change the file name.

■ **Save Type As**
This field displays the file type of the database. The database is either named best.db (the default database), or it is a file with a BDB extension.

■ **Logical Database Name**
Use this field to enter a new name for the database. The logical database name is the name that appears in the Database field of other screens.

6 **Working with Assets**

In addition to the import options, there are three additional
methods available for adding assets into the application. First is
the standard method of entering data in each of the asset fields
individually. In the second method, you apply an asset template
that you have created to a new asset. In the third method, you
replicate an asset that closely matches the asset you are adding.
The second and third methods drastically reduce your data-entry
time, because you only have to complete a few asset fields (the rest
are completed automatically). This chapter details the procedures
for all the different methods of creating assets, as well as explains
the asset pages in Detail View of an asset. Before advancing
further into this chapter, make sure you've read "Understanding
Asset Fields and SmartLists," page 3-8. Creating SmartLists before
adding assets will be a great help.

Entering New Assets

Each asset is an individual entry into a company's database. To
add an asset to a company, you should have the company to
which you want to add the asset open.

Note If you have purchased the FAS 100 Asset Accounting -
Select Edition, the application allows you to enter up to 100 assets
per company. The application does not permit you to enter new
assets in a company after 100 assets have been created. To see how
many assets are currently in a company, select File/Company
from the menu bar. The application displays the number of assets
in the Total Number of Assets field of the Edit Company screen.

Entering assets is a three-phase process:

- Enter the general asset information.

- Enter the book-specific information. (You should start with the Tax book so you can make the most use of the application's defaults to save you valuable data entry time in the other books.)

- Enter any notes or images, if applicable.

To add individual assets into a company

1. Do any of the following:

   - Select Asset/New from the menu bar.

   - Press CTRL+N.

   - Click the New Asset button from the toolbar.

   - Click the New button while in Group View or Detail View.

   The application displays a blank set of asset tabs in Detail View.

	Tax	Internal	State	
Prop Type	P	P	P	
Serv Date				
Acq Value	$0.00	$0.00	$0.00	
Depr Meth	NO	NO	NO	
Est Life	00 yrs 00 mos	00 yrs 00 mos	00 yrs 00 mos	
ADS Life	00 yrs 00 mos	00 yrs 00 mos	00 yrs 00 mos	
Bus Use %	100	100	100	
179/Bonus	$0.00	$0.00	$0.00	
168 Allow %	0	0	0	
Salvage	$0.00	$0.00	$0.00	
ITC Amt	$0.00	$0.00	$0.00	
Beg Date	00/00/00	00/00/00	00/00/00	
Beg YTD	$0.00	$0.00	$0.00	
Beg Accm	$0.00	$0.00	$0.00	
Thru Date	00/00/00	00/00/00	00/00/00	
168 Allow	$0.00	$0.00	$0.00	
Curr YTD	$0.00	$0.00	$0.00	

2.   Complete the general information fields on the Main asset page. See "Completing the General Information Fields," page 6-3.

3.   Complete the book-related fields on the Main asset page. See "Completing the Book-Related Fields," page 6-6.

4.   Complete the Image page, if you want to store images for this asset. For additional information on this page, see "Storing and Viewing Asset Images," page 6-44.

5.   Complete the Notes page, if you want to store additional information for this asset not covered by any of the other pages. For additional information on this page, see "The Notes Page," page 6-51.

6.   Save the asset by doing any one of the following:

   •   Click the Save button.

   •   Press CTRL+S.

   •   Select Asset/Save from the menu bar.

   •   Click the Save Asset button from the toolbar.

   The application assigns the asset an asset number and displays the asset number in the title bar of Detail View. The asset is now saved.

Completing the General Information Fields

Follow the guidelines provided below to complete the general information fields.

These guidelines are based upon all available fields in the general information field set. If your application has been customized, it is possible that some of these fields are not displayed or that other fields are displayed instead. A brief descriptive message appears in the status bar as you enter each field.

Once you complete the fields that are in full view, use the scroll bar to the right of the general information fields to make the rest of the fields available.

■ **Company Asset Number**
Use this field to enter the number that your company has assigned to this asset. This number can be any number you've been using in the past to track this asset. You can assign the same company asset number to more than one asset.

> **Note** Users of FAS 100 Asset Inventory must use unique Company Asset Number for each asset if this number is used for the Asset Tag field.

■ **Description**
Use this field to enter a description of the asset. This description prints on all reports that include the description field. However, on many reports the Description field is truncated to ten characters. Therefore, when creating a description, you might want to make the first ten characters the most descriptive.

■ **Exchange?**
Use this field to indicate whether the asset was received in a like-kind exchange or involuntary conversion. Selecting Yes in this field tells the application that the asset should not appear on any reports that are run prior to the date the asset was received in an exchange. For information about like-kind exchanges and involuntary conversions, see "Like-Kind Exchanges and Involuntary Conversions After 1/2/2000," page 7-11.

■ **Class**
Use this field to enter any one- or two-character code, which you define, to classify this asset. Common class codes are FF for Furniture and Fixtures, and ME for Machinery and Equipment.

■ **Location**
Use this field to enter any alphanumeric code or description to identify this asset's location. For example, a location code could be a room number, a building name, or the name of a city.

■ **Acquisition Date**
Use this field to enter the date on which the asset was actually acquired (as opposed to the date the asset was placed in service). The application uses this date in the Quarterly Acquisition report, in the Annual Activity report, and in the Fixed Asset Summary report. If you choose not to make an

entry, the application defaults to the Service Date from the reported book as the Acquisition Date for these three reports.

■ **G/L Asset Account Number**
Use this field to enter a General Ledger Asset Account Number as defined by your accounting department. This field is important to the Annual Activity report and the File Listing report.

■ **G/L Accumulated Account Number**
Use this field to enter a General Ledger Accumulated Account Number as defined by your accounting department. This field is important when posting fixed asset information to your corporate accounting solution. It is also important to the General Ledger Posting report.

■ **G/L Expense Account Number**
Use this field to enter a General Ledger Expense Account Number as defined by your accounting department. This field is important when posting fixed asset information to your corporate accounting solution. It is also important to the General Ledger Posting report.

■ **Purchase Order Number**
Use this field to enter the purchase order number for the asset.

■ **Vendor/Manufacturer**
Use this field to enter the name of the vendor or manufacturer of the asset.

■ **Warranty Date**
Use this field to enter the date on which the asset's warranty expires.

■ **Manufacturer's Serial Number**
Use this field to enter the manufacturer's serial number for the asset.

■ **Custodian**
Use this field to enter the name of the person most responsible for the asset.

■ **Department**
Use this field to enter the name of the department to which this asset belongs.

■ **Insurance Category**
Use this field to enter an insurance category assigned by your company or your insurance company to this asset.

■ **Replacement Value**
This field displays the asset's Replacement Value that the application calculates. You must establish RV indices (select Customize/Replacement Value from the menu bar) and calculate depreciation on the asset before the application enters a value in this field.

■ **RV Override?**
Use this field to either replace the application's Replacement Value calculation for an asset for a specified year, or to replace Acquired Value as the starting point for the RV calculation.

■ **User Numeric 1**
Use this additional numeric field for entering information that is not appropriate for the other fields. You can enter numeric values only in this field. This field may have been customized and given a new name.

■ **User Fields 1 Through 10**
Use these additional ten alphanumeric fields for entering information that is not appropriate for the other fields. The application treats entries in these fields as text, so they cannot be used for calculations on custom reports. These fields may have been customized with new names.

Completing the Book-Related Fields

Follow the guidelines provided below to complete the book-related fields on the Main asset page.

The book-related fields are extremely important. They are what determine your depreciation calculations. Most of the fields must be completed according to rules imposed under GAAP or by the IRS. Although the application displays a warning message when it detects entries inconsistent with these rules, it does allow you to override the warning and make your own entries (it assumes you know what you're doing). However, if you don't know what you're doing, we recommend you heed the warning messages and rethink your entry. If you need a brush-up on depreciation rules and regulations, or if you need to simply look up a depreciation concept, refer to Appendix A, "Depreciation and Fixed Asset Concepts."

The book-related fields on the Main asset page are organized in rows and columns. Each field contains depreciation data specific to the book heading up the column.

The application enters default information in the other open books based on the Tax book entries. For this reason, you might want to complete the Tax book first, and then it's possible you will only need to make slight changes to each additional book. If you need to set default values in other books after the initial setting, you must use the Force Defaults option located in the Asset menu. See "Forcing Book Defaults," page 6-53.

- ◼ **Property Type**
  Use this field to select the correct Property Type of the asset. The application uses this field to determine valid depreciation methods, as well as other important depreciation factors. For an explanation of Property Type, see "Types of Property," page A-7.

- ◼ **Service Date**
  Use this field to enter the date the asset was placed in service. You can enter the date in either MMDDYY or MMDDYYYY format. The application uses this field to determine when to begin depreciating an asset.

- ◼ **Acquired Value**
  Use this field to enter the acquired dollar value of the asset. You may use a negative number when you have a credit or rebate on an asset that reduces its value below zero. To enter a negative number, use the minus sign on the keyboard. The application displays -$200 using parentheses—($200).

Note The acquired value is used in determining the asset's depreciable basis. The formula for determining the depreciable basis depends on the depreciation method. In general, the depreciable basis is the acquired value, multiplied by the business-use percentage if applicable, minus any salvage value, Section 179 expense or bonus depreciation, Section 168 Allowance, and Investment Tax Credit reduction amount.

- ◼ **Depreciation Method**
  Use this field to select a depreciation method code. Once you complete the Property Type and Service Date fields, the

application provides a default depreciation method, estimated life, and ADS life.

Valid depreciation methods based on date placed in service and property type are displayed in the drop-down list box. Custom depreciation methods appear in the list, or you can enter the custom code in lower case letters.

This chart displays the available standard depreciation methods.

Code	Depreciation Method
MA	MACRS formula plus 168 Allowance
AA	ADS straight-line MACRS plus 168 Allowance
MR	MACRS Indian Reservation plus 168 Allowance
SB	Straight-line, full-month plus 168 Allowance
MF	MACRS formula
MT	MACRS table
AD	ADS straight-line MACRS
MI	MACRS Indian Reservation
AT	ACRS table
SA	Straight-line, alternate ACRS formula
ST	Straight-line, alternate ACRS table
SD	Straight-line, modified half-year
SL	Straight-line
SF	Straight-line, full month
SH	Straight-line, half-year
DB	Declining-balance, switch to SL when optimal
DD	Declining-balance, modified half-year, switch to SL when optimal
DC	Declining-balance, no switch to SL
DH	Declining-balance, half-year, switch to SL when optimal
DE	Declining-balance, modified half-year, no switch to SL
DI	Declining-balance, half-year, no switch to SL
YH	Sum-of-the-years'-digits, half-year
YD	Sum-of-the-years'-digits, modified half-year
YS	Sum-of-the-years'-digits
RV	Remaining value over remaining life
OC	Own depreciation calculation
NO	Do not depreciate

For a detailed explanation of depreciation methods, see
Appendix B, "Depreciation Methods."

■ **Estimated Life**
Use this field to enter the asset's estimated life. Use the format
YYMM. The application uses this field to determine the time
period over which the asset will recover its depreciable basis.
For some methods you can select the estimated life from a list
of valid entries. Generally, you cannot enter an estimated life
of less than 1 year for an asset. Exceptions are:

• If the asset's depreciation method is MACRS formula
(MF or MA), 150% declining-balance, and the property
type is real or personal property other than an
automobile, the estimated life can be 6 months.

• If the asset's depreciation method is straight-line (SL),
ADS straight-line MACRS (AD or AA), remaining value
over remaining life (RV), or your own depreciation
calculation (OC), the estimated life can be 1 to 11 months.
Method OC lets you manually enter depreciation
amounts; the application will not calculate depreciation
for the asset.

Note To help you determine the correct estimated life for an
asset for the Tax book, you can use the IRS Table button
located in Detail View. Here you will find an easy-to-use
version of the IRS ADR Class Life Table.

■ **ADS Life**
Use this field to enter the asset's ADS life. The ADS life is
assigned to an asset type under the MACRS Alternative
Depreciation System. For most assets, the ADS life is the
midpoint of the Asset Depreciation Range (ADR) in which the
asset belongs.

The application uses this field as the asset's default estimated
life in the user books (Internal and books 6 and 7) and in the
AMT and ACE books (where applicable).

Note If you elect depreciation method AD or AA (MACRS straight-line) for regular tax purposes, enter the asset's ADS life in *both* the Estimated Life field and the ADS Life field in the Tax book. The application uses the entry in the Estimated Life field for calculating depreciation in the Tax book, and the entry in the ADS Life field for setting defaults in other books where appropriate.

If you choose not to enter an ADS life, the application automatically assigns and displays a default life based on Tax book entries. Because there are exceptions to the general rules the application uses, entering a known ADS life for a specific asset is more accurate than letting the application determine it.

This chart outlines some frequently used ADS lives (as outlined in Rev. Proc 87-56):

Asset	ADS Life (Years)
Automobiles	5
Copiers	6
Information systems; including computers	5
Land improvements	20
Office equipment and furniture	10
Real property	40
Trucks, heavy general purpose	6
Trucks, light general purpose	5
Typewriters and adding machines	6

Note Although the application will default an ADS life based on the Estimated Life field, it is best to look up the ADS Life field yourself. For ease of use, we have reformatted the IRS ADR Class Life Table. It is accessed by clicking the IRS Table button in Detail View.

■ **Business-Use Percentage**
Use this field to specify the percentage of business use the asset receives, versus the percentage of personal use it

receives (if applicable). Enter the percentage of business use only.

If you enter any number besides 100 in the Business Use Percentage field, the application displays the Business Use screen.

The Business Use screen allows you to enter up to ten different business percentage rates for time periods that you specify lasting the asset's entire life. The effective date for each change in business-use percentage must be the beginning date of a fiscal year. See "Completing the Business-Use Screen," page 6-22.

■ **Section 179/Bonus**
Use this book-related field in Detail View to enter either a Section 179 amount or a pre-1981 bonus amount (if one of these options applies). You decide which of these two options applies based on the asset's service date and several other factors. If neither option applies, accept the default of zero. If a previous entry disqualifies the application of either of these options, this field is disabled.

This field displays the total Section 179/Bonus amount calculated in the §179/Bonus Details screen. To access this screen, click in the Section 179/Bonus field, and then click the down-arrow to the right of the field. See "Completing the §179/Bonus Details Screen," page 6-24.

❑ **Section 179**

Note This section describes the Section 179 deduction that is claimed on the Form 4562 at the end of the tax year. For information on taking a deduction under Other Section 179 Deductions, see "Section 179 Deductions," page 6-15.

This option is only used for assets using an ACRS or MACRS depreciation method (methods MF, MA, MT, MI, MR, AD, AA, AT, SF, SB, SA, ST, or custom method). A Section 179 deduction allows you to treat the cost of a qualifying asset as an expense, rather than as a capital investment to be depreciated in the future.

Enter the amount of the asset's cost (if any) that you wish to deduct. If you have already expensed the maximum amount for the year (see below) or if you are not taking the deduction, enter zero as the dollar amount.

The following guidelines apply only to property that qualifies under Section 179. For property placed in service in 1982 through 1986, the total maximum allowable amount you can expense is $5,000 per year for all assets combined. For property placed in service after 1986 through taxable years beginning before January 1, 1993, the total maximum amount that you can expense is $10,000 per year. For property placed in service in taxable years beginning after December 31, 1992, the table below displays the total maximum amount you can expense:

Tax Year Beginning In	Maximum Section 179
1993 through 1996	$17,500
1997	$18,000
1998	$18,500
1999	$19,000
2000	$20,000
2001 - 2002	$24,000
2003	$100,000
2004	$102,000
2005	$105,000
2006	$108,000
2007	$125,000
2008	$250,000
2009	$250,000
2010 *	$500,000
2011 *	$500,000
2012	$125,000
2013 and thereafter	$25,000

* Recently passed legislation for fiscal years beginning in 2010 and 2011 allows an election to be made that would include up to $250,000.00 of real property in the definition of qualified Section 179 property eligible for immediate expensing. Specifically the real property must be qualified leasehold improvement property, qualified restaurant property, or qualified retail improvement property. The deduction on real property is subject to the same Section 179 phase-out rules for personal property and does not apply to nonresidential real or residential rental property. Remember if you elect to claim a Section 179 deduction on real property, then you must identify all qualifying property using the Qualified §179 Property check box on the §179/Bonus Details screen in Detail View, in order to properly calculate the phase-out limits.

Sport Utility Vehicles

The American Jobs Creation Act of 2004 limits the Section 179 expense on a Sport Utility Vehicle (SUV) weighing between 6,000 and 14,000 pounds to $25,000. The $25,000 limit applies to SUVs placed in service after 10/22/04. To enter an asset as an SUV, use property type Q, listed property.

The maximum amount of Section 179 that you can take in one year is also limited by the threshold amount (see below).

Note There are increased limits for:

— New York Liberty Zone property; see "Section 179 Limits for New York Liberty Zone Property," page 8-55.

— Enterprise Zone property; see "Section 179 Limits for Enterprise Zone Property," page 8-61.

— Qualified Gulf Opportunity Zone property; see "Section 179 Limits for Qualified Gulf Opportunity Zone Property," page 8-63.

— Qualified Recovery Assistance property (Kansas Disaster Zone property); see "Section 179 Limits for Kansas Disaster Zone Property," page 8-68.

— Qualified Disaster Assistance property (Qualified Disaster Zone property); see "Section 179 Limits for Qualified Disaster Zone Property," page 8-71.

Threshold Amounts

If the total acquired value of qualifying property placed in service during the year exceeds the threshold amount for that year, the amount of Section 179 expense that you can take decreases one dollar for each dollar exceeding the threshold amount. For example, if the total acquired value of property placed in service in a taxable year beginning in 2010 exceeds $2,500,000 ($2,000,000 threshold + $500,000 dollar limit for 2010), you cannot take any Section 179 expense deduction.

Recently passed legislation for fiscal years beginning in 2010 and 2011 allows an election to be made that would include up to $250,000.00 of real property in the definition of qualified Section 179 property eligible for immediate

expensing. Remember if you elect to claim a Section 179 deduction on real property, then you must identify all qualifying property using the Qualified §179 Property check box on the §179/Bonus Details screen in Detail View, in order to properly calculate the phase-out limits.

The table below displays the threshold amounts for each taxable year.

Taxable Year	Threshold Amount
1986 - 2002	$200,000
2003	$400,000
2004	$410,000
2005	$420,000
2006	$430,000
2007	$500,000
2008	$800,000
2009	$800,000
2010 *	$2,000,000
2011 *	$2,000,000
2012	$500,000
2013 and thereafter	$200,000

* The threshold amount increase for 2010 and 2011 is due to the Small Business Jobs Act of 2010, as signed into law on September 27, 2010.

Note The application does not warn you during data entry of an individual asset if the total acquired value of qualifying property placed in service during the year exceeds the Section 179 limit. However, you can use the Audit Advisor to determine if you have exceeded the Section 179 limit for all assets placed in service in the year.

You cannot depreciate the amount expensed under the Section 179 deduction. For example, suppose you are entering an asset that was fully depreciated under an earlier system. If the asset's acquired value is $10,000 and $6,000 was taken as a Section 179 expense, you would enter $10,000 as Acquired Value, $6,000 as the Section 179 expense, and $4,000 as beginning accumulated depreciation. If you are entering a newly acquired asset, enter the Section 179 expense amount and the application

will calculate the correct depreciation on any remaining depreciable basis.

You also cannot take any Investment Tax Credit (ITC) on the part of an asset's cost that is expensed under Section 179. The application automatically takes any Section 179 expense into account when it calculates ITC for the asset.

The application will not let you enter more than the maximum Section 179 expense for one asset. To view Section 179 amounts for each asset and totals for the fiscal year, run the Tax Expense report.

❑ **Section 179 Deductions**
The Jobs Creation Act of 2004 provided a new deduction under Section 179B. The Energy Tax Incentives Act of 2005 added additional deductions under Sections 179C and 179D. The Small Business Act of 2007 created a new deduction under Section 179E. To take a deduction under Section 179B, 179C, 179D, or 179E, you must select the desired code in the §179/Bonus Details screen.

To access this screen, click in the Section 179/Bonus field in Detail View, and then click the down arrow. The §179/Bonus Details screen appears. For information on completing this screen, see "Completing the §179/Bonus Details Screen," page 6-24.

For a brief description of the deductions available under Section 179B, 179C, 179D, and 179E, see "§179/Other Codes," page 6-26.

❑ **Bonus Depreciation**
This option is only used for assets using a depreciation method other than an ACRS or MACRS method. In addition, the asset must be personal property, it must have an estimated life of at least 6 years, and it must use a straight-line, declining-balance, sum-of-the-years' digits, own calculation, or custom calculation depreciation method.

For qualifying assets, you may be entitled to a 20% first-year depreciation bonus on up to $10,000 of eligible property placed in service during a taxable year prior to 1981.

The application calculates the bonus amount based on the preliminary depreciable basis of the asset without

subtracting the salvage value. (The preliminary depreciable basis here is the acquired value times the business-use percentage.) If you take the bonus, the application subtracts it from the preliminary depreciable basis before making any further calculations. On reports, however, the bonus amount is included in accumulated depreciation, rather than being shown as subtracted from the depreciable basis.

The application will not let you enter more than $2,000 or 20% of the depreciable basis, whichever is less, as the bonus amount for any one asset. It does not keep track of your total bonus taken as you enter asset information. You must limit the first-year bonus depreciation taken according to IRS rules.

■ **168 Allowance %**
Use this field to select a 30%, 50%, or 100% allowance under IRS Section 168. The 30% Allowance is available for personal property placed in service after September 10, 2001 and before January 1, 2007. The 30% Allowance is available for real property after September 10, 2001 and before January 1, 2010. After May 5, 2003, you can elect a 50% Allowance.

The 2010 Tax Relief Act allows for a 168 Allowance of 100% for assets placed in service after September 8, 2010 and through December 31, 2011 (or December 31, 2012 for assets with longer production lives).

The 168 Allowance will still be available for qualified property placed in service in a special disaster zone through 2012 for personal property and through 2013 for real property, and for cellulosic biofuel plant property through 2012. Beginning in 2006, the 168 Allowance can also be taken for reuse and recycling property. Currently, there is no expiration of the 168 Allowance for reuse and recycling property.

This field is available only if you select a "Plus 168" depreciation method (that is, depreciation method MA, MR, AA, or SB.)

After you select a "Plus 168" depreciation method, 30, 50, or 100 appears in the 168 Allowance % field. The default selection is 50 for property placed in service after May 5, 2003. The calculated amount of the allowance is also displayed in the 168 Allowance field. For more information, see "168 Allowance," page 6-20.

■ **Salvage Value**
Use this field to enter the estimated salvage value of the asset. Salvage value is an estimate of an asset's worth at the end of its useful life. Several depreciation methods use the salvage value in determining depreciation amounts. In such cases, the salvage value is generally subtracted from the acquired value when calculating the depreciable basis.

■ **ITC Amount**
Use this field to enter the Investment Tax Credit (ITC) amount applied to the asset (if applicable). ITC allows a credit for a percentage of an asset's cost basis, based on the estimated life of the asset and when it was placed in service. To enter an amount, click the arrow in the ITC Amount field. The Investment Tax Credit screen appears (see "Completing the Investment Tax Credit Screen," page 6-27). Only ITC options that are valid for this asset based on property type, service date, and depreciation method are displayed in the option field. Select one of the valid ITC options for this asset. This chart outlines all possible choices:

Code	ITC Option
1	Heat/Power System
2	Small Wind Energy
3	Geothermal Heat Pump
4	Advanced Energy Project
A	New Property, Full Credit
B	New Property, Reduced Credit
C	Used Property, Full Credit
D	Used Property, Reduced Credit
E	30-year Rehabilitation Property
F	40-year Rehabilitation Property
G	Certified Historic Structures
H	Pre-1936 Buildings
R	Reforestation Property
S	Solar Energy Property
T	Other Energy Property
U	Fuel Cell Property
V	Microturbine Property
W	Advanced Coal Project
X	No Investment Tax Credit
Y	Gasification Project

For assets acquired after 1985, you usually cannot take ITC and you should select X. If you choose an ITC option other than X, the application automatically determines the ITC percentage based on the option chosen, the year the asset was placed in service, its property type, its estimated life, and its depreciable basis. The percentage field displays the system-determined percentage. You can override the percentage or amount of ITC taken, which may be useful if the asset is allowed more than one type of credit (such as an energy credit and a regular credit).

After you enter the percentage, the application calculates the amount of the ITC as the asset's depreciable basis multiplied by the ITC percentage. If the asset's depreciable basis was not the same as its at-risk basis, you may need to adjust the calculated amount.

You can override the calculated amount in this field; however, the amount in this field cannot exceed the asset's depreciable basis.

■ **Beginning Depreciation Fields**
The application has three fields that handle beginning depreciation: Beginning Date, Beginning Year-to-Date, and Beginning Accumulated Depreciation.

You are required to enter data in these fields only if you are entering an asset on which depreciation was calculated in another system. These fields are not required for newly acquired assets.

Entering beginning depreciation amounts is your way of telling the application to simply accept your prior depreciation balances and to calculate depreciation from that point forward.

Example: Suppose your company owns an asset with an acquired value of $1,000 and a life of 10 years, and you are depreciating it using the straight-line method. The company's fiscal year-end is June. The asset was placed in service on July 1, 1998, and you are adding it to the application on June 30, 2007, after you have taken 9 years of depreciation. You would enter a beginning current YTD depreciation of $100, beginning accumulated depreciation of $900, and a beginning date of 06/07, for June 2007. Note that the beginning accumulated depreciation amount includes the $100 depreciation for the current fiscal year.

Note When applicable, the Beginning Year-To-Date and Beginning Accumulated Depreciation fields should include bonus depreciation but not Section 179 expense or the 168 Allowance. You enter Section 179 expense in the Section 179/Bonus field. The application calculates the 168 Allowance and displays the amount in the 168 Allowance field. The Section 179 expense and the 168 Allowance are displayed separately in Detail View because special rules and limitations apply to these values.

❑ **Beginning Date**
Use this field to enter the date through which the amounts for beginning YTD depreciation and beginning accumulated depreciation have been calculated. You can enter the date in either MMYY or MMYYYY format.

The application will calculate depreciation for this asset starting from the next month and will add the beginning amounts to the amounts it calculates for future periods. The simplest approach is to enter the end of the last fiscal year as the beginning date and let the application begin calculating depreciation for the new fiscal year. This field is required only if you are entering depreciation for an asset that was calculated on another system.

Do not confuse the Beginning Date with the date on which you are entering assets for the first time. For example, if an asset was placed in service on 8/1/06, was depreciated through 12/06, and entered in the application on 5/3/07, the Beginning Date field should be 12/06. The application starts depreciating the asset on 1/1/07. If you were to mistakenly enter 5/07 in the Beginning Date field, you would have zero depreciation in the Beginning Year-to-Date field (because the asset was not yet depreciated in 2007), and the accumulated depreciation through 12/06 would be entered in the Beginning Accumulated field. What would happen is that the application would start calculating depreciation on 6/1/07 and five months of depreciation (1/1/07 through 5/31/07) would be missing!

❑ **Beginning Year-To-Date**
Use this field to enter the amount of depreciation, if any, already taken on this asset for the fiscal year in which you are switching the asset's depreciation to the application.

This amount is the amount of depreciation taken from the beginning of that fiscal year through the date you will enter as the beginning date for the depreciation. If the beginning date is any date other than the end of a fiscal year, you must enter an amount in this field to get correct results for the current fiscal year. If you do not enter an amount in this field, the application assumes that no depreciation was taken in the current fiscal year.

❑ **Beginning Accumulated Depreciation**
Use this field to enter the total of all depreciation calculated on the asset since it was placed in service, including the amount entered above as the beginning YTD depreciation.

■ **Through Date**
This field displays the date through which depreciation was last calculated. The application automatically updates this field every time you calculate depreciation for the asset.

■ **168 Allowance**
This field displays the 168 Allowance deduction. This amount is calculated only when you select one of the following "Plus 168" depreciation methods:

- MA: MACRS formula plus 168 Allowance

- MR: MACRS Indian Reservation plus 168 Allowance

- AA: ADS straight-line MACRS plus 168 Allowance

- SB: Straight-line, full-month plus 168 Allowance

In addition, you must select a 30%, 50%, or 100% allowance deduction in the 168 Allowance % field. For more information, see "168 Allowance %," page 6-16.

The 30% Allowance is available for personal property placed in service after September 10, 2001 and before January 1, 2007. The 30% Allowance is available for real property after September 10, 2001 and before January 1, 2010. After May 5, 2003, you can elect a 50% Allowance.

The 2010 Tax Relief Act allows for a 168 Allowance of 100% for assets placed in service after September 8, 2010 and through December 31, 2011 (or December 31, 2012 for assets with longer production lives).

The 168 Allowance will still be available for qualified property placed in service in a special disaster zone through 2012 for personal property and through 2013 for real property, and for cellulosic biofuel plant property through 2012. Beginning in 2006, the 168 Allowance can also be taken for reuse and recycling property. Currently, there is no expiration of the 168 Allowance for reuse and recycling property.

- **Current Year-To-Date**
  This field displays the current year-to-date depreciation amount for the asset through the current Through Date (the last date on which you calculated depreciation for the asset in the current year). The application automatically updates this field every time you calculate depreciation for the asset. The Current Year-To-Date amount *never* includes the 168 Allowance or Section 179 expense deduction because these amounts are displayed separately in Detail View.

- **Current Accumulated Depreciation**
  This field displays the asset's depreciation from the asset's placed-in-service date through the current Through Date (the last date on which you calculated depreciation), including any current year-to-date depreciation. The application automatically updates this field every time you calculate depreciation for the asset. The Current Accumulated Depreciation amount *never* includes the 168 Allowance or Section 179 expense deduction because these amounts are displayed separately in Detail View.

- **Net Value**
  This field displays the current net book value for the asset through the current Through Date. The application automatically updates the net book value when current depreciation is updated.

- **Period Date**
  This field displays the date through which depreciation was last saved for a period close. Each time you run a period close, the application automatically updates this field with the results of your last depreciation calculation.

- **Period Year-to-Date**
  This field displays the current year-to-date depreciation amount through the most recent period close date. Each time you run a period close, the application automatically updates this field with the results of your last depreciation calculation.

■ **Period Accumulated Depreciation**
This field displays the asset's depreciation from the date of the asset's placed-in-service date through the most recent period close date, including any period year-to-date depreciation. Each time you run a period close, the application automatically updates this field.

Completing the Business-Use Screen

Follow the guidelines provided below to complete the fields in the Business-Use screen. Enter business-use percentages in chronological order. Start with the earliest use of the asset at less than 100% for business. You are allowed to enter up to ten business-use percentages. The effective date for each change in the business-use percentage must be the beginning of a fiscal year. If the percentage changed later in the year, enter the business-use percentage averaged over the fiscal year.

By entering a single business-use statement, you are specifying a percentage of business use beginning in one year and continuing until you add another percentage.

■ **100% Business Use?**
Clear this check box to enable the rest of the screen.

- **%**

  Enter the percentage of business use the asset received for the time period you are going to enter in the Start Date.

- **Start Date**

  Enter a date that is the beginning of a fiscal year on which you started using the asset at less than 100% business use.

- **Add Button**

  Click this button to add the business-use statement you've specified to the string of statements in the Use field.

- **Use**

  This field displays the business-use statements you've specified above.

- **Clear Button**

  Click this button to delete the currently selected business-use statement from the Use field.

- **Clear All Button**

  Click this button to delete all business-use statements from the Use field.

- **Count**

  This field displays the number of percentages you have added.

Completing the §179/Bonus Details Screen

Follow the guidelines below to complete the fields on the §179/Bonus Details screen.

■ **Regular §179**
   ❑ **Qualified §179 Property**
   Check this box if the asset is qualified §179 property. If the box is checked, then the Zone Type and §179 Amount fields are enabled, and the Pre-ACRS Bonus field is disabled. If the box is unchecked, then the Zone Type and §179 Amount fields are disabled, and the Pre-ACRS Bonus field is enabled.

   ❑ **Classification**
   Use this field to specify the type of real property that is eligible for a Section 179 expense deduction. Select one of these options:

   • Qualified leasehold improvement

   • Qualified restaurant property

   • Qualified retail improvement

The total cost of each asset and total Section 179 elected for each class of real property appears on the attachment, along with the election, when you run the Form 4562 - Depreciation and Amortization report.

Note If the property is personal property, this field is unavailable and the application displays "Tangible personal and other property" in this field.

❑ **Zone Type**
There are currently five zone types. The availability of these zone types is based on the placed-in-service date of the asset. The table below lists the zone types and their availability:

Zone Type	Availability
G - Gulf Opportunity Zone	8/28/2005 - 12/31/2008
K - Kansas Disaster Zone	5/5/2007 - 12/31/2008
E - Enterprise Zone	1/1/2007 - 12/31/2011
D - Qualified Disaster Zone	1/1/2008 - 12/31/2012
X - No Zone Applies	Always available

Note: You can view the zone type of each asset by running the Tax Expense report.

❑ **§179 Amount**
Enter the amount of Section 179 expense for this asset. This amount is subject to a dollar limit and a phase-out restriction. The amount entered in this field flows to Part I of the Form 4562.

❑ **Pre-ACRS Bonus**
Enter the amount of bonus depreciation for this asset. The asset must be personal property placed in service during a taxable year prior to 1981. It must have an estimated life of at least 6 years, and it must use a straight-line, declining balance, sum-of-the-years' digits, or own calculation.

■ **Other §179 Deductions**

❑ **§179/Other Code**
Select a code to identify the §179/Other basis reduction amount. For a description of each code, see .

❑ **§179/Other Amount**
Enter the amount of §179/Other basis reduction. This amount is not subject to the Section 179 dollar limit and phase-out restriction, and it is not included in Part I of the Form 4562.

■ **Total §179/Bonus**
This field displays the total of the §179 Amount, Pre-ACRS Bonus, and §179/Other Amount fields. When you click OK, this amount appears in the Section 179/Bonus field in Detail View.

§179/Other Codes

Use the following codes to specify the type of §179/Other Amount entered in the §179/Bonus Details screen.

Code	Description
B	**EPA Sulfur Control Requirements:** Available for property placed in service after 12/31/2002; property types P, Q, R, or S; and depreciation methods MF, MT, MI, AD, MA, AA, MR, RV, OC, and custom methods.
C	**Qualified Refineries:** Available for property placed in service after 8/8/2005 and before 1/1/2014; property types P, Q, R, or S; and depreciation methods MF, MT, MI (not available after 12/31/2009), AD, MA, AA, MR (not available after 12/31/2009), RV, OC, and custom methods.
D	**Energy Efficient Commercial Buildings:** Available for property placed in service after 12/31/2005 and before 1/1/2014; property types P, Q, R, or S; and depreciation methods MF, MT, MI (not available after 12/31/2009), AD, MA, AA, MR (not available after 12/31/2009), RV, OC, and custom methods.
E	**Advanced Mine Safety Equipment:** Available for property placed in service after 12/20/2006 and before 1/1/2012; property types P or Q; and depreciation methods MF, MT, MI, AD, MA, AA, MR, RV, OC, and custom methods.
O	**Other Asset Basis Reductions:** Available for all placed-in-service dates; property types P, A, T, Q, R, or S; and all depreciation methods.
N	**Not Applicable:** If you select this code, the §179/Other Amount field is unavailable.

Completing the Investment Tax Credit Screen

When you click the down arrow on the ITC Amount field, the Investment Tax Credit screen appears.

Follow the guidelines below to complete the fields on the Investment Tax Credit screen.

■ **Options**
  ❑ **ITC Credit**
    Select the ITC Credit option you want to take on the current asset. For a description of each option, see "ITC Amount," page 6-17.

  ❑ **ITC Credit Percentage**
    Enter the ITC Credit percentage you want to apply. The application displays a default percentage based on the selected ITC Credit option. You can enter a percentage of up to 30% of the asset's depreciable basis.

Note A higher ITC Credit percentage is available for certain types of property located in the Gulf Opportunity Zone. For more information, see "Qualified Gulf Opportunity Zone Property," page 8-62.

  ❑ **ITC Credit Amount**
    The application computes the ITC Credit Amount by multiplying the asset's depreciable basis by the ITC Credit percentage. You can change this amount; however, the amount cannot exceed the asset's depreciable basis.

■ **Basis Reduction Amount**
   ❑ **Amount**
      This field displays the amount by which the depreciable
      basis will be reduced for the current asset.

Replicating Assets

If you are adding multiple assets that are similar in nature, you can
add the first one, save it, and then replicate it as needed. The
application can create as many as 99 assets out of a single entry. Once
you've replicated an asset, you can change each asset individually to
modify specific fields as needed. This feature is particularly useful
for adding grouped assets from the same invoice.

Note If you replicate an asset that has Section 179 expense or bonus
depreciation, you may receive a warning message stating that the
total amount for all replicated assets will exceed allowable limits. If
you choose to continue, remember to reduce the Section 179 or
bonus depreciation amounts for the replicated assets, as needed.

To replicate an asset

1. Enter Detail View of the asset you want to replicate.

2. Do any one of the following:

   • Select Asset/Replicate from the menu bar.

   • Click the Replicate button from the toolbar.

   The Replicate screen appears.
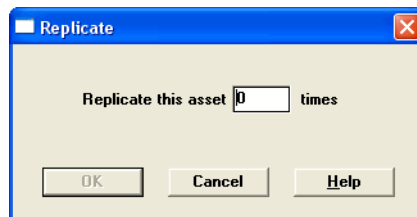
3. Enter the number of times you want to replicate the asset, and then click OK. The application displays a message confirming the replication and informing you of the Starting system number.

4. Click OK to close the confirmation message.

5. Enter assets individually to edit asset information (if applicable).

Copying Book Information

You can use the Copy Book feature to copy the depreciation information from a book, such as the Tax book, to another book. You may want to use this feature if you have been using the application for some time but you only now decided to open one of the books.

For example, you may have decided to not use the State book when you first started using the application because your state followed all federal depreciation rules, so you closed the book in the Edit Company screen. Suppose your state now decides not to comply with newly issued federal tax laws. If your state does not fully conform to the federal tax laws, you may need to open the State book and depreciate your assets following the rules for your state. You can use the Copy Book feature to quickly populate the fields in the State book with the correct placed-in-service date and cost information. Then you can modify the assets to conform to your state rules.

You select the Copy Book feature from Group View. The application copies information for all of the assets in the open company.

To copy book information

1. In Group View, select Asset/Copy Book from the menu bar. The Copy Book screen appears.
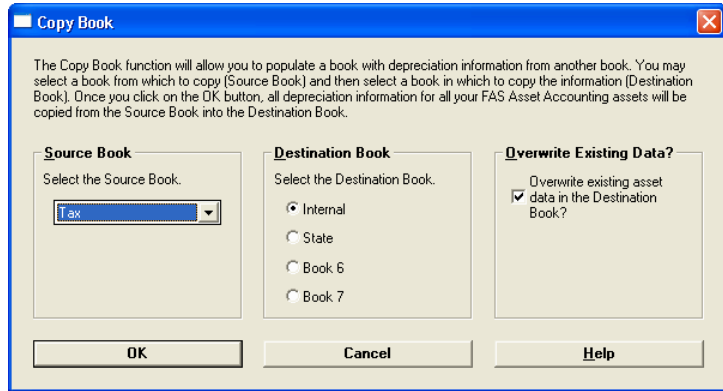
2. Complete the Copy Book screen, and then click OK. See "Completing the Copy Book Screen," page 6-31.

   If the Source Book and the Destination have different short year information, the application displays the following message:
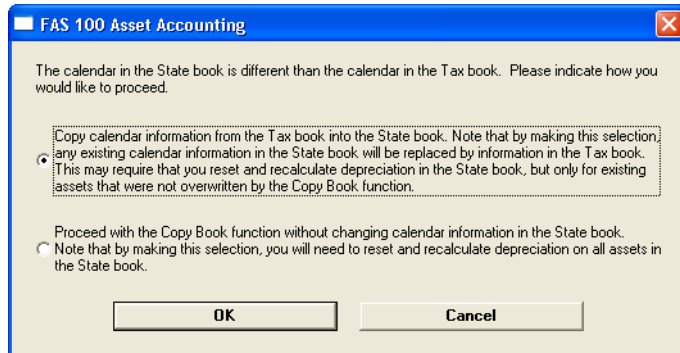
   For information on copying books with different short year information, see "Copying Short Year Information," page 6-31.

Completing the Copy Book Screen

Follow the guidelines below to complete the fields on the Copy Book screen.

- **Source Book**
  Select the book from which you want to copy depreciation information. You can select a book only if it is currently open.

- **Destination Book**
  Click the option button for the book to which you want to copy depreciation information. The Destination book must be open.

- **Overwrite Existing Data**
  Select this check box if you want to overwrite existing data in the Destination Book with the depreciation information from the Source Book. If the box is left unchecked, the application skips assets with existing book data in the Destination Book when completing the copy function.

Copying Short Year Information

When you change the short year information for an asset, you must reset and recalculate its depreciation. The short year information may change for assets when you copy depreciation information, and the Source Book and the Destination Book have different short year information.

If the Source Book and the Destination Book have different short year information, you have two options:

- You can copy the short year information from the Source Book into the Destination Book. This overwrites the short year information in the Destination Book, and replaces it with the short year information in the Source Book.

- You can keep the short year information in the Destination Book.

If you select the first option, you would not need to reset and recalculate depreciation unless you cleared the Overwrite Existing Data check box in the Copy Book screen.

If you select the second option, we recommend that you reset depreciation to the beginning date and recalculate depreciation for all of the assets in the Destination Book.

Creating a New Template

The Asset Templates feature lets you create predefined assets, which can then be copied into individual assets. You should create an asset specifically made to be saved as a template. This is because you probably do *not* want to complete certain fields, such as the company asset number field. If you completed this field for the template, you would have to change it every time you applied the template to an asset.

Asset templates provide more flexibility than the Replicate function.

With an asset template, you can:

- Assign it a recognizable name for quick and easy recall.

- Enter data in all fields or only in a few fields.

- Use the template to create a new asset.

- Use the template over an existing asset. If you use a template over an existing asset, the template information will overwrite any existing information that was entered for the asset before you used the template. If, however, the asset has information in a field that is blank in the template, such preexisting information will not be overwritten.

You cannot view or edit an existing template once it is created. However, you can apply it to a new asset to view the setup of the template, and then exit the new asset without saving it. A way around the edit restriction is to apply the template to a new asset, make changes, and then save it as a template using the same template name. To rename or delete an asset template, select Customize/Template Manager from the menu bar, and then complete the Template Manager screen.

To create a new template

1. Enter a new asset that you want to save as a template. See "Entering New Assets," page 6-1.

2. Select Asset/Save as Template from the menu bar or click the Save as a Template button from the toolbar once you've completed all asset fields you want included in the template. The Save As Template screen appears.
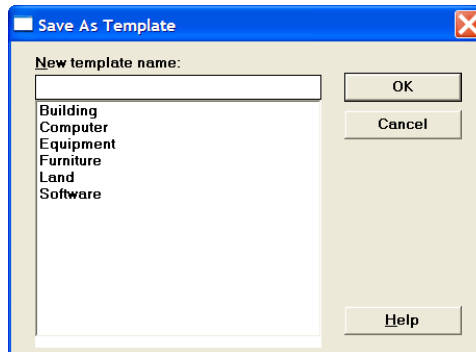
3. Enter a name for the template you are creating and click OK. The application returns to the asset tabs and remains in the new asset mode.

Note In addition to creating an asset template, you can save your current entries as a new asset at the same time. To save the current entries as a new asset, click the Save button. If you do not want to save the current entries as a new asset, click the Group View button. The application displays a message asking if you want to create this asset. Click No. The template settings will not be saved as a new asset.

Applying Asset Templates

You can easily apply a template to an asset.

To apply an asset template

1. Enter Detail View of the asset to which you want to apply the template (if you want to apply the template to a new asset, click the New button).

2. Click the arrow button in the Template field. The application displays a list of all available templates.
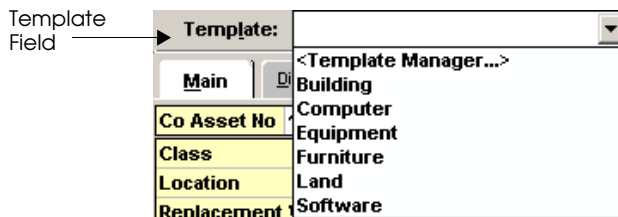
Template Field

3. Select a template.

    The application asks you to confirm your intention, and then applies the template to the asset. All completed fields in the template will be entered in the corresponding fields in the asset.

4. Click the Save button.

    Note You can cancel the application of an asset template before saving the asset. To do so, click the Group View button and don't create the asset when prompted by the application.

    Note When applying a template to an existing asset, any information in the template will override existing asset information.

Printing Asset Pages

It is possible to print a copy of each of the Asset pages as seen in Detail View. When you print them, you can include asset information, or you can print blank pages for the purpose of data collection. To print the asset pages, you either make a selection of one or more assets, or you select an entire group.

Hint Before you print asset pages for either the Disposal or Transfer page, we recommend that you first create an appropriate group with Group Manager. For example, before you print the Disposal asset pages, create a group consisting only of disposed assets. Then, select that group when you print the asset pages for the Disposal page.

It is not necessary to create a group before you print asset pages for the Image page. If you print the Image page for the All FAS Assets group, the application prints Image pages only for the assets with images. This makes it easy to quickly identify the assets that have images associated with them.

Note When you print the Image page, the application prints the name of the image associated with each asset. The application does *not* print the image. You can print the image from the Image tab in Detail View.

When you print asset pages, they are sent to the printer as a graphic. Make sure you have sufficient computer hardware to handle the request.

To enable the print function, you must have at least one asset selected.

To print copies of asset pages

1. Select an asset or make a selection of assets in Group View, or enter Detail View for an asset. (To print one set of blank tabs, enter Detail View for a new asset, or select the Only Print Blank Forms for Main, Transfer and Disposal Tabs check box in the Print Asset Information screen.)

2. Do any one of the following:

- Select File/Print.

- Press CTRL+P.

- Click the Print button from the toolbar.

- Click the Print button at the bottom of Detail or Group View.

The Print Asset Information screen appears.

3. Complete the Print Asset Information screen, and then click the Execute button. See "Completing the Print Asset Information Screen," page 6-36. When finished sending the print job, the application returns to the original screen where you started.

Completing the Print Asset Information Screen

Follow the guidelines provided below to complete the fields in the Print Asset Information screen.

■ **Group**
Use this field to select which assets' pages you want the application to print. By selecting Group Manager, you can print asset pages for any group. See "Predefined Groups," page 4-23. (If you are printing blank tabs for the purpose of data collection, it is only necessary to print one set of asset pages. To do so, click the Detail View button.)

- ■ **Tabs**
  Use the check boxes in this field to select which pages you want printed. To print blank pages for data collection, select the Only Print Blank Forms for Main, Transfer and Disposal Tabs check box.

- ■ **Printer**
  Use this field to enter the number of copies you want printed of each page. The application also uses this field to display the current printer default.

Viewing Asset History

The History page provides a history of major milestones and actions performed on an asset. The application automatically records and tracks specified actions, including the date and time they occurred, and displays a viewable history. The following chart explains the historical actions that the application tracks:

Action	Description
ACTIVE	Activated an inactive asset
ADJUSTMENT	Depreciation adjustment amount calculated
BACKUP	Backed-up copy of company data
CHANGE	Changed asset information *
CLRPRDCLOSE	Period close fields were cleared
COPY	Company data copied to another company and/or database
COPYBOOK	Asset data copied from one book to another
DELTRAN	Last asset transaction deleted
DEPRCALC	Depreciation calculated through MM/YY
DISPOSE	Asset disposed, Gain/Loss Calculated as of MM/YY
EXTRACT	Data extracted from other companies
IMPORT	Asset data imported from another source
INACTIVE	Asset inactivated
MERGE	Data merged from other companies
NEW	Asset created by the application
PARTDISP	Partially disposed, gain/loss calculated as of MM/YY
PRDCLOSE	Period Close calculated
RESETBEGIN	Depreciation reset to beginning date

Action	Description
RESETPRD	Reset to Period Close date
RESETSERV	Depreciation reset to placed-in-service date
RESTORE	Backed up company data that has been restored
TRANSFER	Asset transferred
NA	No history information available

* The application displays the CHANGE event code whenever you make a change to either a book-related field or a general information field. The CHANGE event code is also displayed when you perform a 168 Allowance Switch or a MACRS Convention Switch.

There are two different views you can use to view the History page: Summary view and Detail view.

Summary View

The Summary view is the default view. It provides a quick look at asset history.

When you select the History page to view the history of an asset, you not only see the actions (such as import, change, and calculate depreciation) that a user performed on the asset, but you see the login ID of the user who performed each action.

Note If system security is enabled, the security login name appears in the User column, rather than the network login ID. When a user imports assets into the application, the "(unknown)" appears in the User column.

Detail View

The second view is the Detail view. You access Detail view by clicking the Detail button near the bottom of the History page. Detail view provides more in-depth historical information about individual events.
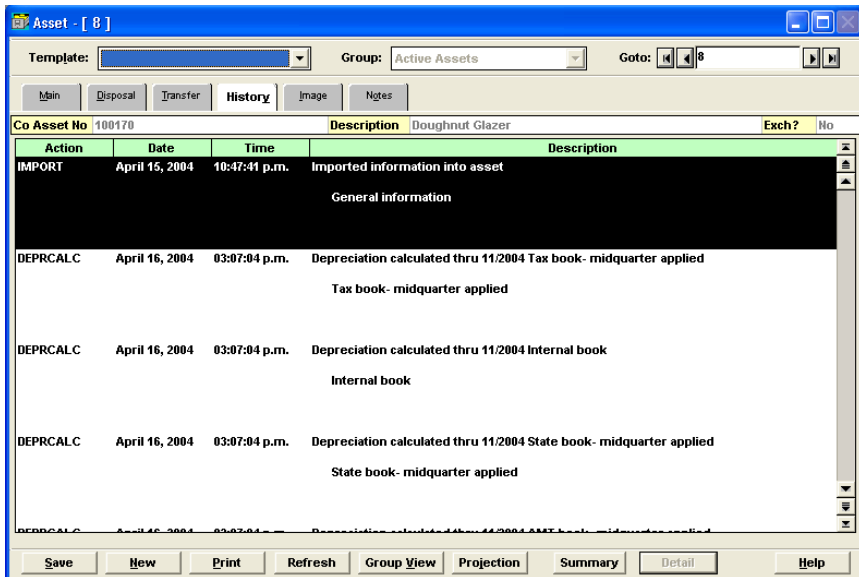
Besides using the Detail and Summary buttons, you can double-click on an event to switch between Detail and Summary views.

The Detail view shows the condition of an asset before and after it was changed. For example, if you change an asset's Property Type from Personal to Automobile, both the old and new Property Types are displayed in the Description column.

May 9, 2007	05:12:16 p.m.	'User 1'	Depreciation calculated thru 05/2007 Tax book
May 9, 2007	05:14:39 p.m.	'User 1'	Changed asset information - Property Type from Personal, General to Automobile
			General information
May 9, 2007	05:14:39 p.m.	'User 1'	Changed asset information - ADS Life from 10 yrs 0 mos to 5 yrs 0 mos
			General information
May 9, 2007	05:14:39 p.m.	'User 1'	Changed asset information - Estimated Life from 7 yrs 0 mos to 5 yrs 0 mos

You can see the previous and current condition of an asset when you change the following fields in Detail View.

Fields on Main Page	Fields on Disposal Page
Property Type	Disposal Date
Service Date	Cash Proceeds
Acquired Value	Non-cash Proceeds
Depreciation Method	Expenses of Sale
Estimated Life	
ADS Life	
Business-Use Percentage	
Section 179	
168 Allowance %	
Beginning Date	
Beginning Year-To-Date	
Beginning Accumulated Depreciation	

Setting Up History Events

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

To set up history events

1. Select File/Company Utilities/History/Setup History from the menu bar. The Setup History screen appears. See "Completing the Setup History Screen," page 6-41.

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

Completing the Setup History Screen
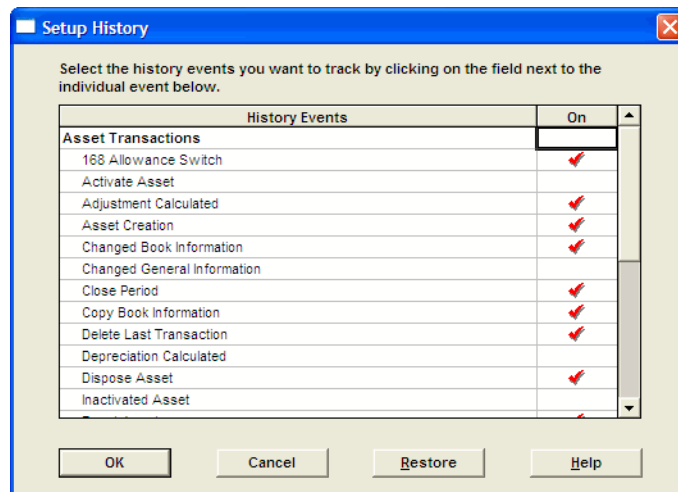
Follow the guidelines provided below to complete the fields on the Setup History screen.

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

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

◼ **Restore Button**
Click this button to restore the default settings for this screen.

Purging Asset History

The purge history feature allows you to eliminate history entries prior to a date that you specify, which frees up system resources and improves the processing speed of the application.

When you purge the asset history from a company, you lose the record of events that pertain to each asset. For more information, see "Viewing Asset History," page 6-37. Before you decide to do this, you may want to back up your company so that you can recover the asset history information at a later date. For information on backing up your company, see "Backing Up Your Companies," page 5-35.

You have two options for deleting the asset history from a company. You can delete all history entries in the company, or you can delete all history entries prior to a date that you specify.
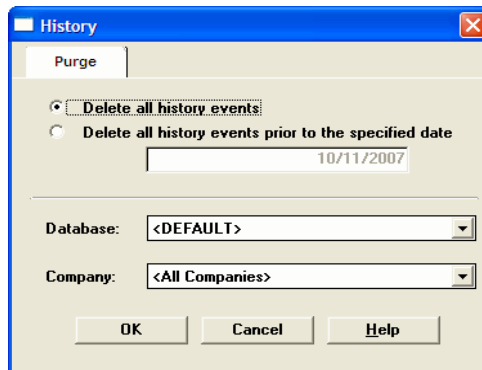
You can purge the asset history from a single company, or you can purge the asset history from all of the companies in the selected database.

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

To purge asset history

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

2. Complete the History screen, and then click OK. See "Completing the History Screen," page 6-43. The application displays a confirmation message.

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

Completing the History Screen

Follow the guidelines provided below to complete the fields in the History screen.

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

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

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

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

Storing and Viewing Asset Images

You can store images and associate them with an asset through the asset's Image page in Detail View. There are many images useful to an asset's record. Images may include drawings (schematics), scanned photographs, scanned documentation, such as an invoice or purchase order, or warranty information.

The application accepts standard graphic files formats, such as the following:

File Type	Extension
JPEG files	.JPG
PCX files	.PCX
Portable Network Graphic (PNG) files	.PNG
TARGA files	.TGA
TIFF files (uncompressed only)	.TIF
Windows bitmaps	.BMP

The file sizes of the stored images do add the overall size of your database. You do not need to scan your images at a high resolution. We recommend using the JPEG format because of all formats, it offers the best compression.

To use images, you must first add the image into the Image Catalog. After you add an image to the catalog, you create a link to the image in an asset's Image page. Any number of assets can use the same image file in their Image page.

To add an image to the Image Catalog

1. Select Customize/Image Manager from the menu bar. The Image Manager screen appears.
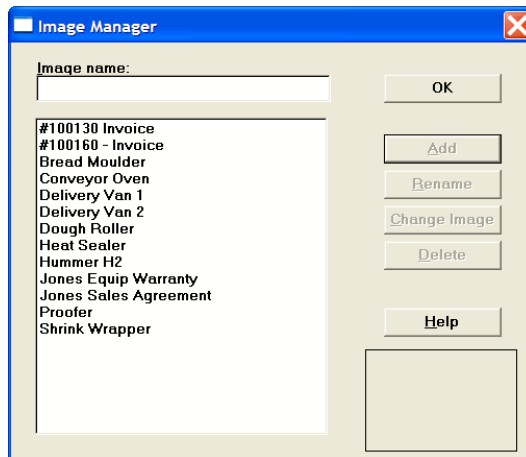
2. Complete the Image Name field.

3. Click the Add button. The Select Image File screen appears.
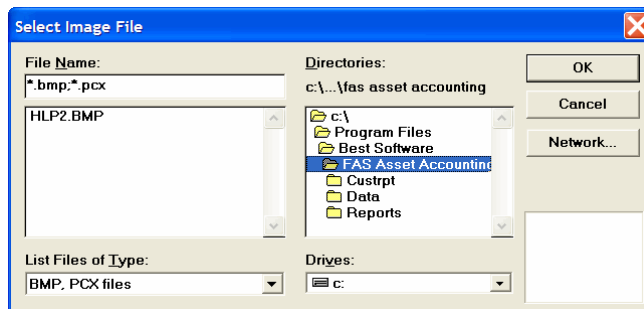
4. Specify the path to where the graphic file you want to add to the Image Catalog is located, and then click OK. (The Select Image File screen is a standard Windows screen. For details on selecting a path using this type of interface, see your Windows documentation.)

   Complete the rest of the Image Manager screen (if appropriate), and then click OK.

To add an image to an asset's Image page

1. Enter Detail View for the asset in which you want to add an image.

2. Click the Image tab. The Image page appears.
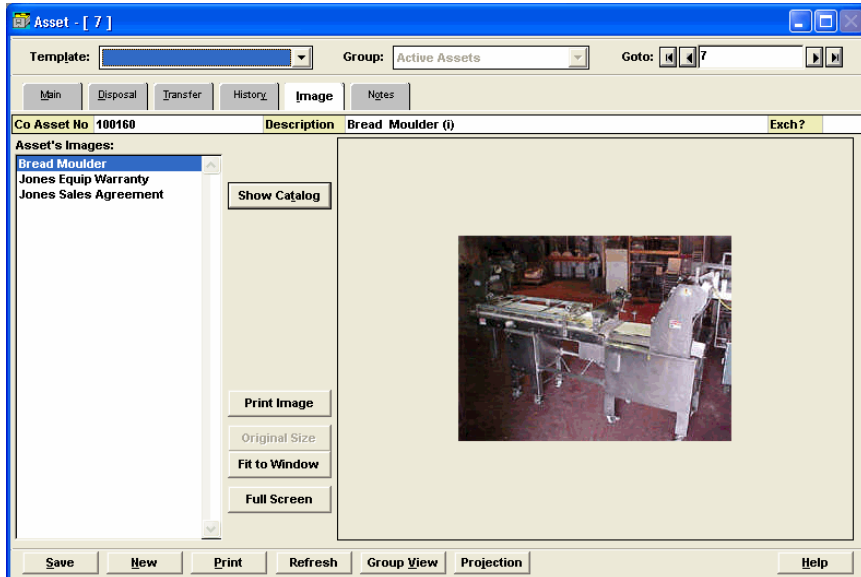
3. Click the Show Catalog button. The Image Catalog list appears.
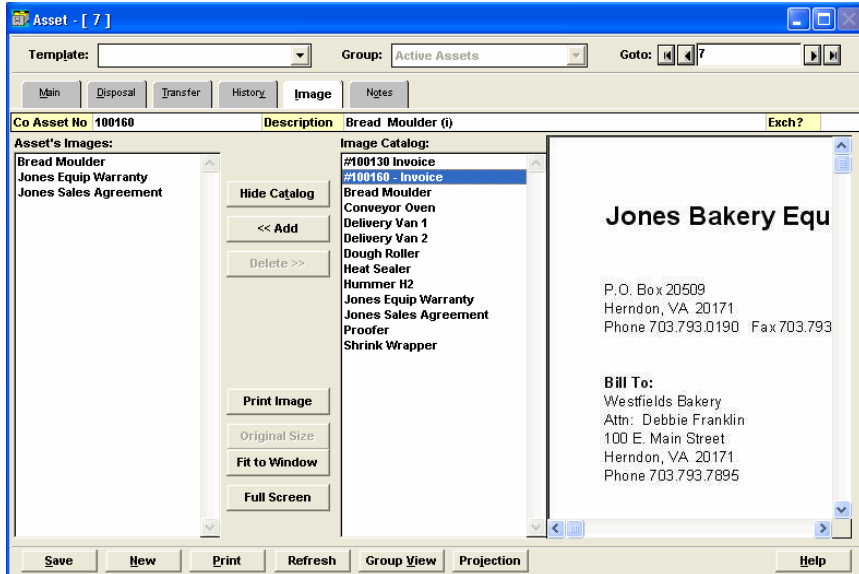
4. Select an image from the catalog that you want to add to this asset's Image page, and then click the Add button. (The first selection you make becomes the asset's default image.)

5. Repeat step 4 for additional images.

6. Click the Save button to save the changes to the asset.

To view asset images

1. Enter Detail View for the asset containing the image you want to view.

2. Click the Image tab. The application displays the Image page and the default image in an image box.
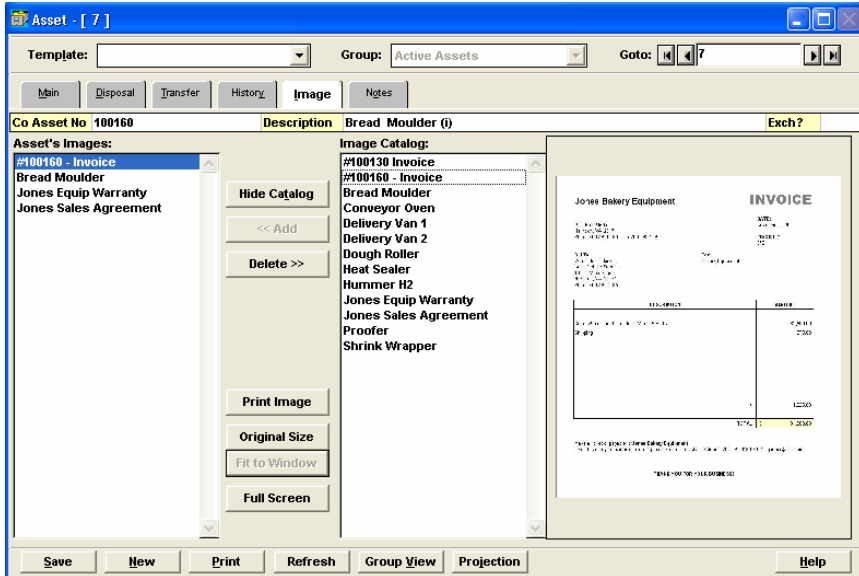
3. Select another image from the Asset's Images list to switch to another image.

4. Click the different size buttons to adjust the size of the image.

To print an asset image

1. Enter Detail View for the asset that contains the image you want to print.

Note It's not necessary to know which asset the image belongs to. If you do not know which asset contains the image you want to print, you can print the image from the Image Catalog. Select any asset and go to Detail View.

---

2. Click the Image tab. The Image page appears.

3. Click the Show Catalog button to display the Image Catalog.

4. From the Image Catalog, select the image that you want to print. A preview of the image appears.

5.   Click the Print Image button. The application sends the
     image to the default printer.

To remove an image from an asset's Image page

1.   Enter Detail View for the asset containing the image you
     want to delete.

2.   Click the Image tab. The Image page appears.

3.   Click the Show Catalog button. The Image Catalog list
     appears.

4.   Select the image from the Asset's Images list that you want to
     remove from the asset's Image page, and then click the Delete
     button. The application removes the image from the asset's
     Image page. (The image is not deleted from the Image
     Catalog. It is still available for other assets.)

5.   Repeat step 4 for additional images.

6.   Click the Save button to save the changes to the asset.

To delete an image from the Image Catalog

Note Before you can delete an image from the Image Catalog,
you must first remove the image from the asset's Image page. See
the instructions in "To remove an image from an asset's Image
page," page 6-49. To find out which assets have images associated
with them, print the Image page for the All FAS Assets group. This
will help you find the asset (or assets) associated with the image
you want to delete from the catalog. For information on printing
the Image page, see "Printing Asset Pages," page 6-35.

1.   Select Customize/Image Manager from the menu bar. The
     Image Manager screen appears.
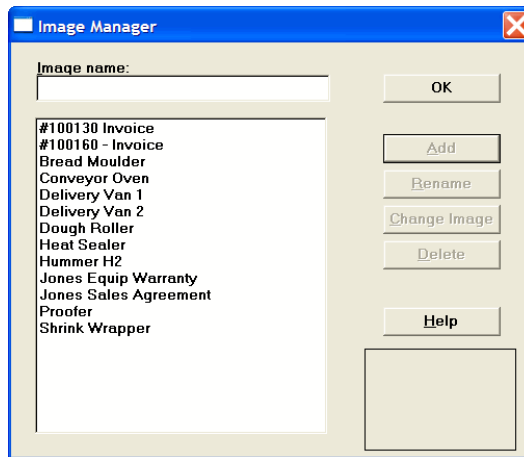
2. Select the image you want to delete from the image list.

3. Click the Delete button.

4. Complete the rest of the Image Manger screen (if appropriate), and then click OK.

Completing the Image Manager Screen

Follow the guidelines provided below to complete the fields in the Image Manager screen. You can access this screen by selecting Customize/Image Manager from the menu bar.

■ **Image Name**
Use this field to provide a recognizable name for the image you want to add to the Image Catalog.

■ **Image List**
This field displays the names of all images in the Image Catalog. Select an image from the list to enable the standard function buttons to the right.

■ **Add Button**
Click this button to add a graphic file to the Image Catalog.

■ **Rename Button**
Click this button to rename the selected image.

■ **Change Image Button**
Click this button to change the graphic file associated with the selected image name.

■ **Delete Button**
Click this button to delete the selected image from the Image Catalog.

The Notes Page

The Notes page provides additional space for you to enter any notes or special information about the asset. You may choose to document certain changes made to the asset or the reasons for the changes, or provide further detail on asset maintenance information. The Notes page can be used for any purpose. Click the Notes tab and the application displays the date, the time, and writing space. For easy identification, the company asset number and description are also displayed.

Editing Asset Data

Once you've entered asset data, you can edit the data anytime by entering Detail View and making changes directly in asset fields. However, when you make changes to any fields used in calculations, you'll have to perform additional tasks in order to update the data. Follow the guidelines provided below when editing asset data.

■ **Editing Descriptive Fields**
The descriptive fields do not affect depreciation. You can change the data in descriptive fields at any time.

■ **Editing Book-Related Fields**
When you change an entry in the book-specific fields after you have calculated depreciation or entered beginning depreciation for the asset, the application assumes that the current depreciation figures are no longer correct. A message appears asking you if you want to accept the change and reset the current depreciation amount. If you answer No, the change will not take effect. If you answer Yes, a second

message appears asking when you want to apply the change to the depreciation-critical field.

After you have reset depreciation and made your changes, execute the Depreciate command from the Depreciation menu to get current depreciation figures.

■ **Editing Tax Book Fields**
If you change information in the Tax book, you can force the application to determine new default values for the other books. For example, if you change the Tax book depreciation method from MT to AD, the AMT book depreciation method should change from MF to AD. However, if you already changed information in the other books to values you want, you may not want to overwrite your data with the new default values.

For this reason, before you leave the asset after making changes in the Tax book, you must decide whether you want the new defaults to overwrite the existing data in the other books. If so, select Force Defaults on the Asset Menu. A message appears asking you to confirm your intent to overwrite information in all open books.

■ **Editing Transfer Dates**
To edit transfer dates, you must first delete the transactions, and then re-transfer the assets. See "Deleting Asset Transactions," page 7-36.

■ **Editing Whole Disposals**
You can edit disposal information. After you change the information, click the Calculate button to obtain the new gain/loss information, and then click the Save button.

■ **Editing Partial Disposals**
To edit partial disposals, you must first delete the transaction, and then re-enter the disposal information. See "Deleting Asset Transactions," page 7-36.

■ **Editing Inactive Assets**
You cannot edit inactive assets. To edit an inactive asset, you must first reactivate it. See "Inactivating and Reactivating Assets," page 7-39.

Forcing Book Defaults

The application contains an option that allows you to force the defaults from the Tax Book into the other books. This option is called Force Defaults. There are two instances where you will want to use the Force Defaults function:

- If you change an entry in the Tax book that you want to affect the other books.

- If you change data in any of the depreciation books other than the Tax book, and you want to return to the defaults based on the Tax book.

To force book defaults

1. Enter Detail View for the intended asset.

2. Do any one of the following:

    - Select Asset/Force Defaults from the menu bar.

    - Click the Force Defaults button on the toolbar.

    - Press CTRL+F.

    The application displays a confirmation message.

3. Select Yes to force the defaults.

Note If you want to force defaults only in certain books, you can close books in the Edit Company screen. The Force Defaults feature will reset defaults only in the open books.

---

7 Performing Asset Functions

This chapter outlines the steps necessary to perform basic asset management tasks. These tasks include disposing assets (individually or in bulk); transferring assets (in whole or in part, within a single company or between companies); viewing asset status history; and inactivating, reactivating, and deleting assets.

Disposing Assets

When you sell, exchange, abandon, retire, or in some other way dispose of an asset, you must inform the application of the transaction so it can calculate the gain or loss and halt depreciation on the asset. The application automatically calculates depreciation through the disposal date, so you don't have to update current depreciation before disposing of the asset.

The application indicates that an asset is disposed in many ways. In reports, it displays the code for a disposal in the Key Code Column. The code for a standard disposal is "d." To signify disposed assets, the application also displays the word "Disposed" in the title bar of the asset when in Detail View. In Group View, it displays the word "Disposed" in the Activity field of the asset. If the asset has been partially disposed or partially transferred, the application displays the word "Partial," instead of "Disposed."

You can perform bulk disposals or individual disposals.

In addition to performing disposals of entire assets, you can also perform partial disposals of assets. This is extremely useful when you group assets at acquisition time (quite often for inexpensive parts, or for assets with various components) and enter them into the application as one record rather than entering them as

individual records. To perform a partial disposal, you must use the individual disposal method. See "Performing Individual Asset Disposals," page 7-2.

Note Resetting depreciation affects the two types of disposals differently, depending on whether it was a disposal of a partial asset or an entire asset. When you reset depreciation for a partially disposed asset (or for a group containing partially disposed assets), the disposal information is retained in the application. Resetting depreciation on partially disposed assets does not cancel the disposal. However, when you reset depreciation on an asset that was entirely disposed, the disposal is canceled. For information on canceling a disposal, see "Deleting Asset Transactions," page 7-36.

Performing Individual Asset Disposals

You can perform whole or partial disposals on individual assets by using an asset's Disposal page. For an understanding of how partial disposals affect an asset and its extension, see "Understanding Asset Identification," page 3-9.

To perform a full disposal of an individual asset

1. Select the asset you want to dispose and enter Detail View for that asset.

2. Click the Disposal tab.

3. Complete the Disposal page, making sure to select No in the Partial Disposal field. See "Completing the Disposal Page," page 7-4.

4. Click the Calculate button. The application calculates depreciation for the disposed asset and displays the new figures in the appropriate fields.

5. Click the Save button to save the asset transaction.

To perform a partial disposal of an individual asset

1. Select the asset you want to dispose and enter Detail View for that asset.

2. Click the Disposal tab.

3. Complete the Disposal Date and Disposal Methods fields of the Disposal page.

4. Select Yes in the Partial Disposal field. The Partial Disposal screen appears.

5. Complete the Partial Disposal screen, and then click OK to return to the Disposal page. See "Completing the Partial Disposal Screen," page 7-7.

    The Partial Disposal field is now set to Yes. If you need to edit the Partial Disposal screen, go back to the Partial Disposal field and select the Edit option that is now available.

6. Complete the rest of the Disposal page.

7. Click the Calculate button. The application calculates depreciation for the disposed asset and displays the new figures in the appropriate fields.

8. Click the Save button to save the asset transaction.

Completing the Disposal Page

Follow the guidelines provided below to complete the fields in the Disposal page, or to view disposal information.

■   **Company Asset Number/Description**
    This field displays the Company Asset Number and the description for the current asset.

■   **Disposal Date (Required Field)**
    Use this field to enter the date of the asset disposal in either MMDDYY or MMDDYYYY format. The application uses this date and the appropriate averaging convention to calculate gain or loss on the disposal. If you enter a date prior to the

asset's current through date, the application recalculates depreciation as of the disposal date. The disposal date must be on or after the Beginning Date and after the Period Close Date, if any.

Note If the asset uses a "Plus 168" depreciation method, the disposal date cannot occur in the same year that you placed the asset in service. This is to comply with IRS regulations on claiming the Section 168 Allowance. If the disposal date is in the placed-in-service year, you must first change the depreciation method in all books so that the asset does not take the 168 Allowance. Then you can enter the disposal information.

■ **Disposal Method**
Use this field to select the disposal method. The disposal method you select determines the default gain or loss treatment of the disposed asset. For a full description of each disposal method, see the online Help or "Disposal Methods," page A-42.

■ **Partial Disposal**
Use this field to select whether this disposal is a full disposal of the acquired value or a partial disposal of the acquired value. Select Yes to perform a partial disposal. The Partial Disposal screen will appear.

■ **Cash Proceeds**
Use this field to enter the dollar amount of all cash received plus the value of any debts or other liabilities assumed by the buyer. If the disposal is a like-kind exchange, also include the value of any property received that is not like-kind.

■ **Non-cash Proceeds**
Use this field to enter the dollar value of any noncash items received. If the disposal is a like-kind exchange, include the value of any like-kind property received.

■ **Expenses of Sale**
Use this field to enter the dollar amount of direct expenses incurred in selling or otherwise disposing of the asset. The application adds this amount to the asset's basis when calculating the gain or loss reported on Form 4797—Sales of Property worksheet, which is accessible through the Reports menu.

■ **Gain or Loss Amount**
This field displays the realized gain or loss on the disposal after the Calculation is complete. The realized gain or loss is determined by the disposal method. You can override the amount by entering your own figure. Precede a negative number with a negative sign. Do not enclose a loss amount in parentheses.

■ **Recognize Gain or Loss**
Use this field to select the appropriate recognition choice. Select Yes if you want the application to recognize a gain or loss (that is, report on it in the tax and company books). Select No if you don't want the application to recognize a gain or loss.

You can also select Defer to defer the recognition until a later date. Selecting Defer causes the application to add a Defer Date field below the Recognize Gain or Loss field. The Recognize Gain or Loss field is automatically set to default based on the disposal method chosen. For default settings, see "Gain or Loss Recognition Defaults," page A-46.

■ **Defer Date**
This field appears only if you have selected Defer in the Recognize Gain or Loss field. Enter the month and year for which you want the gain or loss to be recognized. The asset will appear on the Form 4797 in the year entered.

■ **Section 179 Recapture**
This field displays the Section 179 recapture amount as required by tax law (if the asset was expensed under Section 179 before December 31, 1986, and was disposed of before the second tax year after the acquisition year). You can enter another amount to override the calculated amount. The amount in this field is carried to the Form 4797—Sales of Property worksheet, accessible through the Reports menu.

■ **ITC Recapture**
The application uses this field to determine the amount of ITC to add back to basis when calculating gain/loss as required by tax law (if you took ITC on the asset and disposed of the asset before the end of its recovery life). To see the amount of ITC recapture tax, see the Form 4255—ITC Recapture worksheet, which is accessible through the Reports menu.

■ **Worksheet Button**
Click this button at the bottom of the Disposal Page to view a detailed calculation of the gain or loss amount displayed on the page.

Completing the Partial Disposal Screen

Follow the guidelines provided below to complete the fields in the Partial Disposal screen.

■ **Book**
Use this field to select the book that contains the Acquired Value you want to use to calculate a disposal percentage to apply to the partial disposal.

■ **Disposal Amount**
Use this field to enter the disposal dollar amount. This amount must be less than the acquired value of the asset for the selected book.

■ **Description**
Enter a brief description that will help you identify this disposal, or that will identify which portion of the asset is being disposed, if desired.

■ **Original Asset, Disposal Portion, and Remaining Active Asset**
The fields in this section are for the display of partial disposal information only. They cannot be edited. Each field explained below heads a column containing the rows Original Asset, Disposal Portion, and Remaining Active Asset.

   ❑ **Disposal Extension**
   This field displays the asset extension assigned to the related piece of the disposed asset heading each row.

   ❑ **Percentage**
   This field displays the percentage of the asset contained in the related piece of the disposed asset heading each row.

   ❑ **Acquired Value**
   This field displays the Acquired Value of the asset for the related piece of the disposed asset heading each row.

Sample Disposal Worksheet

```
May 4, 2004                                                          Page    1
4:36 PM                        Westfields Bakery - Demo
                                  Disposal Worksheet
                                     Book: Tax

      System Asset Number: 000005
              Extension: 000
     Company Asset Number: 100140
            Description: Conveyor Belt

                            500.00    Net proceeds
                    -       256.02    Adjusted basis for gains (losses)
                    =       243.98    Net gain (loss)

                           4650.00    Acquired value
                    -         0.00    Original ITC basis decrease
                    +         0.00    Basis increase from ITC recapture
                    -       4393.98    Total accumulated depreciation + Section 179 + 168 Allowance
                    =       256.02    Adjusted basis for gains (losses)

                           4073.95    Accumulated depreciation through 12/03 + Section 179
                    -       4073.95    Accumulated depreciation as if no Section 179
                    =         N/A     Net Section 179 recapture

                              0.00    Original ITC amount
                                 4    Number of full years held
                    x        20.00%   ITC recapture factor
                    =         0.00    ITC recapture

                             0.00%    ITC basis increase/decrease factor
                    =         0.00    Original ITC basis decrease
                    =         0.00    Basis increase from ITC recapture
```

Performing Bulk Disposals

A bulk disposal occurs when you sell multiple assets for one selling price. When this occurs, the cash proceeds, noncash proceeds, and selling expenses need to be prorated for the individual assets. This is done based on the percentage of the acquisition value of each asset selected over the total acquisition value of all the assets selected.

You can select assets from Group View to dispose in bulk, or you can create a group for the assets that you want to dispose. If you create a group of assets to dispose, enter Group View for that group and click the Select All button from the toolbar.

You cannot dispose of an inactive asset. If you've run depreciation back to an inactive extension of an asset, you cannot perform a bulk disposal. You must reset depreciation to a date when all the assets in your bulk disposal group are active.

To perform a bulk disposal

1. Select the assets from Group View that you want included in the bulk sale.

2. Do any one of the following:

   • Select Asset/Bulk Disposal from the menu bar.

   • Click the Bulk Disposal button on the toolbar.

   The Bulk Disposal screen appears.

Bulk Disposal
Disposal Date:
Disposal Method: Sale
Cash Proceeds: $0.00
Non-Cash Proceeds: $0.00
Expenses of Sales: $0.00
OK   Cancel   Help

   Note The Bulk Disposal menu item is not activated unless at least one asset is selected.

3. Complete the Bulk Disposal screen. "Completing the Bulk Disposal Screen," page 7-10.

4. Click OK. The Bulk Disposal report definition screen appears.

5. Execute the report or click Cancel to exit. (For information about reports, see Chapter 9, "Standard Reports.")

Completing the Bulk Disposal Screen

Follow the guidelines provided below to complete the fields in the Bulk Disposal screen.

■ **Disposal Date**
Type the date of the asset disposal in either MM/DD/YY or MM/DD/YYYY format. The application uses this date when calculating gain or loss on the disposal. It applies the appropriate averaging convention.

■ **Disposal Method**
Use this field to select the disposal method. The disposal method you select determines the default gain or loss treatment of the disposed assets. For a full description of each disposal method, see the online Help or "Disposal Methods," page A-42. The application applies the selected disposal method to all of the assets you have selected for the bulk disposal. However, you can edit the Disposal Method field after you have completed the bulk disposal.

> **Note** When you perform a bulk disposal, the following disposal methods are unavailable: Like-Kind Exchange and Involuntary Conversion.

■ **Cash Proceeds**
Enter the dollar amount of all cash received plus the value of any debts or other liabilities assumed by the buyer.

■ **Noncash**
Enter the dollar value of any noncash items received.

■ **Expenses of Sale**
Enter the dollar amount of direct expenses incurred in selling or otherwise disposing of the assets. The application adds this amount to the bases of the assets when calculating the gain or loss reported on the Form 4797—Sales of Property worksheet.

Like-Kind Exchanges and Involuntary Conversions After 1/2/2000

A like-kind exchange is a type of disposal that occurs when two parties exchange assets that are similar in nature. The exchange can include the receipt of money or other dissimilar property.

In 2000, the IRS issued new guidelines concerning property received in a like-kind exchange or an involuntary conversion. If you exchange a MACRS asset for a similar asset, for depreciation purposes the newly acquired asset "steps into the shoes" of the asset that you give up. If cash or its equivalent ("boot") is paid at the time of the exchange, the newly acquired asset is depreciated as if it were two separate assets:

- **Asset #1:** This asset is a continuation of the asset given up in the exchange. It has the same placed-in-service date, acquired value, averaging convention, and recovery period as the original asset.

- **Asset #2:** This asset is treated as a new asset received in the exchange. It has an acquired value that is equal to the basis in the new asset less the adjusted basis in the original asset. (Generally, this is the amount of any boot paid.) The new asset's placed-in-service date is the date on which the exchange occurred. This asset should be assigned an appropriate depreciation method and a new recovery period starting with its new placed-in-service date.

If no boot is paid at the time of the exchange, the newly acquired asset is depreciated as a single asset, with the same attributes as Asset #1 above.

These new IRS guidelines allow you to depreciate the newly acquired property faster than under the old rules (as long as the original asset had not been fully depreciated).

Note The new IRS rules are mandatory for all qualifying exchanges after 1/2/2000. Therefore, if you are using either of the user-defined books (Books 6 and 7) and you are using a MACRS method (MF, MT, or AD), the application assumes that the book is a Tax book and will treat the disposal according to the new rules.

Example:

In January 2007, XYZ Manufacturing traded a copier they had purchased in 2003, along with $5,500 in cash, for a similar copier with a Fair Market Value (FMV) of $8,000. The original copier had a FMV of $2,500 at the time of the exchange. The information regarding the exchanged copiers is as follows:

Old Copier

Cost:	$8,000
Accumulated Depreciation:	5,696
Net Book Value:	$2,304

XYZ Manufacturing, Inc. calculates the basis of the new copier received in the exchange as follows:

New Copier

	Net Book Value of original copier	$2,304
plus	Cash paid	5,500
	Basis of newly acquired copier	$7,804

Under the new IRS guidelines, for depreciation purposes the corporation has two copiers on its books:

- Copier #1 has a placed-in-service date of 2003, an acquired value of $8,000, accumulated depreciation of $5,696, and a recovery period of 5 years. It continues to be depreciated as if it were the original copier.

- Copier #2 has a placed-in-service date of January 2007, an acquired value of $5,500 ($7,804 minus $2,304), and a recovery period of 5 years. It is depreciated as a newly acquired asset.

Entering a Like-Kind Exchange or an Involuntary Conversion

Entering a like-kind exchange or involuntary conversion in the application is a two-step process:

1. Dispose of the asset given up in the exchange.

2. Enter the asset(s) received in the exchange.

Note If you are exchanging a vehicle that qualifies for the luxury car limits, see "Luxury Cars and Like-Kind Exchanges," page 7-17.

To enter a like-kind exchange or an involuntary conversion after 1/2/2000

Step 1: Dispose of the original asset

1. Make sure you have depreciated the asset to be disposed through the month-end prior to the exchange.

2. Print the asset page for the Main tab, and note the amount of Current Year-to-Date and Current Accumulated Depreciation taken on the asset prior to the exchange for each book used for tax purposes. These books include the Tax, ACE, AMT, and State books, and possibly Book 6 and Book 7. This is important information that you will need when entering the new asset(s) received in the exchange.

3. Select the asset that you are disposing, and go to Detail View for that asset.

4. Select the Disposal tab.

5. In the Disposal Method field, select Like-Kind Exchange: Post-1/2/2000 (or Involuntary Conversion: Post-1/2/2000) if you want to apply the new IRS guidelines.

6. Complete the Disposal tab.

Note If you select Like-Kind Exchange: Post-1/2/2000 or Involuntary Conversion: Post-1/2/2000 in the Disposal Method field, the Partial Disposal field is not available.

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7. Click the Calculate button, and then click the Save button.

Step 2: Enter the newly acquired asset

This next step may consist of two parts if you are required to depreciate the newly acquired asset as if it were two assets.

Step 2(a)

In Step 2(a), you enter the portion of the newly acquired asset that is treated as a continuation of the asset given up in the exchange. You should perform Step 2(a) whether or not boot was paid.

1. In the Description field, enter a description of the newly acquired asset.

2. Select Yes in the Exchange field (located next to the Description field) to indicate the asset was acquired in an exchange.

   Note Selecting Yes in the Exchange field tells the application that this asset should not appear on any reports that are run prior to the date the asset was received in the exchange.

3. In the books used for tax purposes (for example, the Tax, AMT, and State books), enter the same Property Type, Service Date, Acquired Value, Depreciation Method, and Estimated Life as for the original asset (that is, the asset given up in the exchange). (For more about entering information in the ACE book, see "ACE Book," page 7-15.)

   Note If this asset is personal property, be sure that the MACRS averaging convention is correctly set in the Edit Company screen before you depreciate the asset for the first time. The averaging convention should be the same as the one used by the original asset.

4. In the Beginning Date field, enter the month-end prior to when the exchange occurred. For example, if the exchange occurred on October 15, 2007, enter September 30, 2007 (assuming a monthly accounting cycle).

5. In the Beginning Year-To-Date field, enter the amount of depreciation already claimed on the original asset in the year

of the exchange. This is the information calculated above in step 1 before you disposed of the original asset. The Beginning Year-to-Date depreciation is the amount of depreciation taken from the first day of the disposal year through the Beginning Date entered in step 4.

6.   In the Beginning Accumulated field, enter the amount of depreciation that was taken on the original asset plus the amount entered in the Beginning Year-to-Date field above. For example, if the exchange occurred on October 15, 2007, enter the depreciation taken from the original asset's placed-in-service date through September 30, 2007.

7.   If boot was paid, in the Internal book (and any other financial book), enter $0 in the Acquired Value field and NO in the Depreciation Method field. (If boot was paid, this asset exists only for tax purposes, not for financial purposes.)

   If boot was not paid, follow the instructions for steps 2 and 5 under 2(b) below for entering information in the Internal book. You do not need to create a second asset.

8.   Click the Save button to save the information.

ACE Book

If you have accepted our default of NONE in the Emulate Book field for the ACE book on the Book Defaults page of the New Company (or Edit Company) screen, you must make the following changes in the ACE book when entering the newly acquired asset.

Note If you have already changed the Emulate Book field for the ACE book to "AMT: Post-1993," you should apply the instructions given above for the books used for tax purposes to the ACE book and ignore the instructions below.

When entering the portion of the newly acquired asset that is treated as a continuation of the asset given up in the exchange, you must do the following in the ACE book:

1.   Change the Depreciation Method from NO to OC (Own Calculation).

2. In the Beginning Date field, enter the month-end prior to when the exchange occurred. (This is the same date as entered in the Tax book.)

3. In the Beginning Year-To-Date and the Beginning Accumulated fields, accept the default entry of zero.

Step 2(b)

In Step 2(b), you enter the portion of the newly acquired asset that is treated as a new asset. This step is necessary only if boot is paid, or if you are entering the newly acquired asset in the Internal book for GAAP purposes (see step 7 above).

1. In the Description field, enter a description of the newly acquired asset.

> **Note** In order to link this asset to the first asset, use the Description field and/or the Company Asset Number fields. This is important because the two assets actually represent one physical asset. If this asset is disposed in the future, you must locate and dispose both assets.

2. In the Service Date field, enter the date on which the exchange occurred.

3. In the Tax book, enter an appropriate depreciation method and recovery period based on the new placed-in-service date.

4. In the Tax book, enter an Acquired Value equal to the basis in the newly acquired asset less the adjusted basis in the original asset. This amount is generally the same as the cash paid for the new asset. If only like-kind property was exchanged (that is, no additional payment was made), enter an Acquired Value of $0 and NO in the Depreciation Method field.

> **Note** Do not enter anything in the Beginning Depreciation fields (Beginning Date, Beginning Year-to-Date, and Beginning Accumulated Depreciation).

5. In the Internal book, enter an Acquired Value equal to the basis calculated for financial purposes, and enter an appropriate depreciation method and recovery period.

6. Click the Save button to save the information.

Note The current implementation of the like-kind exchange and involuntary conversion feature has the following limitations:

The Partial Disposal field is unavailable when you select either Like-Kind Exchange: Post-1/2/2000 or Involuntary Conversion: Post-1/2/2000 in the Disposal Method field.

The application does not support the updated IRS guidelines for like-kind exchanges and involuntary conversions for assets that have been transferred in the fiscal year in which the disposal occurs.

Luxury Cars and Like-Kind Exchanges

If you are entering a luxury car that was received in a like-kind exchange or involuntary conversion, you should consider entering it as one asset, rather than two assets, with a placed-in-service date of the exchange, in order to ensure that the application correctly applies the luxury auto limits. The Acquired Value of this asset should be the full basis in the newly acquired asset. Using this approach, you should not select Yes in the Exchange field, and there is no need to enter any data in the Beginning Depreciation fields. The IRS has not yet issued regulations on this issue.

Editing Disposal Information

You can change disposal information after you perform a disposal of an asset.

To edit disposal information

1. Go to the Detail View of the disposed asset.

2. Click the Disposal tab.

3. Edit any of the fields.

4. Click the Save button. The application displays a message asking you to confirm your changes.

5. Click the Yes button to confirm the changes to the disposal information.

Please note the following limitations on editing disposal information:

- When you perform a partial disposal of an asset more than once, you can edit only the most recent disposal information. You cannot edit the previous partial disposal information.

- You cannot edit disposal information after you perform a transfer as a disposal. For information on performing a transfer as a disposal, see "Transfer as a Disposal," page 7-32.

- You cannot edit disposal information when the asset was disposed during a like-kind exchange or an involuntary conversion. For more information, see "Like-Kind Exchanges and Involuntary Conversions After 1/2/2000," page 7-11.

Viewing the Disposal Calculation

You can view a detailed worksheet of the calculations used to determine the gain or loss for an individual asset by clicking the Worksheet button. The application initially displays the worksheet for the Tax book. However, you can view the worksheet for each of the seven books by clicking the page scroll buttons at the top of the report.

|◀ ◀ [1] of 4   ▶ ▶|
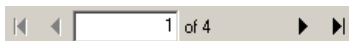
You can also print the worksheet by clicking the Print button on the Worksheet screen. For more information about viewing and printing the worksheet, see "Viewing a Report," page 9-22.

Viewing Past Conditions and Previously Assigned Extension Numbers of Partially Disposed Assets

All asset extensions are descendants of the original asset as identified by the core System Number. Asset extension numbers reveal the evolution of an asset. As partial activity occurs on an asset, such as a partial disposal or a partial transfer, the application creates one or more new asset extension numbers to reflect the changing condition of the original asset. In Group View, only the core System Number is displayed. In Detail View, only the current extension of a core System Number is immediately visible. However, you can view past extension numbers and conditions of an asset in the Disposal page of Detail View.

Another way to view asset history is by running the Asset Status report. See "Viewing Asset Status History," page 7-37. For a full discussion of asset extension numbers, see "Understanding Asset Identification," page 3-9.

When viewing past extension numbers for partially disposed assets, these conditions exist on the Disposal page:

- The title bar displays the asset extension number.

- The Description field changes to reflect the partial disposal description entered by the user.

- The Disposal page is disabled (you are only allowed to view disposal information).

To view past conditions and previously assigned extension numbers of partially disposed assets

1. Enter Detail View of the asset's core System Number.

2. Click the Disposal tab.

3. Click the Previous button to move backwards through asset extensions. Click the Next button to move forward through asset extensions.

   The current asset extension displays a blank Disposal page, making the asset available for further disposal.

Viewing Current-Year Disposals

By default, the Disposal report includes all disposed assets in the company, no matter how long ago they were disposed. However, you can specify a range of disposal dates when you run the Disposal report. To see only the assets disposed during the current year on the Disposal report, follow the steps below.

To view only current-year disposals

1. Select Reports/Standard Reports/Disposal from the menu bar. The Report Definition screen appears.

   Notice the Run for Assets Disposed field, which contains two fields for entering dates.

2. In the From field, enter the beginning date of the current fiscal year.

3. In the To field, enter the ending date of the current fiscal year.

4. Complete the remaining fields on the Report Definition screen, and then click the Run Report button.

The application either displays the Disposal report in the report viewer or sends the Disposal report to the default printer, or both. The Disposal report now includes only those assets disposed during the current fiscal year. Notice that the range of dates that you entered appears beneath the title of the report.

Deleting Asset Disposals

See . The method described there is the best way to delete transactions. You can also delete the entire asset in order to delete disposal information. Deleting the asset deletes the core System Number and all extensions of it. However, deleting assets is generally not recommended.

Transferring Assets

You can transfer assets within a company or between one company and another. The first type of transfer is called an intracompany transfer. The second type of transfer is called an intercompany transfer. When you perform either type of transfer, the application automatically calculates depreciation through the transfer date. Therefore, it is not necessary for you to update current depreciation before transferring the asset.

There are four ways to handle the transfer of an asset, for either intercompany transfers or intracompany transfers:

- You can perform a standard whole asset transfer, which causes the original asset to become inactivated.

- You can transfer a whole asset and treat the transferred portion as both a transfer and a disposal. This method facilitates the preparation of separate company profit and loss statements.

- You can partially transfer an asset.

- You can partially transfer an asset and treat the transferred portion as both a transfer and a disposal. This method facilitates the preparation of separate company profit and loss statements.

Types of Transfers

The charts below outline the many ways in which the application handles the possible transfer types. An intracompany transfer is a transfer within the same company; an intercompany transfer is a transfer from one company to another within the same application.

Whole Transfer	
Original Asset	Depreciates up to month-end prior to transfer date.
	Displays transfer-out date on Transfer page. **Note:** If you completed a "transfer as a disposal," the application displays the transfer date as the disposal date on the Disposal page.
	Status = Transferred*
	Current accumulated depreciation and current YTD depreciation are calculated through one month before transfer date; therefore, depreciation for the month of the transfer applies to the new transferred asset.
	When you transfer an asset, the Thru Date field displays the month-end prior to the month in which the transfer occurs. After you calculate depreciation for the month in which the transfer occurs, the Thru Date field displays that month-end date. **Example:** You transfer the asset on 06/15/07. The Thru Date field displays 05/31/2007. After you calculate depreciation for June 2007, the Thru Date field displays (and will continue to display) 06/30/2007.
Transferred Asset	Status = Active
	Beginning YTD depreciation = 0
	Beginning accumulated depreciation = original asset's current accumulated depreciation
	Beginning date = original asset's through date (month-end prior to transfer date)

* Transferred status is a type of inactive status that allows the asset to be included in depreciation calculations through the end of the fiscal year in which the transfer took place (if the asset was not already fully depreciated). It prevents values such as acquired value and depreciable basis from being double counted.

Partial Transfer	
Original Asset	Depreciates up to month-end prior to transfer date.
	Displays transfer-out date on Transfer page of Detail View
	Status = Transferred*
	Current accumulated depreciation and current YTD depreciation are calculated through one month before transfer date; therefore, depreciation for the month of the transfer applies to the new transferred asset.
	When you transfer an asset, the Thru Date field displays the month-end prior to the month in which the transfer occurs. After you calculate depreciation for the month in which the transfer occurs, the Thru Date field displays that month-end date.
	Example: You transfer the asset on 06/15/07. The Thru Date field displays 05/31/2007. After you calculate depreciation for June 2007, the Thru Date field displays (and will continue to display) 06/30/2007.
Transferred Asset	Status = Active.
	Beginning YTD depreciation = 0.
	Beginning accum. depreciation = percentage share of original asset's current accumulated depreciation.
	Beginning date = original asset's through date (month-end prior to transfer date).
Remaining Asset	Status = Active
	Beginning YTD depreciation = percentage share of original asset's current YTD depreciation for transfer year.
	Beginning accumulated depreciation = percentage share of original asset's current accumulated depreciation.
	Beginning date = original asset's through date (month-end prior to transfer date).

* Transferred status is a type of inactive status that allows the asset to be included in depreciation calculations through the end of the fiscal year in which the transfer took place (if the asset was not already fully depreciated). It prevents values such as acquired value and depreciable basis from being double counted.

Transfers and Depreciation Example

The following example illustrates how the application divides depreciation amounts between the original asset and the transferred asset.

You place an asset in service in January 1, 2007. The acquired value is $12,000, its estimated life is 10 years, and it uses the straight-line depreciation method.

The depreciation for the first year would be $100 per month, or $1,200 at the end of the year (assuming a calendar-year company).

However, on August 8, you transfer the asset within the company. The company now has two assets: the original asset and the transferred asset.

Original Asset

The application depreciates the original asset up to the month end prior to the transfer date. Therefore, it calculates seven months of depreciation up to July 31, 2007, and it enters $700 in the Current Year-to-Date Depreciation field and the Current Accumulated Depreciation field.

Transferred Asset

The depreciation for the month of the transfer is applied to the new transferred asset. When you calculate depreciation for December 31, 2007, the transferred asset receives five months of depreciation (August through December). The application enters the following amounts in the depreciation fields of the transferred asset:

Beginning Year-to-Date Depreciation	$0
Beginning Accumulated Depreciation	$700
Current Year-to-Date Depreciation	$500
Current Accumulated Depreciation	$1,200

Note that the amount in the Beginning Accumulated Depreciation field represents the original asset's Current Accumulated Depreciation. The Current Year-to-Date Depreciation represents the five months of depreciation from August to December. Note also that the transferred asset has a Beginning Date of 07/2007.

To transfer a whole asset

You can perform a standard whole asset transfer, which inactivates the original asset. You can also transfer a whole asset and treat the transferred portion as both a transfer and a disposal.

1. Select the asset you want to transfer and enter Detail View for that asset.

2. Click the Transfer tab.

3. Complete the Transfer page, making sure to select No in the Partial Transfer field. See "Completing the Transfer Page," page 7-27.

    If you want to treat the transferred portion of the asset as a disposal, you must select Yes in the Disposal field. Doing so causes the Transfer as a Disposal screen to appear. Complete the screen and click OK to return to the Transfer page. See "Completing the Transfer as a Disposal Screen," page 7-33. Once you return to the Transfer Page, the Disposal field is set to Yes. If you need to edit the Disposal screen, go back to the Disposal field and select the Edit option that is now available.

    If you want to change any of the general information fields in the new asset, you can do so during the transfer process. Select Yes in the Edit Descriptive Information field. The Edit Descriptive Information screen will appear.

The application calculates depreciation for the transferred asset and displays the new figures in the appropriate fields.

4. Click the Save button to save the asset transaction.

To partially transfer an asset

You can partially transfer an asset. You can also partially transfer an asset and treat the transferred portion as both a transfer and a disposal.

1. Select the asset you want to transfer and enter Detail View for that asset.

2. Click the Transfer tab.

3. Complete the Date, Destination, Transfer by, From, and To fields. See "Completing the Transfer Page," page 7-27.

4. Select Yes in the Partial Transfer field. The application displays the Book and Transfer Amount fields.

5. Complete the rest of the Transfer page.

   If you want to treat the transferred portion of the asset as a disposal, you must select Yes in the Disposal field. Doing so causes the Transfer as a Disposal screen to appear. Complete the screen and click OK to return to the Transfer page. See "Completing the Transfer as a Disposal Screen," page 7-33. Once you return to the Transfer Page, the Disposal field is set to Yes. If you need to edit the Disposal screen, go back to the Disposal field and select the Edit option that is now available.

   If you want to change any of the general information fields in the new asset, you can do so during the transfer process. Select Yes in the Edit Descriptive Information field. The Edit Descriptive Information screen will appear.

   The application calculates depreciation for the transferred asset and displays the new figures in the appropriate fields.

6. Click the Save button to save the asset transaction.

Completing the Transfer Page

Follow the guidelines provided below to complete the fields in the Transfer page, or to view transfer information.

◼ **Date**
Enter the date of the transfer. The transfer date is the date that ends depreciation for the original asset. The transfer date cannot occur before the current depreciation Through Date or the Beginning Date, since the application will calculate depreciation for the asset through the end of the month preceding the transfer date. In addition, the transfer date must be after the Period Close Date. Enter a date in the MMDDYY or MMDDYYYY format, or click the arrow button to display the pop-up calendar.

◼ **Destination**
Use this field to indicate whether the transfer is an intercompany transfer (to another company) or an intracompany transfer (within the same company). If you select another company, the application automatically completes the Transfer By and From fields, and displays the Database section of the tab.

◼ **Transfer By**
This field is automatically completed by the application. It indicates which descriptive field you are using to perform the transfer. For instance, for an intracompany transfer, you can transfer an asset from one Location to another, or from one G/L Account number to another.

For an intracompany transfer, you indicate which descriptive field you want to use in this field in the Company Setup. See "The Company Information," page 4-6. For an intercompany transfer, this field is automatically set to Company.

◼ **From**
This field displays the contents of the field displayed in the Transfer By field. For example, suppose you transfer assets between locations in your company. The application would display "Location" in the Transfer By field. In the From field, the application would display the name of the original location for the asset you are transferring (such as Eastern Center).

■ **Database**
This field displays the original database for the asset that you are transferring.

■ **To**
During an intracompany transfer, use this field to select the SmartList entry to which you want to transfer the asset. During an intercompany transfer, use this field to select the company you want to transfer the asset to. If the company you want to transfer to is contained in a database other than the current database, you will have to change the Database field first.

■ **Database**
This field is visible only during an intercompany transfer. Use it to select the database where the destination company is located.

■ **Partial Transfer**
Use this field to indicate whether the transfer is a partial transfer or a whole transfer. Select No for a whole transfer. Select Yes for a partial transfer. If you select Yes, the application displays the Book and Transfer Amount fields.

■ **Book**
This option is available only during a partial transfer. Select the book containing the Acquired Value that you want to use in determining the transfer percentage that will apply to all other books during the transfer. Because each book may contain different Acquired Values, you must tell the application which value to use in order to calculate the transfer percentage. For instance, if you select the Tax book Acquired Value of an asset that is $100.00, and the transfer amount of the asset is $20.00, the application calculates a 20% transfer. The application applies a transfer percentage of 20% to the Acquired Value amounts in the rest of the books.

■ **Transfer Amount**
This option is available only during a partial transfer. Enter a dollar value for the portion of the original asset being transferred. The dollar value will be used to calculate the transfer percentage that applies to all books.

■ **Disposal**
Use this field to indicate whether you want the application to treat the transferred portion of the asset as a disposal. If you select yes, the Transfer as a Disposal screen appears. See . Also, see

Choosing to treat the transferred portion of the asset as a disposal causes the application to calculate a gain or loss on the original asset or on a portion of the original asset during a partial transfer. This gain or loss amount will appear only on a disposal report.

■ **Edit Descriptive Info**
Use this field to access the Edit Descriptive Information screen. This screen allows you to make changes to the descriptive fields of the transferred asset prior to creation. For instance, you can assign a new Custodian. For details, see

■ **Original Asset, Transferred Asset, and Remaining Asset**
The fields in this section are for the display of transfer information only. They cannot be edited. Each field explained below heads a column containing the rows Original Asset, Transferred Asset, and Remaining Asset.

❑ **Database**
This field indicates the database in which the company containing the asset is located.

❑ **Company**
This field indicates the company containing the asset.

❑ **Transferred By**
This field indicates which descriptive field the application is using to conduct the transfer.

❑ **System Number**
This field indicates the System Number of the asset.

❑ **Asset %**
This field indicates the percentage of the original asset that this asset contains once the transfer has been completed.

❑ **Acquired Value**
This field indicates the Acquired Value of the asset once the transfer has been completed.
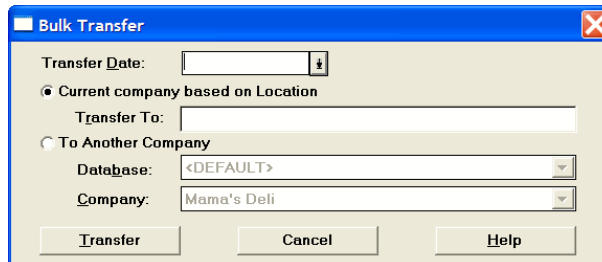
Transferring Multiple Assets

You can transfer multiple assets at once; this is called a "bulk transfer." All of the assets being transferred must have the same destination. The transfer can occur within the current company (an intracompany transfer), or from the current company to another company (an intercompany transfer).

To transfer multiple assets

1. Select the assets that you want to transfer in Group View.

2. Do any one of the following:

   • Select Asset/Bulk Transfer from the menu bar.

   • Click the Bulk Transfer button on the toolbar.

   The Bulk Transfer screen appears.

Note The Bulk Transfer menu item and the Bulk Transfer toolbar button are not available unless at least one asset is selected.

3. Complete the Bulk Transfer screen. See "Completing the Bulk Transfer Screen," page 7-31.

4. Click the Transfer button. The Bulk Transfer report appears. For information about the Bulk Transfer report, see "Bulk Transfer Report," page 7-32.

Completing the Bulk Transfer Screen

Follow the guidelines provided below to complete the fields on the Bulk Transfer screen.

Note You must first select the assets in Group View that you want to transfer before you complete the Bulk Transfer screen.

- ■ **Transfer Date**
  Use this field to enter the date of the transfer. Enter a date in the MMDDYY or MMDDYYYY format, or click the arrow button to display the pop-up calendar. Do not enter a date that is earlier than the placed-in-service date of any of the selected assets. Also, the transfer date cannot occur before the current depreciation through date of any of the selected assets. The application calculates depreciation on the original assets through the end of the month preceding the transfer date.

- ■ **Current Company Based on XXXX**
  Click this option to transfer assets within a single company (that is, an intracompany transfer). The application displays the name of the field on which the transfer is based in place of the XXXX. For example, you can transfer an asset from one location to another, or from one G/L Account number to another.

  For an intracompany transfer, you indicate the descriptive field on which you want to base the transfer in the Transfer By field of the New Company screen or the Edit Company screen. For more information, see "The Company Information," page 4-6.

  - ❑ **Transfer To**
    Use this field to select or enter the destination of the bulk transfer.

- ■ **To Another Company**
  Click this option button to transfer assets from the current company to another company (that is, an intercompany transfer).

  - ❑ **Database**
    Use this field to select the database containing the company to which you are transferring the assets.

❑ **Company**
Use this field to select the company to which you are transferring the assets.

■ **Transfer Button**
Click this button to begin the transfer of the selected assets.

Bulk Transfer Report

The Bulk Transfer report displays the assets that were transferred successfully. If an asset was selected for a bulk transfer and it was not transferred successfully, the report displays the reason the transfer did not occur. A selected asset will not be transferred under the following conditions:

- The asset was disposed.

- The asset was inactive.

- The asset had already been transferred.

- The asset's placed-in-service date is later than the transfer date specified in the Bulk Transfer screen.

Transfer as a Disposal

You complete this type of disposal on the Transfer page. As the application completes a transfer, it calculates a gain/loss amount on the transaction as if the asset had been sold instead of transferred. The application records the gain/loss amount on the Disposal page. For reporting purposes, the asset continues to appear on all reports as a transferred asset; however, the application reports the amount of the gain/loss on the Disposal report with a disposal method of "T." This allows you to track gain/loss information on intercompany and intracompany transactions for separate reporting purposes, while still complying with consolidated reporting requirements.

Completing the Transfer as a Disposal Screen

Transfer as a Disposal							
Disposal Date	05/05/2005			**Cash Proceeds**	$0.00		
Disposal Method	Transfer			**Non-Cash Proceeds**	$0.00		
				Expenses of Sale	$0.00		
	Tax	**Internal**	**State**	**AMT**	**ACE**	**Book 6**	**Book 7**
Gain/Loss	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Recog G/L	No	No	No	No	No	No	No

OK   Cancel   Calculate   Help

Follow the guidelines provided below to complete the fields in the
Transfer as a Disposal screen.

- **Disposal Date**
  This field is automatically completed by the application,
  using the same date as the transfer date.

- **Disposal Method**
  This field is automatically completed to reflect a transfer
  disposal method. On a disposal report, the Disposal Method
  column will display a "T."

- **Cash Proceeds**
  Use this field to enter the dollar amount of all cash received
  plus the value of any debts or other liabilities assumed by the
  buyer. If the transfer is a like-kind exchange, also include the
  value of any property received that is not like-kind.

- **Non-Cash Proceeds**
  Use this field to enter the dollar value of any noncash items
  received during the transfer. If the disposal is a like-kind
  exchange, include the value of any like-kind property
  received.

- **Expenses of Sale**
  Use this field to enter the dollar amount of direct expenses
  incurred in selling or otherwise disposing of the asset.

Completing the Edit Descriptive Information Screen

The Edit Descriptive Information screen allows you to make changes to any of the descriptive fields for the asset that is being created by the transfer. Typically, when you transfer an asset, you must change many of the asset's attributes. For example, when you transfer an asset by Location, not only do you want the Location field to change (which happens automatically), but you might also want to change the asset's Custodian, G/L Account, Expense G/L Account, and Department. The Edit Descriptive Information screen allows you to change all of these fields and more—without having to enter Detail View of the new asset after it is created.

When the Edit Descriptive Information screen first appears, it reflects the settings of the original asset. To edit fields, use the scroll bars to locate the field you want to edit, and then make the appropriate changes. You can add notes to the asset in the space provided. Click OK when finished.

Deleting Asset Transfers

See "Deleting Asset Transactions," page 7-36. The method described there is the best way to delete asset transfers. You can also delete the entire asset to delete the transfer information. Deleting the asset deletes the core System Number and all extensions of it. It does not, however, delete any transferred assets

that were created and given a new System Number during the partial transfer.

Caution Deleting assets is generally not recommended because you cannot undo the deletion.

Viewing Past Conditions and Previously Assigned Extension Numbers of Partially Transferred Assets

All asset extensions are descendants of the original asset as identified by the core System Number. Asset extensions reveal the evolution of an asset. As partial activity occurs on an asset, such as a partial disposal or a partial transfer, one or more new asset extensions are created to reflect the changing condition of the original asset. In Group View, only the core System Number is displayed. In Detail View, only the current extension of a core System Number is immediately visible. However, you can view past extension numbers and conditions of an asset in the Transfer page of Detail View.

Another way to view asset history is by running the Asset Status report. See "Viewing Asset Status History," page 7-37. For a full discussion of asset extensions, see "Understanding Asset Identification," page 3-9.

When viewing past extension numbers for partially transferred assets, these conditions exist on the Transfer page:

- The title bar displays the asset extension number.

- The Transfer page is disabled, allowing viewing only.

To view past conditions and previously assigned extension numbers of partially transferred assets

1. Enter Detail View of the asset's core System Number.

2. Click the Transfer tab.

3. Click the Previous button to move backwards through asset extensions. Click the Next button to move forward through asset extensions.

   The current asset extension displays a blank Transfer page, making the asset available for further transfer.

Deleting Asset Transactions

You can delete disposal and transfer transactions, either whole or partial, by choosing the Delete Last Transaction command. Deleting the last transaction returns an asset to its original condition prior to the transaction. If a new asset and a new extension were created during the transaction, both the new asset and the new extension are deleted, and the original asset is reactivated. You can execute this command only in Detail View of an individual System Number. Although you can choose the Delete Last Transaction command to delete many transactions, you can delete only one transaction with each issuance of the command. Transactions are deleted in reverse order of creation for a particular System Number.

In addition to this method of deleting transactions, you can also delete disposals of fully disposed assets by resetting depreciation. (This is not the case for partial disposals. Resetting depreciation on a partially disposed asset does not cancel the disposal.) See "Resetting Depreciation," page 8-9.

To delete the last transaction performed on an asset

1. Enter Detail View for the asset containing the transaction you want to delete.

2. Select Asset/Delete Last Transaction from the menu bar. The application automatically deletes the last transaction for this asset.

3. Repeat step 2 for additional transactions for this asset. Repeat steps 1 and 2 for other assets.

Viewing Asset Status History

The application contains an Asset Status report that outlines the past history of an asset. After you've worked with the application for some time, especially if you've performed many transfers and disposals, it is useful to be able to track the history of an asset. This history includes the asset's antecedent and/or descendent extensions.

The Asset Status report outlines these historical facts about an asset:

- Original and remaining asset relationships

- Related asset extensions

- Activity Code

- Creation Code

- Acquired Value

- Transfer or Disposal Date

To run the Asset Status report

1. Enter Detail View for the asset you want to view in the Asset Status report.

2. Select Asset/Asset Status from the menu bar. The Asset Status screen appears.

3. Complete the Asset Status screen, and then click OK. See "Completing the Asset Status Screen," page 7-38. The Asset Status report appears.

4. View or print the report, and then click the Close button to return to Detail View.

Sample Asset Status Report

```
June 1, 2004                                                                    Page    1
2:19 PM                                  Westfields Bakery
                                     ASSET STATUS REPORT
                              System No. 000016 /  Co. Asset No. 100250
                                          Tax Book

Extension 000                       Activity Code: J              Transfer/Disposal Date  06/07/04
C                                                                          Acquired
C Desc           Sys No Ext Company                  Database              Value

O Original Basis    000016 000 Westfields Bakery         <DEFAULT>           1092.00
D Disposed Portion  000016 001                           <DEFAULT>            273.00
E Remaining Basis   000016 002                           <DEFAULT>            819.00


Extension 001                       Activity Code: D              Transfer/Disposal Date  06/07/04
C                                                                          Acquired
C Desc           Sys No Ext Company                  Database              Value

D Disposed Portion   000016 001 Westfields Bakery         <DEFAULT>           273.00


Extension 002                       Activity Code: A              Transfer/Disposal Date
C                                                                          Acquired
C Desc           Sys No Ext Company                  Database              Value

E Remaining Basis    000016 002 Westfields Bakery         <DEFAULT>           819.00


------------------------------------------------------- Key -------------------------------------------------------------

   Creation Code
   O          Original asset
   D          Disposed portion of a partial disposal
   E          Remaining portion of a partial disposal

   Activity Code
   J          Asset that was partially disposed of and is inactive
   D          Disposed asset
   A          Active asset
```

Completing the Asset Status Screen

Follow the guidelines provided below to complete the fields in the Asset Status screen.

- ◼ **Select a Book to Project For**
  Use this field to select the book containing the Acquired Value you want to view in the report. Since Acquired Value can be different for each book, you must select the value you want to see in the report.

Creation Codes

The following table shows the possible creation codes for an asset. You can view the asset's creation code on the Asset Status report.

Creation Code	Definition
D	Disposed portion of a partial disposal
E	Remaining portion of a partial disposal
O	Original asset
P	Transferred portion of a partial transfer (current organization or another organization)
Q	Transferred portion of a partial transfer that was considered a disposal of the original asset
R	Remaining portion of a partial transfer
S	Remaining portion of a partial transfer that was considered a disposal of the original asset
T	Whole transfer of the original asset
U	Disposed portion of a partial transfer (current organization) that was considered a disposal of the original asset
V	Disposed portion of a partial transfer (another organization) that was considered a disposal of the original asset
W	Whole transfer of the original asset that was considered a disposal of the original asset

Inactivating and Reactivating Assets

Reactivating and Inactivating assets is an important element of the asset maintenance activities.

Why Inactivate Assets?

Because you don't want to delete them. If you delete an asset, you lose all of its history information. If you inactivate an asset, you retain that asset's history and accomplish most other goals you would attain by deleting an asset.

You should inactivate (rather than delete) an asset that has been disposed of if you believe that you may need the asset's data again for an audit or other such purposes.

Inactivating an asset affects the asset in these ways:

- The application removes the asset from all reports except the File Listing report.

- No additional depreciation is calculated on the asset.

- The asset's tabs become disabled. You are allowed to view but not edit the inactive asset's descriptive fields.

- The asset's title bar indicates its inactive status.

- In Group View, the Activity field indicates the asset's inactive status.

Be sure you have completed all necessary processing on an asset before you inactivate it.

To inactivate assets

You can inactivate an asset individually or inactivate a selection of assets. Or you can create a group and inactivate the entire group of assets by clicking the Select All button on the toolbar.

1. Select the asset or assets you want to inactivate.

2. Select Asset/Inactivate from the menu bar. A message appears asking you to confirm your intention to inactivate the selected assets.

3. Click Yes.

Why Reactivate an Asset?

Once you inactivate an asset you can no longer perform asset functions on it or edit it. To make changes to an inactive asset, you must first reactivate the asset. You also reactivate an asset to make it appear on reports again. The next time depreciation is calculated after an asset is reactivated, the application calculates depreciation through the inactive period.

To reactivate assets

You can reactivate an asset individually or you can reactivate a selection of assets. Or you can create a group and reactivate the entire group of assets by clicking the Select All button on the toolbar.

1. Select the asset or assets you want to reactivate.

2. Select Asset/Reactivate from the menu bar. A message appears asking you to confirm your intention to reactivate the selected assets.

3. Click Yes.

Deleting Assets

Generally, you don't want to delete an asset. If you delete an asset, you lose all of its history information. If you inactivate the asset instead, you retain that asset's history and accomplish most other goals you would attain by deleting an asset. Delete an asset only if you think you will never again need a single piece of information from that asset (say, for instance, for a tax audit).

Deleted asset numbers are not reused unless it is the last asset number issued.

Caution Deleted assets cannot be undeleted.

If you still want to delete an asset, follow the procedures outlined below.

To delete a single asset

1. Enter Detail View for the asset you want to delete.

2. Do any one of the following:

   • Select Asset/Delete from the menu bar.

- Click the Delete button on the toolbar.

  The application displays a confirmation message.

3. Click Yes to delete the asset.

To delete multiple assets

1. Select the assets you want to delete from the spreadsheet in Group View.

2. Select Asset/Delete from the menu bar. The application displays a confirmation message.

3. Click Yes to delete the assets.

8 Depreciation

Calculating depreciation is one of the most important aspects of working with fixed assets. You can calculate and update current depreciation, project future depreciation amounts, or recalculate depreciation for an earlier period.

The Depreciation Menu is where you go to calculate current depreciation for all assets or for a group of assets. You can depreciate monthly, quarterly, or annually. You can also reset depreciation back to an earlier date. Using this menu, you can choose to project depreciation amounts for future years for a group of assets or for an entire company. After you calculate current depreciation, you can store the results separately by running a period close, so that you can later return to them if necessary.

This chapter covers these topics plus the steps necessary to create custom depreciation methods. For additional detailed information about the elements of depreciation, depreciation defaults, and disposal methods, you may also want to refer to Appendix A, "Depreciation and Fixed Asset Concepts." The depreciation methods are described in depth in Appendix B, "Depreciation Methods."

Understanding Depreciation Calculation Concepts

Following are several hints regarding the proper methods for calculating depreciation effectively.

Depreciation Calculation Dates

The placed-in-service date, the beginning date, the period close date, and the through date are the four dates from which the application calculates depreciation. The *placed-in-service date* is self-explanatory. The *beginning date* is the date through which depreciation was already calculated for the asset at the time you entered it in the application. The *period close date* is the date on which depreciation was last saved for a period close in the database. The *through date* is the date through which depreciation was last calculated by the application. The application uses whichever of those four dates immediately precedes the new date you enter for calculations (the *depreciation calculation date*), as illustrated below.

Monthly Depreciation Run for Next Period

8/2006 Placed in Service date	10/2007 Beginning date	12/2007 Period Close date	01/2008	02/2008 Through date	03/2008 Depr. Calc. date

Depr. this run from 02/2008 to 03/2008
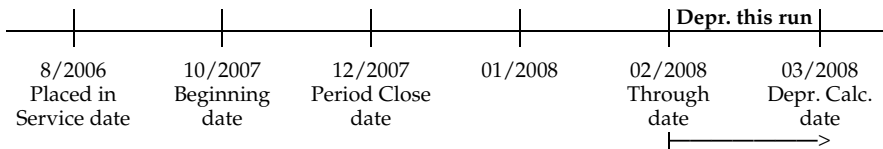
In the above example, the user is calculating forward from 2/2008 to 3/2008. Thus, depreciation this run is for the 1-month period between the two dates.

Depreciation Run for Earlier Period

8/2006 Placed in Service date	10/2007 Beginning date	12/2007 Period Close date	01/2008 Depr. Calc. date	02/2008 Through date	03/2008

Depr. this run from 12/2007 to 01/2008
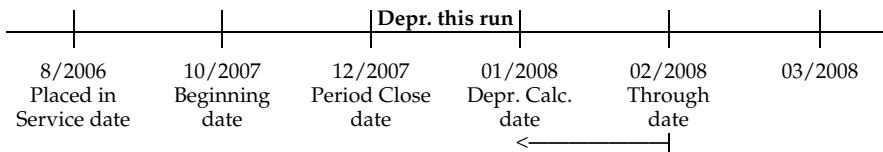
In this example, the user is calculating depreciation for a period prior to the current Through Date of 2/2008. The application looks for a starting point for the calculations and determines that the latest date in time is the Period Close on 12/2007. Thus, depreciation this run is for the 1-month period from 12/2007 to 1/2008. If no period close data existed, the application's starting point for calculations would have been the Beginning Date of 10/2007 and depreciation this run would have been for the 3-month period between 10/2007 and 1/2008.

Note that in either case the depreciation calculation date becomes the new through date for the asset or assets being depreciated.

Obtaining Monthly Depreciation Figures

Because the depreciation this run amount is dependent on the frequency of your depreciation calculations, you should calculate depreciation for each month in succession in order to obtain accurate monthly depreciation figures. For example, suppose today is April 2, 2007. You last calculated depreciation for all assets and all books through February 2007. This means that current year-to-date and accumulated depreciation for all assets has been calculated through February 2007, and the current through date in Detail View is February 2007.

To calculate depreciation for March, you would type 03/07 as the date through which you want to calculate depreciation and select an output option. If you run a Depreciation Expense report at the time you calculate depreciation, the column that shows depreciation for this run will give you the March figures; that is, depreciation is calculated from the current through date (February) through the depreciation calculation date (March). After you calculate depreciation, the new through date in Detail View for your assets will be March 2007, and each asset's current depreciation figures will include the March numbers.

Note If you need only to update the assets in the application and don't need to generate a report, make sure you clear all Send To check boxes.

Calculating Depreciation for Earlier Periods

If you calculate depreciation for an earlier period, you will reset current depreciation for the selected assets to the figures for the earlier period. Note that if you include a disposed asset in a report with a run date earlier than the disposal date, the gain/loss figures on the Disposal report will be incorrect for that asset. In any case, you can return to the current period amounts by executing the Depreciate command again, through the disposal date, after you finish calculating depreciation for the earlier period.

Midquarter Convention

One way to determine whether the midquarter convention applies is to run the Midquarter Applicability report before you execute the Depreciate command. If the report states that more than 40% of the aggregate basis of newly acquired qualifying MACRS property (generally, personal property) was placed in service in the last three months of the tax year, you need to select Edit Company from the File menu, change the Book Override to Midquarter, and depreciate the assets. For details regarding the midquarter convention settings, see "Midquarter Convention," page 4-16. If you've already calculated depreciation with incorrect midquarter convention settings, you will need to perform a MACRS Convention Switch. See "Performing a MACRS Convention Switch," page 8-28.

Changes to the Book Overrides' settings have no effect on future depreciation calculations for the assets that have already been depreciated. The only exception is if you reset an asset's depreciation to the placed-in-service date and clear the MACRS convention setting in the Reset Depreciation screen.

The midquarter convention is optional for the 2001 tax year if September 11, 2001 occurs in the third or fourth quarter of your fiscal year. Pursuant to IRS Notice 2001-70 and 2001-74, you can elect to use the half-year convention, even if more than 40% of the aggregate depreciable basis of newly acquired qualifying MACRS property was placed in service in the last three months of the tax year.

To make the half-year convention election when you would otherwise be required to use the midquarter convention, write "Election Pursuant to Notice 2001-70" across the top of Form 4562, Depreciation and Amortization. You can tell the application to write this text on the form when you complete the Form 4562 report definition screen.

Multiple Books

Because you can select which books to include for depreciation calculations, a given asset may have current depreciation calculated through different dates in different books. Similarly, because you can select which assets to depreciate, different assets

belonging to the same company may have current depreciation calculated through different dates. If you want all assets in all books to have depreciation calculated through the same date, select all books at the Depreciate screen and use the All FAS Assets group when calculating depreciation. This does not affect any disposed or transferred assets.

Calculating Depreciation for Your Assets

The Depreciate feature calculates depreciation beginning from the last date you ran depreciation to an end date that you specify. Anytime you calculate depreciation you have the option of running a Depreciation Expense report as well. The Depreciation Expense report provides essential asset data, plus figures for previous depreciation, depreciation calculated by this depreciation run, and current depreciation. The application generates a separate Depreciation Expense report for each book selected. The Depreciation Expense report is discussed in length in "Depreciation Expense Report," page 10-21.

The application also calculates depreciation up to the transaction date when you dispose or transfer an asset. An asset's depreciation figures will reflect whichever of these actions— depreciate, dispose, or transfer—was performed most recently.

You should calculate depreciation monthly for any book that is posted monthly.

To depreciate your assets

1. Select Depreciation/Depreciate from the menu bar. The Depreciate screen appears.

2. Complete the Depreciate screen, and then click the Execute button. See "Completing the Depreciate Screen," page 8-7. The application calculates depreciation for the selected group of assets. If you select a Send To option, the application either displays the results in a Report Viewer or sends them to a printer.

   If you opted to display the results, click the Close button to exit the Report Viewer.

You can also depreciate only selected assets or an individual assets.

To depreciate only selected assets

1. In Group View, select the assets you want to depreciate.

2. Select Depreciation/Depreciate from the menu bar. The Depreciate screen appears.

3. In the Group field, select <Selected Assets>. (You may have to scroll up to select this option in the Group field.)

4. Complete the Depreciate screen, then click the Execute button. The application calculates depreciation for the selected assets, then either displays the results in a Report Viewer or sends them to a printer.

To depreciate only a single asset

1. Select the asset for which you want to calculate depreciation, and then go to the Detail View.

2. Select Depreciation/Depreciate from the menu bar. The Depreciate screen appears.

3. In the Group field, select <Detailed Asset #XX>, where XX is the System Number of the selected asset. (You may have to scroll up to select this option in the Group field.)

4. Complete the Depreciate screen, then click the Execute button. The application calculates depreciation for the selected asset, then either displays the results in a Report Viewer or sends them to a printer.

Completing the Depreciate Screen

Follow the guidelines provided below to complete the fields in the Depreciate screen.

- **Group**
  Use this field to select a group on which you want to calculate depreciation. You can select the Group Manager from the drop-down list box or at the Customize menu to create a new group.

- **Books**
  Use this field to select the books for which you want to calculate depreciation. You must select at least one book.

  - **Select All/Deselect All Button**
    Click this button either to select the check boxes for all available books or to clear the check boxes for all available books.

- **Calculate Depreciation Through**
  Use this field to enter the date (in the format MMYYYY) through which you want the application to calculate depreciation. The application includes all assets placed in service through the last day of the month you enter. The date can be for any period, including an earlier period. If you enter a date for an earlier period, however, the application resets the

current depreciation figures for all assets included in the calculation to the depreciation amounts for that earlier period.

Note Certain date validations occur during the depreciate process. Refer to "Calculating Depreciation for Your Assets," page 8-5, for an explanation of depreciation calculation dates.

■ **Recalculate Depreciation on Assets You Have Already Calculated Through This Date**
Select this check box to recalculate depreciation on assets for which you have already calculated depreciation through this date. You should select this check box if you have changed the company's fiscal year-end or the adjustment convention in the Edit Company screen since your last calculated depreciation. Otherwise, you can save processing time by clearing this check box.

■ **Update Current Reporting Period for Selected Books**
Select this check box to change the current reporting period to the date entered in the Calculate Depreciation Through field.

■ **Send To**
You can send a report to two possible destinations: a display window or a printer. Click the appropriate check box. If you do not want to generate a report, clear both check boxes. When no boxes are selected, the application calculates depreciation for the selected assets and updates them in Detail View.

■ **Choose Report**
Use this field to select a customized report that will display the calculation results at the end of the depreciate process. You can choose any customized standard report based on the Depreciation Expense report. For example, if you have changed the column headings on the Depreciation Expense report and named the customized report "My Depr Expense Report," you can select My Depr Expense Report from this field.

Note This field is available only if you have purchased the FAS Report Writer software.

Resetting Depreciation

Resetting depreciation on assets with extension numbers is handled differently than when resetting depreciation on assets without extension numbers. (Although, you can reset depreciation on a group containing both.) Remember, an asset is assigned an extension number only if it has been partially transferred or partially disposed.

Resetting depreciation on an asset with extension numbers resets depreciation only on the last extension number. Depreciation is not reset on the original extension number or on any intermediary extension numbers. When resetting depreciation to a date prior to the creation of the last extension number, the application resets depreciation to the beginning date of the last extension for that particular asset. All other assets without extension numbers in the selected group are reset to the specified date.

Resetting depreciation on a fully disposed asset cancels the disposal. If you've disposed of the asset through several partial transactions, the application cancels only the final disposal transaction (if it was a whole disposal). If the final transaction was a partial disposal, then the application resets to the beginning date of the last extension number.

To cancel a partial disposal, see "Deleting Asset Transactions," page 7-36.

To reset depreciation

1. Select the asset or assets on which you want to reset depreciation.

2. Select Depreciation/Reset Depreciation from the menu bar, or click the Reset Depreciation button on the toolbar. The Reset Depreciation screen appears.
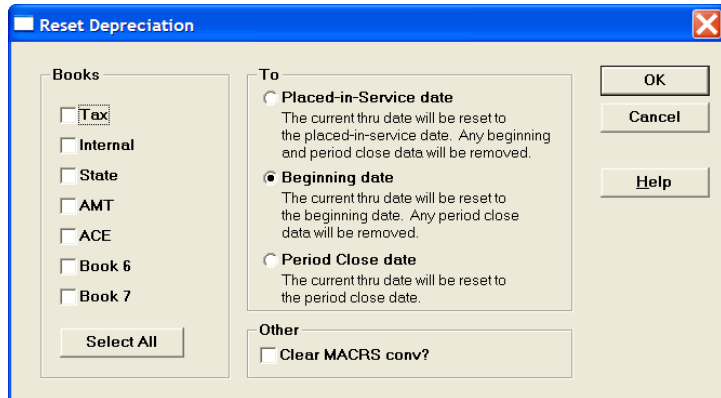
3. Complete the Reset Depreciation screen, and then click OK. See "Completing the Reset Depreciation Screen," page 8-10.

    The application resets depreciation for the selected assets.

Completing the Reset Depreciation Screen

Follow the guidelines provided below to complete the fields in the Reset Depreciation screen.

■ **Books**
   Select the check box next to the books for which you want to reset depreciation.

   ❑ **Select All/Deselect All Button**
      Click this button either to select the check boxes for all available books or to clear the check boxes for all available books.

■ **To**
   Use this field to specify the date to which you want to reset depreciation.

   ❑ **Placed-In-Service Date**
      Click this option button to reset depreciation to the asset's Placed-In-Service Date. Selecting this option resets all depreciation figures to zero (the amount of depreciation on the date the asset was placed in service). The amounts in the Period Close fields, if any, will be deleted. Select this option if critical depreciation values, such as the acquired

value or depreciation method, were entered incorrectly. In this case, you need to reenter the beginning amounts and other values after resetting depreciation and before executing the Depreciate command.

❑ **Beginning Date**
Click this option button to reset the current depreciation fields to the beginning date of the asset (if applicable). Selecting this option resets depreciation figures to the amounts entered in the asset's beginning depreciation fields. The amounts in the Period Close fields, if any, will be deleted. This is the default. Select this option when the beginning values are correct but the current or period close depreciation figures are not. After you reset to the beginning depreciation amounts, you can change asset data as needed and recalculate depreciation by executing the Depreciate command.

Note If there is no date in the Beginning Date field, the application automatically resets the asset's depreciation to the Placed-In-Service Date.

❑ **Period Close Date**
Click this option button if you want to reset depreciation back to the last period close date. Selecting this option resets the current depreciation figures to the amounts entered when the last period close was performed.

Note If there is no date in the Period Close Date field, the application automatically resets the asset's depreciation to the Beginning Date (if one exists). If there is no date in the Beginning Date field, the application resets the asset's depreciation to the Placed-In-Service Date.

■ **Clear MACRS Convention?**
Select this check box if you want to change the averaging convention (from the half-year convention to the midquarter convention, or vice versa) on qualifying MACRS property when you reset depreciation. Qualifying MACRS property is generally property types P, Q, A, and T, as well as those property type R assets that do not use the midmonth convention. You must also change the averaging convention in the Edit Company screen (on the Book Overrides page)

before you recalculate depreciation. This check box is available only when you select the Beginning Date or the Placed-in-Service Date options; it is not available when you select the Period Close Date.

Important: If you are resetting depreciation and you need to change the averaging convention, it is much easier to use the MACRS Convention Switch option, located on the Depreciation menu. See "Performing a MACRS Convention Switch," page 8-28.

Running a Budgetary Projection

For each fiscal year, it's easy to view the projected depreciation expense for one asset or for a group of assets. You can view the projected depreciation expense in two ways:

- Run a **monthly projection**, which shows the projected depreciation expense for each month in a single year.

- Run an **annual projection**, which shows the projected depreciation expense for multiple years.

The application displays the projection in the form of the Monthly Projection report and the Annual Projection report. These reports display the projection as a grand total of all assets selected for inclusion in the report. They do not display projections for individual assets, unless you run the report for only one asset. The Monthly Projection report and Annual Projection report are discussed at length in Chapter 9, "Standard Reports."

To run a monthly projection

1. Select Depreciation/Monthly Projection from the menu bar. The Report Definition screen appears.

2. Complete the Report Definition screen, and then click the Run Report button. The application runs the projection and sends the results to the specified location. For more information, see "Completing the Report Definition Screen," page 9-12.

3. If you sent the report to the Window, view the Monthly Projection report. Print the report by clicking the Print icon, if desired, and then click the Close button to exit from the report window.

4. Click the Cancel button to exit from the Report Definition screen.

To run an annual projection

1. Select Depreciation/Annual Projection from the menu bar. The Report Definition screen appears.

2. Complete the Report Definition screen, then click the Run Report button. The application runs the projection and sends the results to the specified location. For more information, see "Completing the Report Definition Screen," page 9-12.

3. If you sent the report to the Window, view the Annual Projection report. Print the report by clicking the Print icon, if desired, and then click the Close button to exit from the report window.

4. Click the Cancel button to exit from the Report Definition screen.

Running a Quick Projection

You can easily view an asset's projected depreciation expense for the life of the asset. To access this feature, you must be in the Detail View.

To run a quick projection on an asset

1. Enter Detail View for the asset you want to project.

2. Do any one of the following:

    *   Select Depreciation/Quick Projection from the menu bar.

    *   Click the Projection button located at the bottom of the asset page.

    *   Press CTRL+Q.

    The Quick Projection screen appears.
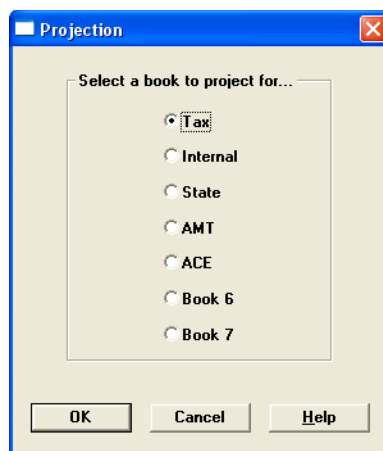
3. Select a book in the Quick Projection screen on which you want to run a projection, and then click OK. The application generates and displays the Quick Projection report.

4. Click the Close button to exit the Quick Projection report.

Quick Projection Report

The Quick Projection report shows an asset's projected depreciation expense for the life of the asset.

Report Columns

The following guidelines provide detail on the columns appearing on the report.

- **As of**
  This column displays the fiscal year-end for each year in the asset's life.

- **Beginning Depreciation**
  Beginning Depreciation includes all depreciation expense from the asset's placed-in-service date through the end of the fiscal year before the one for which depreciation is projected.

- **Depreciation This Run**
  Because this projection is run annually, the Depreciation This Run column will always be the same as the Current Year to Date Depreciation.

- **Current Year to Date Depreciation**
  Current Year to Date Depreciation includes all depreciation expense from the beginning to the end of the fiscal year for which depreciation is projected.

- **Current Accumulated Depreciation**
  Current Accumulated Depreciation includes all depreciation expense from the asset's placed-in-service date up to the end of the year for which depreciation is projected.

Note The following columns on the report include the 168 Allowance and Section 179 expense, when applicable to the depreciation method, if you selected Yes in the Include Section 168 Allowance and Section 179 in Expense field in the Edit Company screen:

- Beginning Depreciation

- Depreciation This Run

- Current Year-to-Date Depreciation

- Current Accumulated Depreciation

The header of the report indicates whether you selected Yes or No in the Edit Company screen.

Sample Quick Projection Report

June 1, 2004					Page 1
2:10 PM		**Westfields Bakery**			
		Asset Projection			
		For Tax Book			
		DOES NOT Include Sec 168 Allowance and Sec 179 in Depreciation			

System Asset No: 000057
Extension: 000
Company Asset No: 100650
Description: Glass Door Merchandiser

As Of	Beginning Depreciation	Depreciation This Run	Current YTD Depreciation	Current Accum Depreciation	Key
12/2002	0.00	734.72	734.72	734.72	r
12/2003	734.72	1175.55	1175.55	1910.27	r
12/2004	1910.27	705.33	705.33	2615.60	r
12/2005	2615.60	423.20	423.20	3038.80	rs
12/2006	3038.80	423.20	423.20	3462.00	rs
12/2007	3462.00	211.60	211.60	3673.60	rs
12/2008	3673.60	0.00	0.00	3673.60	rs
Reduced Cost Basis:	3673.60				

End of projection

Changing Depreciation-Critical Information

The application uses the information entered in several fields to calculate depreciation. The following fields are the depreciation-critical fields:

- Property Type

- Placed-In-Service Date

- Acquisition Value

- Depreciation Method

- Estimated Life

- Salvage Value

- Section 168 Allowance % (if applicable to method)

- Section 179

- Business-Use Percentage

When you change a value in a depreciation-critical field after you have calculated depreciation for the asset, you must tell the application when to apply the change. The application could apply the new information at several different points in the life of the asset. A message box will prompt you to select the date after you make the change to the depreciation-critical field.

To change depreciation-critical information

1. Go to Detail View for the asset whose depreciation-critical information you want to change.

2. Change the information in one of the depreciation-critical fields. When you tab out of the field, the application displays a message warning you that you are making a change to a depreciation-critical field and asking if you want to continue.

3. Click the Yes button to continue. The application displays a message asking when you want to apply the change to the depreciation-critical field.
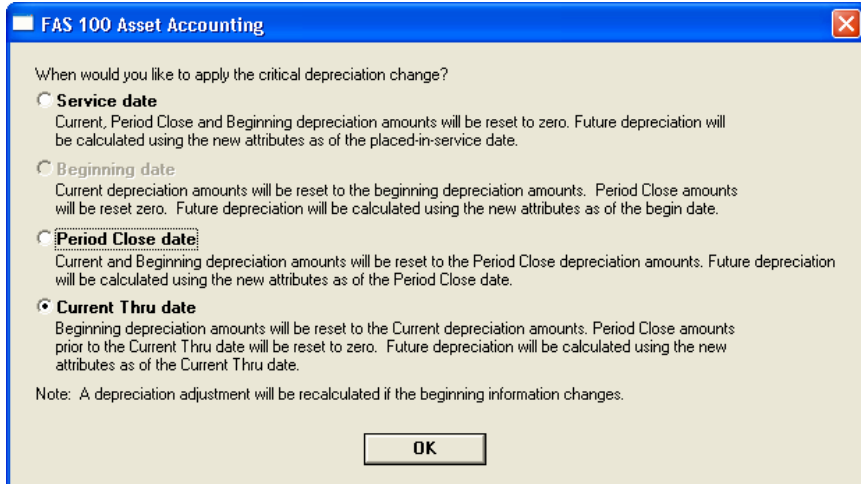
You have four options:

- **Service Date:** The application removes any depreciation in the Current Depreciation, Period Close, and Beginning Depreciation fields. The next time you calculate depreciation, the application will apply the newly entered information as of the Placed-In-Service date as though the asset had been newly entered with the new information.

- **Beginning Date:** The application retains the values in the beginning fields and will recalculate depreciation going forward using the newly entered information. The application enters zeros in the Period Close fields if the Period Close Date is after the Beginning Date. The application retains the information in the Period Close fields if the Period Close Date equals the Beginning Date. The next time you calculate depreciation, the application will apply the newly entered information as of the Beginning Date. This option is not available if you are changing the Placed-In-Service Date to a date after the Beginning Date.

- **Period Close Date:** The application retains the Period Close values calculated using the existing depreciation-critical values. The next time you calculate depreciation, the application will apply the newly entered information as of the Period Close Date. This option is not

available if you are changing the Placed-In-Service Date to a date after the Period Close Date.

- **Current Through Date:** The application retains the Current Through Date values calculated using the existing depreciation-critical values. Period Close amounts before the Current Through Date will be reset to zero. The next time you calculate depreciation beyond the Current Through Date, the application will apply the newly entered information. This option is not available if you are changing the Placed-In-Service Date to a date after the Current Through Date.

4. Click one of the four option buttons on the message box, and then click OK. The application updates the information in the Beginning Depreciation, Current Depreciation, and Period Close fields.

5. Click the Save button.

Changing the Beginning Depreciation Fields

When you make a change to any of the Beginning Depreciation fields (Beginning Date, Beginning Year-to-Date Depreciation, or Beginning Accumulated Depreciation), the application makes the following changes to the asset:

- The newly entered Beginning Depreciation information is copied into the Current Depreciation fields (Current Through Date, Current Year-to-Date Depreciation, and Current Accumulated Depreciation).

- The information in the Period Close fields (Period Date, Period Year-to-Date Depreciation, and Period Accumulated Depreciation) is set to zero.

- The Depreciation adjustment, if any, is recalculated.

Conducting a Period Close

The Period Close feature allows you to store and protect current depreciation values for all assets. This feature provides a security blanket against future calculation problems, such as changes made to assets that lead to incorrect calculations. If needed, you can then later reset depreciation to the period close date, a time when you last tied out to your general ledger.

The tasks involved in conducting a period close are exactly the same as those for running a Depreciation Expense report. The only difference is how you access the feature. Plus, the application stores the results of conducting the period close in the Period Close fields. This allows you to later reset depreciation to a period close date if necessary.

You can view period close calculation amounts in Detail View of an asset. The last three book-related fields display those figures:

- Period Close Date

- Period Year-to-Date Depreciation

- Period Accumulated Depreciation

Hint for Conducting a Period Close

- Before you conduct a Period Close, calculate depreciation on the assets you want to include in the process. To calculate depreciation, execute the Depreciate command from the Depreciation menu. The date that you enter in the Set Period Close screen must be the same as the date through which you have calculated depreciation. If depreciation on asset has not been calculated through the date in this field, it will not appear on the Period Close report.

- We recommend that you select the All FAS Asset group when you conduct a period close.

Note The date of the Period Close must be on or after the Beginning Date for each asset for which you are conducting the Period Close. The application prevents you from conducting a Period Close prior to an asset's Beginning Date.

To conduct a period close

1. Select Depreciation/Period Close/Set Period Close from the menu bar. The Set Period Close screen appears.

2. Complete the Set Period Close screen. See "Completing the Set Period Close Screen," page 8-22.

3. Click the Execute button. The application stores the most recent depreciation calculations for the selected group of assets, and then either displays the results or sends them to a printer. If you opted to display the results, click the Close button to exit the report viewer.

Completing the Set Period Close Screen

Follow the guidelines provided below to complete the fields in the Set Period Close screen.

■ **Group**
Use this field to select the group on which you want to conduct a period close. The default group is Active Assets.

You can select the Group Manager from the drop-down list box or at the Customize Menu to create a new group.

■ **Books**
Use this field to select the books for which you want to conduct a period close. You must select at least one book.

❑ **Select All/Deselect All Button**
Click this button either to select the check boxes for all available books or to clear the check boxes for all available books.

■ **Close the Period for Assets Calculated Through**
Use this field to enter the date (in the format MMYYYY) through which you want the application to save previously calculated depreciation amounts. The application will include all assets for which depreciation has been calculated through the last day of the month entered. The date may be for any period, including an earlier period. If you enter a date for an earlier period, however, be sure you have calculated depreciation through that date for the assets you want to include in the report. The assets' current through date must be the same as the date you enter in this field. This ensures that the selected assets appear on the report.

■ **Send To**
Use this field to specify where you want to send the report: a display window or printer. If you do not want to generate a report, clear both check boxes.

■ **Choose Report**
Use this field to select a customized report that will display the calculation results at the end of the depreciate process. You can choose any customized standard report based on the Depreciation Expense report. For example, if you have changed the column headings on the Depreciation Expense report and named the customized report "My Depr Expense Report," you can select My Depr Expense Report from this field.

Note This field is available only if you have purchased the FAS Report Writer software.

Saving Calculations with a Period Close

The Period Close feature saves the most recent depreciation calculations and displays them in the three Period Close fields. When you conduct a period close, the application copies the amounts in the three depreciation-related fields to the three Period Close fields. The table below shows the three fields that contain your depreciation calculations and the corresponding Period Close fields.

Depreciation Fields	Period Close Fields
Current Year-to-Date Depreciation	Period Year-to-Date Depreciation
Current Accumulated Depreciation	Period Accumulated Depreciation
Through Date	Period Close Date

Example:

You calculate depreciation on an asset with the following attributes:

Property Type:	D
Placed-in-Service Date:	03/01/2003
Acquired Value:	$10,000
Depreciation Method:	SL
Estimated Life:	7 years

You calculate depreciation for this asset on 12/31/2007. The application displays the following in the three depreciation-related fields:

Current Year-to-Date Depreciation:	$1,428.57
Current Accumulated Depreciation:	$6,904.76
Through Date:	12/2007

Then you conduct a Period Close for a group of assets that includes this asset. After you conduct the Period Close, the application displays the following in the three Period Close fields:

Period Year-to-Date Depreciation:	$1,428.57
Period Accumulated Depreciation:	$6,904.76
Period Close Date:	12/2007

Relying on the Period Close Calculations

The Period Close feature allows you to store current depreciation values for all assets. This feature locks in your calculations to ensure that your historical balances will always tie out as of the Period Close date.

For example, if you make changes to the asset attributes, such as estimated life or depreciation method, you can make the change effective as of the Period Close date. This means your beginning balance is secured and the change will affect only the ongoing calculations.

The application uses the Period Close amounts as a "starting point" when you calculate depreciation. The Period Close amounts serve as the foundation on which future depreciation is calculated.

Example:

You enter an asset in January of 2007, and you calculate depreciation on the asset each month. In December 2007, you conduct a Period Close for a group of assets that includes this asset. The information in the current depreciation fields for December 2007 is now saved in your Period Close depreciation fields.

You continue to calculate depreciation monthly through March 2008. Then you realize that an error was made on the asset during the original data entry, and you need to change the estimated life from seven years to five years.

After you make the depreciation-critical change, the application will recalculate depreciation, starting with the December 2007 values, which are locked in and stored in the Period Close fields.

The application will also calculate an adjustment as of December 2007 for the change in estimated life. Therefore, you are able to make the depreciation-critical change and claim an adjustment in the current year, without restating your historical values.

Period Close and Beginning Depreciation Fields

Both the Period Close fields and the Beginning Depreciation fields protect your depreciation calculations. The application does not allow you to calculate depreciation prior to the Beginning Date or the Period Close Date. (To do so, you must first reset depreciation back to the Placed-In-Service date.)

Please note the following rules for the Period Close and Beginning Depreciation fields:

- You **cannot** conduct a Period Close **before** the date in the Beginning Date field. (This is because you cannot calculate depreciation prior to the date in the Beginning Date field.)

- You **can** conduct a Period Close on the **same date** as the date in the Beginning Date field. If you do so, then all three sets of depreciation fields (the Beginning Depreciation fields, the Period Close fields, and the Current Depreciation fields) will contain the same information.

- When you conduct a Period Close after the Beginning Date, the application copies the depreciation amounts from the Current Depreciation fields into the Period Close fields. The information in the Beginning Depreciation fields remains the same. The application does not recalculate an adjustment.

- The application calculates adjustments to depreciation based on the information in the Beginning Depreciation fields. You can run a Depreciation Adjustment report to view the difference between depreciation calculated by the application and the amounts entered in the Beginning Depreciation fields.

Clearing the Period Close Fields

You can remove information from the period close fields for a single asset or for a group of assets, allowing you to easily rerun depreciation reports for periods prior to a period close. When you use the Clear Period Close feature, the application removes the period close date and enters zeros in the period close depreciation fields.

If an asset has been involved in a partial transfer or partial disposal, the application removes period close information for the original asset extension as well as all of the remaining extensions.

The application does not remove period close information from an asset whose status is Inactive.

Note Removing period close data does not immediately change the current depreciation data. However, if you made changes to asset attributes after the Period Close date, then depreciation calculations may be affected the next time depreciation is calculated prior to the current through date.

To clear the period close fields

1. Select Depreciation/Period Close/Clear Period Close from the menu bar. The Clear Period Close screen appears.

2. Complete the Clear Period Close screen. See "Completing the Clear Period Close Screen," page 8-28.

3. Click the Execute button. The application enters zeros in the period close fields if the asset's Period Close Date is on or after the date entered in the Clear Period Close screen.

Completing the Clear Period Close Screen

Follow the guidelines provided below to complete the fields on the Clear Period Close screen.

■ **Group**
Use this field to select the group of assets for which you want to set the period close fields to zero.

■ **Books**
Use this field to select the book(s) for which you want to set the period close fields to zero.

❑ **Select All/Deselect All Button**
Click this button either to select the check boxes for all available books or to clear the check boxes for all available books.

■ **Clear Period Close Information On or After**
Use this field to enter the date for which you want to set the period close fields to zero. When you click the Execute button, the application enters zeros in the period close fields if the asset's Period Close Date is on or after the date you entered.

■ **Execute Button**
Click this button to set the period close fields to zero for the selected group of assets in the selected book(s).

Performing a MACRS Convention Switch

The MACRS Convention Switch evaluates all selected assets in the current Group View and determines which assets qualify for a switch from either the midquarter to the half-year averaging convention, or from the half-year to the midquarter averaging convention (depending on which convention you specify).

If you have depreciated qualifying MACRS property under the wrong averaging convention, you can perform a MACRS Convention Switch to recalculate depreciation for all qualifying

assets placed in service for any specified year. Qualifying assets are 3-, 5-, 7-, 10-, 15-, 20-, or 25-year MACRS property, and have a depreciation method of MF, MA, MT, MI, MR, AD, or AA. In addition, qualified property includes those property type R assets that do not use the midmonth convention.

You can select individual assets you want the application to evaluate, or you can create a group and select all assets in that group. However, because the application evaluates the assets for you, you can select all assets in the All FAS Assets group and the application will switch only the qualifying MACRS assets. This is the most efficient and accurate way to perform this function.

The MACRS Convention Switch affects all asset extension numbers within a System Number. This means that if you select an asset with an extension number indicating a disposed asset, the application recalculates the gain/loss amounts. However, the application allows you to quit the function before recalculating.

If you select an asset with extension numbers indicating a transferred asset, the application recalculates depreciation for only those extensions created within the System Number. You must select and perform the MACRS Convention Switch on all new System Numbers created during the transfer, even if the new System Number was created in another company. It is important that you select all assets in all companies involved in asset transfers. This way, you are sure not to miss any affected assets, which might result in either overstating or understating depreciation amounts.

Note Since the nature of this function requires numerous complex calculations, this option can be time-consuming, depending on the number of assets you select.

To perform a MACRS Convention Switch

1. Select the assets on which you want to perform a MACRS Convention Switch.

    Hint We recommend you select all assets. In Group View, select the All FAS Assets group, and then select Edit/Select All from the menu bar.

2. Select Depreciation/MACRS Convention Switch. The MACRS Convention Switch screen appears.

3. Complete the MACRS Convention Switch screen, and then click the Execute button. See "Completing the MACRS Convention Switch Screen," page 8-30.

The application performs the switch on the appropriate assets, and then returns to your previous screen.

Note If you have additional assets to enter for the year, be sure to change your default convention on the Book Overrides page of the Edit Company.

Completing the MACRS Convention Switch Screen

Follow the guidelines provided below to complete the fields in the MACRS Convention Switch screen.

■ **Books**
Use this field to select the book on which you want to perform the MACRS Convention Switch.

❑ **Select All/Deselect All Button**
Click this button either to select the check boxes for all available books or to clear the check boxes for all available books.

■ **Assets Placed In Service In Fiscal Year End**
Use this field to type the year in which you want the
application to evaluate assets for the MACRS Convention
Switch.

■ **Switch Convention To**
Click the Half-Year Convention option button to switch assets
from the midquarter convention to the half-year convention.
Click the Midquarter Convention option button to switch
assets from the half-year convention to the midquarter
convention.

Creating Custom Depreciation Methods

If your company uses nonstandard depreciation methods, you can
create custom depreciation methods. Custom methods can be
used to depreciate assets for up to 60 years with a specified
percentage for each year. The default for the averaging convention
in the year of disposition is full month, but you can select a
different one.

Note The averaging convention for the placed-in-service year
must be calculated as part of the first year percentage.

To create a custom depreciation method

1. Select Customize/Depreciation Methods from the menu bar.
    The Customize Depreciation Methods screen appears.
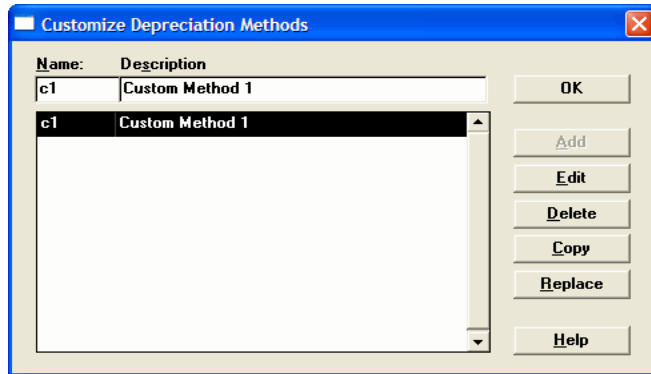
2. Enter a two-character code and a brief description of the method, and then click the Add button. For further instructions on this screen, see "Completing the Customize Depreciation Methods Screen," page 8-33.

   The Custom Depreciation Method screen appears.

3. Complete the Custom Depreciation Method screen, and then click OK. See "Completing the Custom Depreciation Method Screen," page 8-34.

   The application automatically adds your custom method to the SmartList of available depreciation methods.

Completing the Customize Depreciation Methods Screen

Follow the guidelines provided below to complete the fields in the Customize Depreciation Methods screen.

■ **Name (Method)**
Use this field to type a two-character code to identify this depreciation method. The code can include any number or lowercase letter, except for the codes reserved by the application (see note below). If you enter uppercase letters, the application will change them to lowercase. Uppercase letters are reserved for the application's standard depreciation methods.

Note The following two-character codes are reserved by the application. Therefore, you cannot enter the following codes in this field:

aa	de	ma	oc	sh
ad	dh	mf	rv	sl
at	di	mi	sa	st
db	dl	mr	sb	yd
dc	dm	mt	sd	yh
dd	dy	no	sf	ys

■ **Description**
Use this field to enter a description that identifies the custom method you are creating.

■ **Custom Methods List Box**
This list box displays the names of all the custom methods in your application. Use this list box to select a custom method on which you want to perform one of the functions listed on the buttons to the right of this list box (delete, edit, etc.).

■ **Add Button**
Click this button to display a screen that allows you to define the custom method you specify in the Name field. The application automatically adds your custom method to the SmartList of available depreciation methods.

■ **Edit Button**
Click this button to display a screen that allows you to edit a custom method you select from the Custom Methods List Box. See "Completing the Custom Depreciation Method Screen," page 8-34. If you edit a custom method used by an existing asset, you must use the depreciate function to redepreciate the asset and apply the new percentages.

■ **Delete Button**
Click this button to delete the custom method you select from the Custom Methods List Box. If you delete a custom method used by an existing asset, the asset's depreciation method will change to RV.

■ **Copy Button**
Click this button to display a screen that allows you to copy the custom method you select from the Custom Methods List Box. See "Completing the Copy Custom Method Screen," page 8-36.

■ **Replace Button**
Click this button to display a screen that allows you to replace the custom method you select from the Custom Methods List Box. See "Completing the Replace Custom Method Screen," page 8-37.

Editing, Deleting, Copying, or Replacing a Custom Depreciation Method

See "Completing the Customize Depreciation Methods Screen," page 8-33.

Completing the Custom Depreciation Method Screen

Follow the guidelines provided below to complete the fields in the Custom Depreciation Method screen.

■ **Description**
This field displays the description you entered in the Customize Depreciation Methods screen.

■ **Disposal Method Convention**
Use this field to select a disposal year averaging convention. The default disposal year convention is full month. The following disposal year conventions are available:

- Full-month

- Midmonth

- Half-year, ACRS

- Half-year, MACRS and pre-ACRS

- Modified half-year

Note The application uses the selected averaging convention only in the disposal year. The averaging convention for the placed-in-service year must be calculated as part of the first year percentage.

Averaging conventions are discussed at length in Appendix A, "Depreciation and Fixed Asset Concepts.".

■ **Percent (%)**
For each year, enter the percentage of depreciation to be taken in that year. Year 1 is the year the asset was placed in service, and you can enter percentages for up to 60 years. Enter the percentage as a whole number or a whole number with a decimal; for example, enter 10% as 10, and enter 14.5% as 14.5.

Note For the placed-in-service year, the asset always receives a full year's depreciation, no matter when the asset is placed in service. For example, suppose you enter 20% in the Percent Field for Year 1. Even if you place the asset in service on the last day of the year, the application would multiply the asset's depreciable basis by 20% for the first year. If you want the asset to receive only partial depreciation for the first year, you must enter a smaller percentage.

You should not enter a percentage greater than 100.000.

As you enter the percentages for each year, notice the change in the two display fields at the bottom of the screen. Total percentage shows the total percentage of depreciation for all years entered thus far. This amount cannot exceed 100.000.

Remaining percentage shows the difference between the total percentage and 100.000 (100% depreciation).

For most depreciation methods, the total percentage should be 100.000 and the remaining percentage should be zero when you're finished entering annual percentages. You may, however, create a depreciation method that does not fully depreciate assets.

When the application calculates depreciation, it applies the percentage entered for each year to the depreciable basis of the asset and evenly distributes the depreciation amount over the 12-month period.

When you have entered the percentages, click OK to save your data and return to the Customize Depreciation Methods screen. The new custom depreciation method appears in the list box.

Completing the Copy Custom Method Screen
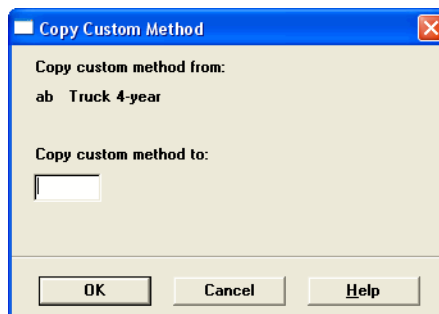
Follow the guidelines provided below to complete the fields in the Copy Custom Method screen.

■ **Copy Custom Method From**
This field displays the method you are copying.

■ **Copy Custom Method To**
Use this field to type the name of the method to which you are copying the selected method. The method you copy it to can be new or existing.

Completing the Replace Custom Method Screen

Follow the guidelines provided below to complete the fields in the Replace Custom Method screen.

- **Replace Custom Method From**
  This field displays the method you want to replace with the method you type in the Replace Custom Method To field.

- **Replace Custom Method To**
  Use this field to type the name of the method that you want to replace the method displayed in the Replace Custom Method From field. You can enter either a new or existing method in this field.

Electing the 168 Allowance

The Job Creation and Worker Assistance Act of 2002 (JCWAA) includes a provision allowing an additional depreciation deduction for qualifying MACRS property in the first year you place an asset in service. The JCWAA was revised by the Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA) and again in the Economic Stimulus Act of 2008. The new rules are covered under IRS Code Section 168.

The 2010 Tax Relief Act allows for a 168 Allowance of 100% for assets placed in service after September 8, 2010 and through December 31, 2011 (or December 31, 2012 for assets with longer production lives).

The 168 Allowance will still be available for qualified property placed in service in a special disaster zone through 2012 for personal property and through 2013 for real property, and for cellulosic biofuel plant property through 2012. Beginning in 2006, the 168 Allowance can also be taken for reuse and recycling property. Currently, there is no expiration of the 168 Allowance for reuse and recycling property.

There are special 168 Allowance rules for property located in the New York Liberty Zone and the Gulf Opportunity Zone. For more information, see "New York Liberty Zone Property," page 8-52 and "Qualified Gulf Opportunity Zone Property," page 8-62.

The additional allowance is 50% of the asset's depreciable basis for property placed in service after May 5, 2003. The 50% allowance is a provision of the Jobs and Growth Tax Relief Reconciliation Act of 2003.

Originally, the additional allowance was 30% of the asset's depreciable basis for property acquired after September 10, 2001 and placed in service before January 1, 2005 (or January 1, 2006 for certain property with longer production periods).

The Section 168 Allowance is an election made each year it is applicable. In Sage FAS, the election is made by choosing a depreciation method especially designed to calculate and claim the allowance. Therefore, you make the election when you save the asset using a "Plus 168" depreciation method.

To elect the 168 Allowance

1. In Detail View, select one of the following "Plus 168" depreciation methods:

Depreciation Method	Description
MA200	MACRS Formula 200 + 168
MA150	MACRS Formula 150 + 168
MA100	MACRS Formula 100 + 168
MR200	MACRS Indian Reservation 200 + 168
MR150	MACRS Indian Reservation 150 + 168
MR100	MACRS Indian Reservation 100 + 168
AA	ADS Straight-line MACRS + 168
SB	Straight-line Full-month + 168

2. After selecting the method, select 30, 50, or 100 in the 168 Allowance % field. The calculated amount of the allowance appears in the 168 Allowance field.

The additional allowance applies to qualifying assets, but you can elect out of the allowance for each class of assets (that is, 3-year, 5-year, 7-year, etc.) on a year-to-year basis.

Note You can select a 30%, 50%, or 100% allowance, depending on when the property was placed in service. You select the desired percentage in the 168 Allowance % field.

3. Click the Save button to save the asset.

Note You can also select the 168 Allowance for a group of assets by performing a 168 Allowance Switch. For more information, see .

Assets That Qualify for the 168 Allowance

The Job Creation and Worker Assistance Act of 2002 (JCWAA) allows you to take an additional 30% depreciation allowance in the year you place an asset in service. In 2003, the allowance was increased to 50% for assets placed in service after May 5, 2003.

The 2010 Tax Relief Act allows for a 168 Allowance of 100% for assets placed in service after September 8, 2010 and through December 31, 2011, (or December 31, 2012 for assets with longer production lives).

The 168 Allowance will still be available for qualified property placed in service in a special disaster zone through 2012 for personal property and through 2013 for real property, and for cellulosic biofuel plant property through 2012. Beginning in 2006, the 168 Allowance can also be taken for reuse and recycling property. Currently, there is no expiration of the 168 Allowance for reuse and recycling property.

To qualify for the 168 Allowance under JCWAA, an asset must be one of the following:

- MACRS property with a recovery period of 20 years or less

- Section 167(f)(1)(B) computer software

- Qualified leasehold improvements

- Water utility property, which has a 25-year recovery period

- Other property that is also qualified New York Liberty Zone property

In addition, qualifying property must meet certain other rules. It must be acquired after September 10, 2001 and placed in service before January 1, 2005 with no binding written contract for the acquisition in effect before September 11, 2001, or it must be acquired pursuant to a binding written contract that was entered into after September 10, 2001 and before January 1, 2005.

The asset must be placed in service before January 1, 2005, except for certain other property. Such property must be placed in service before January 1, 2006.

The original use of the property must commence with the taxpayer. Used property does not qualify; however, there are exceptions for New York Liberty Zone property.

Additional rules apply to property which the taxpayer self-constructed or sold and leased back. These are covered in IRS Code Section 168(k)(2)(D).

Note There are special 168 Allowance rules for property located in the New York Liberty Zone and the Gulf Opportunity Zone. For more information, see "New York Liberty Zone Property," page 8-52 and "Qualified Gulf Opportunity Zone Property," page 8-62.

In 2006 the Tax Relief and Reconciliation Act introduced a 168 Allowance of 50% that is available for qualified cellulosic biomass ethanol plant property.

Any of the following attributes disqualify the asset:

- The property is listed property that is used 50% or less for business purposes.

- The property is required to be depreciated under the Alternative Depreciation System (ADS).

- The property is New York Liberty Zone qualified leasehold improvement property. Such property is eligible for a 5-year life however.

Changing the Depreciation Method of a Single Asset

You can change an existing asset's depreciation method so that it receives the 168 Allowance, assuming the asset qualifies for the additional allowance. For information on which assets qualify for the additional allowance, see "Assets That Qualify for the 168 Allowance Switch," page 8-46.

Note You can also change the depreciation methods for a group of assets, so that they either take the additional depreciation allowance or elect out of the additional depreciation. For more information, see "Performing a 168 Allowance Switch," page 8-43.

The table below shows which depreciation method you would select to receive the 168 Allowance. For example, if a qualifying asset currently uses depreciation method MF200, you would change its depreciation method to MA200. The depreciation methods in the left column do not take the 168 Allowance. The depreciation methods in the right column do take the 168 Allowance.

Depr. Methods with No 168 Allowance		Depr. Methods with 168 Allowance	
MF200	MACRS formula 200	MA200	MACRS formula 200 + 168
MF150	MACRS formula 150	MA150	MACRS formula 150 + 168
MF100	MACRS formula 100	MA100	MACRS formula 100 + 168
MI200	MACRS Indian Reserv. 200	MR200	MACRS Indian Reserv. 200 + 168
MI150	MACRS Indian Reserv. 150	MR150	MACRS Indian Reserv. 150 + 168
MI100	MACRS Indian Reserv. 100	MR100	MACRS Indian Reserv. 100 + 168
AD	ADS Straight-line MACRS	AA	ADS Straight-line MACRS + 168
SF	Straight-line full-month	SB	Straight-line full-month + 168

Caution If you change an asset's depreciation method after you have calculated depreciation on it, the application displays two warning messages. **It is important to respond to these messages correctly.**

To change an asset's depreciation method

1. Select the asset whose depreciation method you want to change, and then go to Detail View.

2. Change the depreciation method for all federal tax books and any applicable state books. Check with each state's Department of Revenue to determine whether they have adopted the 168 Allowance before switching to one of the "Plus 168" depreciation methods.

    Note Do not change any information in the Internal book.

    The application displays a message warning you that changing the depreciation method affects the current depreciation amount and asking if you want to continue.

3. Click the **Yes** button. The application displays a message asking when you want to apply the change to the depreciation-critical field.

4. Click the Service Date option, and then click OK. The application clears all of the previously calculated depreciation amounts. This enables the application to correctly calculate the additional 168 Allowance.

5. Select 30, 50, or 100 in the 168 Allowance % field if you have selected a "Plus 168" depreciation method.

6. Click the Save button to save the asset.

Performing a 168 Allowance Switch

You can select a group of assets and change the depreciation method for the group so that the group will take the additional 30%, 50%, or 100% allowance. You can also change the group's depreciation methods so that the group does not take the additional allowance at all.

The application changes the depreciation method for only those assets that qualify for the switch. For more information, see "Assets That Qualify for the 168 Allowance Switch," page 8-46.

Before you use this feature, you should spend some time planning and creating your asset groups. Remember that you elect the 168 Allowance for entire classes of assets (3-year property, 5-year property, etc.). Your asset group could include multiple classes of property, as long as you include all of the qualifying assets for each class in the group. Also, make sure that groups for which you are applying the "Plus 168" depreciation methods consist of assets that are eligible for the additional depreciation.

You may also want to reset depreciation on your assets to the placed-in-service date before you use this feature, especially if your assets contain beginning depreciation amounts. If you want to retain the information in the beginning depreciation fields, then reset depreciation to the Beginning Date instead. For more information, see "Resetting Depreciation," page 8-9.

The application switches depreciation methods as outlined in the table in "Changing the Depreciation Method of a Single Asset," page 8-41. For example, suppose Asset A currently uses depreciation method MF200. You create a group of assets called "7-year MACRS Property" that includes Asset A. If you perform a 168 Allowance Switch on this group of assets, then Asset A will use depreciation method MA200.

The application changes depreciation methods as indicated in the table above. The application does not change the depreciation method of an asset that has a custom depreciation method.

Note If you switch an asset that uses a MACRS table depreciation method, the application applies a MACRS formula Plus 168 depreciation method. For example, the application switches an asset with an MT200 depreciation method to MA200. However, you cannot switch an asset back to a MACRS table method. For

example, the application switches an asset with an MA200 depreciation method to MF200, even if that asset once used depreciation method MT200. To change the depreciation method back to MT200, you must edit the Depreciation Method field in Detail View. For more information, see "Changing the Depreciation Method of a Single Asset," page 8-41.

To perform the 168 Allowance Switch

1. Create a group consisting of one or more classes of assets for which you want to change depreciation methods.

2. Select Depreciate/168 Allowance Switch from the menu bar. The 168 Allowance Switch screen appears.

3. Complete the 168 Allowance Switch screen, and then click the Execute button. For more information, see "Completing the 168 Allowance Switch Screen," page 8-45.

The application changes the depreciation methods for the selected group of assets that qualify for the change. The application also applies the 30%, 50%, or 100% allowance percentage if you elect to take the 168 Allowance. The application calculates depreciation through the current Through Date using the new depreciation methods. The application also recalculates any gain or loss on disposed assets.

Note The application changes depreciation methods for only those assets that qualify for the 168 Allowance Switch. For example, the application does not perform the switch on assets involved in a transfer. The application displays an error message if you attempt to switch an asset that has an incorrect estimated life or a business use percentage below 51%. However, the application does *not* display an error message if you attempt to switch an asset involved in a transfer.

Completing the 168 Allowance Switch Screen

Follow the guidelines provided below to complete the fields in the 168 Allowance Switch screen.

■ **Step 1: Select a Group**
Use this field to select the group of assets for which you want to make one of the following selections:

● Change the depreciation methods so that the assets take the 168 Allowance.

● Change the depreciation methods so that the assets do not take the 168 Allowance.

■ **Step 2: Select a Book**
Select the check box for each book for which you want to make the election.

Note If you select one federal tax book, you should select all federal tax books.

❑ **Select All/Deselect All Button**
Click this button either to select the check boxes for all available books or to clear the check boxes for all available books.

■ **Step 3: Enter a Fiscal Year End**
❑ **Assets Placed in Service Fiscal Year End**
Use this text box to enter the fiscal year-end for which you want to make the election. The application changes the depreciation methods only for valid assets that have been placed in service during the fiscal year that you enter.

■ **Step 4: Select a Method**
Select one of the following elections:

❑ **Take the 168 100% Allowance**
Click this option button if you want the selected group of assets to take the additional 100% depreciation allowance. The 100% allowance is available for assets placed in service after September 8, 2010 and through December 31, 2011 (or December 31, 2012 for assets with longer production lives).

❑ **Take the 168 50% Allowance**
Click this option button if you want the selected group of assets to take the additional 50% depreciation allowance.

❑ **Take the 168 30% Allowance**
Click this option button if you want the selected group of assets to take the additional 30% depreciation allowance.

❑ **Do Not Take the 168 Allowance**
Click this option button if you want the selected group of assets to not take the 168 Allowance.

■ **Execute Button**
Click this button to make the election for the selected group of assets.

Assets That Qualify for the 168 Allowance Switch

The 168 Allowance Switch feature changes an asset's depreciation method to (or from) the "Plus 168" depreciation methods. The application makes the change only for assets that meet the following criteria:

• Activity code is A (active) or D (disposed).

• The asset has not been involved in a transfer. For more information about transfers, see "Changing Depreciation Methods of Transferred Assets," page 8-47.

• Placed-in-service date is 09/11/01 to 12/31/09. (Restrictions based on property type and placed-in-service date apply.)

• Depreciation method is a MACRS method, SF (straight-line, full-month), or SB (straight-line, full-month plus 168 Allowance).

- Property type is P, A, T, Q, R, S, C, E, or F.

- Business use is 51% or greater.

For example, the application will change an active asset placed in service on 01/01/02 with the MF200 depreciation method to MA200 or vice versa.

The 2010 Tax Relief Act allows for a 168 Allowance of 100% for assets placed in service after September 8, 2010 and through December 31, 2011, (or December 31, 2012 for assets with longer production lives).

The 168 Allowance will still be available for qualified property placed in service in a special disaster zone through 2012 for personal property and through 2013 for real property, and for cellulosic biofuel plant property through 2012. Beginning in 2006, the 168 Allowance can also be taken for reuse and recycling property. Currently, there is no expiration of the 168 Allowance for reuse and recycling property.

Note The 168 Allowance generally applies to real property only if the asset is a leasehold improvement. If you want an asset with a property type of R, S, C, E, or F to take the 168 Allowance, make sure it is a qualifying leasehold improvement. The application cannot make this determination for you.

Changing Depreciation Methods of Transferred Assets

Follow the steps below to switch the depreciation method for a transferred asset.

Note For a transfer, you should not switch the depreciation method of the child asset, as this may cause problems with Current Year-to-Date values in the transfer year.

To change the depreciation method of transferred assets

1. Go to the Detail View of the transferred asset and print the transfer page to retain the transfer information. For more information, see "Printing Asset Pages," page 6-35.

2. Perform a Delete Last Transaction to "undo" the transfer. For more information, see "Deleting Asset Transactions," page 7-36.

3. Save the asset.

4. Perform a 168 Allowance Switch to change the depreciation method to a "Plus 168" depreciation method on the current asset. Select <Detailed Asset x> in the Group drop-down list box on the 168 Allowance Switch screen. For more information, see "Performing a 168 Allowance Switch," page 8-43.

5. After the asset is using a "Plus 168" depreciation method, then you can reenter the transfer information and complete the transaction.

Electing Out of the 168 Allowance

The 168 Allowance is taken by all qualifying assets, unless you elect out of the allowance. You can elect out of the allowance for each class of assets (that is, 3-year property, 5-year property, 7-year property, etc.) on a year-to-year basis.

To elect out of the allowance

1. Select one of the depreciation methods that does not include the additional allowance, such as MACRS formula (MF) or MACRS table (MT).

2. When you file the Form 4562, you must attach a statement indicating the class of property for which you are electing not to claim the additional depreciation allowance.

Including Section 168 Allowance and Section 179 in Depreciation Expense

The Section 168 Allowance and the Section 179 expense are basis deductions before MACRS depreciation is calculated. They are separately stated items in Detail View and on reports by default. However, you can choose whether to combine the Section 168 Allowance and Section 179 expense, when applicable, with MACRS depreciation expense on reports.

You indicate your selection in the Edit Company screen. If you decide to include these amounts in depreciation expense on reports, the application includes the Section 168 Allowance and Section 179 expense in the following columns:

- Prior Accumulated Depreciation

- Depreciation This Run

- Current Year to Date

- Current Accumulated Depreciation

Generally, the entire Section 168 Allowance and Section 179 expense are claimed in the placed-in-service month. After the placed-in-service year, the amounts become part of the Prior Accumulated Depreciation. Neither the Section 168 Allowance nor the Section 179 expense is prorated for a short year or affected by the asset's averaging convention.

Note The Section 168 Allowance is claimed in the placed-in-service month when an asset is first entered. However, if an asset is subsequently transferred in the placed-in-service year, the 168 Allowance must be prorated between the original asset and the transferred asset.

Although you can include the Section 168 Allowance and Section 179 expense in depreciation amounts for reporting, the application does not include them when displaying the Current Year-to-Date field and Current Accumulation field in Detail View. Both the Section 168 Allowance and Section 179 expense are separately stated in Detail View because special rules and limitations apply to these values. To view a breakdown of all the components of Tax Expense, including the Section 179 expense

and Section 168 Allowance, you can run the Tax Expense Report from the Reports menu.

Also, please note that the application always reduces the asset's acquired value by the Section 168 Allowance and Section 179 expense, if applicable, when calculating and displaying the asset's depreciable basis. Thus, if you choose to include the Section 168 Allowance and Section 179 in expense, then the total accumulated depreciation at the end of the asset's life will be greater than the depreciable basis by the amount of the Section 168 Allowance and the Section 179 expense.

The decision whether to include the Section 168 Allowance and Section 179 in depreciation expense applies to all of the assets in a company.

To include the Section 168 Allowance and Section 179 in depreciation expense

1. Select File/Edit Company from the menu bar. The Edit Company screen appears.

Edit Company

Company Name	Westfields Bakery - Demo		
Identifying Number (EIN)	52-1234567	**Business Start Date**	07/1968
Starting system number	000001	**Round reports to whole dollars?**	No
Include Sec 168 Allow & Sec 179 in expense?	Yes	**Transfer By**	Location

Book Defaults | Short Years | Book Overrides

	Tax	Internal	State	AMT	ACE	Book 6	Book 7
Open Book?	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Book Title	Tax	Internal	State	AMT	ACE	Book 6	Book 7
FY End	December	December	December	December	December	December	December
Emulate Book	N/A	None	N/A	N/A	ACE:Post-1993	None	None
Default Method	N/A	SF	N/A	N/A	N/A	SL	SL
Allow Prior Depr?	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Database : <DEFAULT>

OK | Cancel | Copy Setup... | Help

2. Select Yes in the Include Section 168 Allowance and Section 179 in Expense field.

The application displays a warning that changing the entry in this field will change the depreciation values on reports.

3. Click the Yes button to continue.

4. Click OK to close the Edit Company screen.

Example:

You acquire office equipment that costs $10,000 and has an estimated life of 5 years. You place it in service on January 1, 2002 and claim $2,000 of Section 179 expense. A Section 168 Allowance of $2,400 (30% of $8,000) is calculated when you use depreciation method MA200.

If you do *not* include the Section 168 Allowance and Section 179 expense in depreciation expense, the application calculates the following amounts when you run the Depreciation Expense report for December 31, 2002 (assuming you calculate depreciation monthly):

Report Column	Amount	Calculation
Depreciable Basis	$5,600.00	$10,000 – 2,000 – (8,000 x .30)
Prior Accumulated Depr.	$ 0.00	
Depreciation This Run	$ 93.33	$1,120/12 (1 month of depreciation)
Current Year to Date	$1,120.00	($5,600/5 years x 200%) x ½ (half-year convention)
Current Accumulated Depr.	$1,120.00	

If you include the Section 168 Allowance and Section 179 expense in depreciation expense, the application calculates the following amounts when you run the Depreciation Expense report for December 31, 2002 (assuming you calculate depreciation monthly):

Report Column	Amount	Calculation
Depreciable Basis	$5,600.00	$10,000 – 2,000 – (8,000 x .30)
Prior Accumulated Depr.	$ 0.00	
Depreciation This Run	$ 93.33	$1,120/12 (1 month of depreciation)
Current Year to Date	$5,520.00	($1,120 (regular depr.) + $2,000 (Sec. 179) + $2,400 (Sec. 168 Allowance)
Current Accumulated Depr.	$5,520.00	$1,120 + $2,000 +$2,400

At the end of the asset's life, the Current Accumulated Depreciation will be $10,000, but the asset's Depreciable Basis is

only $5,600. The difference of $4,400 is equal to the $2,000 of Section 179 expense and $2,400 of the Section 168 Allowance.

New York Liberty Zone Property

The Job Creation and Worker Assistance Act of 2002 created additional tax incentives for taxpayers located in a New York Liberty Zone. In general, the provisions of the JCWAA that apply to the New York Liberty Zone allow the taxpayers additional time to claim incentives and also include:

- Expansion of the 168 Allowance to additional types of property

- Decrease in depreciable life for leasehold improvements

- Increase in the Section 179 deduction

- The 30% allowance is available for New York Liberty Zone property placed in service after September 10, 2001 and before January 1, 2007. It is available for residential rental property and non-residential real property placed in service before January 1, 2010. *

  * The availability of the 30% 168 Allowance for residential rental and non-residential real property in the New York Liberty Zone was set to expire on 12/31/2009; however, it is expected that these provisions will be extended. Please check with your tax advisor for updated information.

Note The 168 Allowance is deductible for both regular tax and AMT purposes.

Qualifying NY Liberty Zone property is one of the following:

- MACRS property with a recovery period of 20 years or less

- Water utility property, with a 25-year recovery period

- Section 167(f)(1)(B) computer software

- Residential rental and non-residential real property, to the extent that it rehabilitates real property damaged, or replaces real property destroyed or condemned, as a result of the September 11, 2001 terrorist attack.

NY Liberty Zone property must also meet the following tests:

- Property must be acquired after September 10, 2001.

- If property is acquired after September 10, 2001 and before January 1, 2005, it must be "used" property. If acquired after January 1, 2005, it can be either new or used property.

- Property must be placed into service before January 1, 2007 (January 1, 2010 for residential rental and non-residential real property).

- Substantially all property must be in use in the NY Liberty Zone, and used in the active conduct of a trade or business in the NY Liberty Zone.

- The original use of the property in the NY Liberty Zone must have begun after September 10, 2001. Used property qualifies if it has not previously been used within the NY Liberty Zone.

The following property does **not** qualify as NY Liberty Zone property:

- Property to which Section 168 Allowance applies (that is, property that qualifies for the additional 30%, 50%, or 100% depreciation allowance)

- Listed property that is used 50% or less for business purposes

- Property that is required to be depreciated under the Alternative Depreciation System (ADS)

- Qualified NY Liberty Zone Leasehold Improvement property

New York Liberty Zone Definition

The New York Liberty Zone is the area located on or south of Canal Street, East Broadway (east of its intersection with Canal Street), or Grand Street (east of its intersection with East Broadway) in the Borough of Manhattan in the City of New York, New York.

Entering New York Liberty Zone Property

You enter New York Liberty Zone property in the application the same way you enter any other asset. There is no special field that designates an asset as New York Liberty Zone property.

You can identify the asset as New York Liberty Zone property in the Description field or in one of the User fields if desired.

The following rules apply to New York Liberty Zone property:

Personal Property

You can select a "Plus 168" depreciation method if the placed-in-service date is after September 10, 2001 and before January 1, 2007. (If the placed-in-service date is after December 31, 2004, the application reminds you that a "Plus 168" depreciation method is allowed only for New York Liberty Zone property or certain property having longer production periods.)

Note The 30% allowance is available for New York Liberty Zone property placed in service after September 10, 2001 and before January 1, 2007. It is available for residential rental property and non-residential real property placed in service before January 1, 2010.

The availability of the 30% 168 Allowance for residential rental and non-residential real property in the New York Liberty Zone was set to expire on 12/31/2009; however, it is expected that these provisions will be extended. Please check with your tax advisor for updated information.

Non-Residential Real and Residential Rental Property

The "Plus 168" depreciation methods are also available for non-residential real property and residential rental property in the Liberty Zone if it "rehabilitates real property damaged, or replaces real property destroyed or condemned, as a result of the September 11, 2001 terrorist attack" and is placed in service by December 31, 2009. You can select a "Plus 168" depreciation method when the placed-in-service date is after September 10, 2001 and before January 1, 2010 and the property type is R, S, C, E, or F.

Leasehold Improvements

You can enter qualified leasehold improvements with a 5-year estimated life (GDS life) and a 9-year ADS life. Select a real property type (R, S, C, E, or F) and the MF100 depreciation method to enter a leasehold improvement. (New York Liberty Zone leasehold improvements do not qualify for the 168 Allowance.) The application reminds you that a 5-year estimated life is available only for leasehold property located in the New York Liberty Zone.

Section 179 Limits for New York Liberty Zone Property

The Job Creation and Worker Assistance Act of 2002 changed both the dollar limit and the investment limit for Section 179 property located in the New York Liberty Zone.

Dollar Limit

The yearly Section 179 limits increase for New York Liberty Zone property. The new limitations treat New York Liberty Zone property in a similar manner to Enterprise Zone property, which has had increased limits since 1993. For more information, see "Section 179 Limits for Enterprise Zone Property," page 8-61.

The table below shows the standard Section 179 limits, as well as the increased limits for New York Liberty Zone (NYLZ) property.

Year	Sec. I79 Base Limit	Increased Limit for NYLZ Property
2000	20,000	20,000 + 35,000 = 55,000 *
2001	24,000	24,000 + 35,000 = 59,000 *
2002	24,000	24,000 + 35,000 = 59,000
2003	100,000	100,000 + 35,000 = 135,000
2004	102,000	102,000 + 35,000 = 137,000
2005	105,000	105,000 + 35,000 = 140,000
2006	108,000	108,000 + 35,000 = 143,000 **
2007 and thereafter	--	Not applicable ***

* The increased limit applies only to property placed in service after September 10, 2001 for taxable years beginning in this year.

** Qualified property must be placed in service by December 31, 2006. **NOTE:** The December 31, 2006 end date is valid for calendar and fiscal year filers.

*** The increased limit for New York Liberty Zone property is not available for property placed in service after 2006. The normal Section 179 limits apply. For more information, see the table on .

The increase in the Section 179 limit is the lesser of $35,000 or the cost of the Section 179 property located in the New York Liberty Zone. The IRS publication "Supplement to Publication 946" provides the following two examples:

Example 1:
In 2002, you place in service a fixed asset located in the New York Liberty Zone with an acquired value of $25,000. The cost is less than $35,000; therefore, the limit on the Section 179 deduction increases to $49,000 ($24,000 + $25,000).

Example 2:
In 2002, you place in service a fixed asset located in the New York Liberty Zone with an acquired value of $75,000. The cost is greater than $35,000; therefore, the limit on the Section 179 deduction increases to $59,000 ($24,000 + $35,000).

Investment Limit

Special rules also exist for New York Liberty Zone property when calculating the investment limit.

For property NOT in the New York Liberty Zone, the allowable amount deducted under Section 179 is reduced by one dollar for every dollar of investment over the threshold amount for property qualifying for Section 179 and placed in service in the same taxable year. For information about the threshold amounts for each taxable year, see "Threshold Amounts," page 6-13.

For example, a business places in service qualifying property costing $222,000 in 2002 when the maximum dollar limit is $24,000. Assuming the property is not located in the New York Liberty Zone, only $2,000 of Section 179 expense deduction is allowed for that year due to the investment limit ($24,000 - $22,000).

For New York Liberty Zone property, as well as Enterprise Zone property, you consider only 50% of the cost of the property placed in service in the tax year. The IRS "Supplement to Publication 946" provides the following example:

In 2002, you place in service fixed assets with combined acquired values of $460,000 within the New York Liberty Zone. The maximum dollar limit increases to $59,000 ($35,000 + $24,000). Fifty percent of the cost of the property ($230,000) is $30,000 over $200,000; therefore, the investment limit is reduced to $29,000 ($59,000 - $30,000).

Overriding Section 179 Limits on the Form 4562

The Job Creation and Worker Assistance Act of 2002 changed the dollar limit for Section 179 property located in the New York Liberty Zone. The investment limit was changed by the Jobs and Growth Tax Relief Reconciliation Act of 2003. You must enter the increased limits when you print the Form 4562 - Depreciation and Amortization.

To enter the new limits for Liberty Zone on the Form 4562

1. Select Reports/Tax Forms and Worksheets/4562 - Depreciation and Amortization from the menu bar. The Form 4562 Report Definition screen appears.

2. Select a group of assets in the Group field.

3. Enter the beginning date of the fiscal year for which you are running the report.

4. Click the Additional Information button. The Parts I, II, and IV Additional Information screen appears.

5. In the Override: Section 179 Maximum Amount field, enter the increased dollar limit for the year. The application prints the entered amount on Part I, Line 1 of the Form 4562.

6. In the Override: Total Cost of Section 179 Property field, enter the total cost of qualifying Section 179 property placed in service in the tax year. The application prints the entered amount on Part I, Line 2 of the Form 4562.

Note In general, if you enter an amount in the Override: Section 179 Maximum Amount field, you should also enter an amount in the Override: Total Cost of Section 179 Property field.

7. In the Override: Threshold Cost of Section 179 Property field, enter the total cost of property allowed before the Section 179 phaseout begins. The application prints the amount on Part I, Line 3 of the Form 4562.

8. Complete the remaining fields in the Parts I, II, and IV
    Additional Information screen, and then click OK. The
    application returns to the Form 4562 Report Definition
    screen.

9. Complete the Form 4562 Report Definition screen, and then
    click the Execute button. The Form 4562 - Depreciation and
    Amortization report appears in the report viewer.

Completing the Parts I, II, and IV Additional Information Screen

Follow the guidelines provided below to complete the fields on
the Parts I, II, and IV Additional Information screen.

Part I

■ **Override: Section 179 Maximum Amount**
Use this field to enter the increased dollar limit for property in
the New York Liberty Zone or Enterprise Zone. The
application prints the entered amount on Part I, Line 1 of the
form 4562.

Note Do not use this override field for assets located in the
Gulf Opportunity Zone. Instead, use the Section 179/Bonus
field in Detail View to indicate the assets are located in the
Gulf Opportunity Zone.

■ **Override: Total Cost of Section 179 Property**
Enter the total cost of qualifying Section 179 property placed in service in the tax year. The application prints the entered amount on Part I, Line 2 of the Form 4562.

> **Note** In general, if you enter an amount in one of the two override fields above, you should enter an amount in both override fields.

■ **Override: Threshold Cost of Section 179 Property**
When the state threshold amount differs from the federal threshold amount, enter the total cost of property allowed before the Section 179 phaseout begins. The application prints the entered amount on Part I, Line 3 of the Form 4562.

■ **Section 179 Deduction Limited by Taxable Income**
Click this check box if the company's Section 179 expense deduction is limited by taxable income under Code Section 179(b)(3).

■ **Aggregate Net Income Before Section 179 Deduction**
Use this field to enter the company's taxable income before subtracting any Section 179 expense.

■ **Carryforward of Disallowed 179 From Prior Years**
Use this field to enter the amount of Section 179 expense, if any, elected to be expensed in previous years but not allowed as a deduction due to the taxable income limitation.

Part II

■ **Section 168(f)(1) Amount - Units of Production**
Use this field to enter the depreciation deduction for property the company has elected to depreciate by the units-of-production method or other method as allowed under Code Section 168(f)(1).

■ **Other Depreciation**
Use this field to enter the current year depreciation for assets that you do not amortize, expense, or depreciate under MACRS and that are not maintained in the application.

Part IV

■ **Section 263A Amount - Capitalized Inventory Cost**
Use this field to enter the increase in basis from costs that you are required to capitalize under the uniform capitalization rules of Code Section 263A. For more information, see IRS Regulation 1.263A-1.

Section 179 Limits for Enterprise Zone Property

Since 1993, the amount of allowable Section 179 expense deduction has been increased for qualifying property by an "enterprise zone business" (as defined in IRS Code Sec. 137B).

Dollar Limit

The table below shows the standard Section 179 limits, as well as the increased limits for Enterprise Zone property.

Year	Sec. l79 Base Limit	Increased Limit for Enterprise Zones
1993 - 1996	17,500	17,500 + 20,000 = 37,500
1997	18,000	18,000 + 20,000 = 38,000
1998	18,500	18,500 + 20,000 = 38,500
1999	19,000	19,000 + 20,000 = 39,000
2000	20,000	20,000 + 20,000 = 40,000
2001	24,000	24,000 + 20,000 = 44,000
2002	24,000	24,000 + 35,000 = 59,000
2003	100,000	100,000 + 35,000 = 135,000
2004	102,000	102,000 + 35,000 = 137,000
2005	105,000	105,000 + 35,000 = 140,000
2006	108,000	108,000 + 35,000 = 143,000
2007	125,000	125,000 + 35,000 = 160,000
2008	250,000	250,000 + 35,000 = 285,000
2009	250,000	250,000 + 35,000 = 285,000
2010	500,000	500,000 + 35,000 = 535,000
2011	500,000	500,000 + 35,000 = 535,000

Year	Sec. 179 Base Limit	Increased Limit for Enterprise Zones
2012	125,000	N/A
2013 and thereafter	25,000	N/A

Investment Limit

For property NOT qualifying as Enterprise Zone property, the allowable amount deducted under Section 179 is reduced by one dollar for every dollar of investment over the threshold amount for property qualifying for Section 179 and placed in service in the same taxable year. For information about the threshold amounts for each taxable year, see "Threshold Amounts," page 6-13.

For property that DOES qualify as Enterprise Zone property, you consider only 50% of the cost of the property placed in service in the tax year.

Example:
You place $900,000 of Section 179 property that is qualified zone property in service during 2006. Because the property is qualified zone property, only $450,000 (50% of $900,000) is used to calculate the investment limit. Because $450,000 is $20,000 more than the beginning-of-phase-out amount for tax years beginning in 2006 of $430,000, the amount allowed to be expensed for 2006 is $123,000 ($108,000 + $35,000 [additional section 179 expense deduction allowed for Enterprise Zone property] - $20,000).

Qualified Gulf Opportunity Zone Property

In order for property to be qualified Gulf Opportunity Zone (GO Zone) property, it must meet all of the following requirements:

1. The property must be MACRS property that meets one of the following criteria:

    *   Has a recovery period of 20 years or less

    *   Is computer software not covered under Section 197

    *   Is water utility property

- Is qualified leasehold improvement property

- Is nonresidential real property or residential rental property.

2. Substantially all of the use of such property must be in the Gulf Opportunity Zone and in the active conduct of a trade or business by the taxpayer in such Zone.

3. The original use of the property in the Gulf Opportunity Zone must commence with the taxpayer on or after August 28, 2005.

4. The property must be acquired by purchase on or after August 28, 2005, and placed in service on or before March 31, 2011. For qualifying nonresidential real property and residential rental property, the property must be placed in service on or before December 31, 2010.

Note Recent legislation extends the deadline for nonresidential real property and residential rental property to December 31, 2010 if the property is located in a county or parish within the GO Zone where more than 60% of the housing units were destroyed by any hurricanes during 2005.

Gulf Opportunity Zone Definition

The Gulf Opportunity Zone refers to the areas of Alabama, Florida, Louisiana, and Mississippi that were damaged by hurricanes Katrina, Rita, and Wilma in 2005.

Section 179 Limits for Qualified Gulf Opportunity Zone Property

The Gulf Opportunity Zone Act of 2005 provides for increased Section 179 limits for assets placed in service in the Gulf Opportunity Zone.

Dollar Limit

The table below shows the standard Section 179 limits, as well as the increased limits for Golf Opportunity Zone (GO Zone) property.

Year	Sec. I79 Base Limit	Increased Limit for GO Zone Property
2005	105,000	105,000 + (cost of GO Zone property, limited to $100,000) *
2006	108,000	108,000 + (cost of GO Zone property, limited to $100,000)
2007	125,000	125,000 + (cost of GO Zone property, limited to $100,000)
2008	250,000	250,000 + (cost of GO Zone property, limited to $100,000) **

* Qualified property must be placed in service on or after August 28, 2005.

** Qualified property must be placed in service by December 31, 2008.

To claim the higher Section 179 dollar limit

1. Click in the Section 179/Bonus field in Detail View.

2. Select the down arrow to the right of the Section 179/Bonus field. The §179/Bonus Details screen appears. See "Completing the §179/Bonus Details Screen," page 6-24.

§179/Bonus Details [Tax]

Enter the amount of §179 deductions you are claiming for this asset. Select a zone type only if the asset is located in a special zone that qualifies for increased expensing.

Regular §179

☑ **Qualified §179 Property**   What is qualified §179 property?

Classification: Qualified leasehold improvement ▼

Zone Type: X - Not Applicable ▼

§179 Amount: $0.00

Pre-ACRS Bonus: $0.00

Other §179 Deductions

§179/Other Code: N ▼

Codes:
B - EPA Sulfur Control Requirements
C - Qualified Refineries
D - Energy Efficient Commercial Buildings
E - Advanced Mine Safety Equipment
O - Other Asset Basis Reduction
N - Not Applicable

§179/Other Amount: $0.00

Total §179/Bonus: $0.00

OK   Cancel   Help

3. Select the Qualified §179 Property check box.

4. Click the down arrow to the right of the Zone Type field, and select G - Gulf Opportunity Zone from the drop-down list.

5. Enter the desired amount of Section 179 expense for the asset in the §179 Amount field.

6. Click OK to close the screen.

Threshold Amount

When you have property located in the Gulf Opportunity Zone, the Section 179 threshold amount is increased by the lesser of:

• $600,000 or

• the cost of the qualified Section 179 Gulf Opportunity Zone property placed in service during the taxable year.

For information about the threshold amounts for each taxable year, see "Threshold Amounts," page 6-13.

The application calculates the threshold amount for you when you indicate which assets are located in the Gulf Opportunity Zone. You do this by selecting the Qualified §179 Property check box, and then selecting G - Gulf Opportunity Zone from the drop-down list in the §179/Bonus Details screen for each asset located in the GO Zone. See "Completing the §179/Bonus Details Screen," page 6-24.

Here are two examples:

Example 1:
In a tax year beginning in 2006, you place in service qualified section 179 GO Zone property with a cost of $800,000. You may take an expense deduction of $208,000 for the tax year ($108,000 regular maximum deduction plus $100,000, which is the lesser of $100,000 or the cost of qualified section 179 GO Zone property placed in service during the tax year). The $208,000 of cost is not subject to depreciation. The remaining $592,000 of cost is subject to depreciation.

Example 2:
In a tax year beginning in 2006, you place in service qualified section 179 GO Zone property with cost of $1,100,000. You may take an expense deduction of $138,000 for 2006:

	$108,000	Regular maximum deduction for 2006
+	$100,000	Lesser of $100,000 or the cost of qualified section 179 GO Zone property placed in service during 2006
-	$ 70,000	The amount by which $1,100,000 exceeds $1,030,000 ($430,000 beginning-of-phaseout amount for 2006 + $600,000)

The $138,000 of cost is not subject to depreciation. The remaining $962,000 of cost is subject to depreciation.

Qualified Recovery Assistance Property (Kansas Disaster Zone)

The Heartland, Habitat, Harvest, and Horticulture Act of 2008 - Title XV of the Food, Conservation, and Energy Act of 2008 (The 2008 Farm Act) replaces the term *qualified Gulf Opportunity Zone*

property with the term *qualified Recovery Assistance property (Kansas Disaster Zone property)*.

In order for property to be qualified Recovery Assistance property, it must meet all of the following requirements:

1. The property must be MACRS property that meets one of the following criteria:

    *   Has a recovery period of 20 years or less

    *   Is computer software not covered under Section 197

    *   Is water utility property

    *   Is qualified leasehold improvement property

    *   Is nonresidential real property or residential rental property.

2. Substantially all of the use of such property must be in the Kansas disaster zone and in the active conduct of a trade or business by the taxpayer in such zone.

3. The original use of the property in the Kansas disaster zone must begin with the taxpayer after May 4, 2007.

4. The property must be acquired by purchase after May 4, 2007, and placed in service on or before December 31, 2008. For qualifying nonresidential real property and residential rental property, the property must be placed in service on or before December 31, 2009.

Kansas Disaster Zone Definition

The Kansas Disaster Zone refers to the following 24 counties located in Kansas that were damaged by severe storms and tornados beginning on May 4, 2007: Barton, Clay, Cloud, Comanche, Dickinson, Edwards, Ellsworth, Kiowa, Leavenworth, Lyon, McPherson, Osage, Osborne, Ottawa, Phillips, Pottawatomie, Pratt, Reno, Rice, Riley, Saline, Shawnee, Smith, and Stafford.

Section 179 Limits for Kansas Disaster Zone Property

The 2008 Farm Act provides for increased Section 179 limits for assets located in the Kansas Disaster Zone.

Dollar Limit

The table below shows the standard Section 179 limits, as well as the increased limits for Kansas Disaster Zone (KD Zone) property.

Year	Sec. 179 Base Limit	Increased Limit for KD Zone Property
2007	125,000	125,000 + (cost of KD Zone property, limited to $100,000) *
2008	250,000	250,000 + (cost of KD Zone property, limited to $100,000) **

* Qualified property must be placed in service after May 4, 2007.

** Qualified property must be placed in service by December 31, 2008.

To claim the higher Section 179 dollar limit

1. Click in the Section 179/Bonus field in Detail View.

2. Click on the down arrow to the right of the Section 179/ Bonus field. The §179/Bonus Details screen appears. See "Completing the §179/Bonus Details Screen," page 6-24.

3. Select the Qualified §179 Property check box.

4. Click on the down arrow to the right of the Zone Type field, and select code K - Kansas Disaster Zone in the drop-down list.

5. Enter the desired amount of Section 179 expense for the asset in the §179 Amount field.

6. Click OK to close the screen.

Threshold Amount

When you have property located in the Kansas Disaster Zone, the Section 179 threshold amount is increased by the lesser of:

• $600,000, or

• The cost of the qualified Section 179 Kansas Disaster Zone property placed in service during the tax year.

The application calculates the threshold amount for you when you indicate which assets are located in the Kansas Disaster Zone. You do this by selecting the Qualified §179 Property check box and selecting code K - Kansas Disaster Zone from the drop-down list in the §179/Bonus Details screen for each asset located in the Kansas Disaster Zone.

Here are two examples:

Example 1:
In the tax year beginning in 2008, you place in service qualified section 179 Kansas Disaster Zone property with a cost of $1,200,000. You may take an expense deduction of $350,000 for the tax year ($250,000 regular maximum deduction plus $100,000, which is the lesser of $100,000 or the cost of qualified section 179 Kansas Disaster Zone property placed in service during the tax year). The $350,000 of cost is not subject to depreciation. The remaining $850,000 of cost is subject to depreciation.

Example 2:
In the tax year beginning in 2008, you place in service qualified section 179 Kansas Disaster Zone property with a cost of $1,450,000. You may take an expense deduction of $300,000 for 2008:

	$250,000	Regular maximum deduction for 2008
+	$100,000	Lesser of $100,000 or the cost of qualified section 179 Kansas Disaster Zone property placed in service during 2008
-	$ 50,000	The amount by which $1,450,000 exceeds $1,400,000 ($800,000 beginning-of-phaseout amount for 2008 + $600,000)

The $300,000 of cost is not subject to depreciation. The remaining $1,150,000 of cost is subject to depreciation.

Qualified Disaster Assistance Property

In order for property to be qualified Disaster Assistance property, it must meet all of the following requirements:

1. The property must be MACRS property that meets one of the following criteria:

   - Has a recovery period of 20 years or less

   - Is computer software not covered under Section 197

   - Is water utility property

   - Is qualified leasehold improvement property

   - Is nonresidential real property or residential rental property.

2. Substantially all of the use of such property must be in a disaster area with respect to a federally declared disaster occurring between January 1, 2008 and December 31, 2009, and in the active conduct of a trade or business by the taxpayer in such area.

3. The property must rehabilitate property damaged, or replace property destroyed or condemned, as a result of the federally declared disaster.

4. The original use of the property in the disaster area must begin with the taxpayer on or after the applicable disaster date.

5. The property must be acquired by purchase on or after the applicable disaster date, and placed in service by the end of the third calendar year following the applicable disaster date. For qualifying nonresidential real property and residential rental property, the property must be placed in service by the end of the fourth calendar year following the applicable disaster date.

Qualified Disaster Zone Definition

The Emergency Economic Stabilization Act of 2008 defines qualified disaster zone as any disaster area, in which the property

is located, determined by the President to warrant federal assistance under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

Note The term qualified disaster zone only applies to disasters declared after December 31, 2007 and occurring before January 1, 2010.

Section 179 Limits for Qualified Disaster Zone Property

The Emergency Economic Stabilization Act of 2008 provides for increased Section 179 limits for assets located in the Qualified Disaster Zone.

Dollar Limit

The table below shows the standard Section 179 limits, as well as the increased limits for Qualified Disaster Zone (QDZ) property.

Year	Sec. I79 Base Limit	Increased Limit for QDZ Property
2008	250,000	250,000 + (cost of QDZ property, limited to $100,000) = $350,000
2009	250,000	250,000 + (cost of QDZ property, limited to $100,000) = $350,000
2010	500,000	500,000 + (cost of QDZ property, limited to $100,000) = $600,000
2011	500,000	500,000 + (cost of QDZ property, limited to $100,000) = $600,000
2012	125,000	125,000 + (cost of QDZ property, limited to $100,000) = $225,000

To claim the higher Section 179 dollar limit

1. Click in the Section 179/Bonus field in Detail View.

2. Click on the down arrow to the right of the Section 179/ Bonus field. The §179/Bonus Details screen appears. See "Completing the §179/Bonus Details Screen," page 6-24.

3. Select the Qualified §179 Property check box.

4. Click on the down arrow to the right of the Zone Type field, and select code D-Qualified Disaster Zone in the drop-down list.

5. Enter the desired amount of Section 179 expense for the asset in the §179 Amount field.

6. Click OK to close the screen.

Threshold Amount

When you have property located in the Qualified Disaster Zone, the Section 179 threshold amount is increased by the lesser of:

- $600,000, or

- The cost of the qualified Section 179 Disaster Zone property placed in service during the year.

The application calculates the threshold amount for you when you indicate which assets are located in the Qualified Disaster Zone. You do this by selecting the Qualified §179 Property check box, and selecting Code D - Qualified Disaster Zone from the drop-down list in the §179/Bonus Details screen for each asset located in the Qualified Disaster Zone.

Here are two examples:

Example 1:
In the tax year beginning in 2008, you place in service qualified section 179 Disaster Zone property with a cost of $1,200,000. You may take an expense deduction of $350,000 for the tax year ($250,000 regular maximum deduction plus $100,000, which is the lesser of $100,000 or the cost of qualified section 179 Disaster Zone property placed in service during the tax year). The $350,000 of cost is not subject to depreciation. The remaining $850,000 of cost is subject to depreciation.

Example 2:

In the tax year beginning in 2008, you place in service qualified section 179 Disaster Zone property with a cost of $1,450,000. You may take an expense deduction of $300,000 for 2008:

	$250,000	Regular maximum deduction for 2008
+	$100,000	Lesser of $100,000 or the cost of qualified section 179 Disaster Zone property placed in service during 2008
-	$ 50,000	The amount by which $1,450,000 exceeds $1,400,000 ($800,000 beginning-of-phaseout amount for 2008 + $600,000)

The $300,000 of cost is not subject to depreciation. The remaining $1,150,000 of cost is subject to depreciation.

Reviewing Assets for Tax Compliance

Sometimes the IRS issues regulations that affect assets that you have already entered in the application. These regulations may require that you change some of the asset information so that your assets comply with the regulations.

For example, in 2003 the IRS issued a regulation that prohibits an asset using a "Plus 168" depreciation method from being disposed in its placed-in-service year. The 168 Allowance is available for assets placed in service after September 10, 2001. If you disposed an asset using a "Plus 168" depreciation method in its placed-in-service year, you may need to change its depreciation method.

You can use the Audit Advisor feature to locate assets that may not be in compliance with IRS regulations. For information about the types of potential problems that the Audit Advisor looks for, see "Audit Advisor Validations," page 8-75.

Note The Audit Advisor helps you locate assets that may not be in compliance with IRS regulations. Running the Audit Advisor does not change any of your asset data. It is up to you to decide whether to change the information for your assets.

To review assets for tax compliance

1. Select Depreciation/Audit Advisor from the menu bar. The Audit Advisor screen appears.

2. Complete the Audit Advisor screen, and then click the Run Review button. The application reviews the assets in the selected book for the selected fiscal year, and it displays the results on your computer's screen.

    The application also creates groups of assets that may not comply with IRS regulations so that you can review the assets more easily. The report indicates the names of the groups that the application creates.

Completing the Audit Advisor Screen

Follow the guidelines below to complete the fields on the Audit Advisor screen.

■ **Step 1: Select a Book**
   Use this field to select the book containing the assets that you want the Audit Advisor to check for compliance with tax regulations. You can select only one book at a time.

■ **Step 2: Enter a Fiscal Year End**
   Use this field to enter a fiscal year end-date. The Audit Advisor will review only the assets that were placed in service

in the selected fiscal year. You can enter the date in either MMYY or MMDDYYYY format.

Note The date that you enter must be in 2001 or later.

■ **Run Review Button**
Click this button to begin the review process. The application reviews the assets in the selected book for the selected fiscal year, and it displays the results on your computer's screen.

The application also creates groups of assets that may not comply with IRS regulations so that you can review the assets more easily. The report indicates the names of the groups that the application creates.

For information about the types of potential problems that the Audit Advisor looks for, see "Audit Advisor Validations," page 8-75.

Audit Advisor Validations

The Audit Advisor reviews your assets to help you determine if they comply with the following IRS regulations:

- **168 Allowance Disposals in the Placed-in-Service Year**
  You cannot dispose an asset using a "Plus 168" depreciation method in its placed-in-service year. For more information, see "168 Allowance Disposals in the Placed-in-Service Year," page 8-77.

- **168 Allowance Transfers in the Placed-in-Service Year**
  IRS regulations require that the 168 Allowance be allocated between the parent and child assets when the asset is transferred in its placed-in-service year for tax years ending after September 7, 2003. For more information, see "168 Allowance Transfers in Placed-in-Service Year," page 8-78.

- **MACRS Methods**
  Generally, all assets placed in service after 12/31/1986 must use a MACRS (Modified Accelerated Cost Recovery System) depreciation method. For more information, see "MACRS Methods," page 8-80.

- **Light Trucks and Vans**
  IRS regulations allow depreciation limits for light trucks and vans that are greater than the limits on luxury automobiles. For more information, see "Light Trucks and Vans," page 8-81.

- **Section 179 Dollar Limit**
  IRS regulations limit the total amount of Section 179 that you can take on assets placed in service in a taxable year. For more information, see "Section 179 Dollar Limit," page 8-81.

- **Section 179 Disposals in the Placed-in-Service Year**
  IRS regulations prohibit you from claiming a Section 179 deduction on an asset that was disposed in its placed-in-service year. For more information, see "Section 179 Disposals in the Placed-in-Service Year," page 8-84.

- **Section 179 Sport Utility Vehicle Dollar Limit**
  The Section 179 expense deduction is limited to $25,000 for Sport Utility Vehicles placed in service after October 22, 2004. For more information, see "Section 179 Sport Utility Vehicle Dollar Limit," page 8-85.

- **Leasehold Improvements and Qualified Restaurant Property**
  Leasehold improvements and qualified restaurant property placed in service after October 22, 2004 and before January 1, 2012 must be depreciated using a 15-year estimated life (or 9 years for Indian Reservation property). For more information, see "Leasehold Improvements and Qualified Restaurant Property," page 8-86.

- **MACRS Depreciation Election**
  Certain MACRS depreciation elections must be made on a class-by-class basis. For more information, see "MACRS Depreciation Election," page 8-87.

- **Assets with Beginning Information**
  Entering data in the beginning information fields overrides the application's depreciation calculations. For more information, see "Assets with Beginning Information," page 8-88.

- **Qualified Retail Improvement Property**
  Qualified retail improvement property placed in service after December 31, 2008 and before January 1, 2012 must be depreciated using a 15-year estimated life (or 9 years for

Indian Reservation property). For more information, see "Qualified Retail Improvement Property," page 8-89.

- **Assets with Less Than 100% Business Use**
  Assets with less than 100% business use are not entitled to a full year's depreciation deduction. The business-use percentage may change over time and should be reviewed on an annual basis. For more information, see "Assets with Less Than 100% Business Use," page 8-90.

- **Section 179 Qualified Real Property**
  For tax years beginning in 2010 or 2011, you can elect to expense under Section 179 up to $250,000 of qualified real property purchases. For more information, see "Section 179 Qualified Real Property," page 8-91.

- **Increased 168 Allowance % Allowed**
  A 168 Allowance of 100%, instead of 50%, should generally be taken for assets placed in service from 9/9/2010 through 12/31/2011 (or 12/31/2012 for assets with longer production lives). For more information, see "Increased 168 Allowance % Allowed," page 8-92.

168 Allowance Disposals in the Placed-in-Service Year

The Audit Advisor finds assets using a "Plus 168" depreciation method that were disposed in the year that they were placed in service.

Issue

An Asset that uses a "Plus 168" depreciation method cannot be disposed in its placed-in-service year.

Resolution

Use the 168 Allowance Switch feature to change the depreciation methods for such assets so they do not take the 168 Allowance.

1. Select Depreciation/168 Allowance Switch from the menu bar. The 168 Allowance Switch screen appears.

2. Select the group that the Audit Advisor created consisting of assets using a "Plus 168" depreciation method that were disposed in their placed-in-service year.

    The group is named AA (for Audit Advisor), followed by "168 Disp," followed by the book name, followed by the fiscal year end. For example, if you selected the Tax book and a fiscal year ending in December, 2003 in the Audit Advisor screen, then the group would be called AA-168 Disp-Tax-12/03.

3. Select the same book and fiscal year end that you selected in the Audit Advisor screen.

4. Select the Do Not Take the 168 Allowance option.

5. Click the Execute button. The application changes the depreciation methods for the selected group of assets and recalculates the gain/loss for these assets.

168 Allowance Transfers in Placed-in-Service Year

The Audit Advisor finds assets using "Plus 168" depreciation methods that were transferred in their placed-in-service year.

Issue

IRS regulations require that the 168 Allowance be allocated between the original and transferred assets when the asset is transferred in its placed-in-service year. The application prorates the 168 Allocation between the original and transferred assets based on the number of months each asset is active.

The share of the 168 Allowance for the placed-in-service month is given to the original asset. The share of the 168 Allowance for the month of the transfer is given to the transferred asset.

Example:

You place an asset in service on January 1, 2003, and you select a 168 Allowance depreciation method. The asset's acquired value is $4,000. The application calculates a 168 Allowance of $1,200 (4,000 x .30).

On May 10, 2003, you transfer the asset within the company.

The application allocates four months (January through April) of the 168 Allowance to the original asset.

$$\$1{,}200 \times \frac{4}{12} \ = \ \$400$$

The application allocates eight months (May through December) of the 168 Allowance to the transferred asset.

$$\$1{,}200 \times \frac{8}{12} \ = \ \$800$$

Resolution

You may have already transferred assets using a 168 Allowance method in the asset's placed-in-service year. (The application allowed you to do so before the IRS issued its clarification of this rule.) You should review your transferred assets to determine if the 168 Allowance was correctly prorated on these assets.

1. Run the Tax Expense report for the book and fiscal year that you entered in the Audit Advisor screen.

    When you run the report, select the group containing assets using "Plus 168" depreciation methods that were transferred in their placed-in-service year. The application named this group AA, followed by 168 Trans, followed by the selected book, followed by the fiscal year end. For example, if you selected the Tax book and entered a fiscal year end of December, 2003 in the Audit Advisor screen, then the group is named AA-168 Trans-Tax-12/03.

2. Notice any assets whose 168 Basis Reduction equals the Current 168 Expense. You should repair these assets.

3. Go to Detail View for each asset that you want to repair.

4. Print the asset information for the Transfer page for your reference.

5. Select Asset/Delete Last Transaction from the menu bar. The application deletes the last asset transaction for the asset.

6. Re-enter the transfer information. The application will correctly allocate the 168 Allowance between the original and transferred assets.

7. Click the Save button to save the asset information.

MACRS Methods

The Audit Advisor finds assets using a non-MACRS depreciation method that were placed in service in a year for which MACRS depreciation methods are required.

Issue

Generally, all assets placed in service after 12/31/1986 must use a MACRS (Modified Accelerated Cost Recovery System) depreciation method. When you run the Audit Advisor, the application determines if you have assets using non-MACRS depreciation methods that were placed in service in a year for which MACRS depreciation methods are required.

Resolution

1. In Group View, display the group of assets that the application created.

   The group is named AA (for Audit Advisor), followed by "MACRS Meth," followed by the book name, followed by the fiscal year end. For example, if you selected the Tax book and a fiscal year ending in December, 2003 in the Audit Advisor screen, then the group would be called AA-MACRS Meth-Tax-12/03.

2. Review the depreciation method for each of the assets in the group.

   If you determine that an asset is incorrectly using a non-MACRS depreciation method, then you need to change the depreciation method to a MACRS method (that is, MA, MR, AA, SB, MF, MT, AD, or MI).

   Also, note that if you decide to change depreciation methods, you may be required to file a Form 3115 - Application for Change in Accounting Method.

Light Trucks and Vans

The Audit Advisor finds assets using property type A (for Automobiles). You might want to see if these assets qualify for the higher depreciation limitations allowed for light trucks and vans.

Issue

The IRS issued regulations allowing increased depreciation limitations for light trucks and vans. These regulations apply to vehicles placed in service on or after January 1, 2003. You may have entered assets in the application using property type A for autos, which qualify for the higher depreciation limits.

Resolution

Change the property type from property type A to property type T for any vehicle currently designated as an auto that would qualify for the light trucks and vans category.

Section 179 Dollar Limit

The Audit Advisor determines if the Section 179 expense taken in a taxable year exceeds the dollar limit for that year.

Issue

You are allowed to claim a Section 179 deduction each year subject to certain dollar limits. The dollar limits are determined each year based on published IRS figures adjusted for increased expensing for assets placed in service in certain zones and after applying a phase-out calculation. In addition, the limits are applied across all assets placed in service for the fiscal year. The published IRS dollar limit (without applying phase-out rules) for the fiscal year is calculated, without taking into consideration any assets located in a special zone. For tax years beginning in 2010 and 2011, up to $250,000 of the total Section 179 deduction can be claimed on qualified leasehold improvements, qualified restaurant property, and qualified retail improvements.

Note that the Section 179 validation above does not apply to companies in a consolidated group. Separate limits and rules

apply for companies in this situation. Check with your tax advisor for more information.

Resolution 1
(If Section 179 dollar limit has been exceeded, but Section 179 limit for real property has not been exceeded)

You have exceeded the maximum Section 179 deduction allowed for the fiscal year. The application calculates the Section 179 dollar limit for the current company after applying the phase-out rules. The application has created a group of all assets claiming a Section 179 deduction that were placed in service during the fiscal year. You should review the list of assets and reduce the total Section 179 claimed by the indicated amount. To complete this analysis, run the Tax Expense report for the selected year using the group created by the application. Once the Section 179 claimed has been reduced to the appropriate limit you must recalculate depreciation for the fiscal year end.

Resolution 2
(If Section 179 dollar limit has been exceeded and Section 179 limit for real property has been exceeded)

You have exceeded the maximum Section 179 deduction allowed for the fiscal year. The application calculates the Section 179 dollar limit for the current company after applying the phase-out rules. In addition, the portion of Section 179 attributable to real property exceeds the limit of $250,000.

The application has created a group of all assets claiming a Section 179 deduction that were placed in service during the fiscal year. You should review the list of assets and reduce the total Section 179 claimed by the indicated amount. You must also reduce the amount of Section 179 claimed on real property by the indicated amount. To complete this analysis, run the Tax Expense Report for the selected year using the group created by the application. Once the Section 179 claimed has been reduced to the appropriate limit you must recalculate depreciation for the fiscal year end.

Resolution 3
(If Section 179 limit for real property has been exceeded, but Section 179 dollar limit has not been exceeded)

You have exceeded the maximum Section 179 deduction allowed for real property. The application calculates the Section 179 dollar limit for the current company after applying the phase-out rules. In addition, the portion of Section 179 attributable to real property exceeds the limit of $250,000.

The application has created a group of all assets claiming a Section 179 deduction that were placed in service during the fiscal year. You must also reduce the amount of Section 179 claimed on real property by the indicated amount. You may be eligible to increase the deduction on personal property by the same amount. To complete this analysis, run the Tax Expense Report for the selected year using the group created by the application. Once the Section 179 claimed has been reduced to the appropriate limit you must recalculate depreciation for the fiscal year end.

1. Run the Tax Expense report for the group of assets created by the Audit Advisor.

   The group is named AA-179 Limit-XXX-MM/YY, where XXX stands for the book name, and MM/YY stands for the fiscal year-end. For example, if you selected the Tax book and a fiscal year ending in December, 2007 in the Audit Advisor screen, then the group would be called AA-179 Limit-Tax-12/07.

   The Tax Expense report shows the Section 179 deduction for each asset placed in service in the fiscal year and the total Section 179 deduction for all assets.

2. Reduce the Section 179 deduction for one or more assets in the group so that the total Section 179 deduction does not exceed the limit for the fiscal year.

3. Reduce the amount of Section 179 claimed on real property, if necessary.

4. Recalculate depreciation for the group of assets for the fiscal year-end.

Section 179 Disposals in the Placed-in-Service Year

The Audit Advisor finds assets taking a Section 179 deduction that were disposed in the placed-in-service year.

Issue

You are allowed to claim a Section 179 deduction on assets placed in service during the year. However, if you dispose of the asset during the year it was placed in service, then you cannot claim a Section 179 deduction.

Resolution

You must delete the disposal transaction, remove the Section 179 deduction claimed, and then reenter the disposal information.

1. Run the Disposal report for the group of assets created by the Audit Advisor.

   The group is named AA-179 Disp-XXX-MM/YY, where XXX is the selected book and MM/YY is the fiscal year entered. For example, if you selected the Tax book and a fiscal year ending in December 2007 in the Audit Advisor screen, then the group would be called AA-179 Disp-Tax-12/07.

2. For whole disposals, you can delete the disposal information by selecting the assets in Group View and selecting the Reset Depreciation command from the Depreciation menu. Reset depreciation to the assets' Beginning Dates. The application automatically removes the disposal information.

3. For partial disposals, go to the Detail View and use the Delete Last Transaction command on the Asset Menu to remove the disposal information.

4. For each asset in the group, change the Section 179 deduction to zero for all books.

5. Reenter the disposal information for each asset.

Section 179 Sport Utility Vehicle Dollar Limit

The Audit Advisor finds assets claiming a Section 179 expense deduction of more than $25,000. You should examine these assets to determine if any of them are Sport Utility Vehicles.

Issue

Effective October 22, 2004, the IRS issued regulations regarding the amount of Section 179 expense that can be claimed on Sport Utility Vehicles (SUVs) that are over 6,000 and less than 14,000 pounds. The amount of Section 179 expense for these vehicles is limited to $25,000 for each SUV placed in service.

Resolution

You may have claimed more than $25,000 of Section 179 expense for a Sport Utility Vehicle for the fiscal year. The application has created a group of assets claiming a Section 179 deduction in excess of $25,000.

1. In Group View, display the group of assets created by the application.

    The group is named AA (for Audit Advisor), followed by "179 SUV," followed by the book name, followed by the fiscal year-end. For example, if you selected the Tax book and a fiscal year ending in December, 2007 in the Audit Advisor screen, then the group would be called AA-179 SUV-Tax-12/07.

2. Review each asset to determine if any of the assets are SUVs.

3. For any SUV, you must reduce the Section 179 expense to $25,000 or less in Detail View.

4. Recalculate depreciation for the fiscal year.

Leasehold Improvements and Qualified Restaurant Property

The Audit Advisor finds assets that are real property (property types R, S, C, E, or F) and have an estimated life of 39 years. You should examine these assets and determine if any of them are leasehold improvements or qualified restaurant property.

Issue

Leasehold improvements and qualified restaurant property placed in service after October 22, 2004 and before January 1, 2012 must be depreciated using an estimated life of 15 years (or 9 years for Indian Reservation property), a straight-line depreciation method, and either the half-year or midquarter averaging convention.

Resolution

You may have entered an estimated life of 39 years instead of 15 years for leasehold property or qualified restaurant property (or 9 years for Indian Reservation property). The application has created a group of assets that are real property and have an estimated life of 39 years (or 22 years for Indian Reservation property).

1. In Group View, display the group of assets created by the application.

    The group is named AA (for Audit Advisor), followed by "Leasehold," followed by the book name, followed by the fiscal year-end. For example, if you selected the Tax book and a fiscal year ending in December, 2009 in the Audit Advisor screen, then the group would be called AA-Leasehold-Tax-12/09.

2. Review each asset to determine if any of the assets are leasehold improvements.

3. For each leasehold improvement or qualified restaurant property, change the estimated life to 15 years (or 9 years for Indian Reservation property) in Detail View.

4. Recalculate depreciation for the fiscal year.

MACRS Depreciation Election

The Audit Advisor finds assets for which you have made one or more of the following MACRS depreciation elections:

- **Alternative Depreciation System (ADS):** Assets use depreciation method AD or AA.

- **150% declining-balance depreciation method over the General Depreciation System (GDS) recovery period:** Assets use depreciation method MF150, MT150, MI150, MA150, or MR150.

- **Straight-line depreciation method over the GDS recovery period:** Assets use depreciation method MF100, MT100, MI100, MA100, or MR100.

Review your assets to determine if each MACRS election was made for an entire class of assets.

Issue

The application uses the IRS default depreciation methods during data entry for the tax-related books. However, you can make an alternate election on a class-by-class basis to use the Alternative Depreciation System (ADS), 150% declining-balance method, or the straight-line method over the General Depreciation System (GDS) recovery period. Note, however, this rule does not apply to residential rental and nonresidential real property, for which the election is made on a property-by-property basis.

Resolution

1. In Group View, display the group of assets that the Audit Advisor created.

   The group is named AA (for Audit Advisor), followed by "MACRS Elec," followed by the book name, followed by the fiscal year end. For example, if you select the Tax book and a fiscal year ending in December, 2007 in the Audit Advisor screen, then the group would be called AA-MACRS Elec-Tax 12/07.

2. Review the depreciation method and estimated life for each asset in the group.

3. Make sure that each MACRS election was made for an entire class of assets. If an election was not made for an entire class of assets, then the non-conforming assets must be updated.

Assets with Beginning Information

The Audit Advisor finds assets containing data in the beginning information fields.

Issue

Entering data in the beginning information fields overrides the application's depreciation calculations. If you are using your own calculation for depreciation (depreciation method OC), assets will include beginning information.

Resolution

1. In Group View, display the group of assets that the Audit Advisor created.

    The group is named AA (for Audit Advisor), followed by "Beg Info," followed by the book name, followed by the fiscal year end. For example, if you selected the Tax book and a fiscal year ending in December, 2007 in the Audit Advisor screen, then the group would be called AA-Beg Info-Tax 12/07.

2. Examine each asset to make sure that the data in the beginning information fields is correct.

3. If the data in the beginning information fields is incorrect, you can reset depreciation for the asset.

Caution Use extreme caution when resetting depreciation to ensure you achieve the desired results.

Qualified Retail Improvement Property

The Audit Advisor finds assets that are real property (property types R, S, C, E, or F), have an estimated life of 39 (or 22) years, and were placed in service after December 31, 2008 and before January 1, 2012. You should examine these assets and determine if any of them are qualified retail improvements.

Issue

The IRS has issued regulations shortening the recovery period for qualified retail improvement property placed in service after December 31, 2008 and before January 1, 2012. The new estimated life is 15 years (or 9 years for Indian Reservation property). Qualified retail improvements use a straight-line depreciation method and the half-year averaging convention, unless the midquarter averaging convention applies.

Resolution

Prior to the enactment date of January 1, 2009, qualified retail improvements were depreciated using a straight-line method over a 39-year period (or 22 years for Indian Reservation property). You may have entered an estimated life of 39 years (or 22 years) instead of 15 years (or 9 years) for qualified retail improvement property.

The application has created a group of assets that are real property and have an estimated life of 39 (or 22) years. Please review this group of assets to determine if any of the assets are qualified retail improvements. If any qualified retail improvements are found, you must reduce the estimated life to 15 years (or 9 years for Indian Reservation property). Also, note that a Section 168 Allowance cannot be claimed on qualified retail improvement property.

1. In Group View, display the group of assets created by the application.

    The group is named AA (for Audit Advisor), followed by "Retail Prop," followed by the book name, followed by the fiscal year-end. For example, if you selected the Tax book and a fiscal year ending in December, 2009 in the Audit Advisor

screen, then the group would be called AA-Retail Prop-Tax-12/09.

2. Review each asset to determine if any of the assets are qualified retail improvements.

3. For each qualified retail improvement, change the estimated life to 15 years (or 9 years for Indian Reservation property) in Detail View.

4. Recalculate depreciation for the fiscal year.

Assets with Less Than 100% Business Use

The Audit Advisor finds assets in the selected fiscal year that have ever been used for less than 100% business use.

Issue

Assets with less than 100% business use are not entitled to a full year's depreciation deduction. The business-use percentage may change over time and therefore should be reviewed and updated on an annual basis. The system detects if one or more assets in the selected fiscal year have ever been used for less than 100% business use.

Resolution

1. In Group View, display the group of assets that the Audit Advisor created.

   The group is named AA (for Audit Advisor), followed by "Bus Use," followed by the book name, followed by the fiscal year end. For example, if you selected the Tax book and a fiscal year ending in December 2010 in the Audit Advisor screen, then the group would be called AA-Bus Use-Tax-12/10.

2. Examine each asset to make sure that the Business Use Percentage field has been appropriately updated for the selected fiscal year.

3. If the percentage in the Business Use Percentage field is incorrect, you must enter the correct business use, which is a depreciation-critical change.

4. After you have updated the Business Use Percentage fields, recalculate depreciation for the affected assets for the created group.

Section 179 Qualified Real Property

The Audit Advisor finds assets that are real property and that may be qualified for the Section 179 deduction.

Issue

Recently passed legislation for fiscal years beginning in 2010 and 2011 allows an election to be made that would include up to $250,000 of real property in the definition of qualified Section 179 property eligible for immediate expensing. Specifically the real property must be qualified leasehold improvement property, qualified restaurant property, or qualified retail improvement property. The deduction on real property is subject to the same Section 179 phase-out rules for personal and does not apply to nonresidential real or residential rental property.

Resolution

You may have entered a real property that may qualify for a Section 179 deduction. Before claiming a Section 179 deduction on real property, be sure to check the Section 179 Dollar Limit Review to determine how much, if any, additional Section 179 deduction you can claim. Remember if you elect to claim a Section 179 deduction on real property, then you must identify all qualifying property using the Qualified §179 Property check box, found on the §179/Bonus Details screen in Detail View, in order to properly calculate the phase-out limits.

The application has created a group of real property assets. Please review this group of assets to determine if any of the assets are qualified leasehold improvement property, qualified restaurant property or qualified retail improvement property.

1. In Group View, display the group of assets created by the application.

   The group is named AA (for Audit Advisor), followed by "179 Qual?," followed by the book name, followed by the fiscal year-end. For example, if you selected the Tax book and a fiscal year ending in December, 2010 in the Audit Advisor screen, then the group would be called AA-179 Qual?-Tax-12/10.

2. Review each asset to determine if any of the assets are qualified leasehold improvement property, qualified restaurant property, or qualified retail improvement property.

3. Identify each qualified Section 179 property by selecting the Qualified §179 Property check box on the §179/Bonus Details screen in Detail View.

4. Recalculate depreciation for the group of assets for the fiscal year-end.

Increased 168 Allowance % Allowed

The Audit Advisor finds assets that are qualified for a 168 Allowance percentage of 100%.

Issue

Recently passed legislation allows for a 168 Allowance of 100% for assets placed in service from 9/9/2010 through 12/31/2011 (or 12/31/2012 for assets with longer production lives). You have claimed a 168 Allowance on assets within this date range using a 50% rate. A 168 Allowance percent of 50% is applicable during this time period only for qualifying assets placed in service in the Gulf Opportunity Zones (Go Zone) or in a Qualified Disaster Zone.

Resolution

If you would like to claim a Section 168 Allowance using the 100% rate rather than 50%, you can use the 168 Allowance Switch on the Depreciate menu to update your assets.

The system has created a group of assets using the 50% rate. Please review this group of assets to determine which, if any, of the assets should be switched to 100%.

1. In Group View, display the group of assets created by the application.

   The group is named AA (for Audit Advisor), followed by "168 50Pct," followed by the book name, followed by the fiscal year-end. For example, if you selected the Tax book and a fiscal year ending in December, 2010 in the Audit Advisor screen, then the group would be called AA-168 50Pct-Tax-12/10.

2. Review the assets in the group to determine which, if any, of the assets should be switched to 100%.

3. Select Depreciate/168 Allowance Switch to change the deduction from 50% to 100% for these assets.

9 Standard Reports

The application contains 32 standard reports to help you manage your assets and keep track of their depreciation, both for tax purposes and for your internal books. You decide which assets and which books to include in each report, and how the assets should be sorted and subtotaled. You can print a report or display it on the screen.

The application also contains a batch report feature that allows you to create an entire batch of reports that you can run with a single command. Batch reporting is extremely useful when you consistently run certain reports for such purposes as monthly reporting.

This chapter explains how to run the standard reports, how to create batch reports, and how to interpret each report.

If you have purchased FAS Report Writer, you can make more extensive changes to the report, such as adding and deleting columns, changing margins and spaces between columns, and editing the headers and footers. For further details, see Chapter 11, "Customizing Standard Reports."

List of Reports

Following is a list of each report and a brief description of each. For more detailed explanation, see Chapter 10, "Report Details."

You run the following reports by selecting Standard Reports from the Reports menu:

■ **Depreciation Expense Report**
The Depreciation Expense report displays depreciation-related information for assets on which depreciation has been calculated. The report includes assets containing depreciation calculations through the date you

enter for the report. Along with essential asset data, the report shows figures for previous depreciation, depreciation that was calculated for the last depreciation run, and current depreciation.

- **Tax Expense Report**
  The Tax Expense report displays the components of the current year's depreciation expense for tax purposes. For each asset, the report displays the current year's Section 179 expense deduction, Section 168 Expense, and the current year-to-date depreciation. In the Total Tax Year-to-Date Expense column, the report displays the total of these three amounts.

- **Depreciation Summary Report**
  The Depreciation Summary report provides a concise list of the selected assets' depreciation-related information, including their acquired values and any Section 179 amounts.

- **Period Close Summary Report**
  The Period Close Summary report displays the period close dates for the assets on the report. It also shows the last date that depreciation was calculated (the Current Through Date).

- **Depreciation Adjustment Report**
  The Depreciation Adjustment report shows the difference between the beginning depreciation amounts you enter and the depreciation amounts the application calculated for the same period. The report includes only those selected assets that have adjustment amounts.

- **Disposal Report**
  The Disposal report lists the assets in the selected group that have been disposed and shows the amounts of realized, recognized, and deferred gain or loss on each asset.

- **Partial Disposal Report**
  The Partial Disposal report summarizes the partial disposal transactions in the selected group of assets.

- **Transfer Report**
  The Transfer report tracks the origin and destination of every selected asset that has been transferred, whether the transfer was an intercompany or an intracompany transfer. This tracking includes all asset extensions or new assets that were created as part of the transfer. The report also displays the details of the transfer, such as the transfer date, acquired

values, prior accumulated depreciation, and current accumulated depreciation.

■ **Partial Transfer Report**
The Partial Transfer report summarizes all partial transfers in the selected group that originated in the currently open company.

■ **Annual Activity Report**
The Annual Activity report shows the asset account balance activity for Acquired Value over a requested fiscal year. It presents the asset account balance as of the beginning of the fiscal year, the cost of any acquisitions and disposals during the year, and the account's balance at the end of the fiscal year.

■ **Asset Basis Report**
The Asset Basis report shows how the application calculated the depreciable basis used in the asset's last depreciation run.

■ **File Listing Report**
For each selected asset and book, the File Listing report presents a summary of commonly used information, such as the asset's description, depreciation method, and acquired value. It also includes an activity code that differentiates between active, inactive, and disposed assets.

■ **Fixed Asset Summary Report**
The Fixed Asset Summary report presents account balance activity for Acquired Value and Depreciation over the requested fiscal year for each asset or, if elected, for each subtotal by category. It is designed to help you tie into the asset and accumulated depreciation amounts on the balance sheet.

■ **General Ledger Posting Report**
The General Ledger Posting report prints a journal entry you can use to post the Depreciation This Run figures stored from the most recent depreciation calculation to a general ledger.

■ **Net Book Value Report**
The Net Book Value report shows the current net book value of each selected asset and how that value is calculated. It also calculates the percentage of total depreciation taken to date for each asset.

■ **Quarterly Acquisition Report**
You can run the Quarterly Acquisition report to determine the total of all assets acquired in each quarter of a fiscal year.

■ **Replacement Value Report**
The Replacement Value report displays annual Replacement Value amounts. In addition, you can run a Depreciation on Replacement Value report using the same report definition screen.

■ **Interest on Replacement Value Report**
The Interest on Replacement Value report calculates interest on either Acquired Value or Replacement Value.

■ **Property Tax - Detail Report**
The Property Tax - Detail report shows detailed asset information for a selected date. The report sorts assets first by a defined property tax category, and then by each acquisition year.

■ **Property Tax - Summary Report**
The Property Tax - Summary report summarizes the acquisition value of active assets for a selected date. The report sorts assets first by a defined property tax category, and then by each acquisition year.

You run the following reports by selecting Tax Forms and Worksheets from the Reports menu:

■ **Adjusted Current Earnings Report**
The Adjusted Current Earnings report displays ACE depreciation that has been calculated for the selected assets. It also shows each asset's remaining basis and remaining life as of the close of the last tax year beginning before 1990.

■ **Alternative Minimum Tax Report**
The Alternative Minimum Tax report shows the depreciation differences between the Tax and the AMT books. It also shows the Tax Preferences and Adjustments that arise from those differences.

■ **Midquarter Applicability Report**
The Midquarter Applicability report determines whether you should use the midquarter convention. You should run this report at the end of each tax year and, if midquarter applies, you may need to perform a MACRS Convention Switch.

■ **Form 3468: Investment Tax Credit Worksheet**
This report is a worksheet that gathers the Investment Tax Credit information needed to file IRS Form 3468.

■ **Form 4255: Investment Tax Credit Recapture Worksheet**
This report is a worksheet that gathers the Investment Tax Credit recapture information needed to file IRS Form 4255.

■ **Form 4562: Depreciation and Amortization**
This option prints an IRS Form 4562 that reports depreciation and amortization expense in a format acceptable for filing with the IRS.

■ **Form 4626: Corporate Alternative Minimum Tax Worksheet**
This report is a worksheet that gathers the Alternative Minimum Tax information needed to complete IRS Form 4626.

   ❑ **Form 4626: Adjusted Current Earnings Supplement**
   This report is a worksheet that helps you complete the IRS Form 4626 ACE Worksheet.

■ **Form 4797: Sales of Property Worksheet**
This report is a worksheet that gathers the asset disposal information needed to file IRS Form 4797.

The following commands also appear on the Reports menu:

■ **Assets Snapshot**
Select this command to view the Assets Snapshot. The screen displays summary information about the currently open company and its assets. For more information, see "Viewing an Assets Snapshot," page 5-2.

■ **Batch Reports**
This option on the reports menu allows you to run multiple reports that you have predefined, using one command. For more information, see "Running Batch Reports," page 9-34.

■ **FAS Report Writer**
FAS Report Writer is an optional add-on module that includes the following features:

   ❑ **Customize Standard Reports**
   Make extensive changes to the standard reports included in the application. For more information, see Chapter 11, "Customizing Standard Reports."

   ❑ **Manage Reports**
   Enables you to add, edit, rename, and delete your customized reports. For more information, see "Managing Your Reports," page 11-24.

❑ **Create Custom Reports**
Create your own customized reports that appear exactly the way you want. For information on creating custom reports, see the online *FAS Report Writer User's Guide*.

■ **Current Reporting Period**
Select this command to set the date for which you want to run reports. For more information, see "Setting the Current Reporting Period," page 9-35.

■ **Favorites**
The application lists the reports you mark as your Favorites in the Report Definition screen. For more information, see "Adding a Report to the Favorites Menu," page 9-9.

You run the following reports by selecting them from the Depreciation menu:

■ **Annual Projection Report**
The Annual Projection report projects the total annual depreciation expense for selected assets for up to 99 years.

■ **Monthly Projection Report**
The Monthly Projection report displays projected depreciation amounts for each month (or period) in a fiscal year for the selected group of assets.

■ **FASB 109 Projection Report**
For each selected asset, the FASB 109 Projection report identifies the temporary differences between the various books' depreciation amounts and projects the reversal of those differences.

■ **Quick Projection Report**
The Quick Projection report displays an asset's projected depreciation expense for the life of the asset.

Note For information about the Replacement Value report, see "Reporting On Replacement Value," page 12-13. For information on the Asset Status report, see "Viewing Asset Status History," page 7-37.

Running a Standard Report

There are two main steps to running a report. First, you use the menu bar to select the report you want to run. You then complete the fields on the Report Definition screen. For more information, see "Completing the Report Definition Screen," page 9-12.

When completing the Report Definition screen, you must decide where you want to send the report. The available options are to a report viewer on your computer (Window) or to the default printer. If you want to view the report before it prints, select the Window check box. From the report viewer, you can then send the report to the default printer or export it to several different file formats.

Note Before you run a report that includes depreciation figures, be sure you have calculated depreciation through the desired depreciation date for the assets you want to include in the report. To calculate depreciation, execute the Depreciate command at the Depreciation menu; otherwise your depreciation figures will not be current.

To run a standard report

1. Select Reports/Standard Reports from the menu bar. The application displays a submenu containing all of the standard reports.

2. Select the report you want to run from the submenu. The Report Definition screen appears.

3. Complete the Report Definition screen, then click the Run Report button. The application runs the report and sends it to the selected location. If you select the Send to Window check box, the report appears on your computer. For more information, see "Viewing a Report," page 9-22.

You can also run a report on only selected assets or on an individual asset.

To run a report for only selected assets

1. In Group View, select the assets for which you want to run the report.

2. Select Reports/Standard Reports from the menu bar. The application displays a submenu containing all of the standard reports.

3.   Select the report you want to run from the submenu. The
     Report Definition screen appears.

4.   In the Group field, select <Selected Assets>. (You may have
     to scroll up to select this option in the Group field.)

5.   Complete the Report Definition screen, then click the Run
     Report button. The application runs the report and sends it to
     the selected location. If you select the Send to Window check
     box, the report appears on your computer. For more
     information, see "Viewing a Report," page 9-22.

To run a report for only a single asset

1.   Select the asset for which you want to run the report, and
     then go to Detail View.

2.   Select Reports/Standard Reports from the menu bar. The
     application displays a submenu containing all of the
     standard reports.

3.   Select the report you want to run from the submenu. The
     Report Definition screen appears.

4.   In the Group field, select <Detailed Asset #XX>, where XX is
     the System Number of the selected asset. (You may have to
     scroll up to select this option in the Group field.)

5.   Complete the Report Definition screen, then click the Run
     Report button. The application runs the report and sends it to
     the selected location. If you select the Send to Window check
     box, the report appears on your computer. For more
     information, see "Viewing a Report," page 9-22.

Adding a Report to the Favorites Menu

You can create a list of the reports that you run most often. This
will make it easier and quicker to select the report you need. The
list of reports will appear in the Favorites section on the Reports
menu.

Reports

Standard Reports ▶
Customized Reports ▶
Tax Forms and Worksheets ▶

Assets Snapshot

Batch Reports...

FAS Report Writer ▶

Current Reporting Period...

▤ Depreciation Expense
▤ File Listing
▤ Quarterly Acquisition
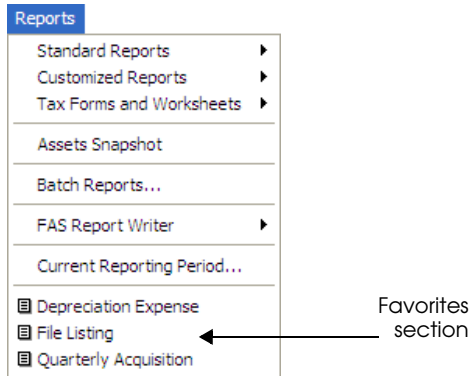
Favorites section

To add a report to the Favorites section

1. Select Reports/Standard Reports from the menu bar. The submenu containing all of the standard reports appears.

2. From the Standard Reports submenu, select the report that you want to add to the Favorites menu. The Report Definition screen appears.
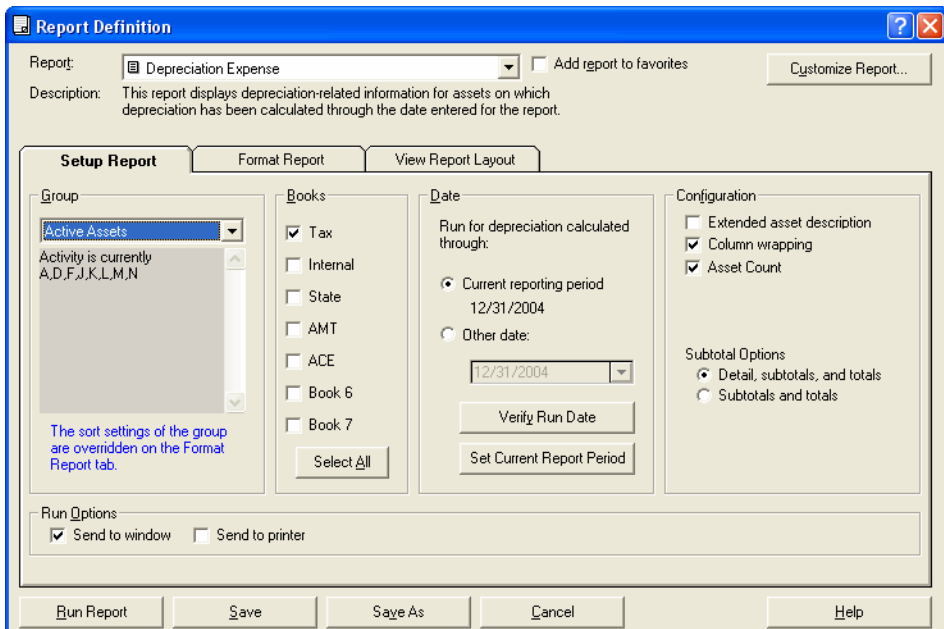
3. Make sure the report that you want to add to the Favorites menu is selected in the Report field.

> **Note** You can select either a standard report or a report that you have already customized.

4. Select the Add Report to Favorites check box.

5. Click the Save button. The application saves the change you have made to the Report Definition screen.

6. Click the Cancel button to close the Report Definition screen. The application adds the selected report to the Favorites section on the bottom of the Reports menu.

Verifying the Run Date for Each Book

When you run a report, you enter the date for which you want to run the report. You may want to run the report for the end of the month or for the end of the year.

However, suppose your company has different year-ends in the tax books and the Internal book. In that case, you can use the Verify Run Date button on the Setup Report page of the Report Definition screen to select a separate report run date for each book.

To verify the run date of the report for each book

1. On the Setup Report page of the Report Definition screen, click the Other Date option button.

2. In the text box underneath the Other Date field, enter the date for which you want to run the report.

> **Hint** You can also click the Down arrow to display a calendar that allows you to select the date.

3. Click the Verify Run Date button. The Verify Run Date screen appears.

4. Select the date that you want to use to run the report for each book, and then click OK. See "Completing the Verify Run Date Screen," page 9-12.

Completing the Verify Run Date Screen

Follow the guidelines provided below to complete the fields in the Verify Run Date screen.

■ **Calculate Depreciation Through**
This field displays the date entered in the date field on the report definition screen. This date must be the end of a period, as defined by the calendar used for each book. (For certain reports, this date must be the beginning date of a period.)

■ **Cycle**
The fields in this row display the type of accounting cycle used by each book.

■ **Date**
Use this field to select the date that you want the application to use for each book. In the drop-down list for each book, the application displays dates that are the last dates in a period. (For certain report definition screens, this date must be the beginning date of a period.)

Completing the Report Definition Screen

Follow the guidelines provided below to complete the fields on the Report Definition screen. There are three pages:

- **Setup Report Page** (for information, see "Completing the Setup Report Page of the Report Definition Screen," page 9-14)

- **Format Report Page** (for information, see "Completing the Format Report Page of the Report Definition Screen," page 9-18)

- **View Report Layout Page** (for information, see "Completing the View Report Layout Page of the Report Definition Screen," page 9-21)

■ **Report**
Use this field to select the report that you want to run. The Report field allows you to run multiple reports without having to go back to the Reports menu.

> **Note** If you have customized a standard report, the application displays the customized report name(s) underneath the standard report on which it is based. For information on customizing a report, see Chapter 11, "Customizing Standard Reports."

■ **Description**
This field displays a brief description of the selected report. You can enter a description of a customized report; however, you cannot change the description of a standard report.

■ **Add Report to Favorites Menu**
Select this check box to add the selected report to the Favorites section on the bottom of the Reports menu.

■ **Customize Report Button**
Click this button to display a screen that allows you to make changes to the standard reports. You must have purchased FAS Report Writer to make changes to a standard report. (This button is not available for some reports.)

> **Note** The Customize Report button is not visible after the 30-day free trial of the FAS Report Writer software has expired.

■ **Run Report Button**
Click this button to run the selected report.

■ **Save Button**
Click this button to save the report definition under the current name. The report definition includes all of the fields on the Setup Report and Format Report pages. If you do not save your changes to the report definition, all of the fields on these pages revert to the default settings for the selected report.

■ **Save As Button**
Click this button to save the report definition under a different name. The report definition includes all of the fields on the Setup Report and Format Report pages. For more information, see "Saving Multiple Versions of the Same Report," page 11-23. This button is available only if you have purchased FAS Report Writer.

Note The Save As button is not visible after the 30-day free trial of the FAS Report Writer software has expired.

Completing the Setup Report Page of the Report Definition Screen

Follow the guidelines below to complete the fields on the Setup Report page of the Report Definition screen.

■ **Group**
Use this field to select the group for which you want to run the report. You can select the Selected Assets option to run the report on only the assets you select in Group View. If you enter the Detail View of an asset before you select the report from the Reports menu, you can run a report on that single asset. The group you select also determines the sort order of the report and whether the application uses subtotals. See "Understanding and Completing the Sort Criteria Page," page 4-30.

The application displays a description of the selected group's criteria and sort order underneath the field. You can override the sort order of the selected group with a new sort order on the Format Report page. The application displays a message when you have overridden the group's sort order on the Format Report page.

■ **Books**
Use this field to select the book or books you want to include in the report. For most reports, you must select at least one book to include in the report.

❑ **Select All/Deselect All Button**
Click this button either to select the check boxes for all available books or to clear the check boxes for all available books.

■ **Date**
Use this field to run the report for either the current reporting period or for a date that you select.

❑ **Current Reporting Period**
Click this option button to run the report for the current reporting period. You can set the current reporting period for each book. For more information, see "Setting the Current Reporting Period," page 9-35.

If you select only one book, the application displays the current reporting period for that book. If you select more than one book with different current reporting periods, you can view the current reporting periods by clicking the Verify Run Date button.

❑ **Other Date**
Click this option button if you want to run the report for
a date other than the current reporting period. Enter the
date for which you want to run the report in
MMDDYYYY format. Click the down arrow to use the
calendar to select the date. For most reports, this date
must be the end of a period.

❑ **Verify Run Date Button**
Click this button to display a screen that allows you to
view which period-end the date you entered falls within,
for each selected book. This button is unavailable if you
have not selected a book in the Books field. For
information about using this feature, see "Verifying the
Run Date for Each Book," page 9-11.

❑ **Set Current Report Period Button**
Click this button to display a screen that allows you to set
the end date of the current reporting period for each book.

■ **Configuration**
The options in this field allow you to specify what you want
included in the report. The available options vary depending
on which report you are running.

❑ **Extended Asset Description**
Select this check box if you want the report to include the
full 80-character asset description rather than the
abbreviated version usually used for reports. The asset's
full description prints on a line above the asset's other
information. Selecting this check box doubles the size of
your report.

❑ **Column Wrapping**
Select this check box if you want text fields that exceed the
column width to print on the next line(s), so that all of the
data in the field is displayed on the report.

❑ **Asset Count**
Select this check box if you want the application to
display the number of assets on subtotal and total lines.

❑ **Subtotal Options**
Use this field to determine how you want subtotals to
display on the report.

• **Detail, Subtotals, and Totals**
Click this option button if you want the report to

display details about every asset included in the
report in addition to subtotals and the grand total.

- **Subtotals and Totals Only**
  Click this option button if you want the report to
  display only subtotals and the grand total. Even if
  you choose to display subtotals and totals only, you
  can drill down to view the details when you send the
  report to Window.

■ **Run Options**
Use this field to specify where you want the application to
send the report.

❑ **Send to Window**
Select this check box if you want to display the report on
your computer screen in a report viewer. You must first
select a default printer to display the report in the report
viewer. After you display the report in the report viewer,
you can print the report or export it to several different file
formats.

❑ **Send to Printer**
Select this check box if you want to send the report to the
default printer.

Completing the Format Report Page of the Report Definition Screen

Follow the guidelines below to complete the fields on the Format Report page of the Report Definition screen.

■ **Report Orientation**
Use this field to select the orientation of the report on the page.

❑ **Portrait**
Click this option button if you want the report to have a vertical orientation.

❑ **Landscape**
Click this option button if you want the report to have a horizontal orientation.

■ **Currency Rounding**
Use this field to specify how you want the application to round dollar amounts on the report.

❑ **Do Not Round**
Select this option if you want the application to display both dollars and cents.

❑ **Whole Dollars**
Select this option if you want the application to round dollar amounts to the nearest dollar.

❑ **Thousands**
Select this option if you want the application to round dollar amounts to the nearest thousand.

❑ **Millions**
Select this option if you want the application to round dollar amounts to the nearest million.

❑ **Data**
This field displays an example of a dollar amount before the rounding option is applied to it.

❑ **Display**
This field displays the dollar amount shown in the Data field after the rounding option has been applied.

■ **Sort Options**
Use these fields to specify how you want the application to sort the information on the report.

❑ **Use Sort Specified in Group**
Click this option button if you want the application to sort the information as specified for the selected group on the Sort Criteria page of the Group Manager. The application displays the group's criteria and sort order underneath the Group field on the Setup Report page.

❑ **Override Sort Specified in Group**
Click this option button if you want to override the sorting information specified for the selected group on the Sort Criteria page of the Group Manager.

The following fields are available only if you click the Override Sort Specified in Group option button.

❑ **Field**
Select up to three fields on which you want the application to sort the report.

❑ **Order**
Use these fields to select the order in which you want the application to display the data. Select Ascending to display the assets from A to Z or from 0 to 9. Select Descending to display the data from Z to A or from 9 to 0.

❑ **Subtotals**
Use these fields to specify how you want the application to display subtotals on the report.

- **No Subtotals**
  Select this option if you do not want the application to display subtotals on the report for the corresponding field.

- **Subtotals**
  Select this option if you want the application to display subtotals on the report for the corresponding field.

- **Year Subtotals**
  Select this option if you want the application to display subtotals for each year. This option is available only for date fields.

- **Year and Month Subtotals**
  Select this option if you want the application to display subtotals for each year and for each month within each year. This option is available only for date fields.

Note You can select subtotal options for up to three sort levels. The Year and Month Subtotals option counts as two sort levels. Therefore, if you select Year and Month Subtotals for either the first or second field, the application ignores the subtotal selection for the third field. In addition, the Year and Month Subtotals sort option is not available for the third field because selecting it would exceed the limit of three sort levels.

❑ **Page Break**
Select this check box if you want the application to start a new page when the sort value changes. For example, if you select the Page Break check box for the Location field, then the application starts a new page every time the location changes.

Completing the View Report Layout Page of the Report Definition Screen

Follow the guidelines below to review the fields on the View Report Layout page of the Report Definition screen.

The View Report Layout page displays a sample report for the report that you select in the Report field.

Hint You can scroll through the list of reports and see how data will appear on each report. Place the cursor in the Report field, and use the Up and Down arrow buttons to scroll through all of the report layouts. Using this method, you can find the report containing the information you need. If you select a report that you have customized, this page displays the changes that you made to the original standard report.

■ **Header**
This field displays the header section of the selected report.

■ **Columns**
This text box displays sample data for the selected report.

■ **Footer**
This field displays the footer section of the selected report.

Viewing a Report

When you select the Send to Window check box in the Run Options field on the Report Definition screen, the application displays the report on your screen. Reports appear in a standard report viewer that contains many features that make it easy for you to view, manipulate, and print the report.

Here is the Depreciation Expense report displayed in the standard report viewer with each of the elements of the report viewer displayed.

The standard report viewer elements are as follows:

■ **Report**
This field displays the name of the report on your computer's screen.

- **Book**
  Use this field to select the book for which you want to view a report. The application creates a separate report for each book selected on the Report Definition screen.

- **Print All Reports Button**
  Click this button to send the reports for all books to the printer. You can use this button to print reports before you drill down for details. After you drill down, you must use the Print button (see below).

  Note Selecting the Print All Reports button prints only one report when you run a report for only one book (for example, running the report for only the Internal book).

- **Export Report Button**
  Click this button to display the Export screen, which allows you to export the report to an external file or e-mail. You can export the report in many different file formats, including Adobe Acrobat (PDF), comma-separated values (CSV), Microsoft Excel (XLS), Microsoft Word for Windows (DOC), HTML, and XML.

- **Print Report Button**
  Click this button to send the report to the default printer. You can use this button to print reports after you drill down for details.

- **Toggle Group Tree Button**
  Click this button to either display or hide the group tree. The group tree displays the sort levels of the report. The application displays the group tree only if you have selected to subtotal the sort criteria for the group of assets on which you are reporting. If you have not selected to subtotal the sort criteria for the group of assets on which you are reporting, the application displays a blank navigation area when you click the Toggle Group Tree button. For more information, see "Using the Group Tree," page 9-27.

- **Page Scroll Buttons**
  Click these buttons to scroll through the pages of the report. You can scroll to the next, previous, first, and last pages of the report.

■ **Go To Page Number X/Y**
This field displays the current page number. You can enter a page number and press Enter to go to that page of the report. To view the total number of pages in the report, you must first use the page scroll buttons to move to the last page of the report.

■ **Search Text Button**
Click this button to display the Search screen, which allows you to search for text on the report.

■ **Zoom Size**
Select a zoom size from the drop-down list box.

Interpreting Common Report Data

The guidelines provided below pertain to features common to most reports. For full details on columns in individual reports see Chapter 10, "Report Details."

■ **Header of Report**
The header, or top section, of reports displays the following information about the report:

❑ **Book**
This field in the report header section displays the name of the book for which the report was run. The application creates a separate report for each book that you select in the Report Definition screen.

❑ **Fiscal Year-End Month**
This field in the report header section displays the month in which the fiscal year ends for the selected book.

■ **Body of Report**
The following information is displayed in the body of most reports.

❑ **Extension Column**
The Extension column displays asset extension numbers created during partial transfers and partial disposals. When a report is sorted by System Number, asset extensions appear in order of creation beneath the original or the core System Number. In this situation, the System Number is not repeated.

When a report is sorted by a field other than System Number, asset extensions can appear apart from the

original System Number. They will be placed on the report in proper sort order. For instance, if a report is sorted by Acquired Value and the Acquired Value for an asset extension is less than the original asset, yet still less than other assets, the asset extension appears further down in the report listing. The assets with intervening Acquired Values appear between the original asset and the asset extension. In this case, the System Number for the asset extension is repeated in the System Number column.

❑ **Key Column**

Many reports have a Key column. This column lists one or more lowercase letters that are keys to understanding how depreciation was calculated for the asset listed. The keys are:

a	A depreciation adjustment amount (to adjust for taking too little beginning depreciation) is included in total accumulated depreciation. For information about depreciation adjustments, see the online Help or "The Book Overrides Page," page 4-15. To obtain the adjustment amount for this asset, you can run a Depreciation Adjustment report.
b	The asset has had a business-use percentage of less than 100%. The business-use percentage reduces the asset's depreciable basis.
d	The asset has been disposed.
f	The asset has switched from the MACRS table depreciation calculation to the MACRS formula depreciation calculation because of a short tax year.
l	The asset's depreciation has been limited by the cap on annual recovery allowances for luxury automobiles.
m	The midquarter convention was applied to the asset's depreciation.
r	The asset's acquired value was reduced to arrive at the depreciable basis. Salvage value, Section 179 expense or bonus depreciation, ITC, 168 Allowance, and business-use percentage may have reduced the acquired value.
s	The asset switched from a declining-balance depreciation method to a straight-line depreciation method when straight-line depreciation resulted in more depreciation than declining balance.
t	The asset was transferred.
v	The asset has switched to a remaining value over remaining life depreciation calculation due to ACE rules.

■ **Report Assumptions**
The last page of most reports displays important information about the data included on the report. It is divided into four sections that give more information about the report.

❑ **Report Identification**
The report identification section displays the following information:

● **Report Name**
This field displays the name of the report. If you customized a standard report and changed the name of the report, this field displays the new report name.

● **Source Report**
If you have customized a standard report, this field displays the standard report on which the customized report is based.

❑ **Calculation Assumptions**
The calculation assumptions section shows:

● Whether the company had any short years during the report period.

● The depreciation adjustment convention used when an asset's depreciation is less than the amount the application calculates for the beginning period (no adjustment, immediate adjustment, or postrecovery adjustment).

● Whether the setting for the Include Section 168 Allowance and Section 179 in Expense field was on or off for the company.

❑ **Key Codes**
The key section lists all of the available key codes that can appear in the Key column, along with a brief explanation of each code.

❑ **Group/Sorting Criteria**
This section shows the group name, group definition, and sort criteria. You can override the sort order specified in the group by completing the Sort Order fields on the Format Report page of the Report Definition screen.

Using the Group Tree

The group tree in the report viewer displays the sort levels of a report. You can use the group tree to view the sort levels and to quickly move from one section of the report to another.

To view the group tree, click the Group Tree button on the report viewer.

Note The application displays the group tree only if you have selected to subtotal the sort criteria for the group of assets on which you are reporting. You can select whether to subtotal the sort criteria when you define the group in the Group Manager. For more information about creating groups, see "Creating Groups," page 4-24. You can also select to subtotal the sort criteria on the Format Report page of the Report Definition screen. If you have not selected to subtotal the sort criteria for the group of assets on which you are reporting, the application displays a blank navigation area when you click the Group Tree button.

The image below shows the group tree for a report that is sorted first by the Location field, and then by the Department field.

Group Tree
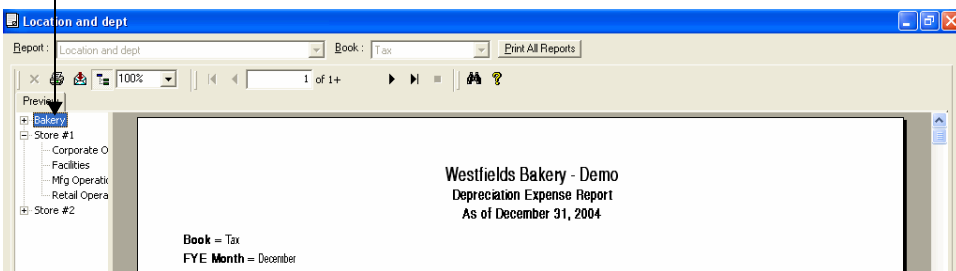
You can expand the entries for the primary sort field (Location) to display the entries for the secondary sort field (Department). In the image above, the Store #1 location is expanded to show the four departments for that location. Click the plus sign (+) to expand a sort field, and click the minus sign (-) to contract a sort field.

You can also quickly move to a section of the report by clicking a sort level on the group tree. For example, when you click on Store

#2 in the group tree, the application displays the information about Store #2 in the report viewer.

Drilling Down for More Details

You can create a report that initially displays only subtotals and totals. You can then "drill down" to view the assets that make up those subtotals or totals.

For example, you might create a report for a group of assets that are sorted and subtotaled by location. When you run the report, you select the Subtotals and Totals Only option on the Setup Report page of the Report Definition screen. The application displays the subtotals for each location in the company. You can "drill down" to see the details for each asset in a particular location.

To drill down for more details

1. Run a report, and select the Subtotals and Totals Only option and the Send to Window check box. The application displays only the subtotals and totals for each sort level.

2. Move the cursor over a sort level until the cursor becomes a magnifying glass.

Sys No Ext Date	In Svc Acquired Value	P Depr T Meth	Est Life	Salv / 168(k) Sec 179	Depreciable Basis	Prior Thru
Location = Store #1						
Department = Facilities	69,710.95			11,239.50	58,471.45	
Less disposals and transfers Count = 0	0.00			0.00	0.00	
Net Subtotal Count = 18	69,710.95			11,239.50	58,471.45	

3. Double-click on the sort level. The application displays the assets that make up that sort level in a separate page.

Preview | Store #1 | Corporate Office | Mfg Operations | Facilities

Westfields Bakery - Demo
Depreciation Expense Report
As of December 31, 2004

Book = Tax

FYE Month = December

Sys No Ext	In Svc Date	Acquired Value	P T	Depr Meth	Est Life	Salv / 168(k) Sec 179	Depreciable Basis	Prior Thru	Prior Accum Depreciation	Depreciation This Run	Current YTD Depreciation	Current Acc Depreciatio

Location = Store #1
Department = Facilities

000013 000	10/23/00	16,750.00	P	MF150	15 00	0.00	16,750.00	11/30/04	4,891.89	100.49	1,205.81	5,897.
000014 000	11/12/00	5,220.00	P	MF150	15 00	0.00	5,220.00	11/30/04	1,462.19	31.32	375.78	1,837.
000015 000	12/18/00	2,450.00	P	MF150	15 00	0.00	2,450.00	11/30/04	686.28	14.70	176.37	862.
000031 000	07/30/01	3,126.00	P	MF200	05 00	0.00	3,126.00	11/30/04	2,225.71	30.01	360.12	2,585.
000032 000	09/06/01	4,899.95	R	MF100	39 00	0.00	4,899.95	11/30/04	278.17	10.05	120.51	398.
000034 000	10/11/01	800.00	R	MA100	39 00	240.00	580.00	11/30/04	271.71	1.20	14.36	286.
000035 000	11/11/01	400.00	R	MA100	39 00	120.00	280.00	11/30/04	135.28	0.80	7.18	142.
000036 000	11/11/01	225.00	R	MA100	39 00	87.50		11/30/04	78.09	0.24	4.04	80.
		250.00	R	MA100	39 00							

Note To print a copy of the detail page, click the Print icon (not the Print All button) while viewing the detail page.

Exporting a Report

When you run a report, you can export the report in a variety of formats. these formats include **Adobe Acrobat (.PDF)** for easy report distribution, **eXtensible Markup Language (.XML)** for easy analysis of your data in other financial packages, and a **Microsoft Excel (.XLS)** format, that retains more of the original report columns and layout for convenient use in a spreadsheet.

To export a report

1. Make sure you select the Send to Window check box on the Report Definition screen.

2. Click the Run Report button. The report appears in the report viewer.

3. Click the Export Report button on the report viewer. The Export screen appears.
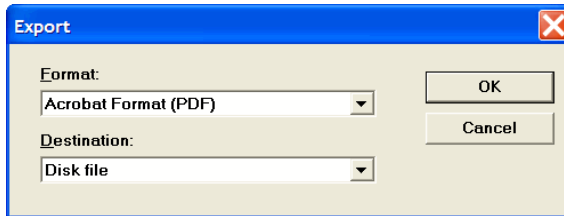
4. Select the desired format (for example, Adobe Acrobat or Microsoft Excel).

5. Select the desired destination (for example, an application or a disk file).

6. Click OK.

If you choose to send the report to a disk file, the application displays the Choose Export File screen, which allows you to select a folder in which to save the file. If you choose to send the report to an application, the system opens the appropriate application and displays the report.

Creating Batch Reports

The Batch Reports feature allows you to select a number of reports and to consolidate those reports under a single batch name. You can then run the batch, and the application will print all reports included in the batch. This saves you time, because you do not have to continually define and individually run commonly used reports.

Before you create a batch, you should complete and save the Report Definition screen for each report in the batch. For more information, see "Completing the Report Definition Screen," page 9-12. When defining each report, you might want to select the option to run the report for the current reporting period. Then you can simply set the current reporting period once, and each report will be run for the correct date when you run the batch. Using this method, you do not have to set the date for each report in the

batch. For more information, see "Setting the Current Reporting Period," page 9-35.

When running batch reports, you can only send the reports to the printer. You cannot view batch reports on your computer screen.

You use the Batch Manager screen to create batch reports.

Note The Batch Reports feature operates only within the currently open company. You must define batch reports separately for each company. Remember that you can copy batch report definitions from one company to another when you copy a company setup. For more information, see "Copying a Company Setup," page 5-25.

Hint When selecting reports to include in the batch, remember that the application runs the reports in the order that you select them.

To create a batch report

1. Select Customize/Batch Manager from the menu bar. The Batch Manager screen appears.
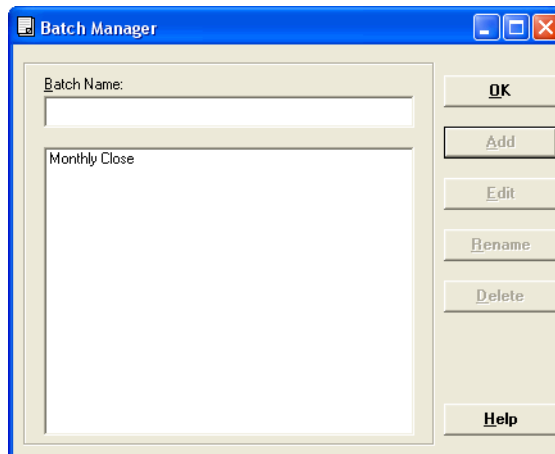
2. In the Batch Name field, type a name for the batch. The application enables the function buttons.

3. Click the Add button. The Edit Batch screen appears. The name of the batch is automatically displayed in the Batch Name field.
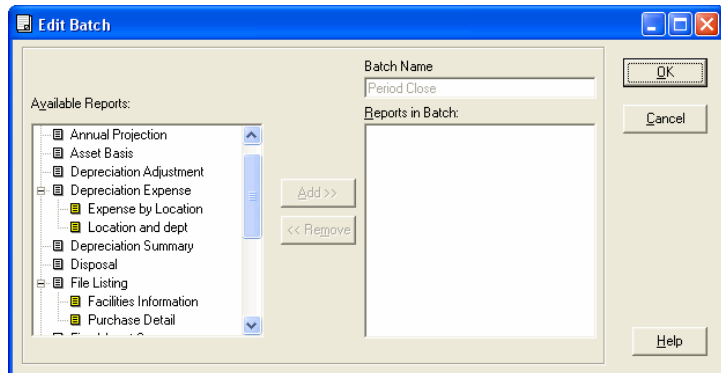
4. Select a report from the Available Reports field, and then click the Add button to add it to the Reports in Batch field.

5. To add more reports to the batch, repeat step 4.

6. Click OK. The application redisplays the Batch Manager screen, which now shows the newly created batch in the batch list.

7. To edit a batch, select it and click the Edit button. The application redisplays the Edit Batch screen. Use the Add and Remove buttons to change the reports in the batch, and then click OK. The application returns to the Batch Manager screen.

8. Click OK to close the Batch Manager screen.

You are now ready to run the batch reports. For more information, see "Running Batch Reports," page 9-34.

Completing the Batch Manager Screen

Follow the guidelines provided below to complete the fields in the Batch Manager screen.

■ **Batch Name**
Use this field to type the name of a new batch you want to create, edit, rename, or delete. The application uses this field to enter the name of a batch you have selected from the batch list.

■ **Batch List**
This field displays the names of all the available batch reports. Use this field to select a batch you want to edit, rename, or delete.

■ **Add Button**
Click this button to add a batch to the list.

■ **Edit Button**
Click this button to edit a selected batch.

■ **Rename Button**
Click this button to rename a selected batch. Once the batch is selected, edit the name in the Batch Name field, and then click the Rename button.

■ **Delete Button**
Click this button to delete a selected batch.

Completing the Edit Batch Screen

Follow the guidelines provided below to complete the fields in the Edit Batch screen.

■ **Batch Name**
This field displays the batch name you entered on the Batch Manager screen.

■ **Available Reports**
Use this field to select one or more reports to include in the batch. To do so, click on a report and click the Add button. To select multiple reports simultaneously, click on a report, depress the left mouse button, and drag the cursor down the list to highlight all desired reports; then click the Add button.

Note Some reports, such as the tax forms and worksheets, are not available for inclusion in the batch.

■ **Reports in Batch**
This field displays all reports you selected in the Available Reports field. To remove reports from the batch list, highlight the reports and click the Remove button.

Running Batch Reports

Before you run a batch report, you need to do the following:

• Complete the Report Definition screens for the reports in the batch.

• Create the batch report using the Batch Manager feature. In this step, you decide which reports will print when you run the batch report.

Hint Before you run a batch, you can set the current reporting period so that each report in the batch will be run for the same date.

To run a Batch Report

1. Select Reports/Batch Reports from the menu bar. The Batch Reports screen appears.
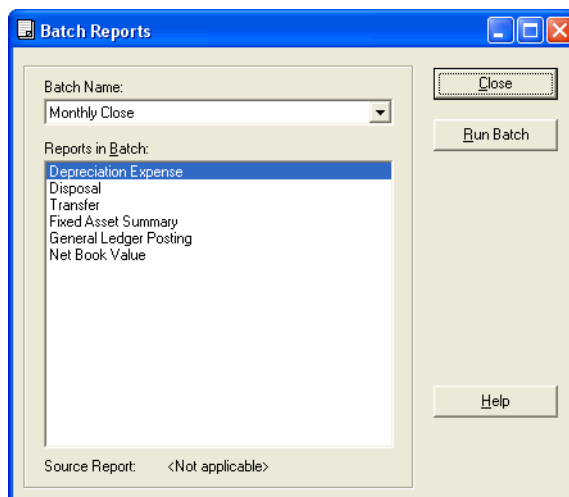
2. Complete the Batch Reports screen, and then click the Run Batch button. The application sends the reports in the batch to the printer, then returns to the Batch Reports screen.

3. Click the Close button to exit the Batch Reports screen.

Completing the Batch Reports Screen

Follow the guidelines provided below to complete the fields in the Batch Reports screen.

■ **Batch Name**
Use this field to select the name of the batch report you want to run.

■ **Reports in Batch**
This field displays the names of all the reports in the batch. You determine which reports are in the batch when you create the batch report.

■ **Source Report**
This field displays the standard report on which the customized report is based, if you select a customized report in the Reports in Batch field. If you select a standard report, rather than a customized report, this field displays the words "Not Applicable."

Note The Source Report field appears only if you have purchased FAS Report Writer.

■ **Run Batch Button**
Click this button to send the reports in the batch to the printer.

Setting the Current Reporting Period

You can set the date for which you want to run reports in one place. The date that you select is called the "current reporting period." After you select the current reporting period for a company, the date becomes the default date when you run reports. You may want to set the current reporting period before

you run batch reports. For more information about the batch reports, see "Running Batch Reports," page 9-34.

You can change the date when you run reports to a date other than the current reporting period, if needed. And you can change the current reporting period at any time.

You can set the current reporting period for each open book.

To set the current reporting period

1. Select Reports/Current Reporting Period from the menu bar. The Current Reporting Period screen appears.

Hint You can also access the Current Reporting Period screen by clicking the Set Current Report Period button on the Setup Report page of the Report Definition screen.

2. Complete the Current Reporting Period screen, and then click OK.

The application uses the date that you select for each book when you run a report.

> **Note** You can also set the current reporting period when you
> calculate depreciation. See "Completing the Depreciate Screen,"
> page 8-7.

Completing the Current Reporting Period Screen

Follow the guidelines below to complete the fields on the Current
Reporting Period screen.

- **Books**
  This field displays the name of the book for which you can set
  the current reporting period.

- **Reporting Period**
  Use this field to select the period end date for the current
  reporting period for each book. The date must be the end of a
  period. If you enter a date that is not the end of a period, the
  application automatically enters the end date for the period
  that contains the date you entered.

10 Report Details

This chapter outlines the purpose of each report, suggests hints or tips on running each report, provides detailed descriptions of the columns in each report, and displays a sample of each report. Each report is presented in alphabetic order to make them easier for you to locate in this guide.

Adjusted Current Earnings Report

Purpose

The Adjusted Current Earnings report displays depreciation amounts that have been calculated for the selected assets.

If a corporation is exempt from AMT (under the rules prescribed by the Taxpayer Relief Act of 1997), it would close the ACE book, as well as the AMT book, for the first year beginning after December 31, 1997. After you close the ACE book, the ACE report is unavailable.

Note There is no longer an ACE Depreciation Adjustment for property placed in service after December 31, 1993. In your company setup, if you have not specified a book emulation for the ACE book, then the Depreciation Method field automatically defaults to "No" in the ACE book for these assets. Therefore, the Adjusted Current Earnings report includes these assets but does not display depreciation amounts for them.

If you have specified that you want the ACE book to emulate the AMT book, the Adjusted Current Earnings report includes the assets and displays any depreciation the application has calculated on them. For a full explanation of emulating books, see "Emulate Book," page 4-10.

Hints for Running the Report

- The ACE book must be open in order to run this report.

- Before you run the Adjusted Current Earnings report, be sure that you have calculated depreciation for the ACE book on assets for which you want to run this report. The date that you enter on the ACE report definition screen must be the same as the date through which you have calculated depreciation (the assets' current through date). This ensures that the selected assets appear on the report.

Report Columns

The ACE Report columns first identify the asset, and then provide depreciable basis and depreciation expense figures.

These standard columns appear in the ACE report and need no explanation:

- System Number

- Extension

- [Placed] In-Service Date

- Acquired Value

- Depreciation Method (DM)

- Property Type (PT)

- Estimated Life (shown in years and months)

- Key

The following guidelines provide detail on the nonstandard columns appearing in the ACE report.

■ **Depreciable Basis**
This column displays the asset's depreciable basis as calculated by the application.

■ **Remaining Basis**
The remaining basis is the amount of the asset's depreciable basis not expensed as of the date the asset converted from its original depreciation method to a remaining value over remaining life calculation, as required under ACE rules. The conversion date, shown above this column and the next, is the end of the company's last tax year that began before 1990. For example, for companies on a calendar fiscal year, the conversion date is 12/89.

Because the remaining basis is calculated as of the conversion date, the amount in this column for a particular asset will not change from year to year.

■ **Remaining Life (in years and months)**
The remaining life is the amount of the asset's ADS life (not estimated life) for which depreciation has not been taken as of the date the asset converted from its original depreciation method to a remaining value over remaining life calculation.

Because the remaining life is calculated as of the conversion date, the amount in this column for a particular asset will not change from year to year.

■ **Previous Through**
This date is the previous through date (that is, the date of the next-to-last depreciation calculation). For example, if you calculated depreciation through 01/02 and then calculated depreciation through 02/02, the application displays 01/31/02 in the Previous Through column.

■ **Prior Accumulated Depreciation**
Prior accumulated depreciation includes all depreciation expense from the asset's placed-in-service date through the end of the fiscal year before depreciation was last calculated. For example, if depreciation was last calculated through 03/02, prior accumulated depreciation includes all depreciation expense from the asset's placed-in-service date through December 2001, including any beginning depreciation amounts.

Prior accumulated depreciation includes the 168 Allowance and Section 179 expense, when applicable to the depreciation method, if you selected Yes in the Include Section 168 Allowance and Section 179 in Expense field in the Edit Company screen and the report run date is after the asset's placed-in-service year. The Calculation Assumptions section on the last page of the report indicates whether you selected Yes or No in the Edit Company screen.

■ **Depreciation This Run**
Depreciation this run is the amount that was calculated for the period between the next-to-last depreciation calculation (the Previous Through date) and the last depreciation calculation (the current through date). For example, if you calculated depreciation through 01/02 and then calculated depreciation through 03/02, the Depreciation This Run column includes depreciation for February and March 2002.

Depreciation this run includes the 168 Allowance and Section 179 expense if you selected Yes in the Include Section 168 Allowance and Section 179 in Expense field in the Edit Company screen and the time period for Depreciation This Run includes the asset's placed-in-service month. The Calculation Assumptions section on the last page of the report indicates whether you selected Yes or No in the Edit Company screen.

■ **Current Year to Date**
Current year-to-date depreciation includes all depreciation expense from the beginning of the fiscal year containing the current through date up to and including the through date. (The *through date* is the last date through which you calculated depreciation.) For example, if the current through date is 03/02, the current year-to-date depreciation includes depreciation for January, February, and March 2002 (for a calendar year-end company).

Current year-to-date includes the 168 Allowance and Section 179 expense, when applicable to the depreciation method, if you selected Yes in the Include Section 168 Allowance and Section 179 in Expense field in the Edit Company screen and the report is run for the asset's placed-in-service year. The Calculation Assumptions section on the last page of the report indicates whether you selected Yes or No in the Edit Company screen.

■ **Current Accumulated Depreciation**
Current accumulated depreciation includes all depreciation expense from the asset's placed-in-service date up to and including the current through date. (The *through date* is the last date through which you calculated depreciation.) Current accumulated depreciation equals the amount in the Prior Accumulated Depreciation column plus the amount in the Current Year-to-Date column.

Current accumulated depreciation includes the 168 Allowance and Section 179 expense, when applicable to the depreciation method, if you selected Yes in the Include Section 168 Allowance and Section 179 in Expense field in the Edit Company screen. The Calculation Assumptions section on the last page of the report indicates whether you selected Yes or No in the Edit Company screen.

Sample Adjusted Current Earnings Report

May 4, 2004
10:39 AM
Westfields Bakery - Demo
Page 1

ADJUSTED CURRENT EARNINGS REPORT

as of 12/31/2004

SYS No Ext	In-Svc Date	D P M T	Est Life	Depreciable Basis	----As of 12/89---- Remain Basis RmLfe	Prev Thru	Prior Accum Depreciation	Depreciation This Run	Current Year to Date	Current Accum Depreciation	Key
					Book: ACE FY: December						
000013 000	10/23/00	MF P	15 00	16750.00	0.00 0 0	11/30/04	4691.89	100.49	1205.81	5897.70	m
000014 000	11/12/00	MF P	15 00	5220.00	0.00 0 0	11/30/04	1462.19	31.32	375.78	1837.97	m
000015 000	12/18/00	MF P	15 00	2450.00	0.00 0 0	11/30/04	686.28	14.70	176.37	862.65	m
000031 000	07/30/01	MF P	05 00	3126.00	0.00 0 0	11/30/04	1824.02	43.40	520.79	2344.81	s
000032 000	09/06/01	MF R	39 00	4699.95	0.00 0 0	11/30/04	276.17	10.05	120.51	396.68	
000034 000	10/11/01	MA R	39 00	560.00	0.00 0 0	11/30/04	271.71	1.20	14.36	286.07	r
000036 000	11/11/01	MA R	39 00	157.50	0.00 0 0	11/30/04	76.09	0.34	4.04	80.13	r
000041 000	01/12/02	MA R	39 00	2712.50	0.00 0 0	11/30/04	1298.70	5.80	69.55	1368.25	r
000051 000	05/18/02	MA P	05 00	3360.00	0.00 0 0	11/30/04	3187.20	53.76	645.12	3832.32	r
000055 000	06/12/02	MA P	05 00	1540.00	0.00 0 0	11/30/04	1460.80	24.64	295.68	1756.48	r
000056 000	06/14/02	MA P	05 00	1925.62	0.00 0 0	11/30/04	1826.58	30.81	369.72	2196.30	r
000057 000	06/21/02	MA P	05 00	3673.60	0.00 0 0	11/30/04	3484.67	58.78	705.33	4190.00	r
000058 000	06/30/02	MA R	39 00	315.00	0.00 0 0	11/30/04	147.46	0.67	8.08	155.54	r
000059 000	07/01/02	MA P	05 00	424.20	0.00 0 0	11/30/04	402.38	6.79	81.45	483.83	r
000061 000	08/05/02	MA P	05 00	83.30	0.00 0 0	11/30/04	79.02	1.33	15.99	95.01	r
000063 000	08/17/02	MA P	05 00	192.50	0.00 0 0	11/30/04	182.60	3.08	36.96	219.56	r
000065 000	09/10/02	MA P	05 00	2450.00	0.00 0 0	11/30/04	2324.00	39.20	470.40	2794.40	r
000067 000	10/01/02	MA P	05 00	350.00	0.00 0 0	11/30/04	332.00	5.60	67.20	399.20	r
000068 000	10/09/02	MA P	05 00	556.50	0.00 0 0	11/30/04	527.88	8.90	106.85	634.73	r
000069 000	10/09/02	MA P	05 00	4165.00	0.00 0 0	11/30/04	3950.80	66.64	799.68	4750.48	r
000070 000	10/12/02	MA P	05 00	616.00	0.00 0 0	11/30/04	584.32	9.86	118.27	702.59	r
000071 000	10/14/02	MA P	05 00	799.39	0.00 0 0	11/30/04	758.27	12.79	153.48	911.75	r
000073 000	11/01/02	MA P	05 00	346.50	0.00 0 0	11/30/04	328.68	5.54	66.53	395.21	r
000074 000	11/07/02	MA P	05 00	822.50	0.00 0 0	11/30/04	780.20	13.16	157.92	938.12	r
000075 000	11/13/02	MA P	05 00	1057.00	0.00 0 0	11/30/04	1002.64	16.91	202.94	1205.58	r
000079 000	01/17/03	MA R	39 00	2555.00	0.00 0 0	11/30/04	1157.78	5.46	65.51	1223.29	r
000092 000	08/13/03	MA P	05 00	571.50	0.00 0 0	11/30/04	685.80	15.24	182.88	868.68	r
000140 000	08/15/04	MA P	05 00	7462.50	0.00 0 0	11/30/04	0.00	298.50	8955.00	8955.00	r
Count= 28				-------------	-------------		-------------	-------------	-------------	-------------	
Grand Total											
				68942.06	0.00		33790.13	884.96	15992.20	49782.33	
Less disposals and transfers				0.00	0.00		0.00			0.00	
				-------------	-------------		-------------	-------------	-------------	-------------	
Net				68942.06	0.00		33790.13	884.96	15992.20	49782.33	
				=============	=============		=============	=============	=============	=============	

Alternative Minimum Tax Report

Purpose

For each asset selected, the Alternative Minimum Tax report shows the difference between Tax and AMT book depreciation due to Alternative Minimum Tax requirements. It also shows Tax Preferences and Adjustments that arise from that difference.

Hints for Running the Report

- The AMT book must be open in order to run this report.

- Before you run the Alternative Minimum Tax report, be sure you have calculated depreciation for the Tax and AMT books on the assets for which you want to run this report. The assets' current through date in both of these books must be the same as the run date for the report.

- The amount of Tax Preferences and Adjustments provides one piece of information needed to determine if your company is subject to the AMT. If it is, you may want to make an election to reduce the depreciation method percentage (for example, from 200% to 150%) for all applicable assets.

Report Columns

The Depreciation Method and Estimated Life columns appear twice in this report, once for the Tax book and once for the AMT book.

These standard columns appear in the AMT report and need no explanation:

- System Number

- Extension

- Description (first ten characters)

- [Placed] In-Service Date

- Property Type (PT)

- Depreciation Method (DMeth)

- [Estimated] Life (in years and months)

The following guidelines provide detail on the nonstandard columns appearing in the AMT report.

■ **Current Depreciation**
This column shows current year-to-date depreciation as calculated by the application. This column is repeated for the Tax book and the AMT book.

Current Depreciation includes the 168 Allowance and Section 179 expense, when applicable to the depreciation method, if you selected Yes in the Include Section 168 Allowance and Section 179 in Expense field in the Edit Company screen and the report is run for the asset's placed-in-service year. The Calculation Assumptions section on the last page of the report indicates whether you selected Yes or No in the Edit Company screen.

■ **MACRS Adjustments**
The MACRS Adjustments column shows the difference (if any) between Tax book depreciation and AMT book depreciation for all property using a MACRS depreciation method (methods MF, MA, MT, MI, MR, AD, and AA). MACRS Adjustments apply to both real and personal property, and they may be positive or negative.

The grand total for MACRS Adjustments for the fiscal year must be entered on IRS Form 4626, Alternative Minimum Tax—Corporations. The application automatically includes this amount if you print the Form 4626 worksheet.

Note There is no AMT depreciation adjustment for assets placed in service after 12/31/98 if they are being depreciated under a straight-line method (MF100, AD, or AA) or a 150% declining-balance method (MT150, MF150, or MA150) in the Tax book. This is due to the Taxpayer Relief Act of 1997. In addition, there is no AMT adjustment for Indian Reservation property, and there is no AMT adjustment for property using the 168 Allowance deduction. However, if you have elected to **not** have the 168 Allowance apply to a class of property for a tax year, then the normal AMT adjustment would be required.

■ **ACRS Preferences**

The ACRS Preferences column shows the extent to which accelerated depreciation of any real property placed in service before 1987 exceeds straight-line depreciation for the same period. ACRS Preferences can never be negative; when straight-line depreciation exceeds accelerated depreciation in later years, the reported Preference is zero.

The grand total for ACRS Preferences for the fiscal year must be entered on IRS Form 4626, Alternative Minimum Tax—Corporations. The application automatically includes this amount if you print the Form 4626 worksheet.

Sample Alternative Minimum Tax Report

```
May 4, 2004                                                                              Page    1
10:41 AM                                Westfields Bakery - Demo
                                ALTERNATIVE MINIMUM TAX REPORT
                                       as of  12/31/2004

                    In-Svc  P ----------Tax Book--------- ----------AMT Book---------    MACRS        ACRS
SYS No Ext Desc     Date     T DMeth Life  Current Depr  DMeth Life  Current Depr    Adjustments   Preferences  Key


000013 000 Parking Lot     10/23/00 P MF150 15 00      1205.81 MF150 15 00      1205.81         0.00        0.00 m
000014 000 Parking Lot Floo 11/12/00 P MF150 15 00      375.78 MF150 15 00       375.78         0.00        0.00 m
000015 000 Sidewalk        12/18/00 P MF150 15 00       176.37 MF150 15 00       176.37         0.00        0.00 m
000031 000 Bakery Sign     07/30/01 P MF200 05 00       360.12 MF150 05 00       520.79      -160.67        0.00
000032 000 Air conditioning 09/06/01 R MF100 39 00      120.51 MF100 39 00       120.51         0.00        0.00
000034 000 Recess Lighting  10/11/01 R MA100 39 00       14.36 MA100 39 00        14.36         0.00        0.00 r
000036 000 Emergency Exit S 11/11/01 R MA100 39 00        4.04 MA100 39 00         4.04         0.00        0.00 r
000041 000 Sprinkler System 01/12/02 R MA100 39 00       69.55 MA100 39 00        69.55         0.00        0.00 r
000051 000 Storefront Awnin 05/18/02 P MA200 05 00      645.12 MA200 05 00       645.12         0.00        0.00 r
000055 000 CafT Table Top   06/12/02 P MA200 05 00      295.68 MA200 05 00       295.68         0.00        0.00 r
000056 000 Aluminum Display 06/14/02 P MA200 05 00      369.72 MA200 05 00       369.72         0.00        0.00 r
000057 000 Glass Door Merch 06/21/02 P MA200 05 00      705.33 MA200 05 00       705.33         0.00        0.00 r
000058 000 Fire Extinguishe 06/30/02 R MA100 39 00        8.08 MA100 39 00         8.08         0.00        0.00 r
000059 000 Stackable Food B 07/01/02 P MA200 05 00       81.45 MA200 05 00        81.45         0.00        0.00 r
000061 000 Fire Safe        08/05/02 P MA200 05 00       15.99 MA200 05 00        15.99         0.00        0.00 r
000063 000 Window Writing   08/17/02 P MA200 05 00       36.96 MA200 05 00        36.96         0.00        0.00 r
000065 000 Interior DTcor   09/10/02 P MA200 05 00      470.40 MA200 05 00       470.40         0.00        0.00 r
000067 000 Telephone Equipm 10/01/02 P MA200 05 00       67.20 MA200 05 00        67.20         0.00        0.00 r
000068 000 Euro Front Displ 10/09/02 P MA200 05 00      106.85 MA200 05 00       106.85         0.00        0.00 r
000069 000 Refrigerated Dis 10/09/02 P MA200 05 00      799.68 MA200 05 00       799.68         0.00        0.00 r
000070 000 Automatic Coffee 10/12/02 P MA200 05 00      118.27 MA200 05 00       118.27         0.00        0.00 r
000071 000 CafT Microwave   10/14/02 P MA200 05 00      153.48 MA200 05 00       153.48         0.00        0.00 r
000073 000 Cash Register    11/01/02 P MA200 05 00       66.53 MA200 05 00        66.53         0.00        0.00 r
000074 000 Cold Beverage Di 11/07/02 P MA200 05 00      157.92 MA200 05 00       157.92         0.00        0.00 r
000075 000 Automatic Ice Di 11/13/02 P MA200 05 00      202.94 MA200 05 00       202.94         0.00        0.00 r
000079 000 Restroom Accesso 01/17/03 R MA100 39 00       65.51 MA100 39 00        65.51         0.00        0.00 r
000092 000 Stainless Trash  08/13/03 P MA200 05 00      182.88 MA200 05 00       182.88         0.00        0.00 r
000140 000 Quart Mixer - re 08/15/04 P MA200 05 00     1492.50 MA200 05 00      1492.50         0.00        0.00 r
   Count=   28                       ---------------     --------------- --------------- ---------------
   Grand Total                             8369.03            8529.70       -160.67            0.00
                                      ===============     =============== =============== ================
```

Annual Activity Report

Purpose

The Annual Activity report presents asset account balance activity for Acquired Value over the requested fiscal year. For each asset included, it shows the asset's cost as of the beginning of the fiscal year (its acquired value or, if the asset was disposed of in a previous year, zero); the cost of acquisitions, transfers, and disposals during the fiscal year; and the asset's cost at the end of the fiscal year. You may choose to include only assets with current activity and a summary line for other assets, or you may include details for all selected assets.

Hint for Running the Report

- To reconcile the changes in G/L asset account balances from the beginning to the end of the fiscal year, sort and subtotal the report by G/L asset account number.

Unique Report Definition Fields

- **Summarize Assets With No Activity**
  Select this check box to display only the totals of the Beginning Cost and the Ending Cost columns for assets with no activity in the fiscal year (that is, fully depreciated assets). The report will display no other information for such assets.

Report Columns

These standard columns appear in the Annual Activity report and need no explanation:

- System Number
- Extension
- Company Asset Number
- G/L Asset Account Number

The following guidelines provide detail on the nonstandard columns appearing on the Annual Activity report.

■ **Beginning Cost**
This column shows the asset's value at the beginning of the fiscal year. The application determines the value by taking into account all activity before the report year. If the asset was not acquired by the beginning of the fiscal year, this column would show zero.

■ **Current Year Acquisitions, Current Year Dispositions**
These columns show the asset values affected by acquisitions and disposals. If an asset has an entry in the acquisition date field, the application uses that date to determine whether the asset was acquired in the current fiscal year. If the asset has no entry in the acquisition date field, the application uses the date in the placed in service field for the selected book.

■ **Current Year Transfers In, Current Year Transfers Out**
These columns show the acquired values of all assets transferred in and out of the company for the current year.

■ **Ending Cost**
The asset's ending cost is the total of the asset's:

	beginning cost
plus	current-year acquired value
plus	current-year transfer-in value
minus	current-year transfer-out value
minus	current-year disposal value
equals	ending cost

Sample Annual Activity Report

Westfields Bakery - Demo
Annual Activity Report
For the fiscal year ended December 31, 2004

Book = Tax
FYE Month = December

Sys No	Ext	Co Asset No	G/L Asset Acct No	Beginning Cost	Current Year Acquisitions	Current Year Transfers-In	Current Year Transfers-Out	Current Year Dispositions	Ending Cost
G/L Asset Acct No = 100-15100									
			Summary of Assets w/no Activity	$ 691,112.00					$ 691,112.00
			G/L Asset Acct No = 100-15100	$ 691,112.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 691,112.00
			Count = 6						
G/L Asset Acct No = 100-15200									
000016	000	100250	100-15200	$ 1,092.00	$ 0.00	$ 0.00	$ 0.00	$ 1,092.00	$ 0.00
000141	000	101562	100-15200	0.00	1,092.00	0.00	0.00	0.00	1,092.00
			Summary of Assets w/no Activity	$ 13,806.00					$ 13,806.00
			G/L Asset Acct No = 100-15200	$ 14,898.00	$ 1,092.00	$ 0.00	$ 0.00	$ 1,092.00	$ 14,898.00
			Count = 7						
G/L Asset Acct No = 100-15300									
000011	000	100200	100-15300	875.00	0.00	0.00	0.00	875.00	0.00
000019	000	100280	100-15300	6,900.00	0.00	0.00	0.00	6,900.00	0.00
000098	000	101060	100-15300	0.00	5,750.00	0.00	0.00	0.00	5,750.00
000106	000	101140	100-15300	0.00	840.00	0.00	0.00	0.00	840.00
000109	000	101170	100-15300	0.00	110,000.00	0.00	0.00	0.00	110,000.00
000110	000	101180	100-15300	0.00	22,000.00	0.00	0.00	0.00	22,000.00
000138	000	101559	100-15300	0.00	125,000.00	0.00	0.00	0.00	125,000.00
000139	000	101560	100-15300	0.00	2,175.46	0.00	0.00	0.00	2,175.46
			Summary of Assets w/no Activity	$ 200,342.90					$ 200,342.90
			G/L Asset Acct No = 100-15300	$ 208,117.90	$ 265,765.46	$ 0.00	$ 0.00	$ 7,775.00	$ 466,108.36
			Count = 49						
G/L Asset Acct No = 100-15400									
			Summary of Assets w/no Activity	$ 3,519.87					$ 3,519.87
			G/L Asset Acct No = 100-15400	$ 3,519.87	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 3,519.87
			Count = 3						
G/L Asset Acct No = 100-15600									
			Summary of Assets w/no Activity	$ 4,500.00					$ 4,500.00
			G/L Asset Acct No = 100-15600	$ 4,500.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 4,500.00
			Count = 1						
G/L Asset Acct No = 100-15700									
000132	000	101400	100-15700	0.00	28,950.00	0.00	0.00	0.00	28,950.00
			Summary of Assets w/no Activity	$ 24,505.00					$ 24,505.00
			G/L Asset Acct No = 100-15700	$ 24,505.00	$ 28,950.00	$ 0.00	$ 0.00	$ 0.00	$ 53,455.00
			Count = 2						
			Summary of Assets w/no Activity	$937,785.77					$937,785.77
			Count = 57						
			Grand Total	$ 946,652.77	$ 295,807.46	$ 0.00	$ 0.00	$ 8,867.00	$ 1,233,593.23
			Count = 68						

Annual Projection Report

Purpose

The Annual Projection report projects total annual depreciation expense for selected assets for up to 99 years. The report shows projected depreciation for all the depreciation books.

The Annual Projection report includes assets only when they are subject to depreciation calculations. Therefore, the report does not project depreciation expense for assets that have been fully or partially disposed, or for assets that have been transferred out of the group for which you are running the report.

For more information about the Annual Projection report, see "Running a Budgetary Projection," page 8-12.

Note The report applies the midquarter convention to applicable assets according to how the asset's beginning depreciation was entered or its current depreciation was calculated. If the asset has no beginning depreciation and its depreciation has never been calculated (or was reset to zero), the report uses the setting in Book Overrides in the Company Definition screen to determine whether the midquarter convention applies. If necessary, change the settings through Edit Company to ensure that the projection matches your assumptions.

Applying (or not applying) the midquarter convention for a projection report does not determine whether the midquarter convention will be applied when you calculate depreciation. The Overrides settings at the time you calculate depreciation will determine and set the application of the midquarter convention.

Hint for Running the Report

- You will probably find the Annual Projection report more useful if the group for which you run the report is sorted and subtotaled by a field you use for budgeting.

Unique Report Definition Fields

- **Number of Years to Project**
  Use this field to enter the number of years to project, from 1 to 99.

Report Columns

The following guidelines provide detail on the nonstandard columns that appear on the Annual Projection report.

- **Month and Year**
  The Month and Year column shows all fiscal year-ends for all selected books during the projection period.

- **Year-to-Date Depreciation**
  The YTD Depreciation column for each book shows projected annual depreciation expense only for the appropriate fiscal year-end dates.

  The column for each book includes the 168 Allowance and Section 179 expense in the placed-in-service year of each asset, when applicable to the depreciation method, if you selected Yes in the Include Section 168 Allowance and Section 179 in Expense field in the Edit Company screen.

Sample Annual Projection Report

Westfields Bakery - Demo
Annual Projection Report
Projection for 10 Fiscal Years Beginning 01/01/2004

Mo Year	Tax YTD Depreciation	Internal YTD Depreciation	State YTD Depreciation	AMT YTD Depreciation	ACE YTD Depreciation	Book 6 YTD Depreciation
Dec 2004	$ 364,847.11	$ 210,527.07	$ 364,847.11	$ 369,292.54	$ 369,292.54	$ 91,403.91
Dec 2005	56,326.25	107,392.36	56,326.25	59,432.54	59,432.54	122,546.01
Dec 2006	34,475.54	97,468.71	34,475.54	35,307.80	35,307.80	112,347.19
Dec 2007	21,545.60	77,381.43	21,545.60	21,530.23	21,530.23	92,537.00
Dec 2008	15,098.84	60,596.79	15,098.84	15,094.87	15,094.87	75,160.12
Dec 2009	7,984.87	33,233.81	7,984.87	7,978.67	7,978.67	45,325.64
Dec 2010	4,145.26	11,600.75	4,145.26	4,133.46	4,133.46	21,760.75
Dec 2011	4,134.38	8,404.87	4,134.38	4,128.70	4,128.70	18,530.92
Dec 2012	4,101.75	7,298.57	4,101.75	4,124.66	4,124.66	17,346.07
Dec 2013	3,066.74	6,536.90	3,066.74	3,086.21	3,086.21	16,588.36
Grand Total	$ 515,726.34	$ 620,441.26	$ 515,726.34	$ 524,109.68	$ 524,109.68	$ 613,545.97

Asset Basis Report

Purpose

For each asset, the Asset Basis report shows how the application calculated the depreciable basis used in the asset's last depreciation run. If the asset was disposed of, the report also shows how the application calculated the adjusted basis used in the gain or loss calculation.

Hint for Running the Report

- To be certain that figures are final for disposed assets before you run the Asset Basis report, first calculate depreciation at least through the latest disposal date that might appear on the Asset Basis report. Although the application calculates depreciation on disposal, if depreciation is calculated through an earlier date, the application will have overwritten the depreciation balances before you run the Asset Basis report.

Report Columns

Above each column heading (other than System Number, Acquired Value, and Current Through date) is an operator that shows whether the value in that column was subtracted from, added to, multiplied by, or totaled from the preceding column values. For example, any amount in the ITC Reduction column was subtracted from the asset's acquired value as part of the depreciable basis calculation.

These standard columns appear in the Asset Basis report and need no explanation:

- System Number

- Extension

- Acquired Value

- (x) Percentage of Business Use

- (-) ITC Reduction

- (-) Section 179

- Key Code

The following guidelines provide detail on the nonstandard columns appearing in the Asset Basis report.

■ **(-) Salvage Value**
The salvage value entered in the Detail View of the asset appears in this column only if the depreciation method requires the subtraction of salvage value to determine the depreciable basis. For example, the salvage value appears for assets that use a sum-of-the-years'-digits depreciation method. However, if an asset's depreciation method is declining-balance, the salvage value does not appear in this column because salvage value does not reduce the depreciable basis (although it does reduce the total amount of depreciation allowed).

■ **(-) 168 Allowance**
This column shows the amount the application calculates as the 168 Allowance for the year you place the asset in service. The application subtracts the 168 Allowance to determine the depreciable basis. The application displays an amount in this column only if you select a "Plus 168" depreciation method: MA, MR, AA, or SB.

■ **(=) Depreciable Basis**
This column shows the amount the application calculates as the asset's depreciable basis from the amounts in the preceding columns. This amount will match the asset's depreciable basis shown on a Depreciation Expense report for the date in this report's Current Through date column.

■ **Current Through**
If the asset has been disposed, this column shows the date depreciation was last calculated for the asset. This date is the same as the Through Date displayed in Detail View.

Sample Asset Basis Report

Westfields Bakery - Demo

Asset Basis Report

Book = Tax

FYE Month = December

Sys No	Ext	Description	Acquired Value	(-) ITC Reduction	(-) Salvage Value	(-) Section 179	(X) Bus Use %	(-) 168 Allowance	Depreciable Basis	Thru Date	Key Code
000013	000	Parking Lot	$ 16,750.00	$ 0.00	$ 0.00	$ 0.00	100.00%	$ 0.00	$ 16,750.00	12/31/2005	m
000014	000	Parking Lot Flood	5,220.00	0.00	0.00	0.00	100.00%	0.00	5,220.00	12/31/2005	m
000015	000	Sidewalk	2,450.00	0.00	0.00	0.00	100.00%	0.00	2,450.00	12/31/2005	m
000031	000	Bakery Sign	3,126.00	0.00	0.00	0.00	100.00%	0.00	3,126.00	12/31/2005	s
000032	000	Air conditioning	4,699.95	0.00	0.00	0.00	100.00%	0.00	4,699.95	12/31/2005	
000034	000	Recess Lighting	800.00	0.00	0.00	0.00	100.00%	240.00	560.00	12/31/2005	r
000036	000	Emergency Exit S	225.00	0.00	0.00	0.00	100.00%	67.50	157.50	12/31/2005	r
000041	000	Sprinkler System	3,875.00	0.00	0.00	0.00	100.00%	1,162.50	2,712.50	12/31/2005	r
000051	000	Storefront Awnin	4,800.00	0.00	0.00	0.00	100.00%	1,440.00	3,360.00	12/31/2005	sr
000054	001	Café Chairs	605.00	0.00	0.00	0.00	100.00%	181.50	423.50	01/31/2005	sdr
	002	Café Chairs	4,235.00	0.00	0.00	0.00	100.00%	1,270.50	2,964.50	06/30/2005	srt
000055	000	Café Table Top	2,200.00	0.00	0.00	0.00	100.00%	660.00	1,540.00	12/31/2005	sr
000056	000	Aluminum Displa	2,750.88	0.00	0.00	0.00	100.00%	825.26	1,925.62	12/31/2005	r
000057	000	Glass Door Merch	5,248.00	0.00	0.00	0.00	100.00%	1,574.40	3,673.60	12/31/2005	sr
000058	000	Fire Extinguisher	450.00	0.00	0.00	0.00	100.00%	135.00	315.00	12/31/2005	r
000059	000	Stackable Food B	606.00	0.00	0.00	0.00	100.00%	181.80	424.20	12/31/2005	sr
000061	000	Fire Safe	119.00	0.00	0.00	0.00	100.00%	35.70	83.30	12/31/2005	sr
000063	000	Window Writing	275.00	0.00	0.00	0.00	100.00%	82.50	192.50	12/31/2005	sr
000065	000	Interior Décor	3,500.00	0.00	0.00	0.00	100.00%	1,050.00	2,450.00	12/31/2005	r
000067	000	Telephone Equip	500.00	0.00	0.00	0.00	100.00%	150.00	350.00	12/31/2005	r
000068	000	Euro Front Displ	795.00	0.00	0.00	0.00	100.00%	238.50	556.50	12/31/2005	sr
000069	000	Refrigerated Displ	5,950.00	0.00	0.00	0.00	100.00%	1,785.00	4,165.00	12/31/2005	r
000070	000	Automatic Coffee	880.00	0.00	0.00	0.00	100.00%	264.00	616.00	12/31/2005	sr
000071	000	Café Microwave	1,141.98	0.00	0.00	0.00	100.00%	342.59	799.39	12/31/2005	r
000073	000	Cash Register	495.00	0.00	0.00	0.00	100.00%	148.50	346.50	12/31/2005	r
000074	000	Cold Beverage D	1,175.00	0.00	0.00	0.00	100.00%	352.50	822.50	12/31/2005	r
000075	000	Automatic Ice Dis	1,510.00	0.00	0.00	0.00	100.00%	453.00	1,057.00	12/31/2005	sr
000079	000	Restroom Access	3,650.00	0.00	0.00	0.00	100.00%	1,095.00	2,555.00	12/31/2005	r
000092	000	Stainless Trash B	1,143.00	0.00	0.00	0.00	100.00%	571.50	571.50	12/31/2005	r
000140	000	Quart Mixer - re	14,925.00	0.00	0.00	0.00	100.00%	7,462.50	7,462.50	12/31/2005	r
		Grand Total	$ 94,099.81	$ 0.00	$ 0.00	$ 0.00		$ 21,769.75	$ 72,330.06		
		Less disposals and transfers	(4,840.00)	0.00	0.00	0.00		(1,452.00)	(3,388.00)		
		Count = 2									
		Net Grand Total	$ 89,259.81	$ 0.00	$ 0.00	$ 0.00		$ 20,317.75	$ 68,942.06		
		Count = 28									

Depreciation Adjustment Report

Purpose

For each asset selected, the Depreciation Adjustment report shows the difference between the beginning depreciation amounts you enter (if any) and the depreciation amounts the application calculates for the same period. The report includes only those selected assets that have adjustment amounts. The Depreciation Adjustment report displays your assets in two separate groups: under-depreciated assets and over-depreciated assets.

The Depreciation Adjustment report is not affected by any choices you make for depreciation adjustment settings in the Book Overrides page of the New (or Edit) Company screen. However, if you decide to adjust depreciation, you may want to use this report to learn the adjustment amount for each asset.

Report Columns

These standard columns appear in the Depreciation Adjustment report and need no explanation:

- System Number

- Extension

- Description (first ten characters)

- [Placed] In-Service Date

- Estimated Life (in years and months)

- Depreciation Method

The following guidelines provide detail on the nonstandard columns appearing in the Depreciation Adjustment report.

- **Creation Code**
  This column shows the asset's creation code: O - Original Asset; D - Disposed Asset; etc.

- **Depreciable Basis**
  This column shows the asset's depreciable basis as calculated by the application.

■ **Beginning Year to Date Depreciation**
This column shows the amount displayed in the Beginning Year to Date field in Detail View. Beginning year-to-date depreciation includes the 168 Allowance and Section 179 expense, when applicable, if you selected Yes in the Include Section 168 Allowance and Section 179 in Expense field in the Edit Company screen. The Calculation Assumptions section on the last page of the report indicates whether you selected Yes or No in the Edit Company screen.

■ **Beginning Accumulated Depreciation**
This column shows the amount displayed in the Beginning Accumulated Depreciation field in Detail View. Beginning accumulated depreciation includes the 168 Allowance and Section 179 expense, when applicable, if you selected Yes in the Include Section 168 Allowance and Section 179 in Expense field in the Edit Company screen. The Calculation Assumptions section on the last page of the report indicates whether you selected Yes or No in the Edit Company screen.

■ **Calculated Total Accumulated Depreciation**
This column shows the amount the application calculated as the correct depreciation from the date the asset was placed in service through the date entered in Detail View as the beginning date. The beginning date appears in the next column.

Calculated total accumulated depreciation includes the 168 Allowance and Section 179 expense, when applicable to the depreciation method, if you selected Yes in the Include Section 168 Allowance and Section 179 in Expense field in the Edit Company screen. The Calculation Assumptions section on the last page of the report indicates whether you selected Yes or No in the Edit Company screen.

■ **Begin Date**
This column shows the date you entered in the Beginning Date field in Detail View.

■ **Over (Under) Depreciated**
This column shows the difference between the calculated total accumulated depreciation and the user-entered beginning accumulated depreciation.

In most cases, a negative adjustment amount shows that you have not taken enough depreciation for the asset as of the beginning date entered. A positive adjustment amount shows that you have taken too much depreciation as of the beginning

date. However, in the case of negative acquisition values entered for credits and rebates, a positive number shows not enough depreciation has been taken; a negative number shows too much depreciation has been taken.

If you've taken more beginning depreciation for an asset than the application calculates as correct, the application continues to take as much depreciation as you're entitled to each year. However, it stops taking depreciation when the asset is fully depreciated, taking less depreciation than you would otherwise be entitled to in the last year of the asset's life.

If you've taken less beginning depreciation than the application calculates as correct, the application by default does nothing to adjust for the difference and the asset will never be fully depreciated (unless you are using a declining-balance method of depreciation that switches to straight-line). Through Book Overrides, you can request that the application adjust for the difference and take the remaining depreciation expense immediately or during the postrecovery period. For instructions, see the online Help or

Sample Depreciation Adjustment Report

Westfields Bakery - Demo
Depreciation Adjustment Report

Book = Tax
FYE Month = December

Sys No	Ext	Description	In Svc Date	Est Life	Depr Meth	C C	Depreciable Basis	Beginning YTD Depr	Beginning Accum Depr	Calculated Total Accum	Begin Date	Over (Under) Depreciated	Key Code
Under Depreciated Assets													
000007	000	Bread Moulder (i)	11/19/00	05 00	MF200	O	$ 34,500.00	$ 0.00	$ 2,000.00	$ 22,701.00	12/31/02	$ (20,701.00)	sm
000008	000	Doughnut Glazer	02/18/00	05 00	MF200	O	1,475.00	100.00	100.00	899.75	12/31/01	(799.75)	m
000009	000	Doughnut Fryer	02/20/00	05 00	MF200	O	3,250.00	150.00	150.00	650.00	12/31/00	(500.00)	
000010	000	Doughnut Tumbl	02/21/00	05 00	MF200	O	2,450.00	50.00	50.00	857.50	12/31/00	(807.50)	m
000012	000	Dough Roller (i)	03/04/00	05 00	MF200	O	3,299.00	175.00	175.00	1,154.65	12/31/00	(979.65)	m
				Under Depreciated Assets Count = 5			$ 44,974.00	$ 475.00	$ 2,475.00	$ 26,262.90		$ (23,787.90)	
Over Depreciated Assets													
000013	000	Parking Lot	10/23/00	15 00	MF150	O	16,750.00	1,500.00	1,500.00	209.38	12/31/00	1,290.62	m
000014	000	Parking Lot Flood	11/12/00	15 00	MF150	O	5,220.00	1,200.00	1,200.00	65.25	12/31/00	1,134.75	m
				Over Depreciated Assets Count = 2			$ 21,970.00	$ 2,700.00	$ 2,700.00	$ 274.63		$ 2,425.37	
				Grand Total Count = 7			$ 66,944.00	$ 3,175.00	$ 5,175.00	$ 26,537.53		$ (21,362.53)	

Depreciation Expense Report

Purpose

The Depreciation Expense report displays depreciation amounts that have been calculated for the selected assets. Along with essential asset data, the report shows figures for previous years' depreciation, current year-to-date depreciation and total current accumulated depreciation. The application prints a separate Depreciation Expense report for each book selected.

To calculate depreciation, use the Depreciate option on the Depreciation menu.

Hints for Running the Report

- Run this report monthly for any book that is posted monthly (for example, the Internal book).

- You should run the Depreciation Expense report from the Reports menu if you are sure that all selected assets have been depreciated through the date for which you are running the report. If this is not the case, we recommend that you calculate depreciation at the same time you run the report. To do this, execute the Depreciate command from the Depreciation menu. In the Depreciate screen, in the Send To field, you can select Window or Printer (or both). You can calculate depreciation and run the report in this one easy step. In this way you can be sure that the report lists depreciation through the correct date on all assets selected.

- If you calculate depreciation monthly, and you inadvertently skip a month, the amounts in the Depreciation This Run column will be greater than expected. You can view the correct monthly amounts by calculating depreciation for the previous month and then calculating depreciation again for the current month.

Report Columns

The Depreciation Expense report columns first identify the asset, then provide depreciable basis and depreciation expense figures.

These standard columns appear in the Depreciation Expense report and need no explanation:

- System Number

- Extension

- [Placed] In-Service Date

- Acquired Value

- Depreciation Method

- Property Type (PT)

- Estimated Life (shown in years and months)

- Salvage/168 Allowance/Section 179

- Key

The following guidelines provide detail on the nonstandard columns appearing in the Depreciation Expense report.

- **Depreciable Basis**
  This column shows the asset's depreciable basis as calculated by the application.

- **Previous Through**
  This date is the previous through date (that is, the date of the next-to-last depreciation calculation). For example, if you calculated depreciation through 01/07 and then calculated depreciation through 02/07, the application displays 01/31/07 in the Previous Through column.

- **Prior Accumulated Depreciation**
  Prior accumulated depreciation includes all depreciation expense from the asset's placed-in-service date through the end of the fiscal year before depreciation was last calculated. For example, if depreciation was last calculated through 03/07 prior accumulated depreciation includes all depreciation expense from the asset's placed-in-service date through December 2006 (assuming a calendar year-end company), including any beginning depreciation amounts.

- ■ **Depreciation This Run**
  Depreciation this run is the amount that was calculated for the period between the next-to-last depreciation calculation (the Previous Through date) and the last depreciation calculation (the current through date). For example, if you calculated depreciation through 01/07 and then calculated depreciation through 03/07, the Depreciation this Run column includes depreciation for February and March 2007.

- ■ **Current Year-to-Date Depreciation**
  Current year-to-date depreciation includes all depreciation expense from the beginning of the fiscal year containing the current through date up to and including the current through date. (The *current through date* is the last date through which you calculated depreciation.) For example, if the current through date is 03/07, the current year-to-date depreciation includes depreciation for January, February, and March 2007 (for a calendar year-end company).

- ■ **Current Accumulated Depreciation**
  Current accumulated depreciation includes all depreciation expense from the asset's placed-in-service date up to and including the current through date. (The *current through date* is the last date through which you calculated depreciation.) Current accumulated depreciation equals the amount in the Prior Accumulated Depreciation column plus the amount in the Current Year-to-Date Depreciation column.

Note The following columns on the report include the 168 Allowance and Section 179 expense, when applicable to the depreciation method, if you selected Yes in the Include Section 168 Allowance and Section 179 in Expense field in the Edit Company screen and the report run date is after the asset's placed-in-service year:

- Prior Accumulated Depreciation

- Depreciation This Run

- Current Year-to-Date Depreciation

- Current Accumulated Depreciation

The Calculation Assumptions section on the last page of the report indicates whether you selected Yes or No in the Edit Company screen.

Sample Depreciation Expense Report

Westfields Bakery - Demo
Depreciation Expense Report
As of December 31, 2004

Book = Tax
FYE Month = December

Sys No	Ext	In Svc Date	Acquired Value	P T	Depr Meth	Est Life	Salv / 168 Allow Sec 179	Depreciable Basis	Prior Thru	Prior Accum Depreciation	Depreciation This Run	Current YTD Depreciation	Current Accum Depreciation	Key Code
000011	000	02/28/00	875.00	P	MF200	05 00	0.00	875.00	03/31/04	766.60	0.00	12.05	778.65	dm
000013	000	10/23/00	16,750.00	P	MF150	15 00	0.00	16,750.00		4,691.89	5,897.70	1,205.81	5,897.70	m
000014	000	11/12/00	5,220.00	P	MF150	15 00	0.00	5,220.00		1,462.19	1,837.97	375.78	1,837.97	m
000015	000	12/18/00	2,450.00	P	MF150	15 00	0.00	2,450.00	11/30/04	686.28	14.70	176.37	862.65	m
000031	000	07/30/01	3,126.00	P	MF200	05 00	0.00	3,126.00	11/30/04	2,225.71	30.01	360.12	2,585.83	
000032	000	09/06/01	4,699.95	R	MF100	39 00	0.00	4,699.95	11/30/04	276.17	10.05	120.51	396.68	
000034	000	10/11/01	800.00	R	MA100	39 00	240.00	560.00	11/30/04	271.71	1.20	14.36	286.07	r
000036	000	11/11/01	225.00	R	MA100	39 00	67.50	157.50	11/30/04	76.09	0.34	4.04	80.13	r
000041	000	01/12/02	3,875.00	R	MA100	39 00	1,162.50	2,712.50	11/30/04	1,298.70	5.80	69.55	1,368.25	r
000051	000	05/18/02	4,800.00	P	MA200	05 00	1,440.00	3,360.00	11/30/04	3,187.20	53.76	645.12	3,832.32	r
000054	000	06/12/02	4,840.00	P	MA200	05 00	1,452.00	3,388.00	11/30/04	3,213.76	54.21	650.50	3,864.26	r
000055	000	06/12/02	2,200.00	P	MA200	05 00	660.00	1,540.00	11/30/04	1,460.80	24.64	295.68	1,756.48	r
000056	000	06/14/02	2,750.88	P	MA200	05 00	825.26	1,925.62	11/30/04	1,826.58	30.81	369.72	2,196.30	r
000057	000	06/21/02	5,248.00	P	MA200	05 00	1,574.40	3,673.60	11/30/04	3,484.67	58.78	705.33	4,190.00	r
000058	000	06/30/02	450.00	R	MA100	39 00	135.00	315.00	11/30/04	147.46	0.67	8.08	155.54	r
000059	000	07/01/02	606.00	P	MA200	05 00	181.80	424.20	11/30/04	402.38	6.79	81.45	483.83	r
000061	000	08/05/02	119.00	P	MA200	05 00	35.70	83.30	11/30/04	79.02	1.33	15.99	95.01	r
000063	000	08/17/02	275.00	P	MA200	05 00	82.50	192.50	11/30/04	182.60	3.08	36.96	219.56	r
000065	000	09/10/02	3,500.00	P	MA200	05 00	1,050.00	2,450.00	11/30/04	2,324.00	39.20	470.40	2,794.40	r
000067	000	10/01/02	500.00	P	MA200	05 00	150.00	350.00	11/30/04	332.00	5.60	67.20	399.20	r
000068	000	10/09/02	795.00	P	MA200	05 00	238.50	556.50	11/30/04	527.88	8.90	106.85	634.73	r
000069	000	10/09/02	5,950.00	P	MA200	05 00	1,785.00	4,165.00	11/30/04	3,950.80	66.64	799.68	4,750.48	r
000070	000	10/12/02	880.00	P	MA200	05 00	264.00	616.00	11/30/04	584.32	9.86	118.27	702.59	r
000071	000	10/14/02	1,141.98	P	MA200	05 00	342.59	799.39	11/30/04	758.27	12.79	153.48	911.75	r
000073	000	11/01/02	495.00	P	MA200	05 00	148.50	346.50	11/30/04	328.68	5.54	66.53	395.21	r
000074	000	11/07/02	1,175.00	P	MA200	05 00	352.50	822.50	11/30/04	780.20	13.16	157.92	938.12	r
000075	000	11/13/02	1,510.00	P	MA200	05 00	453.00	1,057.00	11/30/04	1,002.64	16.91	202.94	1,205.58	r
000079	000	01/17/03	3,650.00	R	MA100	39 00	1,095.00	2,555.00	11/30/04	1,157.78	5.46	65.51	1,223.29	r
000092	000	08/13/03	1,143.00	P	MA200	05 00	571.50	571.50	11/30/04	685.80	15.24	182.88	868.68	r
000140	000	08/15/04	14,925.00	P	MA200	05 00	7,462.50	7,462.50		0.00	8,955.00	8,955.00	8,955.00	r

	Grand Total		94,974.81				21,769.75	73,205.06		38,172.18	17,186.14	16,494.08	54,666.26
	Less disposals and transfers		(875.00)				0.00	(875.00)		(766.60)			(778.65)
	Count = 1												
	Net Grand Total		94,099.81				21,769.75	72,330.06		37,405.58	17,186.14	16,494.08	53,887.61
	Count = 29												

Depreciation Summary Report

Purpose

The Depreciation Summary report provides a concise list of the selected assets' depreciation-related information, including their acquired values and any Section 179 amounts. This report provides historical information about your assets and displays the amounts stored as current depreciation. It includes both current assets and those disposed in a prior year.

Report Columns

These standard columns appear in the Depreciation Summary report and need no explanation:

- System Number

- Extension

- Company Asset Number

- Section 168 Allowance/Section 179

- Depreciation Method

- Estimated Life (shown in years and months)

- Acquired Value

The following guidelines provide detail on the nonstandard columns appearing in the Depreciation Summary report.

■ **Current Through**
   This date is the last date for which depreciation was calculated for the asset (that is, the asset's current through date). Depreciation could have been calculated by selecting Depreciate from the Depreciation menu, or by transferring or disposing of an asset.

■ **Prior Accumulated Depreciation**
   Prior accumulated depreciation includes all depreciation expense from the asset's placed-in-service date through the end of the fiscal year before depreciation was last calculated. For example, if depreciation was last calculated through

03/07, prior accumulated depreciation includes all depreciation expense from the asset's placed-in-service date through December 2006, including any beginning depreciation amounts.

■ **Depreciation This Run**
Depreciation this run is the amount that was calculated for the period between the next-to-last depreciation calculation (the previous through date) and the last depreciation calculation (the date in the Current Through column). For example, if you calculated depreciation through 01/07 and then calculated depreciation through 03/07, the Depreciation This Run column includes depreciation for February and March 2007.

■ **Current Year-to-Date**
Current year-to-date depreciation includes all depreciation expense from the beginning of the fiscal year containing the current through date up to and including the through date. (The *through date* is the last date through which you calculated depreciation.) For example, if Asset A has a current through date of 03/07, the current year-to-date depreciation includes depreciation for January, February, and March 2007 (for a calendar year-end company). If Asset B has a current through date of 03/08, the current year-to-date depreciation includes depreciation for January, February, and March 2008. Both assets will appear on the same Depreciation Summary report.

■ **Current Accumulated Depreciation**
Current accumulated depreciation includes all depreciation expense from the asset's placed-in-service date up to and including the current through date. (The *through date* is the last date through which you calculated depreciation.) Current accumulated depreciation equals the amount in the Prior Accumulated Depreciation column plus the amount in the Current Year-to-Date column.

Note The following columns on the report include the 168 Allowance and Section 179 expense, when applicable to the depreciation method, if you selected Yes in the Include Section 168 Allowance and Section 179 in Expense field in the Edit Company screen and the report run date is after the asset's placed-in-service year:

• Prior Accumulated Depreciation

• Depreciation This Run

- Current Year-to-Date Depreciation

- Current Accumulated Depreciation

The Calculation Assumptions section on the last page of the report indicates whether you selected Yes or No in the Edit Company screen.

Sample Depreciation Summary Report

Westfields Bakery - Demo
Depreciation Summary Report

Book = Tax

FYE Month = December

Sys No	Ext	Co Asset	Sec 168 Allow Sec 179	Depr Meth	Est Life	Acquired Value	Thru Date	Prior Accum Depreciation	Depreciation This Run	Current YTD Depreciation	Current Accum Depreciation	Key Code
000011	000	100200	$ 0.00	MF200	05 00	$ 875.00	03/31/04	$ 766.60	$ 0.00	$ 12.05	$ 778.65	dm
000013	000	100220	0.00	MF150	15 00	16,750.00	12/31/04	4,691.89	5,897.70	1,205.81	5,897.70	m
000014	000	100230	0.00	MF150	15 00	5,220.00	12/31/04	1,462.19	1,837.97	375.78	1,837.97	m
000015	000	100240	0.00	MF150	15 00	2,450.00	12/31/04	686.28	14.70	176.37	862.65	m
000031	000	100390	0.00	MF200	05 00	3,126.00	12/31/04	2,225.71	30.01	360.12	2,585.83	
000032	000	100400	0.00	MF100	39 00	4,699.95	12/31/04	276.17	10.05	120.51	396.68	
000034	000	100420	240.00	MA100	39 00	800.00	12/31/04	271.71	1.20	14.36	286.07	r
000036	000	100440	67.50	MA100	39 00	225.00	12/31/04	76.09	0.34	4.04	80.13	r
000041	000	100490	1,162.50	MA100	39 00	3,875.00	12/31/04	1,298.70	5.80	69.55	1,368.25	r
000051	000	100590	1,440.00	MA200	05 00	4,800.00	12/31/04	3,187.20	53.76	645.12	3,832.32	r
000054	000	100620	1,452.00	MA200	05 00	4,840.00	12/31/04	3,213.76	54.21	650.50	3,864.26	r
000055	000	100630	660.00	MA200	05 00	2,200.00	12/31/04	1,460.80	24.64	295.68	1,756.48	r
000056	000	100640	825.26	MA200	05 00	2,750.88	12/31/04	1,826.58	30.81	369.72	2,196.30	r
000057	000	100650	1,574.40	MA200	05 00	5,248.00	12/31/04	3,484.67	58.78	705.33	4,190.00	r
000058	000	100660	135.00	MA100	39 00	450.00	12/31/04	147.46	0.67	8.08	155.54	r
000059	000	100670	181.80	MA200	05 00	606.00	12/31/04	402.38	6.79	81.45	483.83	r
000061	000	100690	35.70	MA200	05 00	119.00	12/31/04	79.02	1.33	15.99	95.01	r
000063	000	100710	82.50	MA200	05 00	275.00	12/31/04	182.60	3.08	36.96	219.56	r
000065	000	100730	1,050.00	MA200	05 00	3,500.00	12/31/04	2,324.00	39.20	470.40	2,794.40	r
000067	000	100750	150.00	MA200	05 00	500.00	12/31/04	332.00	5.60	67.20	399.20	r
000068	000	100760	238.50	MA200	05 00	795.00	12/31/04	527.88	8.90	106.85	634.73	r
000069	000	100770	1,785.00	MA200	05 00	5,950.00	12/31/04	3,950.80	66.64	799.68	4,750.48	r
000070	000	100780	264.00	MA200	05 00	880.00	12/31/04	584.32	9.86	118.27	702.59	r
000071	000	100790	342.59	MA200	05 00	1,141.98	12/31/04	758.27	12.79	153.48	911.75	r
000073	000	100810	148.50	MA200	05 00	495.00	12/31/04	328.68	5.54	66.53	395.21	r
000074	000	100820	352.50	MA200	05 00	1,175.00	12/31/04	780.20	13.16	157.92	938.12	r
000075	000	100830	453.00	MA200	05 00	1,510.00	12/31/04	1,002.64	16.91	202.94	1,205.58	r
000079	000	100870	1,095.00	MA100	39 00	3,650.00	12/31/04	1,157.78	5.46	65.51	1,223.29	r
000092	000	101000	571.50	MA200	05 00	1,143.00	12/31/04	685.80	15.24	182.88	868.68	r
000140	000	101561	7,462.50	MA200	05 00	14,925.00	12/31/04	0.00	8,955.00	8,955.00	8,955.00	r

Grand Total	$ 21,769.75		$ 94,974.81	$ 38,172.18	$ 17,186.14	$ 16,494.08	$ 54,666.26
Less disposals and transfers	0.00		(875.00)	(766.60)			(778.65)
Count = 1							
Net Grand Total	$ 21,769.75		$ 94,099.81	$ 37,405.58	$ 17,186.14	$ 16,494.08	$ 53,887.61
Count = 29							

Disposal Report

Purpose

The Disposal report lists only assets that you have disposed. The report has two parts. In the first part, it shows the realized gain or loss for each asset and whether the gain or loss is recognized, not recognized, or deferred. In the second part, it shows a summary of the portions of the total gains and losses for all selected assets that are recognized, not recognized, or deferred.

Hints for Running the Report

- To be certain that figures are final for disposed assets before you run the Disposal report, first calculate depreciation at least through the latest disposal date that might appear on the Disposal report. Although the application calculates depreciation on disposal, if you then calculate depreciation through an earlier date, the application will have overwritten the disposal figures before you run the Disposal report.

- When you run the Disposal report, you can specify a range of dates, so that the report displays only assets disposed within the date range. For example, you can limit the report so that it shows only assets disposed in the current year. For more information, see "Viewing Current-Year Disposals," page 7-20.

Unique Report Definition Fields

- **Run for Assets Disposed**
  Use this field to limit the Disposal report to only those assets disposed between specified dates.

  ❑ **From**
  Enter the beginning disposal date of assets that you want to appear on the report.

  ❑ **To**
  Enter the ending disposal date of assets that you want to appear on the report.

Report Columns

These standard columns appear in Part One of the Disposal report and need no explanation:

- System Number

- Extension

- Company Asset Number

- Description

- Class (Cl)

- [Placed] In-Service Date

- Disposal Date

- Acquired Value

The following guidelines provide detail on the nonstandard columns appearing in Part One of the Disposal report.

- **Disposal Method (DM)**
  The following table displays the available Disposal Method codes:

Code	Disposal Method
S	Sale
A	Abandonment
E	Taxable Exchange
C	Casualty
L	Like-Kind Exchange: Pre-1/3/2000
K	Like-Kind Exchange: Post-1/2/2000
I	Involuntary Conversion: Pre-1/3/2000
V	Involuntary Conversion: Post-1/2/2000
R	Other

- **Current Accumulated Depreciation**
  This column shows the current accumulated depreciation calculated by the application, as displayed in Detail View. Because the asset has been disposed of, this is the final total depreciation taken on the asset.

Current Accumulated Depreciation includes the 168 Allowance and Section 179 expense, when applicable to the depreciation method, only if you have selected Yes in the Include Section 168 Allowance and Section 179 in Expense field on the Edit Company screen. This means that the amounts will flow through to the Gain or Loss Adjusted Basis and Realized Gain or Loss columns. However, if you have selected No, the application does not include the 168 Allowance and Section 179 expense in Current Accumulated Depreciation but still reduces the amount in the Gain or Loss Adjusted Basis column by the 168 Allowance and Section 179 expense. The Calculation Assumptions section on the last page of the report indicates whether you selected Yes or No in the Edit Company screen.

■ **Net Proceeds**
The application calculates the net proceeds as cash proceeds plus noncash proceeds, minus the expenses of the sale, as entered when you disposed of the asset.

■ **Gain or Loss Adjusted Basis**
This column shows the adjusted basis used for calculating the asset's realized gain or loss.

■ **Realized Gain or Loss**
This column shows the amount the application calculated as the asset's realized gain or loss, or the amount you entered to override the calculated amount when disposing of the asset.

■ **Gain or Loss Recognition (GL)**
This column shows the gain or loss recognition code entered or accepted when you disposed of the asset. This chart explains those codes:

Code	Description
Y	The gain or loss was recognized.
N	The gain or loss was not recognized.
D	The gain or loss was deferred.

The following guideline provides detail on the nonstandard column appearing in Part Two of the Disposal report.

■ **Recognition Totals**
The three columns (Gains, Losses, and Net) list the amounts that were recognized, not recognized, or deferred for the

disposed assets included in the report. The Net column shows the totals for gains net of losses.

Sample Disposal Report

<div>

Westfields Bakery - Demo
Disposal Report
1/1/2009 to 12/31/2009

Book = Internal
FYE Month = December

Sys No	Ext	Co Asset No	Description	CI	In Svc Date	Disposal Date	D M	Acquired Value	Current Accum Depreciation	Net Proceeds	Gain/Loss Adjust Basis	Realized Gain (Loss)	G L
000064	000	100720	Utility Scale	BU	08/28/02	01/01/09	S	$ 297.00	$ 297.00	$ 0.00	$ 0.00	$ 0.00	Y
000143	000	101565	Executive Auto - Humn	AT	09/02/04	08/23/09	S	52,241.00	51,370.31	19,160.00	870.69	18,289.31	Y
						Grand Total		**$ 52,538.00**	**$ 51,667.31**	**$ 19,160.00**	**$ 870.69**	**$ 18,289.31**	
						Count = 2							

	Gains	Losses	Net
Recognized	$ 18,289.31	$ 0.00	$ 18,289.31
Not Recognized	0.00	0.00	0.00
Deferred	0.00	0.00	0.00
Total	$ 18,289.31	$ 0.00	$ 18,289.31

</div>

FASB 109 Projection Report

Purpose

For each selected asset, the FASB 109 Projection report identifies all temporary differences between three sets of books:

- The applicable financial statement of your choice (one of the user books) and the Tax book.

- The Tax book and the AMT book.

- The AMT book and the ACE book.

It also projects the reversal of those differences over the projection period, in accordance with Financial Accounting Standards Board Statement Number 109—Accounting for Income Taxes. You can elect to print an additional report that compares the applicable financial statement with the State book.

The three temporary differences isolate timing differences because of the use of different depreciation rules in the different books, specifically, different depreciation methods and estimated lives. The most important difference is the difference between the financial statement and the Tax (or State) book. This difference measures the amount subject to the deferred tax liability that arises from the regular tax.

Note There is no longer an ACE Depreciation Adjustment for property placed in service after December 31, 1993. In your company setup, if you have not specified a book emulation for the ACE book, then the Depreciation Method field automatically defaults to "No" in the ACE book for these assets. Therefore, the FASB Projection 109 report includes these assets, calculates AMT depreciation, displays "NA" for ACE depreciation, and displays a zero in the "AMT less ACE" column.

If you have specified that you want the ACE book to emulate the AMT book, the FASB 109 Projection report includes the assets, calculates ACE depreciation the same as AMT depreciation, and displays a zero in the "AMT less ACE" column. Both approaches have the same end result: a zero amount in the "AMT less ACE"

column. For a full explanation of emulating books, see "Emulate Book," page 4-10.

Hint for Running the Report

- Before you can define the FASB 109 Projection report, at least one of the financial statement books must be open. The financial statement book can be the Internal book, Book 6, or Book 7. If none of these books are open, return to Edit Company and open the book you want to use as the applicable financial statement.

Unique Report Definition Fields

- **Project for Assets in Service As Of**
  Use this field to type the date through which assets already in service will be included in the report. Generally, the date should be an Internal book year-end date, so the projection will start with the following fiscal year. Assets placed in service after the date you enter will not be included in the report.

- **Number of 12-Month Periods To Project**
  Use this field to enter the number of 12-month periods (beginning from the starting date) to project, from 1 to 99.

- **Print Additional Report for State Tax**
  Select this check box to print an additional report that compares the financial statement of the selected user book with the State book.

Report Columns

For each asset, the FASB 109 Projection report can be divided into four sections: upper left, upper right, lower left, and lower right. The first section (upper left) shows book-specific information for each of the four books, with balances as of the date you entered for the report. Each book column totals to show the asset's remaining basis in that book on the "as of" date. The upper right section shows the temporary differences for the three book comparisons for each book-specific item.

Moving to the lower half, the left section shows the projected annual depreciation allowances for each of the four books. The lower right section shows how the differences in annual depreciation reverse for the three comparisons over the projection period.

The Current Year-to-Date Depreciation and Prior Accumulated Depreciation lines include the 168 Allowance and Section 179 expense, when applicable to the depreciation method, if you selected Yes in the Include Section 168 Allowance and Section 179 in Expense field in the Edit Company screen; the 168 Allowance + 179 line displays zero amounts. If you selected No, the 168 Allowance + 179 line displays these amounts; the Current Year-to-Date Depreciation and Prior Accumulated Depreciation lines do not include them. The Calculation Assumptions section on the last page of the report indicates whether you selected Yes or No in the Edit Company screen.

The last page of the FASB 109 Projection report is a summary. It is in the same format as the report for an individual asset, but the figures are the combined totals for all assets included in the report.

Sample FASB 109 Projection Detail Report

```
May 4, 2004                            Westfields Bakery - Demo                         Page    1
  2:45PM                               FASB 109 PROJECTION
                                           Detail Report
                                 for assets In Service as of 12/31/2004
                                  Projected for 5 Twelve-Month Periods

              Internal      Tax         AMT         ACE        Book - Tax   Tax - AMT   AMT - ACE

Sys No Ext   Method  Life Method  Life Method  Life Method  Life
000140 000   SLFM   05 00 MA200  05 00 MA200  05 00 MA200  05 00
             -----------------Balances as of 12/2004 -------------    --Temporary Differences as of 12/2004  --
Acquisition Value   14925.00    14925.00    14925.00    14925.00          0.00        0.00        0.00
168 Allow + 179         0.00     7462.50     7462.50     7462.50      -7462.50        0.00        0.00
Salvage Value           0.00        0.00        0.00        0.00          0.00        0.00        0.00
ITC Basis Adj.          0.00        0.00        0.00        0.00          0.00        0.00        0.00
Curr YTD Depr.       1243.75     1492.50     1492.50     1492.50       -248.75        0.00        0.00
Prior Acc. Depr.        0.00        0.00        0.00        0.00          0.00        0.00        0.00
             -------------- -------------- -------------- --------------    ------------- ------------- -------------
Remaining Basis     13681.25     5970.00     5970.00     5970.00       7711.25        0.00        0.00

             ---------Projected Annual Depreciation Allowances----------    ----Reversal of Temporary Differences----
   Dec 2005       2985.00     2388.00     2388.00     2388.00        597.00        0.00        0.00
   Dec 2006       2985.00     1432.80     1432.80     1432.80       1552.20        0.00        0.00
   Dec 2007       2985.00      859.68      859.68      859.68       2125.32        0.00        0.00
   Dec 2008       2985.00      859.68      859.68      859.68       2125.32        0.00        0.00
   Dec 2009       1741.25      429.84      429.84      429.84       1311.41        0.00        0.00
             -------------- -------------- -------------- --------------    ------------- ------------- -------------
Totals           13681.25     5970.00     5970.00     5970.00       7711.25        0.00        0.00
```

Sample FASB 109 Projection Summary Report

```
May 4, 2004                                                                          Page    2
  2:45PM                              Westfields Bakery - Demo
                                     FASB 109 PROJECTION
                                         Summary Report
                                 for assets In Service as of 12/31/2004
                                  Projected for 5 Twelve-Month Periods

                    Internal      Tax        AMT        ACE      Book - Tax   Tax - AMT   AMT - ACE


                  -----------------Balances as of 12/2004  -------------   --Temporary Differences as of 12/2004  -
  Acquisition Value  14925.00    14925.00   14925.00   14925.00        0.00        0.00        0.00
  168 Allow + 179        0.00     7462.50    7462.50    7462.50    -7462.50        0.00        0.00
  Salvage Value          0.00        0.00       0.00       0.00        0.00        0.00        0.00
  ITC Basis Adj.         0.00        0.00       0.00       0.00        0.00        0.00        0.00
  Curr YTD Depr.      1243.75     1492.50    1492.50    1492.50     -248.75        0.00        0.00
  Prior Acc. Depr.       0.00        0.00       0.00       0.00        0.00        0.00        0.00
                   ------------- ------------- ------------- -------------   ------------- ------------- -------------
  Remaining Basis    13681.25     5970.00    5970.00    5970.00     7711.25        0.00        0.00

                  ---------Projected Annual Depreciation Allowances----------   ----Reversal of Temporary Differences----
  Dec 2005           2985.00     2388.00    2388.00    2388.00      597.00        0.00        0.00
  Dec 2006           2985.00     1432.80    1432.80    1432.80     1552.20        0.00        0.00
  Dec 2007           2985.00      859.68     859.68     859.68     2125.32        0.00        0.00
  Dec 2008           2985.00      859.68     859.68     859.68     2125.32        0.00        0.00
  Dec 2009           1741.25      429.84     429.84     429.84     1311.41        0.00        0.00
                   ------------- ------------- ------------- -------------   ------------- ------------- -------------
  Totals            13681.25     5970.00    5970.00    5970.00     7711.25        0.00        0.00


  ------------------------------------------------ Calculation Assumptions -------------------------------------------------

      Book       Short Years   Midquarter Convention   Adjustment Convention   Include Sec 168 Allow & Sec 179
      ----       -----------   ---------------------   ---------------------   ---------------------------------
      Tax          [Y]                [N]                 Immediate                        [N]
      Internal     [Y]                [N]                 Immediate                        [N]
```

File Listing Report

Purpose

For each selected asset and for each selected book, the File Listing report prints a summary of commonly used information (such as the asset's description, depreciation method, and acquired value) and an activity code that differentiates between active, inactive, and disposed assets. Activity codes are also useful for identifying assets that were transferred or partially disposed. For a list of the activity codes, see "Understanding Activity Codes," page 3-11.

This report includes inactive assets, unless you intentionally exclude them. You can also generate a report that includes only inactive assets by running the report for the Inactive Assets group.

Report Columns

These standard columns appear in the File Listing report and need no explanation:

- System Number

- Extension

- Activity Code (AC)

- Company Asset Number

- Description

- Location

- Class (CL)

- G/L Asset Account Number

- [Placed] In-Service Date

- Property Type (PT)

- Depreciation Method

- Department

- Vendor/Manufacturer

- Disposal Date
- Acquired Value

Sample File Listing Report

Westfields Bakery - Demo
File Listing Report

Book = Internal
FYE Month = December

Sys No	Ext	A C	Co Asset No	Description	Location	Cl	G/L Asset Acct No	In Svc Date	P T	Depr Meth	Department	Vendor	Disposal Date	Acquired Value
000011	000	D	100200	Donut Filler	Store #1	BU	100-15300	02/28/00	P	SLFM	Mfg Operations	Edhard	03/02/04	$ 875.00
000013	000	A	100220	Parking Lot	Store #1	LI	200-15100	10/23/00	P	SLFM	Facilities			16,750.00
000014	000	A	100230	Parking Lot F	Store #1	LI	200-15100	11/12/00	P	SLFM	Facilities			5,220.00
000015	000	A	100240	Sidewalk	Store #1	LI	200-15100	12/18/00	P	SLFM	Facilities			2,450.00
000031	000	A	100390	Bakery Sign	Store #1	LH	200-15200	07/30/01	P	SLFM	Facilities			3,126.00
000032	000	A	100400	Air conditionin	Store #1	BI	200-15100	09/06/01	R	SLFM	Facilities	Pinquino		4,699.95
000034	000	A	100420	Recess Ligh	Store #1	BI	200-15100	10/11/01	R	SLFM	Facilities			800.00
000035	000	I	100430	Emergency E	Store #1	BI	200-15100	11/11/01	R	SLFM	Facilities			400.00
000036	000	A	100440	Emergency E	Store #1	BI	200-15100	11/11/01	R	SLFM	Facilities			225.00
000038	000	I	100460	Ceramic Tile	Store #1	BI	200-15100	12/01/01	R	SLFM	Facilities			12,650.00
000039	000	I	100470	Store Sink	Store #1	ME	200-15300	12/10/01	P	SLFM	Retail Operations			375.00
000041	000	A	100490	Sprinkler Syst	Store #1	BI	200-15100	01/12/02	R	SLFM	Facilities			3,875.00
000047	000	I	100550	Wallpaper	Store #1	BI	200-15100	04/01/02	P	SLFM	Facilities			1,200.00
000051	000	A	100590	Storefront Awn	Store #1	BI	200-15100	05/18/02	P	SLFM	Facilities			4,800.00
000054	000	A	100620	Café Chairs	Store #1	FF	200-15200	06/12/02	P	SLFM	Retail Operations			4,840.00
000055	000	A	100630	Café Table T	Store #1	FF	200-15200	06/12/02	P	SLFM	Retail Operations			2,200.00
000056	000	A	100640	Aluminum Dis	Store #1	FF	200-15200	06/14/02	P	SLFM	Retail Operations			2,750.88
000057	000	A	100650	Glass Door Me	Store #1	FF	200-15200	06/21/02	P	SLFM	Retail Operations	Hubb		5,248.00
000058	000	A	100660	Fire Extinguish	Store #1	BI	200-15100	06/30/02	R	SLFM	Facilities	Sangley Fire		450.00
000059	000	A	100670	Stackable Foo	Store #1	FF	200-15200	07/01/02	P	SLFM	Retail Operations			606.00
000061	000	A	100690	Fire Safe	Store #1	FF	200-15200	08/05/02	P	SLFM	Retail Operations	Sentry		119.00
000062	000	I	100700	Vertical Blind	Store #1	FF	200-15200	08/17/02	P	SLFM	Facilities			540.00
000063	000	A	100710	Window Writ	Store #1	BI	200-15100	08/17/02	P	SLFM	Facilities			275.00
000065	000	A	100730	Interior Décor	Store #1	FF	200-15200	09/10/02	P	SLFM	Retail Operations			3,500.00
000066	000	I	100740	Landscaping	Store #1	LI	200-15100	09/11/02	P	SLFM	Facilities			7,400.00
000067	000	A	100750	Telephone Eq	Store #1	FF	200-15200	10/01/02	P	SLFM	Retail Operations			500.00
000068	000	A	100760	Euro Front Di	Store #1	ME	200-15300	10/09/02	P	SLFM	Retail Operations			795.00
000069	000	A	100770	Refrigerated D	Store #1	ME	200-15300	10/09/02	P	SLFM	Retail Operations			5,950.00
000070	000	A	100780	Automatic Cof	Store #1	ME	200-15300	10/12/02	P	SLFM	Retail Operations	Anvil		880.00
000071	000	A	100790	Café Microwav	Store #1	ME	200-15300	10/14/02	P	SLFM	Retail Operations	Amana		1,141.98
000072	000	I	100800	Milk Shake Ma	Store #1	ME	200-15300	10/27/02	P	SLFM	Mfg Operations	Albany Equi		198.00
000073	000	A	100810	Cash Regist	Store #1	ME	200-15300	11/01/02	P	SLFM	Retail Operations	Samsun		495.00
000074	000	A	100820	Cold Beverag	Store #1	ME	200-15300	11/07/02	P	SLFM	Retail Operations	JetSpray		1,175.00
000075	000	A	100830	Automatic Ice	Store #1	ME	200-15300	11/13/02	P	SLFM	Retail Operations	Manitowoc		1,510.00
000078	000	I	100860	Restroom Pa	Store #1	FF	200-15200	01/12/03	R	SLFM	Facilities			1,200.00
000079	000	A	100870	Restroom Ac	Store #1	FF	200-15200	01/17/03	R	SLFM	Facilities			3,650.00
000092	000	A	101000	Stainless Tras	Store #1	FF	200-15200	08/13/03	P	SLFM	Retail Operations			1,143.00
000140	000	A	101561	Quart Mixer - r	Store #1	ME	200-15300	08/15/04	P	SLFM	Mfg Operations	Jones Bake		14,925.00
000142	000	I	101565	Executive Au	Store #1	AT	200-15700	09/02/04	A	SLFM	Corporate Office			52,241.00

Grand Total $ 171,178.81

Count = 39

Fixed Asset Summary Report

Purpose

The Fixed Asset Summary report presents account balance activity for Acquired Value and Depreciation over the requested fiscal year for each asset or, if elected, as of the end of the fiscal year. It shows the asset's cost and accumulated depreciation as of the beginning of the fiscal year; the cost for acquisitions and the cost and accumulated depreciation for transfers and disposals during that fiscal year; the current year depreciation and Section 179 expense; and the asset's cost and accumulated depreciation at the end of the fiscal year. It has been designed to help you tie into the asset and accumulated depreciation amounts on the balance sheet. Since the Fixed Asset Summary report is not a calculation report, be sure you have calculated depreciation for the period on which you want to report.

Hint for Running the Report

You have two options when you select the date for running the Fixed Asset Summary report.

- Select a date that matches the last depreciation run date (the current through date) of the assets you want to see on the report. To do this, you must first make sure that you have calculated depreciation on the asses for which you want to run the report. When you run the report, you select the Include Only Assets Calculated Through the Run Date check box on the Report Definition screen. (This is the default selection.)

- Select a fiscal year-end date to show the asset activity as it appears at the end of the fiscal year. To do this, you clear the Include Only Assets Calculated Through the Run Date check box and enter the fiscal year-end date in the Report Definition screen. If the date that you enter is not a fiscal year-end date, the application uses the fiscal year-end of the year that includes the date that you enter.

Unique Report Definition Fields

■ **Summarize Assets with No Activity**
Select this check box to display only the totals of the
Beginning Cost and Ending Cost columns for assets with no
activity in the fiscal year (that is, fully depreciated assets). The
report will display no other information for such assets.

■ **Include Only Assets Calculated Through the Run Date**
Select this check box if you want the report to include only
assets whose last depreciation run date (the current through
date) matches the date you enter for running the report. If you
clear this check box, then the report displays the asset activity
as of the fiscal year-end for the year that includes the date
entered for running the report.

Hint If you want to reconcile to the general ledger before you
post depreciation, then clear this check box and run the
report. For example, suppose you have run depreciation for
September and you have reconciled the September balances.
In October, you enter your disposals and transfers. If you
want the report to display the October balances to verify the
information, including the disposal and transfer activity,
before you post depreciation for October, then you should
clear this check box.

Report Columns

These standard columns appear in the Fixed Asset Summary
report and need no explanation:

• System Number

• Extension

The following guidelines provide detail on the nonstandard
columns appearing in the Fixed Asset Summary report.

■ **Beginning Cost**
This column shows the asset's value at the beginning of the
fiscal year. The application determines the value by taking
into account all activity before the report year. If the asset was
not acquired by the beginning of the fiscal year, or if the asset

had been disposed of in a previous year, this column would show zero.

■ **Current Year Acquisitions, Current Year Transfers In, Current Year/Disposals/Transfers Out**
These columns show the asset values affected by acquisitions, transfers-in, disposals and transfers-out. These transfers and disposals can be partial. If an asset has an entry in the acquisition date field (in the General Asset Information section), the application uses that date to determine whether the asset was acquired in the current fiscal year. If the asset has no entry in the acquisition date field, the application uses the placed in service field for the selected book.

■ **Ending Cost**
The asset's ending cost is the total of the asset's:

	(current-year) beginning cost
plus	current-year acquired value
plus	current-year transfer-in value
minus	current-year disposal and transfer-out value

Note You must consider all extension numbers within a system number when calculating the ending cost total.

■ **Prior Accumulated Depreciation**
Prior accumulated depreciation includes all depreciation expense from the asset's placed-in-service date through the end of the fiscal year before depreciation was last calculated. For example, if depreciation was last calculated through 03/07, prior accumulated depreciation includes all depreciation expense from the asset's placed-in-service date through December 2006, including any beginning depreciation amounts.

■ **Current YTD Depreciation**
This column is the asset's current year-to-date depreciation, if you placed the asset in service in the current year. Current year-to-date depreciation includes all depreciation expense from the beginning of the fiscal year containing the current through date up to and including the through date.

■ **Current Accumulated Depreciation Transferred-In**
This column is the current accumulated depreciation for assets that you have transferred into the current company.

Transferred-in assets show a zero in the Prior Accumulated Depreciation column.

■ **Current Accumulated Depreciation/Disposed/ Transferred-Out**
This column is the asset's current accumulated depreciation for assets that have been disposed or transferred out of the current company. Transferred-out assets show a zero in the Total Accumulated Depreciation column.

■ **Total Accumulated Depreciation**
This column is the total of:

	Prior Accumulated Depreciation/168 Allowance/ 179 Expense
plus	Current YTD Depreciation/168 Allowance/ 179 Expense
plus	Current Accumulated Depreciation/168 Allowance/ 179/Transferred-In
minus	Current Accumulated Depreciation/168 Allowance/ 179/Disposed/Transferred-Out

■ **T/D (Transferred and Disposed)**
This column indicates if the asset is a transferred or disposed asset. The application displays a "T" if the asset is a transferred asset and a "D" if the asset is a disposed asset.

Note The following columns on the report include the 168 Allowance and Section 179 expense, when applicable to the depreciation method, if you selected Yes in the Include Section 168 Allowance and Section 179 in Expense field in the Edit Company screen and the report run date is after the asset's placed-in-service year:

● Prior Accumulated Depreciation

● Current Year-to-Date Depreciation

● Current Accumulated Depreciation Transferred-In

● Current Accumulated Depreciation/Disposed/Transferred-Out

The Calculation Assumptions section on the last page of the report indicates whether you selected Yes or No in the Edit Company screen.

Sample Fixed Asset Summary Report

Westfields Bakery - Demo
Fixed Asset Summary Report
For the fiscal year ended December 31, 2004
Accumulated Depreciation displayed as of Current Thru Date.

Book = Internal
FYE Month = December

Sys No	Ext	Beginning Cost	Acquisitions	Trans-In	Disposed/ Trans-Out	Ending Cost	Prior Accum Depr	Curr YTD Expense	Accum Trans-In	Accum Disp/ Trans-Out	Total Accum Depr	T D
000020	Executive Desk Chair											
	000	179.00	0.00	0.00	0.00	179.00	104.42	35.80	0.00	0.00	140.22	
000021	Sullivan Office Desk											
	000	399.00	0.00	0.00	0.00	399.00	232.75	79.80	0.00	0.00	312.55	
000022	GL Computer Software											
	000	4,500.00	0.00	0.00	0.00	4,500.00	2,625.00	900.00	0.00	0.00	3,525.00	
000023	Office Bookshelves											
	000	1,129.00	0.00	0.00	1,129.00	0.00	658.58	94.08	0.00	752.66	0.00	t
000025	Printer Stand											
	000	99.00	0.00	0.00	0.00	99.00	57.75	19.80	0.00	0.00	77.55	
000029	Xerox Copier/Fax Machine											
	000	993.00	0.00	0.00	0.00	993.00	855.08	137.92	0.00	0.00	993.00	
000037	HP LaserJet 1150 (Office)											
	000	276.87	0.00	0.00	0.00	276.87	199.96	76.91	0.00	0.00	276.87	
000097	Dell Optiplex											
	000	2,250.00	0.00	0.00	0.00	2,250.00	62.50	750.00	0.00	0.00	812.50	
000119	Fire Safe											
	000	0.00	325.00	0.00	0.00	325.00	0.00	27.08	0.00	0.00	27.08	
000142	Executive Auto - Hummer H2 (i)											
	000	0.00	52,241.00	0.00	0.00	52,241.00	0.00	2,089.64	0.00	0.00	2,089.64	
Grand Total		9,825.87	52,566.00	0.00	1,129.00	61,262.87	4,796.04	4,211.03	0.00	752.66	8,254.41	
Less Remaining Values												
Count = 0				0.00	0.00				0.00	0.00		
Net Grand Total		9,825.87	52,566.00	0.00	1,129.00	61,262.87	4,796.04	4,211.03	0.00	752.66	8,254.41	
Count = 10												

General Ledger Posting Report

Purpose

This report prints a journal entry you can use to post the Depreciation This Run figures stored from the most recent depreciation calculation to a general ledger. For this report to be useful, you must have entered a G/L expense account number and a G/L accumulated account number for each asset. If you customized these fields to be used for a different purpose, this report will be meaningless.

The General Ledger Posting report will include only those assets whose last depreciation run date (the current through date) matches the date you enter for the posting report.

Hint for Running the Report

- Before you run this report, make sure the report will be for the period you need to post. If you post depreciation monthly and calculate depreciation monthly, simply run the General Ledger Posting report after you calculate your monthly depreciation figures. However, if you are not sure what period was included in the last depreciation run figures, we recommend the following procedure:

    1. Calculate depreciation through the month ending before the month for which you want to view the report. For example, to run a General Ledger Posting report for October 2007, first calculate depreciation through September 2007.

    2. Calculate depreciation for the month you want to view on the report. Continuing the example, you would calculate depreciation through October 2007.

    3. Run the General Ledger Posting report using a posting date of October 2007.

Unique Report Definition Fields

■ **Journal Number**
Use this field to enter up to 15 alphanumeric characters as the journal entry number for your general ledger.

Report Columns

This report shows total Depreciation This Run figures by G/L account number for all assets included in the report. The following guidelines provide detail on the nonstandard columns appearing in the General Ledger Posting report.

■ **Journal Entry Number**
This column shows the journal entry number that you entered on the Report Definition screen and the date through which you are posting depreciation expense.

■ **General Ledger Account Number**
This column lists all the G/L expense account numbers, then the G/L accumulated account numbers, for the assets included in the report. The account numbers are listed in numeric order. The list may also include a blank G/L expense or accumulated account number. The blank account number is for assets that did not have entries in these fields.

■ **Account Name**
The Account Name column shows whether the account number is a depreciation expense account or an accumulated depreciation account.

■ **Debit**
For all assets that use the G/L expense account number shown in the General Ledger Account column, the Debit column shows the total depreciation expense from the last depreciation run.

The Debit column includes the 168 Allowance and Section 179 expense, when applicable to the depreciation method, if you selected Yes in the Include Section 168 Allowance and Section 179 in Expense field in the Edit Company screen. A message underneath the report title indicates whether you selected Yes or No in the Edit Company screen.

- **Credit**

  For all assets that use the G/L accumulated account number shown in the General Ledger Account column, the Credit column shows the accumulated depreciation which offsets the debit created by the depreciation expense from the last depreciation run.

  The Credit column includes the 168 Allowance and Section 179 expense, when applicable to the depreciation method, if you selected Yes in the Include Section 168 Allowance and Section 179 in Expense field in the Edit Company screen. A message underneath the report title indicates whether you selected Yes or No in the Edit Company screen.

The totals for the Debit and Credit columns will be equal.

Sample General Ledger Posting Report

Westfields Bakery - Demo
General Ledger Posting Report
(Includes Sec. 168 Allowance and Sec. 179 amounts)

Book = Internal
FYE Month = December

Journal Entry Number / Journal Entry Description	General Ledger Account Number	Account Name	Debit	Credit
120-7825				
To record depreciation expense run through 12/31/2004				
	100-70000	Depreciation Expense	$ 145,282.23	
	100-71000	Depreciation Expense	75.00	
	200-70000	Depreciation Expense	9,971.45	
	300-70000	Depreciation Expense	1,316.75	
	100-15150	Accumulated Depreciation		$ 79.55
	100-15250	Accumulated Depreciation		130.11
	100-15350	Accumulated Depreciation		144,119.15
	100-15450	Accumulated Depreciation		62.50
	100-15650	Accumulated Depreciation		75.00
	100-15750	Accumulated Depreciation		890.92
	200-15150	Accumulated Depreciation		9,422.95
	200-15250	Accumulated Depreciation		374.53
	200-15350	Accumulated Depreciation		173.97
	300-15150	Accumulated Depreciation		131.98
	300-15250	Accumulated Depreciation		499.36
	300-15350	Accumulated Depreciation		685.41
		Grand Total	**$ 156,645.43**	**$ 156,645.43**

Midquarter Applicability Report

Purpose

You can run the Midquarter Applicability report to determine whether a company is required to use the midquarter convention for qualified assets placed in service during the selected year. The test for determining the applicability of the midquarter convention depends on the depreciable basis of newly acquired qualifying MACRS property (generally, personal property).

To apply the midquarter convention, you can use the MACRS Convention Switch for existing assets. See "Performing a MACRS Convention Switch," page 8-28. For assets that you enter at a later date, you can change the averaging convention on the Book Overrides page in the Edit Company screen. For more information, see "The Book Overrides Page," page 4-15.

The report displays the total depreciable basis of qualifying MACRS property placed in service in the selected year.

Bear in mind that this report for midquarter applicability can be accurate only if your company database includes all newly acquired qualifying MACRS property that you placed in service during the company's fiscal year. Also, the midquarter test applies across all companies when filing a consolidated tax return.

Report Columns

The following guidelines provide detail on the nonstandard columns appearing in the Midquarter Applicability report.

- **Placed in Service**
  This column shows the year divided into two date ranges. The first date range in this column represents the time from the beginning of the fiscal year up to the last three months of the fiscal year. The second date range represents the last three months of the fiscal year.

- **Midquarter Basis**
  This column displays the basis of the qualified MACRS property that was placed in service during each date range.

The basis of the property represents the cost of the asset **before** the reduction of the 168 Allowance.

■ **Percent**
The application divides the depreciable basis for each date range by the total depreciable basis and displays the result as a percentage.

■ **Determination**
The last line of the report indicates whether more than 40% of the aggregate depreciable basis of newly acquired qualifying MACRS property was placed in service during the last three months of the tax year. If the depreciable basis exceeds 40%, then you must use the midquarter convention for qualifying property. If the depreciable basis is 40% or less, then use the half-year convention.

Sample Midquarter Applicability Report


```
May 4, 2004                                                              Page    1
3:02 PM                        Westfields Bakery - Demo
                         MIDQUARTER APPLICABILITY REPORT
                              Book: Tax   FY: December
                              Fiscal Year-End 12/31/2004

                         Placed in          Midquarter
                          Service             Basis                    Pct

        From 01/01/2004 through 09/30/2004    86015.59                47.35

        From 10/01/2004 through 12/31/2004    95662.46                52.65

                                           --------------------       ------
                       Grand Totals           181678.05              100.00
                                           ====================       ======


        -------------- Acquisitions in the Last Three Months Exceed 40 Percent ----------------
```

Report displays whether the midquarter convention applies.

Monthly Projection Report

Purpose

The Monthly Projection report displays projected depreciation amounts for each month (or period) in a fiscal year for the selected group of assets.

For more information about the Monthly Projection report, see "Running a Quick Projection," page 8-15.

Report Columns

The following guidelines provide detail on the nonstandard columns that appear on the Monthly Projection report.

- **Period End**
  This column shows the date on which each period of the fiscal year ends.

- **Period Expense**
  This column shows the total depreciation expense for each period of the fiscal year.

- **Current Year to Date**
  This column shows the total current year-to-date depreciation for each period. The current year-to-date depreciation is the asset's depreciation amount for the period starting with the first day of the current fiscal year through the current Through Date.

Sample Monthly Projection Report

Westfields Bakery - Demo
Monthly Projection Report
Project for 12 periods (Monthly) beginning: 01/01/2005

Book = Internal
FYE Month = December

Period End	Period Expense	Current YTD Depreciation
01/31/2005	$ 9,004.78	$ 9,004.78
02/28/2005	8,808.01	17,812.79
03/31/2005	8,710.76	26,523.55
04/30/2005	8,710.37	35,233.92
05/31/2005	8,694.71	43,928.63
06/30/2005	8,693.32	52,621.95
07/31/2005	8,738.14	61,360.09
08/31/2005	8,730.24	70,090.33
09/30/2005	8,730.36	78,820.69
10/31/2005	8,730.02	87,550.71
11/30/2005	8,155.14	95,705.85
12/31/2005	8,155.52	103,861.37
Grand Total	$ 103,861.37	

Net Book Value Report

Purpose

The Net Book Value report shows the current net book (or carrying) value of each selected asset and how the value is calculated. It also shows the percentage of total depreciation taken to date for each asset.

Report Columns

The Net Book Value report first shows general information about the asset, then the data used in calculating the net book value and the percentage of total depreciation taken.

These standard columns appear in the Net Book Value report and need no explanation:

- System Number
- Extension
- Company Asset Number
- Description (first ten characters)
- [Placed] In-Service Date
- Depreciation Method

The following guidelines provide detail on the nonstandard columns appearing in the Net Book Value report.

■ **Remaining Life (in years and months)**
The application calculates the asset's remaining life as the estimated life minus the number of years and months from the date placed in service through the date you last calculated depreciation for the asset (shown in the Current Through date column).

■ **Basis**
To calculate the depreciable basis, the application starts with the asset's original acquired value and then subtracts any ITC reduction amount and salvage value if applicable for the depreciation method.

The application subtracts the 168 Allowance and Section 179 expense, when applicable to the depreciation method, from the asset's cost to compute the Basis only if you selected No in the Include Section 168 Allowance and Section 179 in Expense field on the Edit Company screen. If you selected Yes, the application does not reduce the asset's cost by these amounts to compute the Basis; instead, the application includes these amounts when computing the Current Accumulated Depreciation. The Calculation Assumptions section on the last page of the report indicates whether you selected Yes or No in the Edit Company screen.

■ **(+) Salvage Value**
Salvage value is an estimate of an asset's worth at the end of its useful life. This column displays an asset's salvage value only if the asset's depreciation method uses salvage value in its depreciation calculation. For example, if you are using a straight-line method, the asset's salvage value, if any, appears in this column. If you are using a MACRS method, however, even if you entered salvage value, it will not appear.

■ **Through Date**
This column shows the date depreciation was last calculated for the asset. This date is the same as the current through date displayed in Detail View of the asset.

■ **(-) Current Accumulated Depreciation**
This column shows the current accumulated depreciation that the application calculated through the date shown in the Through Date column.

Current Accumulated Depreciation includes the 168 Allowance and Section 179 expense, when applicable, if you selected Yes in the Include Section 168 Allowance and Section 179 in Expense field in the Edit Company screen. If you selected No, the Current Accumulated Depreciation does not include the 168 Allowance and Section 179 expense; instead, the application subtracts these amounts from the asset's cost to compute the Unadjusted Basis. The Calculation Assumptions section on the last page of the report indicates whether you selected Yes or No in the Edit Company screen.

■ **(=) Net Book Value**
The application calculates the net book value as shown in the following equation:

$$\frac{(Depreciable\ basis\ +\ Salvage\ value)\ -\ Current\ accumulated\ depreciation}{Net\ book\ value}$$

The application always reduces the depreciable basis by the 168 Allowance and Section 179 expense, if applicable to the depreciation method, when calculating the net book value. The selection in the Include Section 168 Allowance and Section 179 in Expense field on the Edit Company screen simply determines which component of Net Book Value (Unadjusted Basis or Current Accumulated Depreciation) contains the 168 Allowance and Section 179.

■ **Percent Depreciated**
This column shows the percentage of the asset's total depreciation expense taken to date. The application calculates depreciation as shown in the following equation:

$$\frac{Current\ accumulated\ depreciation}{Basis}\ =\ Percent\ depreciated$$

Sample Net Book Value Report

Westfields Bakery - Demo
Net Book Value Report

Book = Internal
FYE Month = December

Sys No	Ext	Co Asset No	Description	In Svc Date	Depr Meth	Rem Life	Basis	(+) Salvage Value	Thru Date	(-) Current Accum Depreciation	(=) Net Book Value	Pct Dep
000011	000	100200	Donut Filler	02/28/00	SLFM	00 00	$ 875.00	$ 0.00	03/31/04	$ 875.00	$ 0.00	100.00%
000013	000	100220	Parking Lot	10/23/00	SLFM	05 09	16,750.00	0.00	12/31/04	7,118.75	9,631.25	42.50%
000014	000	100230	Parking Lot Flood Lights	11/12/00	SLFM	05 10	5,220.00	0.00	12/31/04	2,175.00	3,045.00	41.70%
000015	000	100240	Sidewalk	12/18/00	SLFM	05 11	2,450.00	0.00	12/31/04	1,000.42	1,449.58	40.80%
000031	000	100390	Bakery Sign	07/30/01	SLFM	06 06	3,126.00	0.00	12/31/04	1,094.10	2,031.90	35.00%
000032	000	100400	Air conditioning	09/06/01	SLFM	16 08	4,699.95	0.00	12/31/04	783.33	3,916.62	16.70%
000034	000	100420	Recess Lighting	10/11/01	SLFM	06 09	800.00	0.00	12/31/04	260.00	540.00	32.50%
000036	000	100440	Emergency Exit Signs	11/11/01	SLFM	06 10	225.00	0.00	12/31/04	71.25	153.75	31.70%
000041	000	100490	Sprinkler System	01/12/02	SLFM	07 00	3,875.00	0.00	12/31/04	1,162.50	2,712.50	30.00%
000051	000	100590	Storefront Awning	05/18/02	SLFM	07 04	4,800.00	0.00	12/31/04	1,280.00	3,520.00	26.70%
000054	000	100620	Café Chairs	06/12/02	SLFM	02 05	4,840.00	0.00	12/31/04	2,500.67	2,339.33	51.70%
000055	000	100630	Café Table Top	06/12/02	SLFM	02 05	2,200.00	0.00	12/31/04	1,136.67	1,063.33	51.70%
000056	000	100640	Aluminum Display Pans	06/14/02	SLFM	02 05	2,750.88	0.00	12/31/04	1,421.30	1,329.58	51.70%
000057	000	100650	Glass Door Merchandiser	06/21/02	SLFM	02 05	5,248.00	0.00	12/31/04	2,711.47	2,536.53	51.70%
000058	000	100660	Fire Extinguishers	06/30/02	SLFM	07 05	450.00	0.00	12/31/04	116.25	333.75	25.80%
000059	000	100670	Stackable Food Bins	07/01/02	SLFM	02 06	606.00	0.00	12/31/04	303.00	303.00	50.00%
000061	000	100690	Fire Safe	08/05/02	SLFM	02 07	119.00	0.00	12/31/04	57.52	61.48	48.30%
000063	000	100710	Window Writing	08/17/02	SLFM	02 07	275.00	0.00	12/31/04	132.92	142.08	48.30%
000065	000	100730	Interior Décor	09/10/02	SLFM	02 08	3,500.00	0.00	12/31/04	1,633.33	1,866.67	46.70%
000067	000	100750	Telephone Equipment	10/01/02	SLFM	02 09	500.00	0.00	12/31/04	225.00	275.00	45.00%
000068	000	100760	Euro Front Display Cases	10/09/02	SLFM	02 09	795.00	0.00	12/31/04	357.75	437.25	45.00%
000069	000	100770	Refrigerated Display Case	10/09/02	SLFM	02 09	5,950.00	0.00	12/31/04	2,677.50	3,272.50	45.00%
000070	000	100780	Automatic Coffee Machines	10/12/02	SLFM	02 09	880.00	0.00	12/31/04	396.00	484.00	45.00%
000071	000	100790	Café Microwave	10/14/02	SLFM	02 09	1,141.98	0.00	12/31/04	513.90	628.08	45.00%
000073	000	100810	Cash Register	11/01/02	SLFM	02 10	495.00	0.00	12/31/04	214.50	280.50	43.30%
000074	000	100820	Cold Beverage Dispenser	11/07/02	SLFM	02 10	1,175.00	0.00	12/31/04	509.17	665.83	43.30%
000092	000	101000	Stainless Trash Bin - Push Top	08/13/03	SLFM	03 07	1,143.00	0.00	12/31/04	323.85	819.15	28.30%
						Grand Total	$ 74,889.81	$ 0.00		$ 31,051.15	$ 43,838.66	41.50%
						Less disposals and transfers	(875.00)	0.00		(875.00)	0.00	100.00%
						Count = 1						
						Net Grand Total	$ 74,014.81	$ 0.00		$ 30,176.15	$ 43,838.66	40.80%
						Count = 26						

Partial Disposal Report

Purpose

The Partial Disposal report displays the pieces of an asset involved in a partial disposal: the original asset, the disposed portion, and the remaining asset. The report also displays the relative value of each piece of the asset to the original asset.

Report Columns

The columns are divided into three groups, one for each type of asset possibly involved in the partial disposal:

- the *original asset*
- the *disposed asset*, which is the portion of the original asset that you disposed of
- the *remaining asset*, which is the portion of the original asset that you did not dispose of.

These standard columns appear in the Partial Disposal report and need no explanation:

- System Number
- Extension
- Company Asset Number
- [Placed] In-Service Date
- Acquired Value
- Disposal Description
- Disposal Date

The following guidelines provide detail on the nonstandard columns that appear on the Partial Disposal report.

- ■ **Percent Disposed, Percent Remaining**
  The application calculates these percentages from the amount you entered (when creating the partial disposal) as the

amount of the original asset's acquired value that was being disposed of. The percent disposed is the amount you entered divided by the acquired value of the original asset; the percent remaining is 100% minus the percent disposed.

■ **Acquired Value Disposed, Acquired Value Remaining**
The acquired value disposed is the amount you entered (when creating the partial disposal) as the amount of the original asset's acquired value that was being disposed of. The acquired value remaining is the original asset's acquired value minus the acquired value disposed.

Sample Partial Disposal Report

<div align="center">

Westfields Bakery - Demo
Partial Disposal Report

Book = Internal
FYE Month = December

				Original Asset					Disposed Asset						Remaining Asset	
Sys No	Ext	Co Asset No	In Svc Date	Acquired Value		Ext	Disposal Description		Disposal Date	Pct Disp	Acquired Value Disposed		Ext	Pct Remain	Acquired Value Remaining
000054	000	100620	06/12/02	$ 4,840.00		001	Loss of chairs after inventory		06/01/04	12.50%	$ 605.00		002	87.50%	$ 4,235.00
000059	000	100670	07/01/02	606.00		001	Missing bins		02/01/05	24.75%	150.00		002	75.25%	456.00
			Grand Total	$ 5,446.00							$ 755.00				$ 4,691.00
			Count = 2												

</div>

Partial Transfer Report

Purpose

The Partial Transfer report displays information about partial transfers that originated in the current company. The report displays the Acquired Value of the original asset, the transferred asset, and the remaining asset.

The Partial Transfer report includes only partially transferred assets originating in the current company that meet the group selection criteria.

Report Columns

The columns are divided into three groups, one for each type of asset possibly involved in the partial transfer:

- The *original asset*, which is always inactivated.

- The *transferred asset*, which is the portion of the original asset that was transferred to another company or within the same company.

- The *remaining asset*, which is the portion of the original asset that was neither transferred nor disposed of, and that remains with the originating company.

These standard columns appear in the report and need no explanation:

- System Number

- Extension

- Description

- Transfer Date

The following guidelines provide detail on the nonstandard columns appearing on the report.

- **Acquired Value, Percent Transferred, Percent Remaining**
  For the original asset, the acquired value comes from the entry in Detail View. For the transferred and remaining assets, the

acquired value is the original asset's acquired value multiplied by the percent transferred or the percent remaining. The application calculates the percent during the transfer process, when you enter the amount of the original acquired value being transferred.

■ **Disposal (D)**
This column indicates whether the asset is considered a disposal. The application displays a Y (for Yes) if the asset is considered a disposal. The application displays an N (for No) if the asset is not considered a disposal.

Sample Partial Transfer Report

<div style="border:1px solid black">

Westfields Bakery - Demo
Partial Transfer Report

Book = Internal
FYE Month = December

			Original Asset			Transferred Asset				Remaining Asset	
Sys No	Ext	Description	Transfer Date	Acquired Value	Sys No	Pct Trans	Acquired Value	D	Ext	Pct Remain	Acquired Value
000054	000	Café Chairs	08/15/2005	$ 4,840.00	000143	25.00%	$ 1,210.00	N	001	75.00%	$ 3,630.00
000055	000	Café Table Top	08/15/2005	2,200.00	000144	20.00%	440.00	N	001	80.00%	1,760.00
			Grand Total	$ 7,040.00			$ 1,650.00				$ 5,390.00
			Count = 2								

</div>

Period Close Summary Report

Purpose

The Period Close Summary report displays the period close dates for the assets on the report. It also shows the last date that depreciation was calculated (the Current Through Date).

Report Columns

These standard columns appear on the report and need no explanation:

- System Number

- Extension

- Description

- Company Asset Number

- Department

- [Placed] In-Service Date

- Acquired Value

- Key Code

The following guidelines provide detail on the nonstandard columns that appear on the report.

■ **Period Close Date**
This column shows the date through which depreciation was last saved for a period close.

■ **Through Date**
This column shows the date through which depreciation was last calculated for each asset.

Sample Period Close Summary Report

Westfields Bakery - Demo
Period Close Summary Report

Book = Internal

Sys No	Ext	Description	Co Asset No	Department	In Svc Date	Acquired Value	Prd Close Date	Thru Date	Key Code
000011	000	Donut Filler	100200	Mfg Operations	02/28/2000	$ 875.00	12/31/2004	03/31/2004	d
000013	000	Parking Lot	100220	Facilities	10/23/2000	16,750.00		12/31/2004	
000014	000	Parking Lot Flood Lights	100230	Facilities	11/12/2000	5,220.00		12/31/2004	
000015	000	Sidewalk	100240	Facilities	12/18/2000	2,450.00	12/31/2004	12/31/2004	
000031	000	Bakery Sign	100390	Facilities	07/30/2001	3,126.00	12/31/2004	12/31/2004	
000032	000	Air conditioning	100400	Facilities	09/06/2001	4,699.95	12/31/2004	12/31/2004	
000034	000	Recess Lighting	100420	Facilities	10/11/2001	800.00	12/31/2004	12/31/2004	
000036	000	Emergency Exit Signs	100440	Facilities	11/11/2001	225.00	12/31/2004	12/31/2004	
000041	000	Sprinkler System	100490	Facilities	01/12/2002	3,875.00	12/31/2004	12/31/2004	
000051	000	Storefront Awning	100590	Facilities	05/18/2002	4,800.00	12/31/2004	12/31/2004	
000054	000	Café Chairs	100620	Retail Operations	06/12/2002	4,840.00		07/31/2005	
	001	Café Chairs	100620	Retail Operations	06/12/2002	3,630.00		07/31/2005	
000055	000	Café Table Top	100630	Retail Operations	06/12/2002	2,200.00	12/31/2004	07/31/2005	
	001	Café Table Top	100630	Retail Operations	06/12/2002	1,760.00		07/31/2005	
000056	000	Aluminum Display Pans	100640	Retail Operations	06/14/2002	2,750.88	12/31/2004	12/31/2004	
000057	000	Glass Door Merchandiser	100650	Retail Operations	06/21/2002	5,248.00	12/31/2004	12/31/2004	
000058	000	Fire Extinguishers	100660	Facilities	06/30/2002	450.00	12/31/2004	12/31/2004	
000059	000	Stackable Food Bins	100670	Retail Operations	07/01/2002	606.00	12/31/2004	02/28/2005	
000061	000	Fire Safe	100690	Retail Operations	08/05/2002	119.00	12/31/2004	12/31/2004	
000063	000	Window Writing	100710	Facilities	08/17/2002	275.00	12/31/2004	12/31/2004	
000065	000	Interior Décor	100730	Retail Operations	09/10/2002	3,500.00	12/31/2004	12/31/2004	
000067	000	Telephone Equipment	100750	Retail Operations	10/01/2002	500.00	12/31/2004	12/31/2004	
000068	000	Euro Front Display Cases	100760	Retail Operations	10/09/2002	795.00	12/31/2004	12/31/2004	
000069	000	Refrigerated Display Case	100770	Retail Operations	10/09/2002	5,950.00	12/31/2004	12/31/2004	
000070	000	Automatic Coffee Machines	100780	Retail Operations	10/12/2002	880.00	12/31/2004	12/31/2004	
000071	000	Café Microwave	100790	Retail Operations	10/14/2002	1,141.98	12/31/2004	12/31/2004	
000073	000	Cash Register	100810	Retail Operations	11/01/2002	495.00	12/31/2004	12/31/2004	
000074	000	Cold Beverage Dispenser	100820	Retail Operations	11/07/2002	1,175.00	12/31/2004	12/31/2004	
000092	000	Stainless Trash Bin - Push Top	101000	Retail Operations	08/13/2003	1,143.00	12/31/2004	12/31/2004	

Grand Total

Count = 29

Property Tax - Detail Report

Purpose

The Property Tax - Detail report shows detailed asset information for a selected date. The report sorts assets first by a defined property tax category, and then by each acquisition year. You can use the report to prepare taxable business or personal property tax returns.

Hints for Running the Report

- If you file property tax returns for more than one jurisdiction, you can use Group Manager to create a group for each jurisdiction. When you run the Property Tax - Detail report, select the desired group in the Report Definition screen.

- Most property tax jurisdictions require you to classify assets in unique categories. We suggest that you designate a field to use as the property tax category field. You may want to use one of the User Fields for this purpose and rename it to Property Tax Category. You may also want to create a list of valid SmartList entries for this field. When you run the report, you should select the Property Tax Category field on the Report Definition screen. The report sorts assets by this field first, and then by acquisition year-end.

Unique Report Definition Fields

- **Run Report for the Property Tax Month and Year Ended**
  Enter the month and year-end of the property tax year. Enter the date in MM/DD/YYYY format. The property tax year begins 12 calendar months prior to the date entered. For example, if you enter 6/30/2007 in this field, then 7/1/2006 is the beginning of the property tax year, and 6/30/2007 is the end of the property tax year.

■ **Property Tax Category**
Select the field used to designate property tax categories. The Property Tax - Detail report sorts assets by this field first, and then by acquisition year-end.

■ **Determine Acquisition Year From**
Use this field to specify how the acquisition year is determined for property tax purposes.

❑ **Acquisition Date**
Select this option to determine the acquisition year for property tax purposes from the date in the Acquisition Date field.

❑ **Placed In Service Date**
Select this option to determine the acquisition year for property tax purposes from the date in the Placed-in-Service Date field.

■ **Summarize Assets Acquired Before the Property Tax Year Ended**
Use this field to group assets together on the report before a specified date. You can either enter the date in the field, or you can select the date from the calendar. The date must be a valid end-date for a property tax year. The report groups assets together for the years prior to the property tax year entered in this field. For example, if you enter 12/31/1999 in this field, then information for the year 1998 and prior years is combined into a single group called "Acquisition Year End = 12/1998 and Prior."

Report Columns

These standard columns appear in the Property Tax - Detail report and need no explanation:

● System Number

● Extension

● [Placed] In-Service Date or Acquisition Date

● Description (first ten characters)

The following guidelines provide detail on the nonstandard columns that appear on the Property Tax - Detail report.

■ **Beginning Cost**
This column displays the total Acquired Value of the assets at the beginning of the property tax year.

■ **Current Year Acquisitions**
This column displays the total Acquired Value of assets placed in service in the property tax year.

■ **Current Year Transfers-In**
This column displays the total Acquired Value of the assets transferred into the current company during the property tax year.

■ **Current Year Transfers-Out**
This column displays the total Acquired Value of the assets transferred out of the current company during the property tax year.

■ **Current Year Dispositions**
This column displays the total Acquired Value of the assets disposed of in the property tax year.

■ **Ending Cost**
This column displays the total Acquired Value of the assets at the end of the property tax year. It is calculated as follows:

	Beginning Cost
plus	Current Year Acquisitions
plus	Current Year Transfers In
minus	Current Year Transfer Out
minus	Current Year Dispositions
	Ending Cost

Sample Property Tax - Detail Report

Westfields Bakery - Demo
Property Tax - Detail Report
For the period ended December 31, 2007

Group = <Selected Assets> from Store#2
Book = Tax

Sys No	Ext	Acq Date	Description	Beginning Cost	Current Year Acquisitions	Current Year Transfers-In	Current Year Transfers-Out	Current Year Dispositions	Ending Cost
Property Tax Cat = Plant Equipment									
Acquisition Year End = 12/2004									
000131	000	10/15/2004	Stainless Tras	$ 762.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 762.00
000130	000	10/02/2004	Window Writ	275.00	0.00	0.00	0.00	0.00	275.00
000129	000	09/30/2004	Interior Decor	1,200.00	0.00	0.00	0.00	0.00	1,200.00
000127	000	09/29/2004	Cafe Microwav	380.66	0.00	0.00	0.00	0.00	380.66
000128	000	09/29/2004	Cash Register	495.00	0.00	0.00	0.00	0.00	495.00
000126	000	09/23/2004	Vertical Blinds	360.00	0.00	0.00	0.00	0.00	360.00
000123	000	09/20/2004	Automatic Cof	880.00	0.00	0.00	0.00	0.00	880.00
000124	000	09/20/2004	Automatic Ice D	1,240.00	0.00	0.00	0.00	0.00	1,240.00
000125	000	09/20/2004	Cold Beverag	1,175.00	0.00	0.00	0.00	0.00	1,175.00
000122	000	09/14/2004	Telephone Equ	15,000.00	0.00	0.00	0.00	0.00	15,000.00
000120	000	09/12/2004	Euro Front Di	5,724.00	0.00	0.00	0.00	0.00	5,724.00
000121	000	09/12/2004	Refrigerated D	24,750.50	0.00	0.00	0.00	0.00	24,750.50
000118	000	08/22/2004	Fire Extinguish	450.00	0.00	0.00	0.00	0.00	450.00
000119	000	08/22/2004	Fire Safe	325.00	0.00	0.00	0.00	0.00	325.00
000116	000	08/14/2004	Cafe Chairs	2,420.00	0.00	0.00	0.00	0.00	2,420.00
000117	000	08/14/2004	Cafe Table To	1,760.00	0.00	0.00	0.00	0.00	1,760.00
000115	000	07/13/2004	Stackable Foo	606.00	0.00	0.00	0.00	0.00	606.00
000113	000	07/05/2004	Beverage Coo	6,350.00	0.00	0.00	0.00	0.00	6,350.00
000114	000	07/05/2004	Decorative Li	1,755.43	0.00	0.00	0.00	0.00	1,755.43
000111	000	07/01/2004	Bakery Sign	2,700.00	0.00	0.00	0.00	0.00	2,700.00
000112	000	07/01/2004	Storefront Awn	4,800.00	0.00	0.00	0.00	0.00	4,800.00
000108	000	03/23/2004	Glass Door Me	2,624.00	0.00	0.00	0.00	0.00	2,624.00
000107	000	03/10/2004	Renovate Res	6,200.00	0.00	0.00	0.00	0.00	6,200.00
000105	000	02/23/2004	Store Sink	375.00	0.00	0.00	0.00	0.00	375.00
000104	000	02/19/2004	Sprinkler Syst	2,940.00	0.00	0.00	0.00	0.00	2,940.00
000103	000	02/18/2004	Vinyl Flooring	3,800.00	0.00	0.00	0.00	0.00	3,800.00
000102	000	02/12/2004	Air conditionin	3,000.00	0.00	0.00	0.00	0.00	3,000.00
000099	000	02/10/2004	Emergency E	275.00	0.00	0.00	0.00	0.00	275.00
000100	000	02/10/2004	Emergency E	135.00	0.00	0.00	0.00	0.00	135.00
000101	000	02/10/2004	Recess Ligh	535.00	0.00	0.00	0.00	0.00	535.00
Acquisition Year End = 12/2004				$ 93,292.59	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 93,292.59
Count = 30									
Property Tax Cat = Plant Equipment				$ 93,292.59	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 93,292.59
Count = 30									
Grand Total				$ 93,292.59	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 93,292.59
Count = 30									

Property Tax - Summary Report

Purpose

The Property Tax - Summary report summarizes the acquisition value of active assets for a selected date. The report sorts assets first by a defined property tax category, and then by each acquisition year. You can use the report to prepare taxable business or personal property tax returns.

Hints for Running the Report

- If you file property tax returns for more than one jurisdiction, you can use Group Manager to create a group for each jurisdiction. When you run the Property Tax Summary report, select the desired group in the Report Definition screen.

- Most property tax jurisdictions require you to classify assets in unique categories. We suggest that you designate a field to use as the property tax category field. You may want to use one of the User Fields for this purpose and rename it to Property Tax Category. You may also want to create a list of valid SmartList entries for this field. When you run the report, you should select the Property Tax Category field on the Report Definition screen. The report sorts assets by this field first, and then by acquisition year-end.

Unique Report Definition Fields

The following fields on the Report Definition screen are unique to the Property Tax - Summary report.

- **Run Report for the Property Tax Month and Year Ended** Enter the month and year-end of the property tax year. Enter the date in MM/DD/YYYY format. The property tax year begins 12 calendar months prior to the date entered. For example, if you enter 6/30/2007 in this field, then 7/1/2006 is the beginning of the property tax year, and 6/30/2007 is the end of the property tax year.

■ **Property Tax Category**
Select the field used to designate property tax categories. The Property Tax - Summary report sorts assets by this field first, and then by acquisition year-end.

■ **Determine Acquisition Year From**
Use this field to specify how the acquisition year is determined for property tax purposes.

  ❑ **Acquisition Date**
  Select this option to determine the acquisition year for property tax purposes from the date in the Acquisition Date field.

  ❑ **Placed In Service Date**
  Select this option to determine the acquisition year for property tax purposes from the date in the Placed-in-Service Date field.

■ **Summarize Assets Acquired Before the Property Tax Year Ended**
Use this field to group assets together on the report before a specified date. You can either enter the date in the field, or you can select the date from the calendar. The date must be a valid end-date for a property tax year. The report groups assets together for the years prior to the property tax year entered in this field. For example, if you enter 12/31/1999 in this field, then information for the year 1998 and prior years is combined into a single row called "12/1998 and Prior."

Report Columns

The following guidelines provide detail on the nonstandard columns that appear on Property Tax - Summary the report.

■ **Acquisition Year End**
This column displays the property tax month and year-end dates in descending order, beginning with the property tax year for which you ran the report.

Note This column displays the word "None" if assets exist with no date in the Acquisition Date field, and you selected the Acquisition Date field to determine the acquisition year when you ran the report.

- **Count**
  This column displays the total number of assets included on the report for the property tax year.

- **Beginning Cost**
  This column displays the total Acquired Value of the assets at the beginning of the property tax year.

- **Current Year Acquisitions**
  This column displays the total Acquired Value of assets placed in service in the property tax year.

- **Current Year Transfers-In**
  This column displays the total Acquired Value of the assets transferred into the current company during the property tax year.

- **Current Year Transfers-Out**
  This column displays the total Acquired Value of the assets transferred out of the current company during the property tax year.

- **Current Year Dispositions**
  This column displays the total Acquired Value of the assets disposed of in the property tax year.

- **Ending Cost**
  This column displays the total Acquired Value of the assets at the end of the property tax year. It is calculated as follows:

	Beginning Cost
plus	Current Year Acquisitions
plus	Current Year Transfers In
minus	Current Year Transfer Out
minus	Current Year Dispositions
	Ending Cost

Sample Property Tax - Summary Report

Westfields Bakery - Demo
Property Tax - Summary Report
For the period ended December 31, 2007

Group = Active Assets
Book = Tax

Acquisition Year End	Count	Beginning Cost	Current Year Acquisitions	Current Year Transfers-In	Current Year Transfers-Out	Current Year Dispositions	Ending Cost
Property Tax Cat = <no value>							
12/2004	9	$ 301,251.74	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 301,251.74
12/2003	17	$ 56,244.50	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 56,244.50
12/2002	14	$ 80,205.40	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 80,205.40
12/2001	14	$ 61,075.87	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 61,075.87
12/2000	10	$ 63,050.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 63,050.00
12/1999	1	$ 2,210.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 2,210.00
12/1983	1	$ 675,000.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 675,000.00
12/1982	1	$ 1,225,000.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 1,225,000.00
Property Tax Cat = <no value>	67	$ 2,464,037.51	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 2,464,037.51
Property Tax Cat = Office Equipment							
12/2004	2	$ 67,166.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 67,166.00
12/2003	3	$ 5,993.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 5,993.00
12/2002	23	$ 50,448.86	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 50,448.86
12/2001	7	$ 22,275.95	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 22,275.95
12/2000	3	$ 24,420.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 24,420.00
Property Tax Cat = Office Equipment	38	$ 170,303.81	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 170,303.81
Property Tax Cat = Plant Equipment							
12/2004	30	$ 93,292.59	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 93,292.59
Property Tax Cat = Plant Equipment	30	$ 93,292.59	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 93,292.59
Grand Total	135	$ 2,727,633.91	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 2,727,633.91

Quarterly Acquisition Report

Purpose

The Quarterly Acquisition report displays the total Acquired Value of all assets acquired in each quarter of a fiscal year.

Report Columns

The following guidelines provide detail on the nonstandard columns appearing on the report.

■ **Acquisition Month/Period**
This column displays the periods in the fiscal year and groups them into quarters. If the fiscal year is a short year, the quarters are determined by counting forward every three periods until the end of the fiscal year. Any short quarters will occur at the end of the fiscal year.

■ **Acquired Value**
This column displays the acquired value of all assets purchased within the period. If the asset does not have an acquisition date, the application uses the placed-in-service date. This column also displays the acquired values subtotaled for each quarter. (The grand totals appear on the last line.)

■ **Percent**
The application divides the acquired value for each quarter by the total acquired value and displays the result as a percentage.

Sample Quarterly Acquisition Report

<div>

Westfields Bakery - Demo
Quarterly Acquisition Report
For the fiscal year ended December 31, 2004

Book = Internal
FYE Month = December

Acquisition Month/Period		Acquired Value	Percent
Quarter : 1			
January 31, 2004		$ 5,750.00	
February 29, 2004		11,060.00	
March 31, 2004		9,664.00	
	Quarter : 1	$ 26,474.00	6.71%
Quarter : 2			
April 30, 2004		$ 132,000.00	
	Quarter : 2	$ 132,000.00	33.46%
Quarter : 3			
July 31, 2004		$ 16,211.43	
August 31, 2004		4,955.00	
September 30, 2004		51,205.16	
	Quarter : 3	$ 72,371.59	18.34%
Quarter : 4			
October 31, 2004		$ 4,304.46	
November 30, 2004		130,444.28	
December 31, 2004		28,950.00	
	Quarter : 4	$ 163,698.74	41.49%
	Grand Total	$ 394,544.33	100.00%

</div>

Tax Expense Report

Purpose

The Tax Expense report displays the components of the current year's depreciation expense for tax purposes. For each asset, the report displays the current year's Section 179 expense deduction, Section 168 Expense, and the current year-to-date depreciation. In the Total Tax Year-to-Date Expense column, the report displays the total of these three amounts.

The left side of the report displays information about the depreciable basis: acquired value, 168 Allowance, and depreciable basis as calculated by the application. The report always displays an amount in the Section 168 Allowance column if the asset uses a "Plus 168" depreciation method.

The right side of the report displays information about the current year's tax expense. Therefore, the report displays an amount in the Section 179 Expense and the Section 168 Expense columns only if you run the report for the year the asset was placed in service.

Hints for Running the Report

- Before you run the report, you should first calculate depreciation through the date for which you want to run the report.

- The Section 179 expense deduction and the 168 Allowance are taken in the asset's placed-in-service year. The Tax Expense report displays these two amounts only for the current year. Therefore, the report displays Section 179 expense and the 168 Allowance only when you run the report for the asset's placed-in-service year.

Report Columns

The Tax Expense report first shows general information about the asset, then the components of the current year depreciation expense for tax purposes.

These standard columns appear in the Tax Expense report and need no explanation:

- System Number

- Extension

- [Placed] In-Service Date

- Acquired Value

- Depreciation Method

- Property Type

- Estimated Life

The following guidelines provide detail on the nonstandard columns that appear on the Tax Expense report.

■ **Section 168 Allowance**
This column shows the asset's 168 Allowance used to calculate depreciable basis. This amount is 30%, 50%, or 100% of the asset's adjusted basis. An amount in this column always appears if the asset uses a "Plus 168" depreciation method.

■ **Depreciable Basis**
This column shows the asset's depreciable basis as calculated by the application.

■ **(+) Section 179 Expense**
This column shows the amount of Section 179 expense deduction taken for the current year. An amount appears in this column only if the report is run for the asset's placed-in-service year.

■ **(+) Section 168 Expense**
This column shows the amount of 168 Allowance that the application calculates for the current year treated as expense for each asset. Because this column shows only the Section 168 expense for the current year, an amount appears in this column only if you run the report for the asset's placed-in-service year. If the asset was involved in a transfer, then this amount could be different from the amount in the Section 168 Allowance column. When you transfer an asset in the year that you place the asset in service, the application allocates the 168 Expense between the original asset and the transferred asset.

■ **(+) Current Year-to-Date Expense**
Current Year-to-Date Expense includes all depreciation
expense from the beginning of the fiscal year containing the
current through date up to and including the through date.
(The through date is the last date through which you
calculated depreciation.) For example, if the current through
date is 03/07, the current year-to-date depreciation includes
depreciation for January, February, and March 2007 (for a
calendar year-end company).

■ **(=) Total 4562 Expense**
This column is the sum of the Section 179 Expense, the Section
168 Expense, and the Current Year-to-Date Expense columns.
The total for this column will be the depreciation claimed on
the Form 4562 if you run the report for the end of the fiscal
year.

■ **Zone Types (ZT)**
This column shows the zone type, if any, designated in the
§179/Bonus Details screen. The following are the possible
zone type codes:

Code	Zone Type
G	Gulf Opportunity Zone
K	Kansas Disaster Zone
E	Enterprise Zone
D	Qualified Disaster Zone
X	No zone applies

■ **Other 179 Expense**
This column shows the amount entered in the §179/Other
Amount field on the §179/Bonus Details screen.

Sample Tax Expense Report

Westfields Bakery - Demo
Tax Expense Report
As of December 31, 2008

Book = Tax
FYE Month = December

Sys No	Ext	In Svc Date	Acquired Value	Sec 168 Allowance	Depreciable Basis	Depr Meth	P T	Est Life	(+) Sec 179 Expense	(+) Sec 168 Expense	(+) Curr YTD Expense	(=) Total 4562 Expense	Z T	Other 179 Expense	Key Code
000001	000	01/01/07	1,000.00	420.75	420.75	MA200	P	07 00	0.00	0.00	103.04	103.04	D	0.00	r
000002	000	01/01/06	1,000.00	420.75	420.75	MA200	P	07 00	0.00	0.00	73.60	73.60	E	0.00	r
000003	000	01/01/07	1,000.00	495.00	495.00	MA200	P	07 00	0.00	0.00	121.22	121.22	G	0.00	r
000004	000	01/01/08	1,000.00	495.00	495.00	MA200	P	07 00	10.00	495.00	70.72	575.72	K	0.00	r
000005	000	01/01/08	1,000.00	495.00	495.00	MA200	P	07 00	10.00	495.00	70.72	575.72	X	0.00	r
Grand Total			5,000.00	2,326.50	2,326.50				20.00	990.00	439.30	1,449.30		0.00	
Less disposals and transfers			0.00	0.00	0.00										
Count = 0															
Net Grand Total			5,000.00	2,326.50	2,326.50				20.00	990.00	439.30	1,449.30		0.00	
Count = 5															

Transfer Report

Purpose

The Transfer report tracks the origin and destination of every selected asset that you have transferred, whether the transfer was within a company or to a different company. This tracking includes all asset extensions or new assets created as part of the transfer. The report also displays the details of the transfer, such as the transfer date, acquired values, prior accumulated depreciation, and current accumulated depreciation.

Report Columns

These standard columns appear on the report and need no explanation:

- Transfer From

- Transfer To

- System Number

- Extension

The following guidelines provide detail on the nonstandard columns that appear on the report.

- **Transfer Date**
  This is the effective date for prorating depreciation.

- **Acquired Value Transferred Out**
  This is the acquired value being transferred out of a company. This number will always be listed on the top row of the transaction.

- **Prior Accumulated Depreciation Transferred Out**
  This is the prior accumulated depreciation being transferred out of a company. This number will always be listed on the top row of the transaction.

- **Current Accumulated Depreciation Transferred Out**
  This is the current accumulated depreciation being transferred out of a company. This number will always be listed on the top row of the transaction.

■ **Acquired Value Transferred In**
This is the acquired value being transferred into a company.
This number will always be listed on the bottom row of the
transaction.

■ **Prior Accumulated Depreciation Transferred In**
This is the prior accumulated depreciation being transferred
into a company. This number will always be listed on the
bottom row of the transaction.

■ **Current Accumulated Depreciation Transferred In**
This is the current accumulated depreciation being
transferred into a company. This number will always be listed
on the bottom row of the transaction.

■ **Partial Transfer (PT)**
This column indicates whether the asset was partially
transferred.

■ **Disposal (D)**
This column indicates whether the asset was considered a
disposal. The application displays a Y (for Yes) if the asset is
considered a disposal. The application displays an N (for No)
if the asset is not considered a disposal.

Note The following columns on the report include the 168
Allowance and Section 179 expense, when applicable to the
depreciation method, if you selected Yes in the Include Section 168
Allowance and Section 179 in Expense field in the Edit Company
screen and the report run date is after the asset's placed-in-service
year:

• Prior Accumulated Depreciation Transferred Out

• Current Accumulated Depreciation Transferred Out

• Prior Accumulated Depreciation Transferred In

• Current Accumulated Depreciation Transferred In

The Calculation Assumptions section on the last page of the report
indicates whether you selected Yes or No in the Edit Company
screen.

Sample Transfer Report

<div style="border:1px solid">

Westfields Bakery - Demo
Transfer Report

Book = Internal
FYE Month = December

Transfer From / Transfer To	Sys No	Ext / Trans Date	Transferred Out Acquired Value	Transferred Out Prior Accum Depreciation	Transferred Out Current Accum Depreciation	Sys No	Ext	Transferred In Acquired Value	Transferred In Prior Accum Depreciation	Transferred In Current Accum Depreciation	P T	D
Store #1	000054	000	4,840.00	2,500.67	3,065.33	000054	001	3,630.00	1,875.50	2,299.00	Y	N
Store #2		08/15/2005				000143	000	1,210.00	625.17	766.33		
Store #1	000055	000	2,200.00	1,136.67	1,393.33	000055	001	1,760.00	909.34	1,114.66	Y	N
Store #2		08/15/2005				000144	000	440.00	227.33	278.67		
	Grand Total		7,040.00	3,637.34	4,458.66			7,040.00	3,637.34	4,458.66		
	Less Remaining Assets		(5,390.00)	(2,784.84)	(3,413.66)			(5,390.00)	(2,784.84)	(3,413.66)		
	Net Grand Total		1,650.00	852.50	1,045.00			1,650.00	852.50	1,045.00		
	Count = 2											

</div>

Form 3468: Investment Tax Credit Worksheet

Purpose

This report is a worksheet that gathers the asset information needed to file IRS Form 3468, Investment Tax Credit (ITC). The worksheet follows the order of the IRS form, Part I, Current Year Investment Credit.

Hint for Running the Report

- Before you run this report, be sure Tax book depreciation for all assets you want to include in the report is calculated through the end of the fiscal year on which you want to report. An ideal time to run this report would be right after you have calculated your year-end depreciation for the Tax book.

Report Columns

These standard columns appear in the report and need no explanation:

- System Number

- Extension

- Company Asset Number

- Description

The following guidelines provide detail on the nonstandard columns appearing in the report.

- **ITC Code**
  This column displays the ITC Code that was selected by the user when an ITC amount was entered in Detail View.

  Assets using ITC Codes G and H are divided into two groups: assets placed in service inside a special zone, such as the Gulf

Opportunity (GO) Zone, and assets placed in service outside a special zone. These groups appear on the form in the Rehabilitation Credit as follows:

- **Pre-1936 Buildings - Special Zone:** ITC Code of H, located in a special zone, such as the Gulf Opportunity Zone

- **Pre-1936 Buildings - Other:** ITC Code of H, located outside special zones

- **Certified Historical Structures - Special Zone:** ITC Code of G, located inside a special zone, such as the Gulf Opportunity Zone

- **Certified Historical Structures - Other:** ITC Code of G, located outside special zones

- **Credit Rate**
This column displays the ITC Credit Rate defaulted by the application or entered by a user at the time the ITC amount was entered in Detail View.

- **ITC**
This column displays the amount shown in the ITC Amount field in Detail View.

- **Basis**
In accordance with the form instructions, the asset's basis is calculated as the acquired value multiplied by the business use percentage, minus any Section 179 expense.

Sample Form 3468 Worksheet

Westfields Bakery - Demo
3468 - ITC
Book : Tax FY : December
for Year Ending 12/31/2004

	SYS No	Ext	Co Asset No	Desc	ITC Code	Basis	Credit Rate	ITC

Rehabilitation Credit

  Pre-1936 Buildings
                       << No Assets Selected >>

						-------------		-------------
Total Pre-1936 Buildings						0.00		0.00

  Certified Historic Structures
                       << No Assets Selected >>

	-------------	-------------
Total Certified Historic Structures	0.00	0.00

	-------------	-------------
Total Rehabilitation Credit	0.00	0.00
	=============	=============

Energy Credit

  Current Year Energy Property
                       << No Assets Selected >>

	-------------	-------------
Total Current Year Energy Property	0.00	0.00

	-------------	-------------
Total Energy Credit	0.00	0.00
	=============	=============

Reforestation Credit

SYS No	Ext	Co Asset No	Desc	ITC Code	Basis	Credit Rate	ITC
000144	000	101267	VA Plant	R	65625.00	0.1000	12500.00
000145	000	101251	MD Plant	R	51450.00	0.1000	9800.00

	-------------	-------------
Total Reforestation Credit	117075.00	22300.00
	=============	=============

Regular Investment Credit

SYS No	Ext	Co Asset No	Desc	ITC Code	Basis	Credit Rate	ITC
000143	000	101375	Equipment	A	66562.50	0.0650	8125.00
000146	000	101275	Machinery	Q	29287.50	0.0650	3575.00
000147	000	102350	Equipment	Q	39937.50	0.0650	4875.00

	-------------	-------------
Total Regular Investment Credit	135787.50	16575.00
	=============	=============

Transitional Property

  30-Year-Old Buildings
                       << No Assets Selected >>

	-------------	-------------
Total 30-Year-Old Transition Property	0.00	0.00

```
June 1, 2004                                                                              Page    2
6:11 PM                              Westfields Bakery - Demo
                                          3468 - ITC
                                   Book : Tax  FY : December
                                   for Year Ending  12/31/2004


                                                   ITC              Credit
                SYS No     Ext   Co Asset No   Desc  Code    Basis    Rate      ITC


    40-Year-Old Buildings
                       <<  No Assets Selected  >>
                                                          -------------       -------------
               Total 40-Year-Old Transition Property           0.00               0.00

    Certified Historic Transition Property
                       <<  No Assets Selected  >>
                                                          -------------       -------------
               Total Certified Historic Transition Property     0.00               0.00

    Energy Transition Property
                       <<  No Assets Selected  >>
                                                          -------------       -------------
               Total Energy Transition Property                0.00               0.00


                                                          -------------       -------------
    Total Transitional Property Credit                         0.00               0.00
                                                          =============       =============


                                                          -------------       -------------
    Current Year Tentative Investment Tax Credit           252862.50           38875.00
                                                          =============       =============


-------------------------------------------------- Calculation Assumptions --------------------------------------------------

        Book        Short Years .  Midquarter Convention    Adjustment Convention   Include Sec 168 Allow & Sec 179
        ----        -----------    ---------------------    ---------------------   -------------------------------
        Tax           [N]                  [N]               Immediate                         [Y]

-------------------------------------------------- Asset Grouping/Sorting --------------------------------------------------

Group: Active Assets

        Include Assets that meet the following conditions:

             Activity is currently A,D,F,J,K,L,M,N

        Sort Assets by:
```

Form 4255: ITC Recapture Worksheet

Purpose

This report is a worksheet that gathers information needed to file IRS Form 4255, Recapture of Investment Tax Credit.

Report Columns

The worksheet columns are arranged in the order of the Form 4255 lines, beginning with asset identification data.

These standard columns appear in the report and need no explanation:

- System Number

- Extension

- Company Asset Number

- Description

- Placed in Service

- Estimated Life

- Disposal Date

The following guidelines provide detail on the nonstandard columns appearing in the report.

- **Original Rate**
  This column displays the ITC percentage defaulted by the application or entered by a user at the time the ITC amount was entered in Detail View.

- **ITC**
  This column displays the amount shown in the ITC Amount field in Detail View.

- **Basis**
  In accordance with the form instructions, the asset's basis is calculated as when determining the original credit: the

acquired value multiplied by the business use percentage, minus any Section 179 expense.

- **Applicable Percentage**
  The applicable percentage is taken from the form's tables, based on the asset's property type and estimated life.

- **Qualified Investment**
  In accordance with the form instructions, the qualified investment amount is calculated as the basis times the applicable percentage.

- **Number of Years (No Yr)**
  The Number of Years column shows the number of full years the asset was held, with partial years rounded down according to the form instructions.

- **Recapture Percentage**
  The recapture percentage is taken from the form's tables, based on the asset's depreciation method, estimated life, and the number of full years held.

- **Recapture Tax**
  The recapture tax is calculated as the ITC amount times the recapture percentage.

Sample Form 4255 Worksheet

Form 4562: Depreciation and Amortization

Purpose

This option prints an IRS Form 4562 that reports depreciation and amortization expense in a format acceptable to the IRS. The printed form can be filed with federal income tax returns. Where appropriate, the report lists assets in the order required by the form, using supplemental schedules.

Note We support only a single version of the Form 4562: the one for the current year, 2010. If you run the Form 4562 for a previous year, you will not be able to file it.

Hints for Running the Report

- Before you run this report, be sure Tax book depreciation for all assets you want to include in the report is calculated through the fiscal year on which you want to report. An ideal time to run the report would be right after you have calculated your year-end depreciation for the Tax book.

- If it is MACRS property, be sure to code it with a MACRS depreciation method so the application will enter it under Part III. If, for example, you code a MACRS asset as method DB (rather than MF, MA, MT, MI, or MR), the application enters it under Part II, Other Depreciation.

- You must code all Listed Property with property type A (automobiles), T (light trucks and vans), Q (listed personal property), or S (listed real property). This tells the application to enter it on page 2, Part V, and identify it as Listed Property.

- Code all intangible property (such as Section 197 software and organization costs) as property type Z. The application enters it on page 2, Part VI.

- The year printed on the Form 4562 depends on the version of the application installed on your computer. To print the current version of the form, make sure your software is up to date.

Unique Report Definition Fields

■ **Run Report for Fiscal Year Beginning (Required Field)**
Use this field to type the beginning date of the Tax book fiscal year for which you wish to run the report. The report automatically uses the Tax book for data.

■ **EIN**
Use this field to enter your identifying number.

■ **Business or Activity**
Use this field to enter the name of the business or activity to which this form relates.

■ **Election**
Use this text box to print text on the top of the Form 4562. You can edit the text in this box, or you can delete the text if you do not want to print text on the top of the form. You can enter up to 65 characters in this text box.

For example, you can use this text box to elect out of claiming the Section 168 Allowance. You can elect out of the allowance for each class of assets (that is, 3-year property, 5-year property, 7-year property, etc.) on a year-to-year basis.

■ **Additional Information Button**
Click this button to display the Parts I, II, and IV Additional Information screen, which allows you to override Section 179 limits and enter additional information on the Form 4562. For more information on completing this screen, see "Completing the Parts I, II, and IV Additional Information Screen," page 8-59.

Sample Form 4562

NOT A FILABLE FORM

Form **4562**	**Depreciation and Amortization**	OMB No. 1545-0172
	(Including Information on Listed Property)	**2010**
Department of the Treasury Internal Revenue Service (99)	▶ See separate instructions. ▶ Attach to your tax return.	Attachment Sequence No. **67**
Name(s) shown on return Westfields Bakery - Demo	Business or activity to which this form relates	Identifying number 11-2222222

Part I   **Election To Expense Certain Property Under Section 179**

Note: *If you have any listed property, complete Part V before you complete Part I.*

1	Maximum amount (see instructions)	**1**	500000.00
2	Total cost of section 179 property placed in service (see instructions)	**2**	0.00
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	**3**	2000000.00
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	**4**	0.00
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	**5**	500000.00

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost	
		0.00	0.00	
		0.00	0.00	

7	Listed property. Enter the amount from line 29	**7** 0.00	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	**8**	0.00
9	Tentative deduction. Enter the **smaller** of line 5 or line 8	**9**	0.00
10	Carryover of disallowed deduction from line 13 of your 2009 Form 4562	**10**	0.00
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) . .	**11**	500000.00
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	**12**	0.00
13	Carryover of disallowed deduction to 2011. Add lines 9 and 10, less line 12 ▶	**13** 0.00	

Note: *Do not use Part II or Part III below for listed property. Instead, use Part V.*

Part II   **Special Depreciation Allowance and Other Depreciation (Do not** include listed property.) (See Instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	**14**	0.00
15	Property subject to section 168(f)(1) election	**15**	0.00
16	Other depreciation (including ACRS)	**16**	99.92

Part III   **MACRS Depreciation (Do not** include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2010	**17**	86019.04
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here . . . . ▶ ☐		

Section B—Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property		0.00				0.00
b 5-year property		0.00				0.00
c 7-year property		0.00				0.00
d 10-year property		0.00				0.00
e 15-year property		0.00				0.00
f 20-year property		0.00				0.00
g 25-year property		0.00	25 yrs		S/L	0.00
h Residential rental property		0.00	27.5 yrs	MM	S/L	0.00
		0.00	27.5 yrs	MM	S/L	0.00
i Nonresidential real property		0.00	39 yrs	MM	S/L	0.00
		0.00		MM	S/L	0.00

Section C—Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

20a Class life		0.00			S/L	0.00
b 12-year		0.00	12.0 yrs		S/L	0.00
c 40-year		0.00	40.0 yrs	MM	S/L	0.00

Part IV   **Summary** (See instructions.)

21	Listed property. Enter amount from line 28	**21**	12291.99
22	**Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	**22**	98410.95
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	**23** 0.00	

KGA   For Paperwork Reduction Act Notice, see separate instructions.   Form **4562** (2010)

Form 4562 (2010)

Part V   **Listed Property** (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

    Note: *For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.*

Section A–Depreciation and Other Information (Caution: *See the instructions for limits for passenger automobiles.***)**

24a	Do you have evidence to support the business/investment use claimed?	☐ Yes ☐ No	24b	If "Yes," is the evidence written?	☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25	Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)				**25**		0.00	
26	Property used more than 50% in a qualified business use:							
		%	0.00	0.00			0.00	0.00
		%	0.00	0.00			0.00	0.00
(attachment)		%	221321.00	172464.50			12291.99	0.00
27	Property used 50% or less in a qualified business use:							
		%	0.00	0.00	S/L -		0.00	
		%	0.00	0.00	S/L -		0.00	
		%	0.00	0.00	S/L -		0.00	
28	Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1				**28**		12291.99	
29	Add amounts in column (i), line 26. Enter here and on line 7, page 1						**29**	0.00

Section B–Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

		(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30	Total business/investment miles driven during the year (**do not** include commuting miles)												
31	Total commuting miles driven during the year												
32	Total other personal (noncommuting) miles driven												
33	Total miles driven during the year. Add lines 30 through 32												
34	Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35	Was the vehicle used primarily by a more than 5% owner or related person?												
36	Is another vehicle available for personal use?												

Section C–Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see instructions).

		Yes	No
37	Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38	Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39	Do you treat all use of vehicles by employees as personal use?		
40	Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41	Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)		

Note: *If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.*

Part VI   **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42	Amortization of costs that begins during your 2010 tax year (see instructions):				
		0.00			0.00
		0.00			0.00
43	Amortization of costs that began before your 2010 tax year			**43**	0.00
44	**Total.** Add amounts in column (f). See the instructions for where to report			**44**	0.00

KGA   Form **4562** (2010)

Form 4626: Alternative Minimum Tax Worksheet

Purpose

This report is a worksheet that gathers information needed to file IRS Form 4626, Alternative Minimum Tax—Corporations. For each asset selected, the report shows MACRS Adjustments, ACRS Preferences, the book income adjustment, and the ACE Adjustment. If requested, the report also provides data needed for the ACE Adjustment worksheet found in the IRS instructions for Form 4626.

Hints for Running the Report

- Before you run this report, be sure depreciation for all assets you want to include in the report is calculated through the end of the fiscal year on which you want to report. An ideal time to run the report would be right after you have calculated your year-end depreciation for the Tax, AMT, and ACE books and for the book you choose as the applicable financial statement.

- The Tax book, the AMT book, the ACE book (if applicable), and either the Internal book or one of the user books must be open in order to run this report. If these books are not open, return to Edit Company at the File menu and open the appropriate books.

Unique Report Definition Fields

- **Report On Fiscal Year Beginning**
  Use this field to type the beginning date of the fiscal year for which you want to run the report.

- **Include Supplement for ACE Worksheet**
  Select this check box to print a supplemental report that provides figures for the ACE Adjustment worksheet in the IRS Form 4626 instructions.

■ **Extended Asset Description - ACE Worksheet**
Select this check box to print the entire asset description on a separate line below the asset information. To make this field available, you must select the Include Supplement for ACE Worksheet check box.

Report Columns

These standard columns appear in the report and need no explanation:

- System Number

- Extension

- Description

The following guidelines provide detail on the nonstandard columns appearing in the report.

■ **Depreciation (Tax, financial statement book, AMT, ACE)**
Each column shows the asset's current year-to-date depreciation in the named book as of the last time depreciation was calculated for the asset.

The Depreciation column for each book includes the 168 Allowance and Section 179 expense, when applicable to the depreciation method, if you selected Yes in the Include Section 168 Allowance and Section 179 in Expense field in the Edit Company screen. The Calculation Assumptions section on the last page of the report indicates whether you selected Yes or No in the Edit Company screen.

Note The amounts in this column will not equal the Current Year-to-Date amounts on the Depreciation Expense report for certain assets if you have changed the application defaults for either the ACE book or the AMT book. Post-93 assets do not have an ACE depreciation adjustment, and post-98 assets using the straight-line method (MF100 or AD) or 150% declining-balance method (MF150 or MT150) in the Tax book do not have an AMT depreciation adjustment. For these assets, the application reverts to the default settings for calculating ACE and AMT depreciation for this column on the Form 4626 report.

- ■ **MACRS Adjustment**
  This column shows the difference in current year depreciation between the Tax book and the AMT book for MACRS assets. The grand total is the amount that you should carry to the Form 4626 Adjustments line for the depreciation of tangible property placed in service after 1986.

- ■ **ACRS Preferences**
  This column shows the difference in current year depreciation between the Tax book and the AMT book for ACRS real property. If the difference is negative, the amount is treated and shown as zero. The grand total is the amount that you should carry to the Form 4626 tax preference items line for the accelerated depreciation of real property placed in service before 1987.

- ■ **Book Income Adjustment**
  This column shows the difference in current year depreciation between the applicable financial statement book you selected and the Tax book. For fiscal years that began before 1990, the grand total is the amount that you should carry to the Form 4626 excess book income adjustment line. (For tax years after 1989, this was replaced by the ACE Adjustment.)

- ■ **ACE Adjustment**
  This column shows the difference in current year depreciation between the AMT book and the ACE book.

Sample Form 4626 Corporate AMT Worksheet

May 4, 2004   Page   1
4:30 PM

Westfields Bakery - Demo
4626 - CORPORATE AMT
for Year Ending 12/31/2004

		---------------------Depreciation---------------------			--------- (a)-(c) ---------		(b)-(a)	(c)-(d)
		(a)	(b)	(c)	(d)	MACRS	ACRS	Book Income	ACE
SYS No Ext Desc		Tax	Internal	AMT	ACE	Adjustment	Preferences	Adjustment	Adjustment
000011 000 Donut Fil		12.05	0.00	18.07	18.07	-6.02	0.00	-12.05	0.00
000013 000 Parking L		1205.81	1675.00	1205.81	1205.81	0.00	0.00	469.19	0.00
000014 000 Parking L		375.78	522.00	375.78	375.78	0.00	0.00	146.22	0.00
000015 000 Sidewalk		176.37	245.00	176.37	176.37	0.00	0.00	68.63	0.00
000031 000 Bakery Si		360.12	312.60	520.79	520.79	-160.67	0.00	-47.52	0.00
000032 000 Air condi		120.51	235.00	120.51	120.51	0.00	0.00	114.49	0.00
000034 000 Recess Li		14.36	80.00	14.36	14.36	0.00	0.00	65.64	0.00
000036 000 Emergency		4.04	22.50	4.04	4.04	0.00	0.00	18.46	0.00
000041 000 Sprinkler		69.55	387.50	69.55	69.55	0.00	0.00	317.95	0.00
000051 000 Storefron		645.12	480.00	645.12	645.12	0.00	0.00	-165.12	0.00
000054 000 CafT Chai		650.50	968.00	650.50	650.50	0.00	0.00	317.50	0.00
000055 000 CafT Tabl		295.68	440.00	295.68	295.68	0.00	0.00	144.32	0.00
000056 000 Aluminum		369.72	550.18	369.72	369.72	0.00	0.00	180.46	0.00
000057 000 Glass Doo		705.33	1049.60	705.33	705.33	0.00	0.00	344.27	0.00
000058 000 Fire Exti		8.08	45.00	8.08	8.08	0.00	0.00	36.92	0.00
000059 000 Stackable		81.45	121.20	81.45	81.45	0.00	0.00	39.75	0.00
000061 000 Fire Safe		15.99	23.80	15.99	15.99	0.00	0.00	7.81	0.00
000063 000 Window Wr		36.96	55.00	36.96	36.96	0.00	0.00	18.04	0.00
000065 000 Interior		470.40	700.00	470.40	470.40	0.00	0.00	229.60	0.00
000067 000 Telephone		67.20	100.00	67.20	67.20	0.00	0.00	32.80	0.00
000068 000 Euro Fron		106.85	159.00	106.85	106.85	0.00	0.00	52.15	0.00
000069 000 Refrigera		799.68	1190.00	799.68	799.68	0.00	0.00	390.32	0.00
000070 000 Automatic		118.27	176.00	118.27	118.27	0.00	0.00	57.73	0.00
000071 000 CafT Micr		153.48	228.40	153.48	153.48	0.00	0.00	74.92	0.00
000073 000 Cash Regi		66.53	99.00	66.53	66.53	0.00	0.00	32.47	0.00
000074 000 Cold Beve		157.92	235.00	157.92	157.92	0.00	0.00	77.08	0.00
000092 000 Stainless		182.88	228.60	182.88	182.88	0.00	0.00	45.72	0.00
000142 000 Executive		2940.00	2089.64	0.00	0.00	2940.00	0.00	-850.36	0.00
Count= 28		-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------
Grand Total		10210.63	12418.02	7437.32	7437.32	2773.31	0.00	2207.39	0.00

Report Columns for 4626 ACE Worksheet

This report is a worksheet that gathers the Alternative Minimum Tax depreciation information needed to complete IRS Form 4626. It is accessed by completing the Report Definition screen for Form 4626: Alternative Minimum Tax Worksheet.

These standard columns appear in the report and need no explanation:

- System Number

- Extension

- Description (first ten characters only)

- [Placed] In-Service Date

- Class Life

- Property Type (PT)

- Depreciation Method

- Estimated Life (shown in years and months)

The following guidelines provide detail on the nonstandard columns appearing in the report.

- **AMT Current Year-to-Date**
  This column is your depreciation expense recomputed for AMT depreciation. This amount is usually the depreciation expense claimed for regular tax purposes, modified by the AMT depreciation Preferences and Adjustments.

  AMT Current Year-to-Date includes the 168 Allowance and Section 179 expense, when applicable to the depreciation method, if you selected Yes in the Include Section 168 Allowance and Section 179 in Expense field in the Edit Company screen. The Calculation Assumptions section on the last page of the report indicates whether you selected Yes or No in the Edit Company screen.

> **Note** This column equals the Tax book current year-to-date depreciation for any post-98 assets that are depreciated under a straight-line method (MF100 or AD) or 150% declining-balance method (MF150 or MT150) in the Tax book. These assets do not have an AMT depreciation adjustment.

- **Post-1993 Current Year-to-Date**
  This column shows current year-to-date AMT depreciation for MACRS assets acquired after 1993. (The application uses the information in the AMT book for such property, since its ACE Depreciation Adjustment must be zero.) You can carry the total for this column to line 2b(1) of the IRS Form 4626 ACE Adjustment worksheet.

- **Post-89, Pre-94, Current Year-to-Date**
  This column shows current year-to-date depreciation in the ACE book for MACRS assets acquired after 1989 and before 1994. You can carry the total for this column to line 2b(2) of the IRS Form 4626 ACE Adjustment worksheet.

- **Pre-90 MACRS Current Year-to-Date**
  This column shows current year-to-date depreciation in the ACE book for MACRS assets acquired before 1990. You can carry the total for this column to line 2b(3) of the IRS Form 4626 ACE Adjustment worksheet.

- **Pre-90 ACRS Current Year-to-Date**
  This column shows current year-to-date depreciation in the ACE book for ACRS assets acquired before 1990. You can carry the total for this column to line 2b(4) of the IRS Form 4626 ACE Adjustment worksheet.

- **Other Property Current Year-to-Date**
  This column shows current year-to-date depreciation in the ACE book for assets using depreciation methods other than ACRS and MACRS that were acquired in any year. You can carry the total for this column to line 2b(6) of the IRS Form 4626 ACE Adjustment worksheet.

Sample Form 4626 ACE Worksheet

```
May 4, 2004                                                                    Page    1
4:30 PM                              Westfields Bakery - Demo
                                      4626 - ACE WORKSHEET
                                     for Year Ending 12/04

                 --------- AMT ---------- --------------------------- ACE ----------------------------------------------
                              [2a]                      [2b(1)]     [2b(2)]      [2b(3)]       [2b(4)]     [2b(6)]
                                                                    Post-89,
             In Svc  Class P Dep   Est              Dep    Est      Post-93     Pre-94,     Pre-90 MACRS  Pre-90 ACRS  Oth Property
SYS No Ext   Date    Life  T Meth  Life  AMT CYTD   Meth   Life     Current YTD Current YTD Current YTD   Current YTD  Current YTD


000011 000 02/28/00 03 00 P MF150 05 00      18.07 MF150 05 00       18.07        0.00        0.00         0.00         0.00
000013 000 10/23/00 10 00 P MF150 15 00    1205.81 MF150 15 00     1205.81        0.00        0.00         0.00         0.00
000014 000 11/12/00 10 00 P MF150 15 00     375.78 MF150 15 00      375.78        0.00        0.00         0.00         0.00
000015 000 12/18/00 10 00 P MF150 15 00     176.37 MF150 15 00      176.37        0.00        0.00         0.00         0.00
000031 000 07/30/01 10 00 P MF150 05 00     520.79 MF150 05 00      520.79        0.00        0.00         0.00         0.00
000032 000 09/06/01 20 00 R MF100 39 00     120.51 MF100 39 00      120.51        0.00        0.00         0.00         0.00
000034 000 10/11/01 10 00 R MA100 39 00      14.36 MA100 39 00       14.36        0.00        0.00         0.00         0.00
000036 000 11/11/01 10 00 R MA100 39 00       4.04 MA100 39 00        4.04        0.00        0.00         0.00         0.00
000041 000 01/12/02 10 00 R MA100 39 00      69.55 MA100 39 00       69.55        0.00        0.00         0.00         0.00
000051 000 05/18/02 10 00 P MA200 05 00     645.12 MA200 05 00      645.12        0.00        0.00         0.00         0.00
000054 000 06/12/02 05 00 P MA200 05 00     650.50 MA200 05 00      650.50        0.00        0.00         0.00         0.00
000055 000 06/12/02 05 00 P MA200 05 00     295.68 MA200 05 00      295.68        0.00        0.00         0.00         0.00
000056 000 06/14/02 05 00 P MA200 05 00     369.72 MA200 05 00      369.72        0.00        0.00         0.00         0.00
000057 000 06/21/02 05 00 P MA200 05 00     705.33 MA200 05 00      705.33        0.00        0.00         0.00         0.00
000058 000 06/30/02 10 00 R MA100 39 00       8.08 MA100 39 00        8.08        0.00        0.00         0.00         0.00
000059 000 07/01/02 05 00 P MA200 05 00      81.45 MA200 05 00       81.45        0.00        0.00         0.00         0.00
000061 000 08/05/02 05 00 P MA200 05 00      15.99 MA200 05 00       15.99        0.00        0.00         0.00         0.00
000063 000 08/17/02 05 00 P MA200 05 00      36.96 MA200 05 00       36.96        0.00        0.00         0.00         0.00
000065 000 09/10/02 05 00 P MA200 05 00     470.40 MA200 05 00      470.40        0.00        0.00         0.00         0.00
000067 000 10/01/02 05 00 P MA200 05 00      67.20 MA200 05 00       67.20        0.00        0.00         0.00         0.00
000068 000 10/09/02 05 00 P MA200 05 00     106.85 MA200 05 00      106.85        0.00        0.00         0.00         0.00
000069 000 10/09/02 05 00 P MA200 05 00     799.68 MA200 05 00      799.68        0.00        0.00         0.00         0.00
000070 000 10/12/02 05 00 P MA200 05 00     118.27 MA200 05 00      118.27        0.00        0.00         0.00         0.00
000071 000 10/14/02 05 00 P MA200 05 00     153.48 MA200 05 00      153.48        0.00        0.00         0.00         0.00
000073 000 11/01/02 05 00 P MA200 05 00      66.53 MA200 05 00       66.53        0.00        0.00         0.00         0.00
000074 000 11/07/02 05 00 P MA200 05 00     157.92 MA200 05 00      157.92        0.00        0.00         0.00         0.00
000092 000 08/13/03 05 00 P MA200 05 00     182.88 MA200 05 00      182.88        0.00        0.00         0.00         0.00
000142 000 09/02/04 05 00 A MA200 05 00       0.00 MA200 05 00        0.00        0.00        0.00         0.00         0.00
Count=  28                              -------------       -------------  ------------- ------------- ------------- -------------
Grand Total                                 7437.32            7437.32        0.00        0.00         0.00         0.00
                                        =============       ============= ============= ============= ============= =============
```

Form 4797: Sales of Property Worksheet

Purpose

This report is a worksheet that gathers information needed to file IRS Form 4797—Sales of Business Property. Where appropriate, the report lists assets in the order required by the form.

Hints for Running the Report

- Before you run this report, be sure Tax book depreciation for all assets you want to include in the report is calculated through the end of the fiscal year on which you want to report. An ideal time to run the report would be right after you have calculated your year-end depreciation for the Tax book.

- If selling property at a loss, an accurate disposal date can be critical to ensuring that the application correctly reports the property. If the property is held more than one year, the application enters it in Part I. If the property is held for one year or less, the application enters it in Part II.

- If selling property at a gain, the most critical information is the asset's property type, as shown in the table below.

Property Type	Form 4797, Part III
P, Q, A, or T	Line 25
R or S	Line 26
F	Line 27
E	Line 28
C	Line 29

Unique Report Definition Fields

- **Run Report for Fiscal Year Beginning**
  Use this field to type the beginning date of the Tax book fiscal year for which you want to run the report. The report automatically uses the Tax book for data. It includes only

those assets disposed of during the specified fiscal year for which a gain or loss was recognized.

Report Columns

The worksheet begins with Part III of Form 4797, which details the disposed asset information and whose totals carry to Parts I and II. Some column headings change for different parts of the form and for different property types.

These standard columns appear in the report and need no explanation:

• System Number

• Extension

• Company Asset Number

• Description

• Acquisition Date

• Current Accumulated Depreciation

The following guidelines provide detail on the nonstandard columns appearing in the report.

■ **Retirement Date**
Retirement date is the date the asset was disposed.

■ **Gross Sales Price**
The gross sales price is the total of the cash and noncash proceeds from the asset's disposal.

■ **Cost Plus Expenses of Sale**
This column shows the total of the asset's acquired value and expenses of sale.

■ **Adjusted Basis**
The adjusted basis is calculated from the Cost Plus Expenses of Sale column amount minus the Current Accumulated Depreciation column amount.

The following guidelines provide detail on the nonstandard columns appearing only in Part III of the report.

■ **Total Gain**
The total gain (or loss) is the gross sales price minus the adjusted basis. For property other than Section 1245 and 1250, the application assumes all gains are capital gains.

The following guidelines provide detail on the nonstandard columns appearing only in Part III of the report and apply only to Section 1245 property.

■ **Capital Gain**
Capital gain is the total gain minus the ordinary gain (see below).

■ **Ordinary Gain**
Ordinary gain is the lower of total accumulated depreciation or total gain.

The following guidelines provide detail on the nonstandard columns appearing only in Part III of the report and apply only to Section 1250 property.

■ **Section 1250 Property**
Columns (a) through (g) are calculated according to the Form 4797 instructions for Section 1250 property.

The following guidelines provide detail on the nonstandard columns appearing only in Part I and II of the report.

■ **Gain or (Loss)**
The loss or gain is calculated as the sum of the gross sales price and the current accumulated depreciation, minus the Cost Plus Expenses of Sale column amount. If the result is negative, it appears as a loss.

The following guidelines provide detail on the nonstandard columns appearing only in Part IV of the report.

■ **Section 179 Recapture**
Data for this column comes from calculations made at the time of asset disposal and displayed on the Disposal page in Detail View.

Sample Form 4797 Sales of Property Worksheet

```
May 4, 2004                                                                        Page    1
4:36 PM                              Westfields Bakery - Demo
                                   4797 - SALES OF PROPERTY
                                    For Tax Books    FY: 12
                                    For Year Ending  12/31/2004
```

```
PART III - Gain From Disposition of Property

           Co asset            Acq      Retire  Gross Sales  Current Accum  Cost Plus   Adjusted      Total
SYS No Ext   no      Desc      Date      Date    Price       Depreciation   Exp of Sale Basis         Gain
------ ---  ----------- ---------- ---------- ---------- ------------- ------------- ------------- -------------
000004 000  100130  Thermojaw  01/28/2000 03/31/2004   1000.00      1846.51       2075.00      228.49        771.51
000005 000  100140  Conveyor B 02/02/2000 07/01/2004    500.00      4393.98       4650.00      256.02        243.98
000006 000  100150  Donut Cutt 02/12/2000 10/31/2004     50.00       412.33        424.00       11.67         38.33
                                                    ------------- ------------- ------------- ------------- -------------
      Total                                            1550.00      6652.82       7149.00      496.18       1053.82

   Section 1245 Property

                                                                             Capital Gain  Ordinary Gain
                                                                             ------------- -------------
       000004 000 100130        Thermojaw                                            0.00        771.51
       000005 000 100140        Conveyor B                                           0.00        243.98
       000006 000 100150        Donut Cutt                                           0.00         38.33
                                                                             ------------- -------------
      Total                                                                          0.00       1053.82

   Section 1250 Property

                              ------------- ------------- ------------- ------------- -------------
      Total                            0.00          0.00          0.00          0.00          0.00
                               (a)           (b)           (c)           (d)           (e)           (f)           (g)
                             Addtl Depr  Smaller of   T.Gain Minus  Addtl Depr  Smaller of   Section 291  Ordinary Gain
                             after 12/75 (a) or T.Gain Column (a)   1/70 - 12/75 (c) or (d)   Amount       (b)+(e)+(f)
                             ------------- ------------- ------------- ------------- ------------- ------------- -------------

   Section 1252 Property

           Co asset            Acq      Retire  Gross Sales  Current Accum  Cost Plus   Adjusted      Total
SYS No Ext   no      Desc      Date      Date    Price       Depreciation   Exp of Sale Basis         Gain
------ ---  ----------- ---------- ---------- ---------- ------------- ------------- ------------- -------------
                              ------------- ------------- ------------- ------------- -------------
      Total                            0.00          0.00          0.00          0.00          0.00

   Section 1254 Property

                              ------------- ------------- ------------- ------------- -------------
      Total                            0.00          0.00          0.00          0.00          0.00

   Section 1255 Property

                              ------------- ------------- ------------- ------------- -------------
      Total                            0.00          0.00          0.00          0.00          0.00

      Total Gains for All Properties                                                             1053.82
      Ordinary Gains  (to Part II, line 13)                                                      1053.82
                                                                                           -------------
      Capital Gains  (to Part I, line 6)                                                            0.00
                                                                                           =============
```

Westfields Bakery - Demo
4797 - SALES OF PROPERTY
For Tax Books   FY: 12
For Year Ending 12/31/2004

SYS No Ext	Co asset no	Desc	Acq Date	Retire Date	Gross Sales Price	Current Accum Depreciation	Cost Plus Exp of Sale	Gain or (Loss)
000011 000	100200	Donut Fill	02/28/2000	03/02/2004	0.00	778.65	875.00	-96.35
000019 000	100280	Quart Mixe	01/04/2001	04/05/2004	500.00	5310.24	6900.00	-1089.76
Total					500.00	6088.89	7775.00	-1186.11

Gain, if any, from line 32, from other than casualty and theft 0.00
Add lines 2 through 6. Enter gain or (loss) here and on the appropriate line of your return. . . . . .   -1186.11

PART II - Ordinary Gains and Losses

SYS No Ext	Co asset no	Desc	Acq Date	Retire Date	Gross Sales Price	Current Accum Depreciation	Cost Plus Exp of Sale	Gain or (Loss)
000016 000	100250	Stainless	05/05/2000	10/12/2004	0.00	1029.93	1092.00	-62.07
000093 000	101010	Cake Air B	09/10/2003	07/31/2004	50.00	476.00	700.00	-174.00
000094 000	101020	Dough Shee	10/20/2003	08/31/2004	3500.00	3060.00	4500.00	2060.00
Total					3550.00	4565.93	6292.00	1823.93

Loss, if any, from line 7 . . . .   -1186.11
Gain, if any, from line 7, or amount from line 8, if applicable 0.00
Gain, if any, from line 31 . . . .   1053.82
Combine lines 10 through 17. Enter gain or (loss) here and on the appropriate line of your return . . .   1691.64

11 Customizing Standard Reports

This chapter describes how to make changes to a standard report that is shipped with the product. You can also design, create, and print a custom report from scratch using Crystal Reports. For information on using Crystal Reports to design a report, see the online *FAS Report Writer User's Guide*.

Customizing a Report

There may be times when you want to make changes to one of the standard reports, but you do not want to take the time to recreate the report using Crystal Reports. For example, you may want to add a new column to the report, or you may want to edit one of the column headers.

Using FAS Report Writer, you can customize a report from within the application. You get all of the report logic designed by the Sage FAS experts, but you are able to modify the report format to fit your company's needs.

You can make the following changes to an existing standard report:

- Add and remove columns (see "Adding and Removing Columns," page 11-11)

- Change the text in column headers (see "Changing the Column Headers," page 11-14)

- Change the order of columns (see "Changing the Column Order," page 11-15)

- Change the column widths (see "Changing the Column Widths," page 11-16)

- Change the space between columns (see "Changing the Space Between Columns," page 11-18)

- Change the left and right margin spacing (see "Changing the Left and Right Margin Spacing," page 11-19)

- Change the text in headers and footers (see "Changing the Headers and Footers," page 11-21)

- Save multiple versions of the same report (see "Saving Multiple Versions of the Same Report," page 11-23)

Note The above features are available only if you have purchased the FAS Report Writer software. If you would like to purchase FAS Report Writer, please contact your Sage FAS sales representative at 800-368-2405 or go to www.sagefas.com/FASreportwriter to purchase online.

To customize a report

1. Select Reports/FAS Report Writer/Customize Reports from the menu bar. The Customize Reports screen appears.
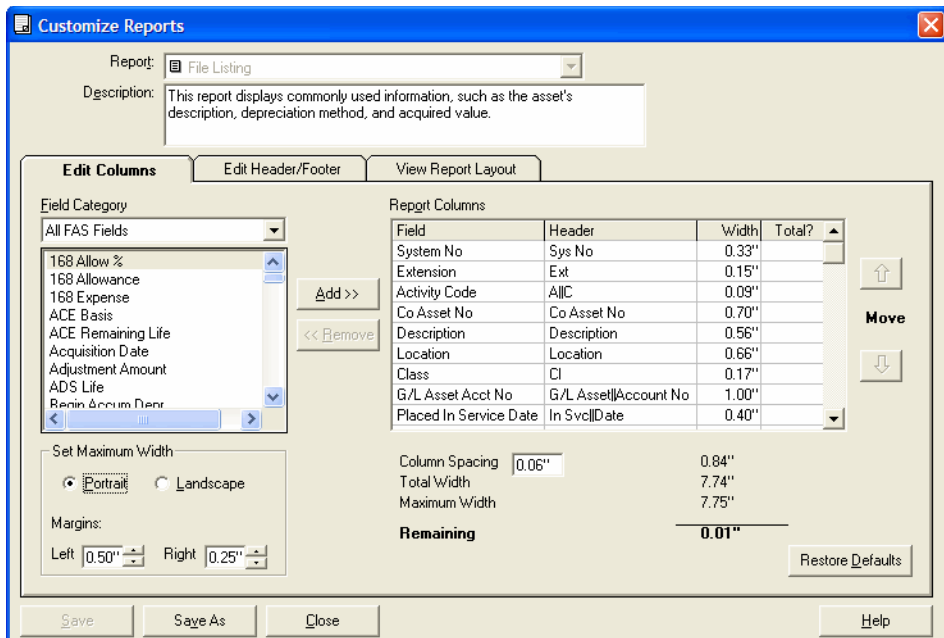
> **Hint** You can also access the Customize Reports screen by clicking the Customize Report button on the Report Definition screen.

2. From the Report field, select the report you want to customize.

> **Note** You can select either a standard report or a report that you have already customized. If you select a standard report, you must rename the report when you save your changes.

3. Complete the Customize Reports screen. For more information, see "Completing the Customize Reports Screen," page 11-4.

4. Do one of the following:

   - Click the Save As button if you are customizing a standard report, or you want to save your changes under a different report name. The Save As screen appears. Enter a new name for the report, and then click the Save button. The application adds the report to the list of customized reports that you can run by selecting Reports/Customized Reports from the menu bar.

   - Click the Save button if you are making changes to a customized report, and you do not want to change the name of the report. The application saves the changes that you made to the report.

5. Click the Close button to exit from the Customize Reports screen.

> **Note** If you have not purchased FAS Report Writer, you can still make the following changes to standard reports:

- Set the current reporting period

- Set the orientation (portrait or landscape)

- Set the currency rounding option

- Change the sort order

- Set the page break options

For more information on formatting reports, see "Completing the Format Report Page of the Report Definition Screen," page 9-18.

Completing the Customize Reports Screen

Follow the guidelines provided below to complete the fields on the Customize Reports screen.

■ **Report**
Use this field to select the report that you want to customize.

Note This field is unavailable if you access the Customize Reports screen by clicking the Customize Report button on the Report Definition screen. That's because you can edit only one standard report at a time. However, this field is available if you access the Customize Reports screen by selecting Reports/FAS Report Writer/Customize Reports from the menu bar.

■ **Description**
Use this field to enter a description of the report that you are customizing. You can enter up to three lines of text.

■ **Source Report**
This field displays the standard report on which the selected customized report is based, if you select a customized report. If you select a standard report, rather than a customized report, this field is blank. The source report defines the logic used to determine which assets appear on the report.

■ **Three pages on the screen:**
❑ **Edit Columns Page**
For more information, see "Completing the Edit Columns Page of the Customize Reports Screen," page 11-5.

❑ **Edit Header/Footer Page**
For more information, see "Completing the Edit Header/Footer Page of the Customize Reports Screen," page 11-9.

❑ **View Report Layout Page**
For more information, see "Completing the View Report Layout Page of the Customize Reports Screen," page 11-10.

■ **Save Button**
Click this button to save the changes you make to the report. Because you cannot overwrite a standard report, this button is unavailable until you click the Save As button and enter a new name for the report.

■ **Save As Button**
Click this button to save the changes you make under a different report name. After you rename the report, it appears underneath the standard report on it was based in the Report field on this screen, as well as the Report field of the Report Definition screen.

Completing the Edit Columns Page of the Customize Reports Screen
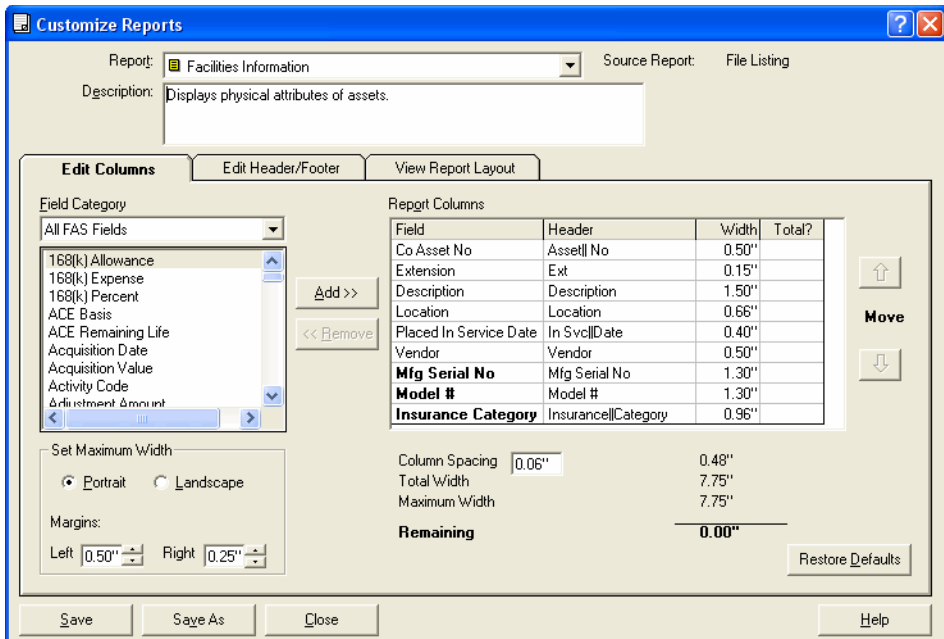
Follow the guidelines below to complete the fields on the Edit Columns page of the Customize Reports screen.

■ **Field Category**
Select the type of fields you want displayed in the field list. This option allows you to limit the number of fields in the list so you don't have to scroll through them all.

❑ **All FAS Fields**
Select this category to display all available fields in the application.

❑ **Book Related Fields**
Select this category to display additional data entry fields that affect depreciation calculations (in addition to the fields in the Critical Fields category). Most of these fields can have different values in each book.

❑ **Report Specific Fields**
Select this category to display only the fields that are specially calculated for the selected report. This category contains fields only after you have removed fields from the Report Columns box.

❑ **Critical Fields**
Select this category to display only the fields that are required to calculate depreciation.

❑ **Depreciation Fields**
Select this category to display only the fields that contain application-calculated depreciation amounts or information about those amounts (such as the dates for which depreciation was calculated).

❑ **Disposal Fields**
Select this category to display only fields that pertain to asset disposals.

❑ **General Info Fields**
Select this category to display only the fields that contain general information about an asset, such as its location, but do not affect the asset's depreciation calculations.

❑ **Inventory Fields**
Select this category to display only the fields that are unique to the FAS 100 Asset Inventory application. This category appears only if you use the current company in FAS 100 Asset Inventory.

❑ **Transfer Fields (Child)**
Select this category to display only fields that pertain to assets that have been created as a result of a transfer.

❑ **Transfer Fields (Parent)**
Select this category to display only fields that pertain to
original assets that have been transferred.

■ **Field List Box**
Use this field to select the data that you want to include as
columns on the report. You can select more than one field at a
time. You are limited to a maximum of 20 columns on each
report. You can include up to five additional currency
columns that you can total to each standard report.

■ **Add Button**
Click this button to add the selected field(s) to the Report
Columns box.

■ **Remove Button**
Click this button to remove the selected field(s) from the
Report Columns box.

■ **Report Columns**
This field displays the columns that will be displayed on the
report. The application displays the leftmost column on the
first row, the second column on the second row, and so on.

❑ **Field**
This column displays the name of the field in the
application. If you have changed the name of the field
using the Customize Fields screen, the new field name
appears in this list. The application displays the new
fields added to the report in bold, to distinguish them
from the original columns.

❑ **Header**
This column displays the column header for the field. You
can click on the column header and change it. To create a
two-line column header, insert a double pipe symbol (| |)
where you want the break in the column header.

❑ **Width**
This column displays the width of the column in inches.
You can click on the width and change it. If you want to
change the overall size of the report in order to display
wider columns, you can change the margins and change
the page orientation to landscape.

❑ **Total?**
This field displays whether a field is totaled and
subtotaled. The application displays a check mark when a

field is totaled and subtotaled; otherwise, the column is blank.

❑ **Move Up/Move Down Arrow Buttons**
Click these buttons to move the selected field either up or down in the list. As you move the field up, the column is moved to the left on the report.

❑ **Column Spacing**
Use this field to enter the space, in inches, between columns on the report.

❑ **Total Width**
This field displays the total of the column widths and the space between the columns. (This field does not include the width of the left and right margins.)

❑ **Maximum Width**
This field displays the total space available for columns and space between columns. This amount is the width of the paper minus the space for the left and right margins.

❑ **Remaining**
This field displays the amount of space that is available for use on the report. This amount is the maximum width minus the total width. The application displays negative amounts in red.

■ **Set Maximum Width**
Use these fields to set the page orientation and the left and right margins of the report. Changing each of these fields affects the amount of data that can be displayed on the report.

❑ **Portrait**
Click this option button if you want the report to have an overall page width based on 8.5 inches.

❑ **Landscape**
Click this option button if you want the report to have an overall page width based on 11 inches.

❑ **Margins**
Use these fields to enter the left and right margins.

● **Left**
Click the up and down arrows to specify the left margin of the report.

> **Hint** If you want to place the reports in binders, you may want to increase the left margin to avoid cropping data.

- **Right**
  Click the up and down arrows to specify the right margin of the report.

■ **Restore Defaults Button**
Click this button to restore the original settings for the standard report on which the customized report is based.

Completing the Edit Header/Footer Page of the Customize Reports Screen

Follow the guidelines below to complete the fields on the Edit Header/Footer page of the Customize Reports screen.

■ **Header**
Use these fields to enter text that will appear in the header of the report.

❑ **Left Justified**
Use these three text fields to enter text that will appear on the left side of the header. You can enter a maximum of 35 characters in each text field.

❑ **Centered**
Use this text field to enter text that will appear in the center of the header below the company name, which will always print on the report. You can enter a maximum of 40 characters in the text field.

❑ **Right Justified**
Use these three text fields to enter text that will appear on the right side of the header. You can enter a maximum of 35 characters in each text field.

■ **Footer**
Use these fields to enter text that will appear centered in the footer of the report. The application automatically displays the date on the left side of the footer and the page number on the right side of the footer. You can enter a maximum of 110 characters in each text field.

Completing the View Report Layout Page of the Customize Reports Screen

The View Report Layout page displays a sample report for the report that you select in the Report field. If you select a report that you have customized, this page displays the changes that you made to the original standard report.
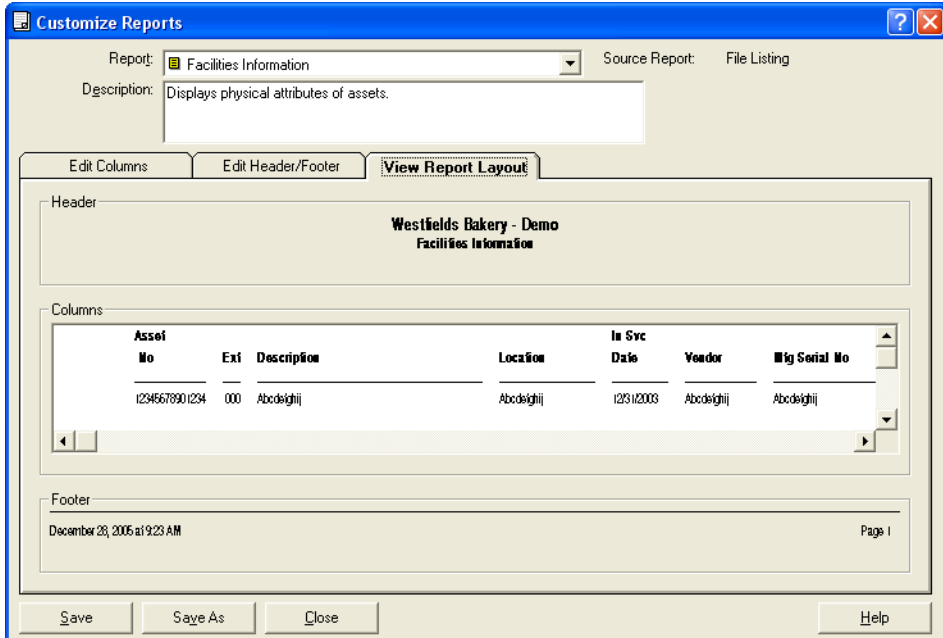
Follow the guidelines below to review the fields on the View Report Layout page of the Customize Reports screen.

■ **Header**
   This field displays the header section of the report.

■ **Columns**
   This text box displays sample data for the report.

■ **Footer**
   This field displays the footer section of the report.

Adding and Removing Columns

You can add columns and remove columns from standard reports.

To add columns

1. Select Reports/FAS Report Writer/Customize Reports from the menu bar. The Customize Reports screen appears.

2. From the Report field, select the report to which you want to add or remove columns.

Note You can select either a standard report or a report that you have already customized. If you select a standard report, you must rename the report when you save your changes to the report.

---

3. Click the Edit Columns tab. The Edit Columns page of the Customize Reports screen appears.

4. From the Field Category list, select a field category to limit the number of fields shown in the field list box, if desired.

5. From the field list box underneath the Field Category list, select the field that you want to add as a column on the report.

6. Click the Add button. The application removes the field name from the field list and adds it to the Report Columns box. The field will appear as a column when you run the customized report. The columns will appear on the report in the same order as they appear in the Report Columns box, but you can change the column order, if desired.

Note When you add a column to a report, the application recalculates the remaining space available on the report and displays the amount in the Remaining field. **Make sure this amount is zero or greater.** If the number in the Remaining field is negative, one or more columns will be truncated. You can change the left and right margins and the space between the columns to adjust the amount in the Remaining field.

---

7. Do one of the following:

   • Click the Save As button if you are adding a column to a standard report, or you want to save your changes under a different report name. The Save As screen appears. Enter a new name for the report, and then click the Save button. The application adds the report to the list of

customized reports that you can run by selecting Reports/Customized Reports from the menu bar.

- Click the Save Button if you are adding a column to a customized report, and you do not want to change the name of the report. The application saves the changes that you made to the report.

8. Click the Close button to exit from the Customize Reports screen.

You are now ready to run the customized report with the additional column(s).

To remove columns

1. Repeat steps 1 through 3 above. The Edit Columns page of the Customize Reports screen appears.

2. Select the field that you want to remove from the Report Columns box.

3. Click the Remove button. The application removes the field from the Report Columns box and adds it to the Field List box.

4. Do one of the following:

- Click the Save As button if you are removing a column from a standard report, or you want to save your changes under a different report name. The Save As screen appears. Enter a new name for the report, and then click the Save button. The application adds the report to the list of customized reports that you can run by selecting Reports/Customized Reports from the menu bar.

- Click the Save Button if you are removing a column from a customized report, and you do not want to change the name of the report. The application saves the changes that you made to the report.

5. Click the Close button to exit from the Customize Reports screen.

You are now ready to run the customized report with the removed column(s).

Changing the Column Headers

You can change the text that appears at the top of columns on a standard report.

By default, the column headers display the names of fields as they appear in the application. If you change a field name in the Customize Fields screen, the new field name appears on the report. You can change the field name in the Customize Reports screen before you run the report, and that new name will appear on the report.

To change the column headers

1. Select Reports/FAS Report Writer/Customize Reports from the menu bar. The Customize Reports screen appears.

2. From the Report field, select the report for which you want to change the column headers.

    Note You can select either a standard report or a report that you have already customized. If you select a standard report, you must rename the report when you save your changes to the report.

3. Click the Edit Columns tab. The Edit Columns page of the Customize Reports screen appears.

4. In the Header column of the Report Columns box, click in the field that you want to change. A blinking cursor appears in the field.

5. Using the left and right arrow keys, make the desired changes to the text.

> **Note** You can indicate a line break (or carriage return) in a column header by inserting two vertical pipe symbols (||) where you want the line to break. For example, to make the words "Sys No" appear on two lines instead of one, you would insert two vertical pipe symbols between "Sys" and "No." It would look like this: Sys||No.

6. Do one of the following:

   • Click the Save As button if you are changing the column headers of a standard report, or you want to save your changes under a different report name. The Save As screen appears. Enter a new name for the report, and then click the Save button. The application adds the report to the list of customized reports that you can run by selecting Reports/Customized Reports from the menu bar.

   • Click the Save button if you are changing the column headers of a customized report, and you do not want to change the name of the report. The application saves the changes that you have made to the report.

7. Click the Close button to exit from the Customize Reports screen.

You are now ready to run the customized report with the changes that you have made to the column headers.

Changing the Column Order

You can change the order of the columns on the standard reports.

To change the column order

1. Select Reports/FAS Report Writer/Customize Reports from the menu bar. The Customize Reports screen appears.

2. From the Report field, select the report for which you want to change the column order.

> **Note** You can select either a standard report or a report that you have already customized. If you select a standard report, you must rename the report when you save your changes to the report.

3. Click the Edit Columns tab. The Edit Columns page of the Customize Reports screen appears.

4. In the Report Columns box, select the field whose position you want to change, and then click the Move Up arrow or the Move Down arrow. As you move a field up in the list, the column moves to the left on the report. As you move a field down in the list, the column moves to the right on the report.

5. Do one of the following:

   • Click the Save As button if you are changing the column order on a standard report, or you want to save your changes under a different report name. The Save As screen appears. Enter a new name for the report, and then click the Save button. The application adds the report to the list of customized reports that you can run by selecting Reports/Customized Reports from the menu bar.

   • Click the Save Button if you are changing the column order on a customized report, and you do not want to change the name of the report. The application saves the changes that you made to the report.

6. Click the Close button to exit from the Customize Reports screen.

You are now ready to run the customized report with the changed column order.

Changing the Column Widths

You can change the column widths on a standard report. You may want to decrease one or more column widths after you have

added a column to the report so that the new column fits on the report.

To change the column widths

1. Select Reports/FAS Report Writer/Customize Reports from the menu bar. The Customize Reports screen appears.

2. From the Report field, select the report for which you want to change the column widths.

> **Note** You can select either a standard report or a report that you have already customized. If you select a standard report, you must rename the report when you save your changes to the report.

3. Click the Edit Columns tab. The Edit Columns page of the Customize Reports screen appears.

4. In the Report Columns box, click in the Width column for the field whose column width you want to change. A blinking cursor appears in the field.

5. Make the desired change to the width.

> **Note** When you tab out of the Width column, the application recalculates the remaining space available on the report and displays the amount in the Remaining field. **Make sure this amount is zero or greater.** If the number in the Remaining field is negative, one or more columns will be truncated. You can change the left and right margins and the space between the columns to adjust the amount in the Remaining field.

6. Do one of the following:

    - Click the Save As button if you are changing the column widths on a standard report, or you want to save your changes under a different report name. The Save As screen appears. Enter a new name for the report, and then click the Save button. The application adds the

report to the list of customized reports that you can run by selecting Reports/Customized Reports from the menu bar.

- Click the Save button if you are changing the column widths on a customized report, and you do not want to change the name of the report. The application saves the changes that you have made to the report.

7. Click the Close button to exit from the Customize Reports screen.

You are now ready to run the customized report with the changes that you have made to the column width(s).

Changing the Space Between Columns

You can change the space between columns on a standard report. After you have added a column to a report, you may want to change the space between columns so that the new column fits on the report.

To change the space between columns

1. Select Reports/FAS Report Writer/Customize Reports from the menu bar. The Customize Reports screen appears.

2. From the Report field, select the report for which you want to change the space between columns.

   Note You can select either a standard report or a report that you have already customized. If you select a standard report, you must rename the report when you save your changes to the report.

3. Click the Edit Columns tab. The Edit Columns page of the Customize Reports screen appears.

4. In the Column Spacing field, enter the desired spacing between the report columns.

> **Note** When you tab out of the Column Spacing field, the application recalculates the remaining space available on the report and displays the amount in the Remaining field. **Make sure this amount is zero or greater.** If the number in the Remaining field is negative, one or more columns will be truncated. You can change the left and right margins and change the width of columns to adjust the amount in the Remaining field.

5. Do one of the following:

   • Click the Save As button if you are changing the space between columns on a standard report, or you want to save your changes under a different report name. The Save As screen appears. Enter a new name for the report, and then click the Save button. The application adds the report to the list of customized reports that you can run by selecting Reports/Customized Reports from the menu bar.

   • Click the Save button if you are changing the space between columns on a customized report, and you do not want to change the name of the report. The application saves the changes that you have made to the report.

6. Click the Close button to exit from the Customize Reports screen.

You are now ready to run the customized report with the changes that you have made to the space between columns.

Changing the Left and Right Margin Spacing

You can change the left and right margins of a standard report. You may want to decrease the margins after you have added a column to the report so that the new column fits on the report.

To change the margins

1. Select Reports/FAS Report Writer/Customize Reports from the menu bar. The Customize Reports screen appears.

2. From the Report field, select the report for which you want to change the margins.

> **Note** You can select either a standard report or a report that you have already customized. If you select a standard report, you must rename the report when you save your changes to the report.

3. Click the Edit Columns tab. The Edit Columns page of the Customize Reports screen appears.

4. Select the left margin in the Left field, and select the right margin in the Right field.

> **Note** When you change the width of the margins, the application recalculates the remaining space available on the report and displays the amount in the Remaining field. **Make sure this amount is zero or greater.** If the number in the Remaining field is negative, one or more columns will be truncated. You can change the width of columns and the space between the columns to adjust the amount in the Remaining field.

5. Do one of the following:

   • Click the Save As button if you are changing the margins of a standard report, or you want to save your changes under a different report name. The Save As screen appears. Enter a new name for the report, and then click the Save button. The application adds the report to the list of customized reports that you can run by selecting Reports/Customized Reports from the menu bar.

   • Click the Save button if you are changing the margins of a customized report, and you do not want to change the

name of the report. The application saves the changes that you have made to the report.

6. Click the Close button to exit from the Customize Reports screen.

You are now ready to run the customized report with the changes that you have made to the left and right margins.

Changing the Headers and Footers

You can change the text at the top of standard reports (the header) and the bottom of the standard report (the footer).

To change the text of headers and footers

1. Select Reports/FAS Report Writer/Customize Reports from the menu bar. The Customize Reports screen appears.

2. From the Report field, select the report for which you want to change the text of headers and footers.

Note You can select either a standard report or a report that you have already customized. If you select a standard report, you must rename the report when you save your changes to the report.

3. Click the Edit Header/Footer tab. The Edit Header/Footer page of the Customize Reports screen appears.

4. Enter the desired text in the text boxes.

5. Do one of the following:

   • Click the Save As button if you are changing the headers and footers on a standard report, or you want to save your changes under a different report name. The Save As screen appears. Enter a new name for the report, and then click the Save button. The application adds the report to the list of customized reports that you can run

by selecting Reports/Customized Reports from the menu bar.

- Click the Save Button if you are changing the headers and footers on a customized report, and you do not want to change the name of the report. The application saves the changes that you made to the report.

6. Click the Close button to exit from the Customize Reports screen.

You are now ready to run the customized report with the changed headers and footers.

Running a Customized Report

Follow the steps below to run a standard report that you have customized.

To run a customized report

1. Select Reports/Customized Reports from the menu bar. A submenu containing all of the reports that you have customized appears.
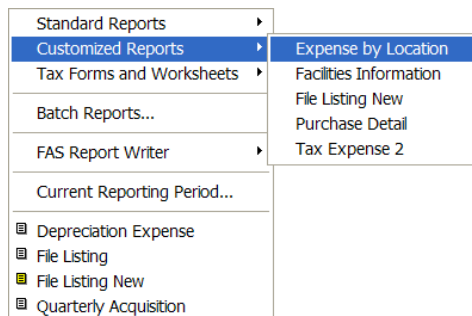
> **Note** If you have formatted a standard report and saved it
> under a different name, the report also appears on the
> submenu. The submenu does not display reports created
> using Crystal Reports. To run a report that you created using
> Crystal Reports, select Reports/FAS Report Writer/Open
> Existing Report from the menu bar.

2. Select the customized report that you want to run. The
    Report Definition screen appears.
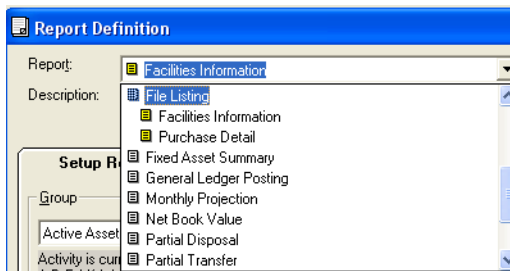
3. Complete the remaining fields on the Report Definition
    screen, and then click the Run Report button. The application
    either displays the report on your computer or sends the
    report to the printer.

Saving Multiple Versions of the Same Report

If you have purchased FAS Report Writer, you can save multiple
versions of the same report. For example, you could create two
versions of the Depreciation Expense report. For one report, you
select a group that you defined to show the assets in the Store #1
location. You could save this report definition as "DER Store #1."
For the second report, you select a group that you defined to show
the assets in the Store #2 location. You could then run each report
monthly and distribute them to different managers.

Managing Your Reports

You can use the Manage Reports feature to help you manage your standard and customized reports. With the Manage Reports feature, you can perform the following tasks:

- Add a new customized report

- Edit an existing report

- Rename an existing customized report

- Delete a customized report

The Manage Reports feature is available only if you have purchased FAS Report Writer. If you would like to purchase FAS Report Writer, please contact your Sage FAS sales representative at 800-368-2405 or go to www.sagefas.com/FASreportwriter to purchase online.

Adding a New Customized Report

You can use the Manage Reports feature to add a new customized report to the list of reports that you can run. After you complete the steps below, you can run the customized report from the Reports menu.

To add a new customized report

1. Select Reports/FAS Report Writer/Manage Reports from the menu bar. The Manage Reports screen appears.
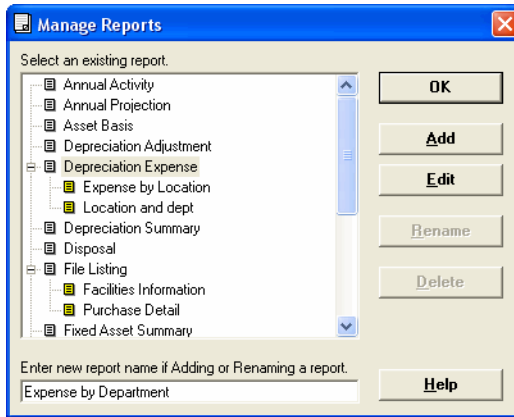
2. Select an existing report from the reports list box. You can select either a standard report or an already existing customized report. See "Completing the Manage Reports Screen," page 11-26. The name of the selected report appears in the text box underneath the reports list box.

3. Change the name of the report in the text box.

4. Click the Add button. The Customize Reports screen appears so that you can make changes to the definition of the new report.

5. Complete the Customize Reports screen, and then click the Save Button.

6. Click the Close button to exit from the Customize Reports screen. The application returns to the Manage Reports screen.

7. Click OK to exit from the Manage Reports screen.

The application adds the new report to the list of reports that you can run. The new customized report appears in the Report field of the Report Definition screen.

Completing the Manage Reports Screen

Follow the guidelines below to complete the fields on the Manage Reports screen.

■ **Select an Existing Report**
Use this field to select the report that you want to rename, edit, or delete. The reports appear in a "tree view." That is, standard reports are shown at the root of the tree, and the

customized report(s) are displayed underneath the standard report on which they are based.

- **Enter a New Report Name if Adding or Renaming a Report**
  This field displays the name of the report that you select in the list of reports. Use this field to rename the selected report.

- **Add Button**
  Click this button to add a new customized report name to the report list box. To add a new report name, first select a report in the report list box, then change the name of the report in the text box underneath the report list box, and then click the Add button. The Customize Reports screen appears so that you can make changes to the report you have added.

- **Edit Button**
  Click this button to edit the definition of an existing report. To edit an existing report, first select the report in the report list box, and then click the Edit button. The Customize Reports screen appears so that you can make changes to the report.

- **Rename Button**
  Click this button to rename an existing report. To rename a report, select the report in the report list box, change the name of the report in the text box underneath the report list box, and then click the Rename button.

- **Delete Button**
  Click this button to delete a report from the report list box. To delete a report, select the report in the report list box, and then click the Delete button.

Editing an Existing Report

You can use the Manage Reports feature to make changes to an existing report. You can make changes to an existing standard report and then save the report with a new name. Alternatively, after you have customized a standard report, you can use the Manage Reports feature to make additional changes to the layout of the report.

To edit an existing report

1. Select Reports/FAS Report Writer/Manage Reports from the menu bar. The Manage Reports screen appears.

2. Select an existing report from the reports list box. You can select either a standard report or an already existing customized report. See "Completing the Manage Reports Screen," page 11-26. The name of the report appears in the text box underneath the reports list box.

3. Click the Edit button. The Customize Reports screen appears.

4. Complete the Customize Reports screen.

5. Do one of the following:

   • Click the Save As button if you are changing a standard report, or you want to save your changes under a different report name. The Save As screen appears. Enter a new name for the report, and then click the Save button. The application adds the report to the list of customized reports that you can run by selecting Reports/Customized Reports from the menu bar.

   • Click the Save Button if you are changing a customized report, and you do not want to change the name of the report. The application saves the changes that you made to the report.

6. Click the Close button to exit from the Customize Reports screen. The application returns to the Manage Reports screen.

7. Click OK to exit from the Manage Reports screen.

Renaming a Customized Report

After you have customized a standard report, you can rename the report using the Manage Reports feature.

To rename a customized report

1. Select Reports/FAS Report Writer/Manage Reports from the menu bar. The Manage Reports screen appears.

2. Select the report that you want to rename from the reports list box. See "Completing the Manage Reports Screen," page 11-26. The report name appears in the text box underneath the reports list box.

    > **Note** You can rename a report only after you have customized it. You cannot use the Manage Reports feature to rename a standard report.

3. Change the name of the report in the text box, and then click the Rename button. The application changes the name of the report in the reports list box.

4. Click OK to close the Manage Reports screen.

The new name of the report appears in the Report field of the Report Definition screen.

Deleting a Customized Report

After you have customized a standard report, you can delete it from the list of reports that you can run.

To delete a customized report

1. Select Reports/FAS Report Writer/Manage Reports from the menu bar. The Manage Reports screen appears.

2. Select the customized report that you want to delete from the reports list box. See "Completing the Manage Reports Screen," page 11-26. The name of the selected report appears in the text box underneath the reports list box.

> **Note** You can delete only customized reports. You cannot
> delete a standard report. In addition, you cannot delete a
> report that has been included in a Batch report. You must first
> remove the report from the Batch report before you can delete
> the report in the Manage Reports screen.

3. Click the Delete button. The application displays a
    confirmation message.

4. Click Yes to confirm that you want to delete the selected
    report. The application removes the selected report from the
    reports list box.

5. Click OK to close the Manage Reports screen.

The customized report that you have deleted no longer appears in
the Report field of the Report Definition screen.

Which Reports Can Be Customized?

You can customize most of the standard reports in the application.
However, for some reports you cannot change the columns; you
can only change the headers and footers. And some reports are
not customizable at all.

The table below indicates which reports are fully customizable,
which reports allow changes to the headers and footers only, and
which reports are not customizable.

	Customization Level		
Report Name	**Full**	**Headers/ Footers**	**None**
Adjusted Current Earnings			X
Alternative Minimum Tax			X
Annual Activity	X		
Annual Projection		X	
Asset Basis	X		
Depreciation Adjustment	X		
Depreciation Expense	X		

Report Name	Customization Level		
	Full	**Headers/ Footers**	**None**
Depreciation on RV			X
Depreciation Summary	X		
Disposal	X		
FASB 109 Projection			X
File Listing	X		
Fixed Asset Summary	X		
Form 3468			X
Form 4255			X
Form 4562			X
Form 4626			X
Form 4797			X
General Ledger Posting		X	
Interest on RV			X
Midquarter Applicability			X
Monthly Projection		X	
Net Book Value	X		
Partial Disposal		X	
Partial Transfer		X	
Period Close Summary	X		
Property Tax - Detail	X		
Property Tax - Summary		X	
Quarterly Acquisition		X	
Quick Projection			X
Replacement Value			X
Tax Expense	X		
Transfer		X	

12 Replacement Value

The Replacement Value feature allows you to calculate an increase (or decrease) in the value of your assets by applying an index to their acquired value. It can be used to value a company's existing assets at the equivalent cost of purchasing the assets new today. This chapter describes the Replacement Value feature.

The Replacement Value feature includes the following three types of calculations:

- Calculation of Replacement Value—An annual Replacement Value, calculated by applying a yearly index to either the Acquired Value or prior year Replacement Value of an asset.

- Calculation of Depreciation on Replacement Value—A monthly and/or yearly depreciation amount calculated on the annual Replacement Value using straight-line depreciation and the full-month averaging convention.

- Calculation of Interest on Replacement Value—An interest amount calculated either monthly, quarterly, or annually by applying an interest rate to a portion (either 100% or less) of the annual Replacement Value.

Replacement Value: An Overview

The starting point for the calculation of Replacement Value is an asset's Acquired Value. This is multiplied by a Replacement Value index that you enter in the application. An RV index is applied to a group of assets based on one of the General Information fields.

For example, you can associate the RV indices with the entries in the Class field. If all widget machines, Class WW, will appreciate in value by 10% after one year and 5% in the following year, you enter an index of 1.10 in year one and 1.05 in year two. You enter the appropriate indices for each class of assets. The actual

calculation of Replacement Value, however, is made at the individual asset level.

The application automatically calculates Replacement Value on an asset every time depreciation is calculated (using the Depreciate command on the Depreciation menu) for the book established as the Replacement Value book. Therefore, if you want to calculate Replacement Value, you simply calculate depreciation.

The application provides two ways to calculate an annual Replacement Value for your assets. In the first method, the application multiplies the **Acquired Value** of an asset by a value (called an *index)* that you specify for each year. In the second method, the application multiplies the asset's **prior year Replacement Value** by the index that you specify.

Example:

Company X placed an asset in service on 6/1/05. The asset has an acquired value of $10,000. The percentage increase for determining the asset's Replacement Value is 3% for 2006 and 3.2% for 2007.

For 2005, the year in which the asset is placed in service, Replacement Value is equal to the asset's Acquired Value, $10,000.

Method 1: Apply index to Acquired Value

For 2006:

	$10,000	Acquired Value
times	1.03	2006 RV Index
	$10,300	2006 Replacement Value

For 2007:

	$10,000	Acquired Value
times	1.032	2007 RV Index
	$10,320	2007 Replacement Value

Method 2: Apply index to prior year Replacement Value

For 2006:

	$10,000	Acquired Value
times	1.03	2006 RV Index
	$10,300	2006 Replacement Value

For 2007*:

	$10,300	2006 Replacement Value
times	1.032	2007 RV Index
	$10,629.60	2007 Replacement Value

*Note: The difference between the two methods for calculating Replacement Value first appears in the second year, where the starting point is the prior year's calculated Replacement Value.

In the next section, we discuss in detail how to set up and use Replacement Value.

Setting Up Replacement Value

The first time you set up the Replacement Value, you make several decisions about how the application calculates the Replacement Value amount. You must make the following choices:

- Which book do you want to use as the basis for the Replacement Value calculations (that is, Tax, Internal, State, AMT, ACE, Book 6, or Book 7)?

- Which General Information field do you want to use to group assets for applying the Replacement Value index?

- Which method do you want to use to calculate the Replacement Value? That is, do you want the application to apply the index to the Acquired Value or the prior year's Replacement Value?

The process of setting up Replacement Value is a two-step process. First, you must make some key decisions as discussed above. Once that is complete, you must enter the index values to apply to

the assets. Below is a step-by-step explanation of how to implement Replacement Value in your company.

Step 1: Defining How the Application Calculates Replacement Value

You use the RV Setup tab of the Replacement Value screen to define how the application calculates Replacement Value.

To define how the application calculates Replacement Value

1. Select Customize/Replacement Value from the menu bar. If this is the first time you selected the Replacement Value command, the application displays the RV Setup page of the Replacement Value screen. Otherwise, click the RV Setup page to display it.

2. Complete the fields on the Replacement Value screen, and then click OK. See "Completing the RV Setup Page of the Replacement Value Screen," page 12-5. You must complete both the RV Setup page and the RV Index page. Completing the Estimated Life Override page is optional.

Completing the RV Setup Page of the Replacement Value Screen

Follow the guidelines provided below to complete the fields on the RV Setup page of the Replacement Value screen.

- ■ **Book on Which to Base RV Calculations**
  Use this field to select the book on which you want the application to base the Replacement Value calculations. The book that you select identifies the Acquired Value field to be used as the basis for calculating Replacement Value. It also is the book that you must select to calculate depreciation (using the Depreciate command on the Depreciate menu) whenever you want the application to update the Replacement Value.

- ■ **Field on Which to Base RV Calculations**
  Use this field to select the field that you want to use as a basis for applying the Replacement Value index. The Class field is frequently used for this purpose. If you change the selected field after entering indices, the index entries are deleted and new ones must be entered.

- ■ **RV Calculation Method**
  Select the option that describes how you want the application to apply the Replacement Value index. For a comparison of the two methods, see "Replacement Value: An Overview," page 12-1.

❑ **Apply Index to Acquired Value**
Click this option if you want the application to apply the Replacement Value index to the Acquired Value.

❑ **Apply Index to Prior Year Replacement Value**
Click this option if you want the application to apply the Replacement Value index to the prior year's Replacement Value.

Note If you have entered an Override amount for Replacement Value in an asset's Detail View (i.e., using the RV Override? field), the application uses that amount instead of the asset's Acquired Value as the starting point for either of these two methods.

Now that you have established the rules for how the application calculates Replacement Value, you need to set up the RV indices.

Step 2: Entering the Index Values

You use the RV Index tab of the Replacement Value screen to enter the RV indices.

To enter the index values

1. Select Customize/Replacement Value from the menu bar. The Replacement Value screen appears.

2. Click the RV Index tab. The RV Index page of the Replacement Value screen appears.

3. Complete the RV Index page of the Replacement Value screen, and then click OK. See "Completing the RV Index Page of the Replacement Value Screen," page 12-7.

Completing the RV Index Page of the Replacement Value Screen

Follow the guidelines provided below to complete the fields on the RV Index Page of the Replacement Value screen.

When you first enter the RV Index page, the application does not display any index entries. The first column of the spreadsheet displays the field selected on the RV Setup page. The remaining column headings are the ending dates of the fiscal years of the company for the book selected on the RV Setup tab. Any short years that you have established on the Company Setup screen will appear here.

You can select either the Build from SmartList button to populate the first column with entries from the SmartList, or if you did not create a SmartList for the selected field, select the New Index Row button to establish the rows for entering data. For instructions on how to create SmartLists, see "Creating Valid Field Entries with SmartLists," page 4-42. For example, if you selected the Class field, the application displays all of the entries of the Class field SmartList. Use this spreadsheet to enter the index value for each entry of the selected field. For each entry, you can enter a different index value for each year.

■ **Entering RV Indices**
Enter the Replacement Value index in the X.XXXX format. An index of 100% should be entered as 1.0000. Remember that the Replacement Value is multiplied by the index to increase or decrease the Replacement Value. For example, if a group of assets increases its Replacement Value by 5 ½% in the first year that Replacement Value is calculated, enter an index of 1.0550. If a group of assets decreases its Replacement Value by 3%, enter an index of 0.9700.

Note If an index is omitted for any entry, the application assumes the index is 1.0000.

■ **Build/Refresh from SmartList**
Click this button to build or refresh the RV index rows from the SmartLists created by using the Customize Fields command. If the SmartList contains categories that do not presently appear in the spreadsheet, the application adds these categories to the first column. However, the application does not delete categories from the spreadsheet if they do not appear in the SmartList.

■ **New Index Row**
Click this button to display a screen that allows you to add a new row to the spreadsheet. The application adds the new row to the bottom of the spreadsheet. When you exit and return to the RV Index page, the categories appear in alphabetical order.

Note Adding an RV index row does not add a SmartList entry.

■ **Delete Index Row**
Click this button to delete an index row.

■ **Print Index List**
Click this button to print the index list.

You have now completed the initial setup of Replacement Value. Once your assets have been entered in the application, Replacement Value will be calculated when depreciation is run. From here on, you only need to return to this screen to enter next year's index values.

Using and Reporting on Replacement Value

Replacement Value is a calculated amount for each individual asset. There are several fields in Detail View that are related to the Replacement Value feature. Below is the Detail View of a sample asset. For this asset, the Replacement Value was set up using the Internal book as the basis for Replacement Value calculations, and the Class field was established as the field for applying the Replacement Value index.

Asset-by-asset override available

Class field used to apply index

Replacement Value

Starting point for Replacement Value calculations

Through Date, which indicates the year for which Replacement Value has been calculated.

The Detail View of an individual asset displays the Replacement Value for that asset. The Replacement Value fields are located just above the User fields (in the General Information field section of Detail View).

There are two fields relating specifically to Replacement Value: Replacement Value and RV Override. The Replacement Value field indicates the current Replacement Value amount for the asset. This is the field that the application updates every year as depreciation is run. The RV Override field is where the user can enter a value to be used in place of Acquired Value as the starting point for calculating Replacement Value.

Other fields that relate to Replacement Value include the following:

- Class (or whichever General Information field is selected for applying the RV index),

- Acquired Value in the Replacement Value book, and

- Thru Date in the Replacement Value book.

Note The Thru Date field is extremely important. It indicates which year that the Replacement Value amount displayed represents. (Remember just like depreciation, the application allows you to calculate RV amounts for earlier periods.) For example, if the current Thru Date is 2/06, the 2006 RV index has been applied and Replacement Value has been calculated for the 2006 year.
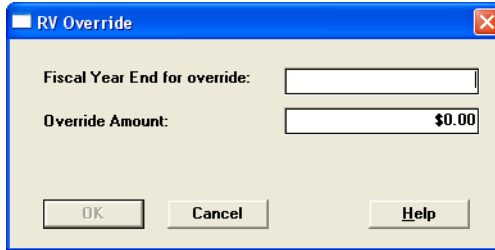
Overriding Replacement Value

There is an RV Override field, which you can use in one of two ways:

- To replace Acquired Value as the starting point for the RV calculations or

- To replace the application's RV calculation for a specified year, after the year when the asset is placed in service.

To override the Replacement Value

1. Click the down-arrow button to the right of the RV Override field in the asset's Detail View, and select Yes. The RV Override screen appears.

2. Enter an override amount in the Override Amount field, and, if you are using the RV method that applies the index to the prior year RV, enter a date in the Fiscal Year End for Override field. Click OK. The application replaces the value in the Replacement Value field in Detail View with the amount you entered in the RV Override screen, provided that the current Through Date field (in the book selected during the RV Setup) matches the year for which you entered the RV Override amount. If the Override Date is not within the fiscal year of the current Thru Date, you will see a message stating that Replacement Value will be updated the next time depreciation is run.

Note If you have selected the option to apply the index to the Acquired Value (on the RV Setup page of the Replacement Value screen), it is not necessary to enter a date for the RV Override amount.

To delete an RV Override amount, select No in the RV Override? field in Detail View. Do not attempt to delete the override by entering zero in the RV Override amount field because this will cause Replacement Value to have a zero value.

For more information on how the application uses the override amount to calculate Replacement Value, see "Calculating Replacement Value," page 12-12.

Calculating Replacement Value

As just discussed, the annual Replacement Value amount for each asset is displayed in Detail View. The application automatically updates the Replacement Value in the Replacement Value field each time that you calculate depreciation for the Replacement Value book (using the Depreciate command on the Depreciation menu).

Because Replacement Value is an annual amount, you enter one Replacement Value index per year. However, you probably update depreciation on a monthly basis. Each time depreciation is calculated, the same Replacement Value amount (that is, the annual Replacement Value amount) is re-entered in the Replacement Value field. Once you calculate depreciation for any period of time in the next fiscal year, the next year's annual Replacement Value amount is displayed. This occurs whenever you calculate depreciation for any period of time in the fiscal year for the book that you selected on the RV Setup page of the Replacement Value screen.

Note If an asset does not have an entry in the General Information field on which you are basing the RV calculations, the application will not calculate Replacement Value.

Example: If you select the Internal Book on the RV Setup page, look at the Through Date field in the Internal Book in Detail View. For a calendar year-end company, if the Through Date field displays 6/06, the Replacement Value field displays the 2006 Replacement Value. If you enter an RV Override amount in an asset's Detail View, the amount of the override is used as the starting point for calculating Replacement Value (instead of the Acquired Value field).

The application does not calculate Replacement Value for an asset in the year in which the asset is placed in service. If you want the Replacement Value to be different from the asset's Acquired Value in the first year, use the Replacement Value Override field. See "Overriding Replacement Value," page 12-10.
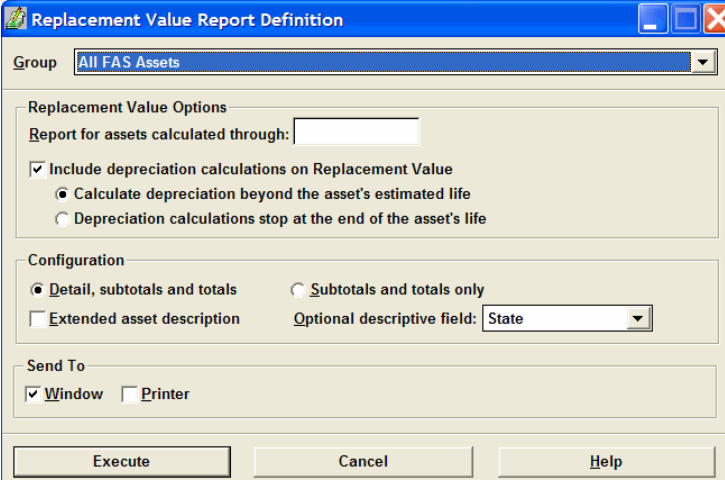
Reporting On Replacement Value

You can run an annual report that shows the Replacement Value for all of your assets. You can also select a group of assets and run the report for the assets that belong to the selected group. The Replacement Value report displays the Replacement Value amounts that were calculated when depreciation was run.

To run a Replacement Value report

1. Select Reports/Standard Reports/Replacement Value from the menu bar. The Replacement Value Report Definition screen appears.

2. Complete the Replacement Value Report Definition screen, and then click the Execute button. The application runs the report and sends it to the selected location. If you selected the Window check box, the report appears on your computer. See "Completing the Replacement Value Report Definition Screen," page 12-13.

Completing the Replacement Value Report Definition Screen

Follow the guidelines provided below to complete the fields on the Replacement Value Report Definition screen.

■ **Group**
Use this field to select the group of assets on which you want to run the report.

■ **Report for Assets Calculated Through**
Use this field to type the date through which you want to report on Replacement Value. Enter the date in MMYYYY format. The report includes only assets for which depreciation was last calculated (using the Depreciate command on the Depreciation menu) through this date.

■ **Include Depreciation Calculations on Replacement Value**
Click this check box if you want the application to calculate depreciation on Replacement Value.

❑ **Calculate Depreciation Beyond the Asset's Estimated Life**
Select this option if you want the application to continue to calculate Replacement Value depreciation beyond the assets' estimated lives at a constant rate of 1 divided by the life. Replacement Value depreciation is not calculated after an asset is either disposed or transferred.

❑ **Depreciation Calculations Stop at the End of the Asset's Life**
Select this option if you want the application to calculate Replacement Value depreciation up to the end of (but not beyond) the assets' estimated lives.

■ **Configuration**
The options in this field allow you to specify what you want included in the report.

❑ **Detail, Subtotals and Totals**
Click this option button if you want the report to print details about every asset included in the report in addition to subtotals and the grand total. The report will also show a count of the number of assets included in each subtotal and in the grand total. Click this option button to show individual assets.

❑ **Subtotals and Totals Only**
Click this option button if you want the report to print only subtotals and the grand total. The report omits details about every asset included in the report.

❑ **Extended Asset Description**
Select this check box if you want the report to include the full asset description rather than the truncated version usually used for reports. The asset's full description prints on a line below the asset's other information. Selecting this check box doubles the size of your report.

❑ **Optional Descriptive Field**
Use this field to select an optional field that you want to appear on the report. Generally, this is the field that contains the G/L account number for recording depreciation on Replacement Value. For more information on RV depreciation, see "Calculating Depreciation and Interest Expense on Replacement Value," page 12-18.

■ **Send To**
The options in this field allow you to specify where you want the application to send the report.

❑ **Window**
Select this check box if you want the application to display the report in the Report Viewer on your computer's screen. After viewing the report, you can still print it from the Report Viewer.

❑ **Printer**
Select this check box if you want the application to send the report to the default printer.

Replacement Value Report

Purpose

The Replacement Value report displays annual Replacement Value amounts and compares them to each selected asset's net book value. In addition, you can run a Depreciation on Replacement Value report, which calculates depreciation on Replacement Value using the straight-line method and the full-month averaging convention.

Hint for Running the Report

- Both reports include only assets for which depreciation was last calculated (using the Depreciate command on the Depreciation menu) through the date you enter for the report's run date.

Report Columns

These standard columns appear in the Replacement Value report and need no explanation:

- System Number

- Extension

- Company Asset Number

- [Placed] In-Service Date

- Property Type

- Estimated Life

- Location

- Acquired Value

- Net Book Value

The following guidelines provide detail on the nonstandard columns appearing in the Replacement Value report.

- **Override Amount**
  If an RV Override amount is entered for an asset in Detail View, this column displays it.

- **Replacement Value**
  This column displays the annual Replacement Value amount for the fiscal year that contains the asset's current Thru Date, the date for which depreciation was last calculated for the asset.

Sample Replacement Value Report

```
May 4, 2004                                                                    Page    1
5:33 PM                            Westfields Bakery - Demo
                              REPLACEMENT VALUE REPORT

                                  as of 12/31/2004

                    In Svc   P Est          Acquired    Override   Net Book  Replacement
SYS No Ext Co Asset No  Date    T Life Location   Value      Amount     Value      Value    RV-NBV Key

000011 000 100200   02/28/2000  P 03 00 Store #1     875.00      0.00       0.00       0.00      0.00 d
000013 000 100220   10/23/2000  P 10 00 Store #1   16750.00      0.00    9631.25   17460.87    7829.62
000014 000 100230   11/12/2000  P 10 00 Store #1    5220.00      0.00    3045.00    5441.54    2396.54
000015 000 100240   12/18/2000  P 10 00 Store #1    2450.00      0.00    1449.58    2553.98    1104.40
000031 000 100390   07/30/2001  P 10 00 Store #1    3126.00      0.00    2031.90    3300.12    1268.22
000032 000 100400   09/06/2001  R 20 00 Store #1    4699.95      0.00    3916.62    5131.41    1214.79
000034 000 100420   10/11/2001  R 10 00 Store #1     800.00      0.00     540.00     873.44     333.44
000036 000 100440   11/11/2001  R 10 00 Store #1     225.00      0.00     153.75     245.66      91.91
000041 000 100490   01/12/2002  R 10 00 Store #1    3875.00      0.00    2712.50    4230.73    1518.23
000051 000 100590   05/18/2002  P 10 00 Store #1    4800.00      0.00    3520.00    5240.64    1720.64
000054 000 100620   06/12/2002  P 05 00 Store #1    4840.00      0.00    2339.33    5621.66    3282.33
000055 000 100630   06/12/2002  P 05 00 Store #1    2200.00      0.00    1063.33    2555.30    1491.97
000056 000 100640   06/14/2002  P 05 00 Store #1    2750.88      0.00    1329.58    3195.15    1865.57
000057 000 100650   06/21/2002  P 05 00 Store #1    5248.00      0.00    2536.53    6095.55    3559.02
000058 000 100660   06/30/2002  R 10 00 Store #1     450.00      0.00     333.75     491.31     157.56
000059 000 100670   07/01/2002  P 05 00 Store #1     606.00      0.00     303.00     703.87     400.87
000061 000 100690   08/05/2002  P 05 00 Store #1     119.00      0.00      61.48     138.22      76.74
000063 000 100710   08/17/2002  P 05 00 Store #1     275.00      0.00     142.08     300.25     158.17
000065 000 100730   09/10/2002  P 05 00 Store #1    3500.00      0.00    1866.67    4065.25    2198.58
000067 000 100750   10/01/2002  P 05 00 Store #1     500.00      0.00     275.00     580.75     305.75
000068 000 100760   10/09/2002  P 05 00 Store #1     795.00      0.00     437.25     826.31     389.06
000069 000 100770   10/09/2002  P 05 00 Store #1    5950.00      0.00    3272.50    6184.31    2911.81
000070 000 100780   10/12/2002  P 05 00 Store #1     880.00      0.00     484.00     914.65     430.65
000071 000 100790   10/14/2002  P 05 00 Store #1    1141.98      0.00     628.08    1186.95     558.87
000073 000 100810   11/01/2002  P 05 00 Store #1     495.00      0.00     280.50     514.49     233.99
000074 000 100820   11/07/2002  P 05 00 Store #1    1175.00      0.00     665.83    1221.27     555.44
000092 000 101000   08/13/2003  P 05 00 Store #1    1143.00      0.00     819.15    1314.45     495.30
000142 000 101565   09/02/2004  A 05 00 Store #1   52241.00      0.00   50151.36   52241.00    2089.64
Count=    28                                    ------------ ------------ ------------ ------------ ------------
Grand Total                                      127130.81      0.00   93990.02  132629.13   38639.11

       Less Transfers and Disposals                875.00                 0.00       0.00       0.00
                                                ------------          ------------ ------------ ------------
Net                                              126255.81             93990.02  132629.13   38639.11
                                                ============          ============ ============ ============
```

Calculating Depreciation and Interest Expense on Replacement Value

The application allows you to calculate both depreciation and interest expense on Replacement Value. Depreciation is calculated as a monthly and/or yearly amount using straight-line depreciation and the full-month averaging convention. Interest can be calculated on either the assets' Acquired Value or Replacement Value. If interest is calculated on Replacement Value, it is possible to use 100% of the Replacement Value or only a portion of it.

Calculating Depreciation On Replacement Value

The application calculates depreciation on Replacement Value when you run the Depreciation on Replacement Value report. It calculates straight-line depreciation, based on the estimated life of the asset in the book selected on the Replacement Value Setup page, or it uses the estimated life override if one has been entered. For a detailed explanation, see "Overriding the Estimated Life," page 12-21. The application uses the full-month averaging convention. Under the full-month convention, an asset receives a full month of depreciation for the month in which it is placed in service and no depreciation for the month in which the asset is disposed.

Before the application can calculate depreciation on Replacement Value, the annual Replacement Value amount must have been calculated on the assets for the correct year. Therefore, to calculate depreciation on Replacement Value, follow these steps:

1. Determine the assets for which you want to calculate depreciation on Replacement Value.

2. Calculate depreciation (using the Depreciate command on the Depreciation menu) on the selected assets for the Replacement Value book. The application automatically calculates Replacement Value for the assets.

3. Run the Replacement Value report, specifying that you want to include depreciation calculations.

The application can calculate depreciation on Replacement Value beyond the estimated life of an asset. (Assets often remain in service beyond the end of their depreciable life.) You select this option when you run the Depreciation on Replacement Value report. If you want to calculate depreciation beyond the estimated life for some (but not all) of your assets, use the Group Manager to create separate groups of assets before you run the report. You can select the group on which you want to calculate depreciation beyond the estimated life when you run the report.

To calculate depreciation on Replacement Value

1. Select Reports/Standard Reports/Replacement Value from the menu bar. The Replacement Value Report Definition screen appears.

2. Complete the Replacement Value Report Definition screen, and then click the Execute button. Make sure you click the Include Depreciation Calculations on Replacement Value check box. The application will then print two reports, the Replacement Value report and the Depreciation on Replacement Value report, and sends them to the selected location. If you selected the Window check box, the reports appear on your computer. For more information, see "Completing the Replacement Value Report Definition Screen," page 12-13.

Report Columns

The following guidelines provide details on the nonstandard columns appearing in the Depreciation on Replacement Value report.

■ **Replacement Value**
   This column displays the annual Replacement Value amount for the fiscal year that contains the asset's current Thru Date, the date for which depreciation was last calculated for the asset.

- **Current Month Depreciation**
  This column displays 1/12th of the annual Replacement Value depreciation. If the asset has been disposed it will display zero because no depreciation is calculated for the month of disposition according to the full month averaging convention.

- **Current Year to Date**
  Current year-to-date depreciation includes all Replacement Value depreciation expense from the beginning of the fiscal year containing the current Thru Date up to and including the through date. (The Thru Date is the last date through which you calculated depreciation.)

Sample Depreciation on Replacement Value Report

```
May 4, 2004                                                                              Page    1
5:33 PM                              Westfields Bakery - Demo
                        DEPRECIATION ON REPLACEMENT VALUE

                                  as of 12/31/2004

           In Svc   P Est                     Acquired  Replacement Current Month Current year
SYS No Ext  Date    T Life Location  Department  Value     Value       Depr      To Date   Key

000011 000 02/28/2000 P 03 00 Store #1  Mfg Operations     875.00      0.00       0.00       0.00  d
000013 000 10/23/2000 P 10 00 Store #1  Facilities       16750.00  17460.87     145.51    1746.09
000014 000 11/12/2000 P 10 00 Store #1  Facilities        5220.00   5441.54      45.35     544.15
000015 000 12/18/2000 P 10 00 Store #1  Facilities        2450.00   2553.98      21.28     255.40
000031 000 07/30/2001 P 10 00 Store #1  Facilities        3126.00   3300.12      27.50     330.01
000032 000 09/06/2001 R 20 00 Store #1  Facilities        4699.95   5131.41      21.38     256.57
000034 000 10/11/2001 R 10 00 Store #1  Facilities         800.00    873.44       7.28      87.34
000036 000 11/11/2001 R 10 00 Store #1  Facilities         225.00    245.66       2.05      24.57
000041 000 01/12/2002 R 10 00 Store #1  Facilities        3875.00   4230.73      35.26     423.07
000051 000 05/18/2002 P 10 00 Store #1  Facilities        4800.00   5240.64      43.67     524.06
000054 000 06/12/2002 P 05 00 Store #1  Retail Operations 4840.00   5621.66      93.70    1124.33
000055 000 06/12/2002 P 05 00 Store #1  Retail Operations 2200.00   2555.30      42.59     511.06
000056 000 06/14/2002 P 05 00 Store #1  Retail Operations 2750.88   3195.15      53.25     639.03
000057 000 06/21/2002 P 05 00 Store #1  Retail Operations 5248.00   6095.55     101.59    1219.11
000058 000 06/30/2002 R 10 00 Store #1  Facilities         450.00    491.31       4.10      49.13
000059 000 07/01/2002 P 05 00 Store #1  Retail Operations  606.00    703.87      11.73     140.77
000061 000 08/05/2002 P 05 00 Store #1  Retail Operations  119.00    138.22       2.30      27.64
000063 000 08/17/2002 P 05 00 Store #1  Facilities         275.00    300.25       5.01      60.05
000065 000 09/10/2002 P 05 00 Store #1  Retail Operations 3500.00   4065.25      67.76     813.05
000067 000 10/01/2002 P 05 00 Store #1  Retail Operations  500.00    580.75       9.68     116.15
000068 000 10/09/2002 P 05 00 Store #1  Retail Operations  795.00    826.31      13.77     165.26
000069 000 10/09/2002 P 05 00 Store #1  Retail Operations 5950.00   6184.31     103.07    1236.86
000070 000 10/12/2002 P 05 00 Store #1  Retail Operations  880.00    914.65      15.25     182.93
000071 000 10/14/2002 P 05 00 Store #1  Retail Operations 1141.98   1186.95      19.78     237.39
000073 000 11/01/2002 P 05 00 Store #1  Retail Operations  495.00    514.49       8.58     102.90
000074 000 11/07/2002 P 05 00 Store #1  Retail Operations 1175.00   1221.27      20.36     244.25
000092 000 08/13/2003 P 05 00 Store #1  Retail Operations 1143.00   1314.45      21.91     262.89
000142 000 09/02/2004 A 05 00 Store #1  Corporate Office 52241.00  52241.00     870.68   10448.20
Count=   28                                            ------------ ------------ ------------ ------------
Grand Total                                            127130.81  132629.13    1814.39   21772.26

Less Transfers and Disposals                               875.00      0.00       0.00       0.00
                                                       ------------ ------------ ------------ ------------
Net                                                    126255.81  132629.13    1814.39   21772.26
                                                       ============ ============ ============ ============
```

Overriding the Estimated Life

When the application calculates depreciation on the Replacement Value, it uses the estimated life contained in the book that you selected when you set up Replacement Value. However, you can override the estimated life in the selected book.

Example: Suppose you chose the Class field in the RV Setup page. You can, for example, enter a three-year estimated life for the Computers & Peripherals class, and a five-year estimated life for the Furniture & Fixtures class.

In the above example, the application applies the Estimated Life override of three years for all assets in the Computers & Peripherals class and five years for all assets in the Furniture & Fixtures class, regardless of the actual life displayed for the assets in Detail View. The Estimated Life override feature cannot be applied individually to assets (unless there is only one asset in a class).

To override the estimated life

1. Select Customize/Replacement Value from the menu bar. The Replacement Value screen appears.

2. Select the Estimated Life Override tab. The Estimated Life Override page of the Replacement Value screen appears.

3. Enter an estimated life in YYMM format in the Override column for any category, and then click OK.

    If you do not enter an estimated life for a category, the application uses the Estimated Life field in the book selected when you set up Replacement Value.

Calculating Interest Expense

The application calculates interest expense on Replacement Value when you run the Interest on Replacement Value report. When you run this report, you have the following options:

- You can select the group of assets on which you want to calculate interest. If you want to apply different interest rates to certain classes of assets, you must use the Group Manager to create the groups before you run the report.

- You can specify the interest rate that you want the application to apply.

- You can calculate interest on either the Acquired Value or the Replacement Value.

- If you calculate interest on the Replacement Value, you can specify the portion of the Replacement Value you want to use. You can calculate interest on 100 percent of the Replacement Value, or on some portion of it.

To calculate interest expense

1. Select Report/Standard Reports/Interest on Replacement Value from the menu bar. The Interest on Replacement Value Report Definition screen appears.

2. Complete the Interest Report Definition screen, and then click the Execute button. The application runs the report and sends it to the selected location. If you selected the Window check box, the report appears on your computer. See "Completing the Interest on Replacement Value Report Definition Screen," page 12-23.

Completing the Interest on Replacement Value Report Definition Screen

Follow the guidelines provided below to complete the fields on the Interest on Replacement Value Report Definition screen.

■ **Group**
   Use this field to select the group of assets on which you want to run the report.

■ **Interest Options**
   Use the options in this field to specify how you want the application to calculate interest.

   ❑ **Calculate Interest Through**
      Enter the date through which you want the application to calculate interest in MMYYYY format. The report includes only those assets for which you have calculated depreciation for the Replacement Value book (using the Depreciate command on the Depreciation menu) at least once during the fiscal year on which you want to report.

   ❑ **Interest Rate to Apply**
      Enter the interest rate in XXX.XX format. (For example, to enter an interest rate of 5.04%, enter 5.04 in this field.)

   ❑ **Calculate Interest on Acquired Value**
      Select this option button if you want the application to calculate interest on the Acquired Value. If you select this

option, you must specify the book that you want the application to use to obtain the Acquired Value.

❑ **Calculate Interest on Replacement Value**
Select this option button if you want the application to calculate interest on the Replacement Value. If you select this option, you must specify the portion of the Replacement Value that you want the application to use. Enter the portion in XXX.XX (decimal) format. For example, if you want the application to calculate interest on fifty percent of the Replacement Value, enter 50 in this field.

■ **Configuration**
The options in this field allow you to specify what you want included in the report.

❑ **Detail, Subtotals and Totals**
Click this option button if you want the report to print details about every asset included in the report in addition to subtotals and the grand total. The report will also show a count of the number of assets included in each subtotal and in the grand total. Click this option button to show individual assets.

❑ **Subtotals and Totals Only**
Click this option button if you want the report to print only subtotals and the grand total. The report omits details about every asset included in the report.

❑ **Extended Asset Description**
Select this check box if you want the report to include the full asset description rather than the truncated version usually used for reports. The asset's full description prints on a line below the asset's other information. Selecting this check box doubles the size of your report.

❑ **Optional Descriptive Field**
Use this field to select an optional field that you want to appear on the report. Generally, this field contains the G/L account number for recording interest expense on Replacement Value.

■ **Send To**
The options in this field allow you to specify where you want the application to send the report.

❏ **Window**
Select this check box if you want the application to display the report in the Report Viewer on your computer's screen. After viewing the report, you can still print it from the Report Viewer.

❏ **Printer**
Select this check box if you want the application to send the report to the default printer.

Interest on Replacement Value Report

Purpose

The Interest on Replacement Value report calculates interest on either Acquired Value or Replacement Value. You specify the interest rate that you want the application to apply.

Hint for Running the Report

- The report includes only those assets for which you have calculated depreciation for the Replacement Value book (using the Depreciate command on the Depreciation menu) at least once during the fiscal year on which you want to report.

Report Columns

These standard columns appear in the Interest on Replacement Value report and need no explanation:

- System Number

- Extension Number

- Company Asset Number

- Class

- [Placed] In-Service Date

- Property Type

- Estimated Life

- Location

- Interest Rate

- Acquired Value

The following guidelines provide details on the nonstandard columns appearing in the Interest on Replacement Value report.

■ **Optional Descriptive Field**
This column displays the contents of the optional descriptive field that you selected on the Report Definition screen. The default selection is User Field 1. Generally, this field contains the G/L account number for recording interest expense on Replacement Value.

■ **Replacement Value**
This column displays the annual Replacement Value amount for the fiscal year that contains the asset's current Thru Date, the date for which depreciation was last calculated for the asset.

■ **Calculated Interest**
This column displays the result of applying the interest rate specified on the Report Definition screen to either the asset's Acquired Value or to some portion of Replacement Value (that is, according to whichever option you selected.)

Sample Interest on Replacement Value Report

```
May 4, 2004                                                                        Page    1
5:34 PM                                    Westfields Bakery - Demo
                                     INTEREST ON REPLACEMENT VALUE
                                            as of 12/31/2004

                         In Svc  P  Est          Interest                    Acquired  Replacement  Calculated
SYS No Ext Co Asset No Cl  Date   T  Life Location  Rate    G/L Asset Acct No    Value        Value     Interest


000013 000 100220      LI 10/23/00  P 10 00 Store #1   5.000 % 200-15100      16750.00     17460.87      873.04
000014 000 100230      LI 11/12/00  P 10 00 Store #1   5.000 % 200-15100       5220.00      5441.54      272.08
000015 000 100240      LI 12/18/00  P 10 00 Store #1   5.000 % 200-15100       2450.00      2553.98      127.70
000031 000 100390      LH 07/30/01  P 10 00 Store #1   5.000 % 200-15200       3126.00      3300.12      165.01
000032 000 100400      BI 09/06/01  R 20 00 Store #1   5.000 % 200-15100       4699.95      5131.41      256.57
000034 000 100420      BI 10/11/01  R 10 00 Store #1   5.000 % 200-15100        800.00       873.44       43.67
000036 000 100440      BI 11/11/01  R 10 00 Store #1   5.000 % 200-15100        225.00       245.66       12.28
000041 000 100490      BI 01/12/02  R 10 00 Store #1   5.000 % 200-15100       3875.00      4230.73      211.54
000051 000 100590      BI 05/18/02  P 10 00 Store #1   5.000 % 200-15100       4800.00      5240.64      262.03
000054 000 100620      FF 06/12/02  P 05 00 Store #1   5.000 % 200-15200       4840.00      5621.66      281.08
000055 000 100630      FF 06/12/02  P 05 00 Store #1   5.000 % 200-15200       2200.00      2555.30      127.77
000056 000 100640      FF 06/14/02  P 05 00 Store #1   5.000 % 200-15200       2750.88      3195.15      159.76
000057 000 100650      FF 06/21/02  P 05 00 Store #1   5.000 % 200-15200       5248.00      6095.55      304.78
000058 000 100660      BI 06/30/02  R 10 00 Store #1   5.000 % 200-15200        450.00       491.31       24.57
000059 000 100670      FF 07/01/02  P 05 00 Store #1   5.000 % 200-15200        606.00       703.87       35.19
000061 000 100690      FF 08/05/02  P 05 00 Store #1   5.000 % 200-15200        119.00       138.22        6.91
000063 000 100710      BI 08/17/02  P 05 00 Store #1   5.000 % 200-15100        275.00       300.25       15.01
000065 000 100730      FF 09/10/02  P 05 00 Store #1   5.000 % 200-15200       3500.00      4065.25      203.26
000067 000 100750      FF 10/01/02  P 05 00 Store #1   5.000 % 200-15200        500.00       580.75       29.04
000068 000 100760      ME 10/09/02  P 05 00 Store #1   5.000 % 200-15300        795.00       826.31       41.32
000069 000 100770      ME 10/09/02  P 05 00 Store #1   5.000 % 200-15300       5950.00      6184.31      309.22
000070 000 100780      ME 10/12/02  P 05 00 Store #1   5.000 % 200-15300        880.00       914.65       45.73
000071 000 100790      ME 10/14/02  P 05 00 Store #1   5.000 % 200-15300       1141.98      1186.95       59.35
000073 000 100810      ME 11/01/02  P 05 00 Store #1   5.000 % 200-15300        495.00       514.49       25.72
000074 000 100820      ME 11/07/02  P 05 00 Store #1   5.000 % 200-15300       1175.00      1221.27       61.06
000092 000 101000      FF 08/13/03  P 05 00 Store #1   5.000 % 200-15200       1143.00      1314.45       65.72
000142 000 101565      AT 09/02/04  A 05 00 Store #1   5.000 % 200-15700      52241.00     52241.00     2612.05
  Count=   27                                                               ------------ ------------ ------------
Grand Total                                                                  126255.81    132629.13     6631.46
                                                                           ============ ============ ============
```

Replacement Value and Other Features

The application incorporates the Replacement Value feature throughout the application. Here is a list of some of the other features that use Replacement Value:

- **Group Manager—**You can use Replacement Value to define a group. For example, you can establish a group that contains assets with a Replacement Value greater than $10,000. You can also sort the group on the Replacement Value field. For information on using Group Manager to create groups, see .

- **Search/Replace—**You can perform a global search and/or replace on values in the Replacement Value fields. For information on searching for and replacing asset data, see "Finding Specific Assets or Specific Data," page 2-22, and "Globally Replacing Data," page 2-24.

- **Copy Setup—**You can copy information from the RV Setup, RV Index, and Estimated Life Override pages of the Replacement Value screen when you copy a company setup. For information on copying a company setup, see "Copying a Company Setup," page 5-25.

- **Batch Reports—**You can include the Replacement Value report in your batch of reports for the month-end. For information on creating batch reports, see "Creating Batch Reports," page 9-30.

- **Security—**You can restrict entry to the RV indices to the Fixed Asset manager. For information about restricting access to application features, see "Setting User Security," page 4-56.

A Depreciation and Fixed Asset Concepts

Tax laws and accounting standards that apply to depreciation are complex and ever-changing. Whether you are a business executive, an administrator, or an accountant, depreciation can be a confusing and worrisome aspect of fixed asset management.

The application is designed to reduce the burden of these tax laws and accounting standards by performing the many complicated calculations that are required. It also disallows entries that are clearly invalid under the law. To produce the optimal depreciation results for your company, however, you must understand several things:

- The concepts involved in the depreciation of fixed assets.

- The assumptions and decisions the application makes when calculating depreciation and setting defaults for the depreciation books, whenever choices are available under the law.

- The different depreciation methods available to you and their effects on your books.

This appendix provides detailed information about depreciation concepts and methods. It can help you make the right decisions about your entries in the depreciation books. Because depreciation and the IRS regulations that govern depreciation for tax purposes are very complex and frequently require professional judgment, this discussion is no substitute for the advice of an accountant or tax advisor.

Although the application takes much of the work out of depreciation by applying the correct depreciation rules and calculations to each asset, its calculations can only be as correct as the information you enter. For example, while the application can keep a user from entering a depreciation method that is invalid for the asset's property type and date placed in service, the application cannot determine whether the property type is correct

for the asset or whether the user has chosen the most appropriate of the valid depreciation methods. The person who sets guidelines for entering asset information and who sets up the books should have a thorough understanding of depreciation and the way the application calculates it. The person who enters asset data (if different) may find it helpful to have a basic understanding of depreciation—as accountants understand it and as the IRS requires it.

This appendix discusses the basics of depreciation, how the application determines default values for the elements of depreciation, and the application's disposal methods.

Depreciation Books

The application has five predefined depreciation books, including one user book (the Internal book) and two user-defined books. There is also an area where you can enter general information about an asset—data that does not affect depreciation. To learn more about the general information fields, see Chapter 6, "Working with Assets."

This section of the appendix describes the seven depreciation books.

The Tax Book

The Tax book is for asset depreciation information as it will be reported to the IRS on the company's federal income tax return for regular tax purposes. The application uses the entries in this book to set appropriate defaults for the other open books. For example, if you enter a personal property asset's depreciation method in the Tax book as MF200 (MACRS Formula), the application will set the asset's depreciation method in the AMT book to MF150. The specific defaults for all depreciation books are explained in "Depreciation Defaults," page A-34. Note that if you close the Tax book, the State, AMT, and ACE books will not have any default information.

The application limits entries in the Tax book to choices that are valid under the depreciation sections of the Internal Revenue Code, principally Sections 167 and 168.

The Internal Book

The Internal book is for asset depreciation as needed for the company's internal accounting. The application default information, based on the Tax book, conforms to Generally Accepted Accounting Principles (GAAP). The application uses data from this book in certain reports, such as the FASB 109 Projection report. The Internal book fiscal year does not need to be the same as the Tax book fiscal year.

Guidelines for internal book depreciation, as outlined by GAAP, tend to be far less restrictive than for tax depreciation. GAAP requires only that depreciation be a systematic and rational measure of asset wear and tear and that any selected depreciation method be applied consistently. Some rules are, however, quite specific, and you should refer to the GAAP guidelines for detailed information.

The State Book

The State book is for asset depreciation information as it will be reported on the company's state income tax return. The application uses the data from the Tax book as the default information for this book. You must know the tax laws for your state; the application does not enforce specific state tax requirements. Generally, the State book fiscal year should be the same as the Tax book fiscal year.

When you run a FASB 109 Projection report, you can get an additional report for the State book.

The AMT Book

The rules for computing the Alternative Minimum Tax (AMT) differ from those used in computing depreciation for the regular federal tax. The Alternative Minimum Tax was created to ensure

that both individual taxpayers and corporations pay at least a certain amount of minimum tax. The application applies these rules to determine the default information for this book based on the Tax book entries. Generally, you should not change the default entries, as they already comply with AMT rules. The AMT book fiscal year should be the same as the Tax book fiscal year.

Note If a corporation is exempt from AMT (under the rules prescribed by the Taxpayer Relief Act of 1997), it should close the AMT book, as well as the ACE book, for the first year beginning after December 31, 1997. The exemption from AMT may only be temporary (that is, if the corporation grows sufficiently, it may have to start calculating AMT again).

The Alternative Minimum Tax report shows Tax Preferences for ACRS real property and Adjustments for MACRS assets as required under the AMT.

The ACE Book

For years after 1989, the Alternative Minimum Tax rules require a special income calculation under Code Section 56(g) to arrive at Adjusted Current Earnings (ACE). A major component of ACE is an adjustment for accelerated depreciation on recovery property placed in service prior to January 1, 1994. ACE depreciation, for which the ACE book is intended, is Alternative Minimum Tax depreciation with the following modifications, which the application applies for the ACE book defaults:

- For MACRS assets placed in service after 1993, the ACE Depreciation Adjustment has been eliminated.

- All MACRS assets placed in service in 1990 through 1993 must be depreciated using ADS straight-line MACRS depreciation (method AD). For these assets, the application defaults the estimated life from the ADS life for use as the recovery period.

- For MACRS assets placed in service before 1990 and ACRS assets, the application determines the asset's remaining depreciable basis (using the AMT book for MACRS property and the Tax book for ACRS property) as of the end of the last tax year that began before 1990. After that date, the asset's

depreciation method changes to a remaining value over remaining ADS life calculation; however, the ACE book still shows the original depreciation method.

- For all other assets, depreciation under ACE is the same as allowed for regular tax purposes.

Because the application establishes the ACE book defaults, under these rules, from entries in the Tax book, you should not override the defaults unless you are thoroughly familiar with Code Section 56(g) and fully understand the impact of your changes.

Note If a corporation is exempt from AMT (under the rules prescribed by the Taxpayer Relief Act of 1997), it should close the ACE book, as well as the AMT book, for the first year beginning after December 31, 1997. Although the exemption from AMT may only be temporary (that is, if the corporation grows sufficiently, it may have to start calculating AMT again), the exemption from ACE calculation is permanent.

The ACE book fiscal year should be the same as the Tax book fiscal year.

Books 6 and 7

Books 6 and 7 are for the company to use as it wishes. The application sets the default values just as it does for the Internal book, but it does not use the information in these books for any report calculations (other than those required to run Book 6 or 7 reports). You may choose either of these books to use as the applicable financial statement for the FASB 109 Projection report.

Some examples of possible uses for these books are:

- Compliance with special industry regulations

- Insurance valuations

- Additional state income tax books

Depreciation: An Overview

Depreciation is an allowance for the decline in an asset's value. It has two aspects, an accounting aspect and a practical aspect. Both aspects have tax and financial implications.

In accounting terms, depreciation is the process of allocating the cost of tangible property against income over a period of time, rather than deducting the cost as a cash expense in the year of acquisition. Generally, at the end of an asset's life, the sum of the amounts set aside for depreciation each accounting period will equal original cost less salvage value (the value of an asset at the end of its life). The method used to calculate an asset's depreciation is important because depreciation affects net profit. Higher depreciation deductions reduce net profit while lower depreciation deductions increase net profit.

In practical terms, depreciation suggests a gradual decline in an asset's market value because of use and wear and tear. Federal and state tax laws recognize that businesses need to account for this aspect of depreciation. As a result, IRS and state tax authorities allow businesses to write off or expense a certain amount each year for the actual use of an asset. This amount is treated as an expense even though the company may not have purchased the asset in the current period.

Good accounting and financial management practices require that a company take both the cost expiration and the declining market value of an asset into account. The cost expiration of a company's assets must be recognized if the cost of doing business is to be realistic. Also, the decline in the market value of those assets must be considered if the company's net worth is to be realistic.

The application is concerned solely with fixed assets, which the IRS defines as property or equipment with an estimated life in excess of 1 year. Note that the application does support assets with a life as short as 6 months for the following depreciation methods:

- MF150% and MA150% (MACRS Formula)

- AD and AA (MACRS Alternative Depreciation System)

To be depreciated, a fixed asset must:

- Be used in business or held for the production of income.

- Have an estimated life greater than 1 year.

- Be subject to wear, decay, or expiration.

- Be fully installed and ready for use.

Elements of Depreciation

To calculate depreciation on a fixed asset, you must know five things:

- The type of property.

- The date the asset was placed in service.

- The asset's depreciable basis.

- The asset's estimated useful life.

- The depreciation method.

The rest of this section explains each of the first four elements of depreciation. The available depreciation methods are discussed in Appendix B, "Depreciation Methods."

Types of Property

An asset's property type often dictates the depreciation method to be used in the depreciation calculation. Businesses use two general types of property: personal property and real property. Under the Internal Revenue Code, personal property includes all depreciable property other than real estate (real property). Real property includes buildings and their structural components.

Note Accountants often refer to a property by its depreciation method, such as a declining-balance property or an ACRS asset. Assets depreciated under ACRS and MACRS methods are called recovery properties because depreciation is taken over statutory

estimated lives called recovery periods. You designate qualifying property as Indian Reservation property by selecting depreciation method MI, rather than by selecting a specific property type.

Within the two broad property type categories—personal and real—the Internal Revenue Code makes further distinctions for depreciation purposes. The application identifies property by the following types:

■ **General Personal Property (Type P)**
This type includes all personal property other than listed personal property and automobiles.

■ **Automobile (Type A)**
IRS rules place a cap on annual recovery allowances (including any deductions under Code Section 179) for qualifying vehicles placed in service after June 18, 1984. The following table summarizes the limitations on recovery allowances and investment tax credits for luxury vehicles, which the application enforces for assets using ACRS and MACRS methods (methods AT, SA, ST, MF, MT, MA, MR, AA, SB, MI, and AD). You should not use this property type for assets placed in service before June 19, 1984.

Luxury Automobile Limitations								
Car Placed in Service			Maximum Recovery ($)					
After	Before	Asset Life	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Add'l Years	Max. ITC
6/18/84	1/1/85	3 years	4,000	6,000	6,000	6,000	6,000	1,000
12/31/84	4/3/85	3 years	4,100	6,200	6,200	6,200	6,200	1,000
4/2/85	1/1/87	3 years	3,200	4,800	4,800	4,800	4,800	675
12/31/86	1/1/89	5 years	2,560	4,100	2,450	1,475	1,475	0
12/31/88	1/1/91	5 years	2,660	4,200	2,550	1,475	1,475	0
12/31/90	1/1/92	5 years	2,660	4,300	2,550	1,475	1,575	0
12/31/91	1/1/93	5 years	2,760	4,400	2,650	1,575	1,575	0
12/31/92	1/1/94	5 years	2,860	4,600	2,750	1,675	1,675	0
12/31/93	1/1/95	5 years	2,960	4,700	2,850	1,675	1,675	0
12/31/94	1/1/97	5 years	3,060	4,900	2,950	1,775	1,775	0
12/31/96	1/1/98	5 years	3,160	5,000	3,050	1,775	1,775	0
12/31/97	1/1/99	5 years	3,160	5,000	2,950	1,775	1,775	0
12/31/98	1/1/00	5 years	3,060	5,000	2,950	1,775	1,775	0

Luxury Automobile Limitations								
Car Placed in Service			**Maximum Recovery ($)**					
After	**Before**	**Asset Life**	**Yr. I**	**Yr. 2**	**Yr. 3**	**Yr. 4**	**Add'l Years**	**Max. ITC**
12/31/99	5/6/03	5 years	7,660 [1]	4,900	2,950	1,775	1,775	0
5/5/03	1/1/04	5 years	10,710 [1]	4,900	2,950	1,775	1,775	0
12/31/03	1/1/05	5 years	10,610 [2]	4,800	2,850	1,675	1,675	0
12/31/04	1/1/06	5 years	2,960	4,700	2,850	1,675	1,675	0
12/31/05	1/1/07	5 years	2,960	4,800	2,850	1,775	1,775	0
12/31/06	1/1/08	5 years	3,060	4,900	2,850	1,775	1,775	0
12/31/07	1/1/10	5 years	10,960 [2]	4,800	2,850	1,775	1,775	0
12/31/09	1/1/12	5 years	11,060 [1]	4,900	2,950	1,775	1,775	0

1 If you elect out of the 168 Allowance for the automobile, the depreciation limitation is $3,060 for the first year.

2 If you elect out of the 168 Allowance for the automobile, the depreciation limitation is $2,960 for the first year.

> **Note** The depreciation limits are higher for light trucks and vans. For more information, see "Light Trucks and Vans (Type T)," page A-10.

The amounts in the preceding table are based on a 12-month tax year and 100% business use of the property. For business use less than 100% or a tax year of less than 12 months, the application automatically reduces the ceiling amounts according to IRS regulations.

Automobile Limits and 168 Allowance in a Short Year
Code Section 280F requires that the luxury auto limit be prorated in a short year; however, you are not required to prorate the 168 Allowance during a short year. Thus when determining the limit on depreciation for automobiles, light trucks, or vans, the application uses the following formula:

*{(Annual Limit x Short Year Fraction) + $7,650 *} x Business Use*

* Prior to May 6, 2003, this amount is $4,600.

The change in short year calculations is automatic and will occur the next time depreciation is run for any vehicle claiming the 168 Allowance in a short year.

Automobile Example: In July 2002, a company purchased a $20,000 passenger car with a 5-year recovery period and uses it exclusively for business.

The MACRS depreciation would be:

Year	Depreciation Before Luxury Auto Limits ($)	Maximum Allowable Depreciation ($)
2002	4,000.00	3,060.00 *
2003	6,400.00	4,900.00
2004	3,840.00	2,950.00
2005	2,304.00	1,775.00
2006	2,304.00	1,775.00
2007	1,152.00	1,775.00
2008	0.00	1,775.00
2009	0.00	1,775.00
2010	0.00	215.00
Total	20,000.00	20,000.00

* If you elect out of the 168 Allowance for the passenger car, the depreciation limitation is $3,060 for the first year. If the vehicle qualified for the 30% bonus depreciation, the first year limit would have been $7,660.

Even though the car has a recovery period of 5 years, deductions can continue to be taken after the recovery period if the vehicle is still used for business and the deductions do not exceed the maximum yearly amount.

■ **Light Trucks and Vans (Type T)**
IRS rules place a cap on annual recovery allowances (including any deductions under Code Section 179) for vehicles that qualify as light trucks or vans placed in service after January 1, 2003. Use property type T if the vehicle's gross weight is less than 6,000 pounds. If the vehicle's gross weight is 6,000 pounds or more, use property type P or Q.

The following table summarizes the limitations on recovery allowances for light trucks and vans. The application enforces these limitations for assets using MACRS depreciation methods (methods MF, MT, MA, MR, AA, SB, MI, and AD).

You cannot use this property type for assets placed in service before January 1, 2003.

Light Trucks and Vans Limitations							
Vehicle Placed in Service			Maximum Recovery				
After	Before	Asset Life	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Add'l Years
12/31/02	5/6/03	5 years	7,960 [1]	5,400	3,250	1,975	1,975
5/5/03	1/1/04	5 years	11,010 [1]	5,400	3,250	1,975	1,975
12/31/03	1/1/05	5 years	10,910 [2]	5,300	3,150	1,875	1,875
12/31/04	1/1/07	5 years	3,260	5,200	3,150	1,875	1,875
12/31/06	1/1/08	5 years	3,260	5,200	3,050	1,875	1,875
12/31/07	1/1/09	5 years	11,160 [3]	5,100	3,050	1,875	1,875
12/31/08	1/1/10	5 years	11,060 [4]	4,900	2,950	1,775	1,775
12/31/09	1/1/11	5 years	11,160 [3]	5,100	3,050	1,875	1,875
12/31/10	1/1/12	5 years	11,260 [2]	5,200	3,150	1,875	1,875

1 If you elect out of the 168 Allowance for the truck or van, the depreciation limitation is $3,360 for the first year.

2 If you elect out of the 168 Allowance for the truck or van, the depreciation limitation is $3,260 for the first year.

3 If you elect out of the 168 Allowance for the truck or van, the depreciation limitation is $3,160 for the first year.

4 If you elect out of the 168 Allowance for the truck or van, the depreciation limitation is $3,060 for the first year.

Note Sport Utility Vehicles (SUVs) and other vehicles, except ambulances, hearses, or vehicles used for transporting persons or property for hire should be entered using property type Q. For more information, see "Sport Utility Vehicles," page A-12.

❑ **Light Trucks and Vans Excluded from Limitations**
Light trucks and vans may be excluded from the depreciation limitations if they qualify as nonpersonal use vehicles. If the vehicle does qualify for the exclusion, use property type P when you enter the asset in the application.

To qualify as a nonpersonal use vehicle, the truck or van must meet the following requirements:

- The vehicle was specially modified so it is not likely to be used more than minimally for personal purposes.

- The vehicle was placed in service on or after July 7, 2003.

IRS Reg. § 1.274-5T(k)(7) provides the following example of a vehicle that was modified so that it would not be used for personal purposes:

> "A van that has only a front bench for seating, in which permanent shelving that fills most of the cargo area has been installed, that constantly carried merchandise or equipment, and that has been specially painted with advertising or the company's name."

Vehicles that are exempt from the depreciation limitations also include those listed under (k)(2) of the same regulation. This list includes cranes, school buses, forklifts, and ambulances.

■ **Listed Personal Property (Type Q)**
Code Section 280F lists certain kinds of property for which ACRS and MACRS deductions may be limited. Listed personal properties include passenger cars or other forms of transportation that can be used for personal as well as business purposes, such as airplanes, trucks, and boats; amusement equipment such as pinball machines; cellular phones; and certain computers. For a complete list, see Code Section 280F.

❑ **Sport Utility Vehicles**
Vehicles weighing less than 6,000 pounds are subject to the luxury automobile limits on depreciation. Sport Utility Vehicles (SUVs) weighing between 6,000 and 14,000 pounds were not subject to these limitations. Since 2003, a business could deduct up to $100,000 in the placed-in-service year for the cost of an SUV under Section 179 because these vehicles were not subject to the automobile limits.

However, the American Jobs Creation Act of 2004 limits the Section 179 expense that can be taken in a single year

on an SUV to $25,000. The $25,000 limit applies to SUVs placed in service after 10/22/04.

To enter an asset as an SUV, use property type Q, listed property.

■ **General Real Property (Type R)**
This type includes all real property that is not listed or required to be reported separately for tax purposes.

■ **Listed Real Property (Type S)**
Code Section 280F lists real property as well as personal property for which ACRS and MACRS deductions may be limited. Listed real properties include entertainment, recreational, and amusement properties, such as sports stadium boxes, beach houses, and hunting lodges. For a complete list, see Code Section 280F.

■ **Other Real Properties (Types C, E, and F)**
Because you must report different real property types separately for several federal tax forms (most notably Form 4797), the application has separate property types for conservation property (type C); oil, gas, and energy property (type E); and farm property (type F).

■ **Low-Income Housing (Type H)**
Special ACRS allowances are available for low-income housing placed in service after 1980 and before 1987. These periods allow for costs to be recovered at twice the straight-line rate. Property allowed to be recovered under this method includes housing projects insured under the National Housing Act.

Between 1980 and 1987, low-income housing was given a special full month's depreciation during the months of acquisition and disposal. Low-income housing was also assigned a 15-year recovery period with 200% declining-balance depreciation.

After 1986, low-income housing uses the same midmonth convention as other residential property, with a half-month's depreciation given during months of acquisition and disposal. For this reason, there is no special treatment for low-income housing placed in service after 1986 and it should therefore be treated as general real property (type R).

The short tax year rule does not apply to low-income housing in the year of acquisition or disposition. The deduction is

based on the number of months in which the property was in service during the short tax year, as is the case with other real property.

■ **Amortizable Property (Type Z)**
The tax law requires taxpayers to recover certain specified capital expenditures through a process known as amortization. Amortization uses straight-line depreciation over certain specified periods of time. You can select only straight-line depreciation methods (methods SD, SL, SF, SH, and RV, plus OC, NO, and custom methods) for amortizable assets. Only certain expenditures may be amortized.

Many intangible assets that cannot be depreciated can be amortized. Among them are business startup costs, organizational expenses of corporations and partnerships, and covenants not to compete. Some tangible assets, including pollution control facilities, pre-1982 child-care facilities, and the rehabilitation of certified historic structures, can also be amortized. You should assign such assets to property type Z.

■ **Vintage Account Property (Type V)**
From 1971 through 1980, Asset Depreciation Range (ADR) depreciation allowed the use of accounts having multiple assets. These accounts are called vintage accounts. Vintage accounts require the use of either the half-year or modified half-year convention; the application limits the valid depreciation methods accordingly.

Property type V also requires special handling of salvage value, whereby salvage value does not reduce the depreciable basis yet the asset cannot be depreciated below the salvage value. The application treats type V assets this way automatically.

Enter a vintage account as a single asset and select property type V.

Leasehold Improvement Property

Leasehold improvements are permanent betterments made to leased property, which is owned by someone else and which will usually revert to the owner at the end of the lease period. For example, a tenant may build shelves or install fixtures on the walls of a rented store. Although for income tax purposes leasehold

improvements are depreciated, for financial reporting they are amortized.

Previously, leasehold improvements were required to be depreciated using the same depreciation method, life, and averaging convention as the underlying property to which they were attached. Generally, this meant most leaseholds were depreciated using straight-line depreciation with a mid-month averaging convention over 39 years.

Currently, leasehold improvement property placed in service from 10/23/2004 - 12/31/2011 is required to depreciate using the straight-line depreciation method over a 15-year life (9-year life for Indian Reservation property), and apply either a half-year or midquarter averaging convention.

Date Placed in Service

Along with the type of property, the date on which an asset is placed in service can determine the depreciation method required. As the Internal Revenue Code changes, so do the depreciation methods that are valid for assets newly placed in service. You can only use those depreciation methods that are valid for an asset given the property type and the date placed in service.

The date an asset is placed in service affects depreciation in two other ways: the averaging convention that is used, and whether the asset was placed in service during a short tax year. Averaging conventions and short tax years are discussed in the text that follows.

■ **Averaging Conventions**
To avoid the complications of depreciating each asset from the specific date on which it was placed in service, the IRS and GAAP support guidelines that assume various assets are placed in service or disposed of at designated dates throughout the year. These guidelines are called averaging conventions. By assuming an average placed-in-service date, the amount of total depreciation allowed for all assets approximates the total depreciation that would be calculated based on the actual days in service.

Under GAAP and IRS rules, different depreciation methods use specific averaging conventions. To learn which averaging

convention the application uses for each depreciation method, see Appendix B, "Depreciation Methods."

There are five averaging conventions, as described below.

❑ **Half-Year Convention**
Under the half-year convention, an asset is treated as though it were placed in service or disposed of on July 1 (or on the first day of the 7th month of a fiscal year). One-half of a full year's depreciation is allowed for the asset in its first year placed in service, regardless of when it was actually placed in service during that year.

If you dispose of an asset in its final year, the amount of depreciation depends on when it is disposed. If the asset is disposed of **before** July 1 (or before the first day of the 7th month of the fiscal year), it receives one half of the depreciation it would have received if it had not been disposed. The asset will not be fully depreciated. If the asset is disposed of **on or after** July 1 (on or after the first day of the 7th month of the fiscal year), it receives the full amount of depreciation for its final year.

Under earlier legislation, personal property placed in service before 1987 and depreciated under the ACRS tables used the half-year convention in the year of acquisition. Such personal property was entitled to no depreciation in the year it was disposed of. The MACRS rules of the 1986 Tax Reform Act keep the half-year averaging in the year of acquisition, but they also allow for a half-year of depreciation in the year of disposition.

Note The half-year convention can be used for all MACRS property *except* residential rental and nonresidential real property. It is used for MACRS 3-, 5-, 7-, 10-, 15-, 20-, and 25-year property (unless the midquarter convention applies).

❑ **Modified Half-Year Convention**
Under this convention, assets placed in service during the first half of the year are considered to have been placed in service on the first day of the year. Therefore, they receive a full year's depreciation in the acquisition year. Assets placed in service during the second half of the year are considered to have been placed in service on the first day of the following year. Therefore, they receive no

depreciation in the acquisition year but receive a full year's depreciation in the subsequent year.

Applying the modified half-year convention in the disposal year is slightly more complicated because the disposal-year allowance depends on the acquisition year allowance. The following table summarizes the relationships:

If Asset Was Placed in Service in the:	And Disposed of in the:	Amount of Depreciation Allowed in the Disposal Year
1st half of year	1st half of year	No depreciation
1st half of year	2nd half of year	50% of full year depreciation
2nd half of year	1st half of year	50% of full year depreciation
2nd half of year	2nd half of year*	Full year of depreciation

* To earn the full year of depreciation, the disposal must have been in a year after the acquisition year.

If the modified half-year is being adopted for a vintage account, it should be adopted for all additions and all extraordinary retirements.

❑ **Midmonth Convention**
For ACRS and MACRS real property: A midmonth convention applies to ACRS real property placed in service after June 22, 1984, and to MACRS residential rental and nonresidential real property (that is, 27.5-, 31.5-, and 39-year property). Such property is treated as though it were placed in service or disposed of in the middle of the month. A half-month's depreciation is allowed both in the month of acquisition and in the month of disposition.

For nonrecovery property: A different midmonth convention applies to assets depreciated by methods other than ACRS and MACRS. For these methods, if the asset is placed in service after the 15th of the month, no depreciation is taken for that month. If the asset is placed in service before the 16th of the month, a full month's depreciation is allowed. Similarly, if the asset is disposed of before the 16th of the month, no depreciation is taken for that month. If the asset is disposed of after the 15th of the month, a full month's depreciation is allowed.

❑ **Full-Month Convention**
Under a full-month convention, property placed in service at any time during a given month is treated as if it had been placed in service on the first of that month. This allows depreciation to be taken for the entire month in which the asset is placed in service. If the property is disposed of before the end of the recovery period, no depreciation is allowed for the month in which the property is disposed of.

❑ **Midquarter Convention**
The Tax Reform Act of 1986 created a midquarter convention to be used if more than 40% of the aggregate depreciable basis of newly acquired MACRS personal property is placed in service during the last 3 months of a tax year. Under this midquarter convention, MACRS personal property is treated as though it were placed in service in the middle of the quarter in which it was purchased.

Note When applicable, the midquarter convention can be used for all MACRS property *except* residential rental and nonresidential real property. It is used for MACRS 3-, 5-, 7-, 10-, 15-, 20-, and 25-year property (unless the half-year convention applies).

■ **Short Tax Years**
A short tax year occurs when there is an accounting period of less than 12 calendar months. A short tax year can be:

● The first tax reporting period.

● The final tax reporting period.

● The result of a change in an annual accounting period.

A short tax period requires special calculations for depreciation. In general, a short accounting period requires that depreciation calculations be allocated based on the number of months in the short year. The way this is accomplished differs depending on the depreciation method selected.

When annual depreciation allowances for ACRS personal property are determined through the use of IRS tables (methods AT and ST), an amount of unrecovered short-year depreciation is created, carried forward, and recovered in the

period following the normal depreciable life. You cannot use the MACRS table method (method MT) if a short year occurs during an asset's life.

For ACRS personal property, the full year's depreciation is multiplied by the short-year fraction to determine the annual short-year amount. The short-year fraction is:

$$\frac{Months\ in\ a\ short\ year}{12}$$

For example, if a company changes its fiscal year-end month from September to December, the short-year fraction is 3/12. The remaining unrecovered deduction (9/12 of the full year's deduction) is taken in the first year of the post-recovery period.

Depreciation methods that use a half-year convention (methods SH, DH, and YH) need to use the half-rate rule, which requires that one-half of the depreciation calculated for the full short-year period be used. Depreciation methods that use the modified half-year convention (methods SD, DD, and YD) apply special rules to the short-year calculation. When an asset is placed in service in the first half of a short year, then the full amount of the short-year depreciation is allowed. In such cases, the regular full-year recovery is multiplied by the short-year fraction.

Depreciable Basis

An asset's depreciable basis is the amount of the asset's acquired value for which a business is allowed to claim depreciation. A percentage of this basis is deducted each year. The depreciable basis is often (but not always) the cost or acquired value of the asset. Under some depreciation rules, other factors adjust the cost to determine the depreciable basis. These factors are salvage value, Section 179 expense or bonus depreciation, Section 168 Allowance, the ITC amount, and the business use percentage. Each element of the depreciable basis is discussed in this section.

In summary, the asset's depreciable basis equals the following:

	the asset's acquired value
times	the business-use percentage
minus	the salvage value (if the asset uses a straight-line, sum-of-the-years'-digits, or custom depreciation method)
minus	* any Section 179 expense deduction or first-year bonus depreciation
minus	any ITC reduction amount
minus	* the 168 Allowance

* The application always reduces the acquired value by the 168 Allowance and Section 179 expense, if applicable to the depreciation method, when calculating the depreciable basis. The selection in the Include Section 168 Allowance and Section 179 in Expense field on the Edit Company screen does not affect the calculation of depreciable basis. Therefore, if you select Yes in this field (to include the 168 Allowance and Section 179 expense in depreciation), the depreciable basis will be less than the accumulated depreciation at the end of the asset's life.

To see the figures used to calculate a particular asset's depreciable basis, run an Asset Basis report for that asset.

■ **Acquired Value**
One measure of an asset's acquired value is its purchase price. If something other than cash is used to pay for the asset, then the fair market value of the noncash payment or consideration determines the acquired value. A noncash consideration often takes the form of an account payable or another obligation to pay. When the value of the consideration paid can't be determined, the fair market value of the asset determines its acquired value.

With few exceptions, an asset's acquired value should also include necessary costs incurred to place the asset in service. These costs will then be capitalized, not expensed. Costs that can be capitalized include the invoice price plus incidental costs (insurance during transit, freight, duties, title search, registration fees, and installation costs). Exceptions to this rule include interest expenses associated with deferred payments and real estate taxes paid in the acquisition of property.

The GAAP method used to determine acquired value may not always apply for tax purposes. To accommodate different tax and GAAP needs, the application lets you enter a different acquired value for each depreciation book maintained.

■ **Business-Use Percentage**

Under IRS rules, you can take depreciation only on the portion of an asset that is used for business. The application multiplies the asset's basis by the business-use percentage, and then it subtracts any adjustment for salvage value, Section 179 or bonus depreciation, ITC, and 168 Allowance to determine the asset's depreciable basis.

❑ **Business-Use Percentage Example**

A company purchases an automobile for $32,000 in December 2005, which is subject to luxury automobile limits on recovery allowances. The employee who uses the car is allowed to drive it for personal use as well as for business. The business-use percentages are 90%, 80%, and 70% for 2005, 2006, and 2007, respectively, and 60% for the remaining life of the car. The calculation of the depreciation allowances, using a MACRS table calculation (method MT) over the life of the car, is as follows:

Year	Gross Allowance			Business Use		Allowed Depreciation
2005	Lesser of: 20% x $32,000 (= $6,400) or $2,960	Equals: $2,960	x	90%	=	$2,664.00
2006	Lesser of: 32% x $32,000 (= $10,240) or $4,700	Equals: $4,700	x	80%	=	3,760.00
2007	Lesser of: 19.2% x $32,000 (= $6,144) or $2,850	Equals: $2,850	x	70%	=	1,995.00
2008	Lesser of: 11.52% x $32,000 (= $3,686.40) or $1,675	Equals: $1,675	x	60%	=	1,005.00
2009	Lesser of: 11.52% x $32,000 (= $3,686.40) or $1,675	Equals: $1,675	x	60%	=	1,005.00
2010	Lesser of: 5.76% x $32,000 (= $1,843.20) or $1,675	Equals: $1,675	x	60%	=	1,005.00

In each of the following years 2011 through 2019, the company claims $1,005 of depreciation. Finally, in year 2020, the remaining allowable basis of $834 is claimed. Total depreciation claimed is $21,313.

Unadjusted basis	$32,000.00	
Depreciation taken	(21,313.00)	
Adjusted basis	10,687.00	Deductions lost due to personal use

■ **Salvage Value**
The salvage value of an asset is the value it's expected to have when it's no longer useful. In other words, the salvage value is the amount for which the asset could be sold at the end of its useful life.

Straight-line, sum-of-the-years'-digits, and custom depreciation methods require that the salvage value be subtracted from an asset's acquired value to determine its depreciable basis. Other methods (such as declining-balance) and vintage account property do not subtract the salvage value to determine the basis but will not depreciate an asset below its salvage value. ACRS and MACRS depreciation methods ignore salvage value in determining the depreciable basis and will depreciate an asset below its salvage value.

■ **Section 179 Expense Deduction**
The Section 179 election lets you treat the cost of certain new assets as an expense rather than as a capital expenditure to be depreciated. This allows an expense deduction for part of the cost instead of a depreciation deduction. You cannot depreciate the amount expensed under Section 179 and you must deduct it from an asset's acquired value when determining its depreciable basis. To qualify for the Section 179 election, an asset must be recovery property that is purchased and used by an active trade or business.

❑ **Section 179 Expense Deduction for Real Property**
For any tax year beginning in 2010 or 2011, you can elect to expense under Section 179 up to $250,000 of qualified real property purchases. Qualified real property includes:

- Qualified leasehold improvement property

- Qualified restaurant property, and

- Qualified retail improvement property

> **Note** Off-the-shelf computer software qualifies for the
> Section 179 expense deduction if it is placed in service before
> 01/01/2013. To enter off-the-shelf computer software, select
> property type P, a depreciation method of SF or SB, and an
> estimated life of 3 years.

For information on entering the Section 179 Expense
Deduction, see "Section 179/Bonus," page 6-11.

■ **First-Year Bonus Depreciation**
An additional first-year depreciation bonus of 20% may be
taken for personal property that was acquired before 1981 and
that has an estimated useful life of at least 6 years. This bonus
is in addition to the depreciation that would normally be
taken in the first year. If the bonus is taken, the amount of the
bonus is subtracted from the depreciable basis before any
further calculations are made. The 20% first-year bonus
depreciation can be taken on certain assets qualifying for
straight-line, declining-balance, or sum-of-the-years'-digits
depreciation methods.

The 20% bonus is calculated on the acquired value of the asset
without subtracting the salvage value. However, the amount
that can be taken is limited to $2,000 a year. A business,
therefore, may take the 20% first-year depreciation bonus on
no more than $10,000 of eligible property purchased during
the taxable year.

Here's an example of a straight-line depreciation calculation
where a corporation has taken the 20% first-year bonus:

	Acquired value	$16,000
minus	20% 1st year ($2,000 maximum)	− 2,000
minus	Salvage value	− 2,000
	Depreciable basis	$12,000

$$\frac{Depreciable\ basis}{Estimated\ life} \ = \ \frac{\$12,000}{6} \ = \ \$2,000 \ = \ Annual\ depreciation$$

Assuming the asset was placed in service on the first of April,
a company with a calendar year-end would have a first-year
deduction of $3,500 (the $2,000 bonus plus 9/12ths of $2,000)

instead of a yearly depreciation deduction of $2,333.33 (calculated from the depreciable basis without the bonus—$14,000—divided by 6 years). This represents a substantial increase over the first year's deduction without the bonus. For years 2 through 5, the depreciation would be $2,000 per year. In year 6, the depreciation would be $500 (3/12 x $2,000).

The 20% bonus was repealed by the Economic Recovery Tax Act of 1981 effective December 31, 1980. Its basic intent was continued as Section 179 expense.

■ **Investment Tax Credit (ITC) Reduction Amount**
The Investment Tax Credit (ITC) was created to stimulate the purchase of machinery and equipment. The Energy Tax Incentive Act of 2005 created additional credits. Some of the credits are ongoing, some take effect for assets placed in service after August 28, 2005, and some take effect for assets placed in service beginning on January 1, 2006.

As a reminder, a tax credit reduces the amount of tax to be paid, whereas a tax deduction reduces the amount of net income subject to tax.

An ITC was previously allowed for the taxable year in which a qualified asset was placed in service. The amount of allowable credit depended on the date placed in service, the type of property, and the estimated life of the asset.

For assets placed in service between 1975 and 1980, the ITC was 10% for those with estimated lives of 7 years or more, 6.67% for lives of 5 or 6 years, and 3.33% for lives of 3 or 4 years. No credit was allowed for assets with estimated lives of less than 3 years.

For assets placed in service after 1980, the Economic Recovery Tax Act of 1981 and the Tax Equity and Fiscal Responsibility Act of 1982 set the allowable ITC amounts at 10% for estimated lives of more than 3 years and 6% for estimated lives of 3 years.

For assets placed in service after 1982 but before 1986, a company has two choices:

• Take the full ITC but reduce the depreciable basis of the asset.

• Take a reduced ITC without adjusting the basis.

Deciding which option is better depends on other tax and depreciation considerations. You choose the ITC option when you add or change the asset in Detail View by specifying whether to take a full credit (thus reducing the basis) or a reduced credit, or that the asset meets special ITC option rules for certain property types, such as certified and noncertified historic structures and energy properties.

Under the Tax Reform Act of 1986, the regular 10% ITC was repealed for property placed in service after December 31, 1985. Certain assets may still qualify for the ITC (if, for example, the company was subject to a binding contract to buy the qualifying property as of December 31, 1985). Certain limitations exist for the ITC on acquisitions of used property, and the ITC carryover rules continue to apply for property placed in service before 1986.

When you take the ITC, by default the application automatically reduces the basis based on the date a property was placed in service and the ITC option (according to Code Sections 38, 46, and 48). See the following table for details. Any adjustments because of binding contracts may be entered by overriding the amount of ITC calculated by the application. You can override the ITC basis reduction through the Book Overrides Tab in the Edit Company screen. For more details, see "The Book Overrides Page," page 4-15.

ITC Basis Reduction			
Placed in Service	**No Reduction**	**50% Reduction**	**100% Reduction**
On or before 12/31/82	All but E and F	None	E, F
On or between 1/1/83 and 12/31/85	B, D	A, C, G, I, J, K, L, M, N, O, P, Q, R	E, F, H
On or after 1/1/86	None	G, I, J, K, L, M, N, O, P, R	A, C, E, F, H, Q
ITC option codes:			

ITC option codes:

A New property, full credit
B New property, reduced credit
C Used property, full credit
D Used property, reduced credit
E 30-year rehabilitation property
F 40-year rehabilitation property
G Certified historical structure rehabilitation
H Noncertified historical structure rehabilitation
I Biomass property
J Intercity buses

K Hydroelectric generating property
L Ocean thermal property
M Solar energy property
N Wind property
O Geothermal property
P Certified historical transition property
Q Qualified progress expenditures
R Reforestation property
X No investment tax credit

Here's an example of ACRS personal property placed in service in April 1983 with an unadjusted basis of $50,000 and an estimated life of 5 years:

Reducing the basis:

5-year property unadjusted basis	$50,000
Full ITC rate	x .10
	$ 5,000

Beginning basis	$50,000
Less: one-half of $5,000 ITC	− 2,500
Depreciable basis	$47,500

Depreciation for 1983
15% of $47,500   = $ 7,125

Depreciation for 1984
22% of $47,500   = $10,450

Depreciation for 1985
21% of $47,500   = $ 9,975

Depreciation for 1986
21% of $47,500   = $ 9,975

Depreciation for 1987
21% of $47,500   = $ 9,975

Note that the basis used for the calculation is adjusted when the full ITC is taken. The application automatically calculates the adjusted depreciable basis before calculating depreciation when you choose to take the full credit.

Reducing the credit:

5-year property adjusted basis	$50,000
ITC = 8% of $50,000	4,000
Depreciable basis (unadjusted)	$50,000

Depreciation for 1983

15% of $50,000	=	$ 7,500

Depreciation for 1984

22% of $50,000	=	$11,000

Depreciation for 1985

21% of $50,000	=	$10,500

Depreciation for 1986

21% of $50,000	=	$10,500

Depreciation for 1987

21% of $50,000	=	$10,500

❑ **ITC At-Risk Rules**

Before the Tax Reform Act of 1986, the tax law provided an at-risk limitation on losses from business and income-producing activities other than real estate and certain corporate business activities.

The amount at risk is generally the sum of:

- The taxpayer's cash contributions to the activity.

- The adjusted basis of other property contributed to the activity.

- Amounts borrowed for use in the activity for which the taxpayer has personal liability or has pledged property not used in the activity.

The ITC at-risk rules limit the credit base of property used in an activity that is subject to the loss limitation at-risk rules. They generally provide that nonrecourse debt on

real property be treated as an amount at risk for investment credit purposes.

The at-risk limitation amounts must be less than or equal to the acquisition value. The at-risk limitation will be used to calculate tax credits. The tax credit should equal the at-risk amount multiplied by the credit percentage.

The application assumes the acquired value of an asset in the Tax book to be the amount at risk. If it is not, you may need to override the ITC amount calculated by the application in Detail View.

■ **168 Allowance**
The Job Creation and Workers Assistance Act of 2002 allows you to take an additional 30% depreciation allowance in the year you place an asset in service. In 2003, the allowance was increased to 50% for assets placed in service after May 5, 2003.

The 2010 Tax Relief Act allows for a 168 Allowance of 100% for assets placed in service after September 8, 2010 and through December 31, 2011 (or December 31, 2012 for assets with longer production lives).

The 168 Allowance will still be available for qualified property placed in service in a special disaster zone through 2012 for personal property and through 2013 for real property, and for cellulosic biofuel plant property through 2012. Beginning in 2006, the 168 Allowance can also be taken for reuse and recycling property. Currently, there is no expiration of the 168 Allowance for reuse and recycling property.

Generally, qualifying property includes:

- MACRS property with a recovery period of 20 years or less

- Section 167(f)(1)(B) computer software

- Qualified leasehold improvements

- Water utility property, which has a 25-year recovery period

- Other property that is also qualified New York Liberty Zone property

❑ **Calculating the 168 Allowance**
The application first calculates the 168 Allowance by multiplying the asset's depreciable basis by .30, .50, or 1.0 and then reducing the depreciable basis by that amount. The amount appears in the 168 Allowance field in Detail View.

Then the application calculates the remaining depreciation for the asset's life, using the new depreciable basis.

❑ **168 Allowance Example**
A company purchases office equipment for $10,000 on October 1, 2001 and places it in service on that date. The equipment has a recovery period of 7 years.

First, the application calculates the 168 Allowance:

$10,000 × .30 = $3,000

Then, the application subtracts the 168 Allowance from the $10,000 to calculate the new depreciable basis:

$10,000 – $3,000 = $7,000

The application uses the new depreciable basis to calculate the "regular" depreciation for 2001:

$$\frac{\$7,000}{7} \times 2 \times \frac{1}{2} = \$1,000$$

When you calculate depreciation for December 2001, the application enters $1,000 in the Current Year-to-Date and Current Accumulated Depreciation fields. The application does not add the additional allowance of $3,000 to these fields. The application treats the additional allowance as a reduction in the asset's depreciable basis, not as an increase in the accumulated depreciation. The Net Value of the asset is $6,000: $10,000 acquired value, less $3,000 additional allowance, less $1,000 regular depreciation.

The application displays the 168 Allowance in the 168 Allowance field in Detail View. The application also displays the additional allowance by asset on the Asset Basis report and in total for the tax year on the Form 4562 - Depreciation and Amortization report.

Estimated Life and ADS Life

The estimated life of an asset is the period over which an asset is to be depreciated or its cost is to be recovered. The estimated life often has nothing to do with the physical life span of an individual asset. Physical life is the normal period of use in the particular business or trade, during which the asset remains physically productive as a capital asset. Physical life is usually based on experience in replacing that type of property. Often an asset's physical life is far longer than its estimated life. The shorter the estimated life, the more rapidly the cost of an asset can be recovered through depreciation.

ADS life is similar to estimated life in that it also is a period over which an asset is to be depreciated, not a period of physical usefulness. ADS life is the life assigned to the asset type under the MACRS Alternative Depreciation System. For most assets, the ADS life is the midpoint of the Asset Depreciation Range (ADR) in which the asset belongs. ADS lives tend to be longer than estimated lives and so are often used in internal books, where they reduce profits more slowly than estimated lives.

Note For information on how the application uses entries in the Estimated Life and ADS Life fields, see "Completing the Book-Related Fields," page 6-6.

To control the tax advantages that result from estimated life, Congress has prescribed estimated lives for various classes of assets. Estimated lives created under the IRS rules for ACRS and MACRS assets are called recovery periods. Recovery periods are set by statute for different kinds of property. These IRS recovery periods are generally shorter than estimated lives in other depreciation methods and shorter than physical lives. A combination of shorter recovery lives and higher recovery rates in the early years of an asset's life accelerate cost recovery.

Note To help you determine the correct estimated life and/or ADS life for an asset for the Tax book, you can use the IRS Table button located in Detail View. Here you will find the easy-to-use version of the IRS ADS Class Life Table.

■ **Recovery Periods**

The Tax Reform Act of 1986 and subsequent tax acts set MACRS recovery periods for the different kinds of property. ACRS recovery periods were also defined by statute. The statutory ACRS and MACRS lives are shown in the following text. To view a table that shows the application's conversion values for estimated life to ADS life when you do not enter an ADS life, see "The Tax Book Defaults," page A-35.

Note In addition to the recovery periods shown below, qualifying Indian Reservation property must be depreciated over shorter recovery periods than otherwise allowed.

❏ **3-Year Property**

Three-year property is tangible ACRS or MACRS personal property having a class life of more than 1 year and no more than 4 years. It includes automobiles for which ACRS recovery is elected.

❏ **5-Year Property**

Five-year property is tangible ACRS or MACRS personal property having a class life of more than 4 years and less than 10 years. The Tax Reform Act of 1986 specifically added the following assets to the list of 5-year properties (some were previously 3-year properties):

- Automobiles

- Light-duty trucks (less than 13,000 pounds)

- Qualified technological equipment

- Computer-based telephone central office switching equipment

- Biomass properties that are small power production facilities within the meaning of Section (3)(17)(c) of the Federal Power Act (16 USC Section 796 (17)(c)), as in effect on September 1, 1986

- Property used for research and experimentation

- Semiconductor manufacturing equipment

- Geothermal, ocean thermal, solar, and wind energy properties

❑ **7-Year Property**
Seven-year property is tangible ACRS or MACRS property (personal or real) with a class life of 10 to 15 years, inclusive.

❑ **10-Year Property**
Ten-year property is tangible ACRS or MACRS property (personal or real) with a class life of 16 to 19 years, inclusive. Single-purpose agricultural structures are included if placed in service after 1988.

❑ **15-Year Property**
Fifteen-year property includes both personal and real property.

MACRS fifteen-year property is tangible property with a class life of 20 to 24 years, inclusive. It includes roads, municipal waste water treatment plants, and depreciable landscaping. Leasehold improvements placed in service after October 22, 2004 and before January 1, 2010 are also considered 15-year property.

ACRS fifteen-year property is real property placed in service after 1980 and before March 16, 1984, and low-income housing.

❑ **18-Year Property**
Eighteen-year property is qualifying ACRS depreciable real property placed in service after March 15, 1984, but before May 9, 1985.

❑ **19-Year Property**
Nineteen-year property is qualifying ACRS depreciable real property acquired after May 8, 1985, but before 1987.

❑ **20-Year Property**
Twenty-year property is tangible MACRS property, personal or real, with a class life of more than 24 years (excluding 25-year property and real property with a class life of 27.5 years and more). It includes farm buildings and various railroad structures.

❑ **25-Year Property**
Twenty-five-year property is tangible MACRS property set by the Small Business Job Protection Act of 1996. It is water utility property and municipal sewers that are placed in service after June 12, 1996.

❑ **27.5-Year Residential Rental Property**
Residential rental property is MACRS depreciable real
property for which 80% or more of the gross rental income
comes from dwelling units. A dwelling unit is a house
(including a manufactured house) or apartment used to
provide living accommodations. A unit in a hotel, motel,
inn, or other establishment in which more than 50% of the
units are used on a transient basis does not qualify as a
dwelling unit. If any portion of the building or structure
is occupied by the taxpayer, the gross rental income from
the property includes the rental value of the unit occupied
by the taxpayer.

❑ **31.5-Year Nonresidential Real Property**
Nonresidential real property is MACRS depreciable real
property that is neither residential rental property nor
property with an ADS life of less than 27.5 years. This
includes MACRS property with no defined ADS life or
with an ADS life of 27.5 years or more. It also includes
elevators and escalators that are not part of residential
rental property. Nonresidential real property placed in
service before May 13, 1993, has a recovery period of 31.5
years.

❑ **39-Year Nonresidential Real Property**
Nonresidential real property placed in service after
May 12, 1993, has a recovery period of 39 years.

Depreciation Defaults

As stated earlier, the application sets defaults for the book-related
fields in all open depreciation books based on the entries in the
Tax book. This section specifies which defaults the application sets
for each book. After you finish entering information for the Tax
book, press the Tab key to move to the next open book and the
defaults will be set. If you want to change the defaults, you can
override them for any asset by entering other data.

The ITC option is copied from the Tax book to all other books and
cannot be changed in the other books. The date placed in service
and the acquired value are also copied from the Tax book to all
other books, where they can be overridden.

If the tax book is closed when you add an asset, the application cannot set defaults in the other books. The only exception is the user books, for which you can specify a default depreciation method through the Book Defaults tab in the Edit Company screen.

The Tax Book Defaults

As soon as you enter the property type and the service date, the application provides a default depreciation method, estimated life, and ADS life. These can be changed. The following table summarizes the defaults.

Property Type & Service Date Entered		Method	Est. Life	ADS Life
P - Personal property general	Before 1981	SL	7	0
	1/1/81 - 12/31/86	AT	5	11
	1/1/87 - 9/10/01	MF200	7	10
	9/11/01 - 12/31/04	MA200	7	10
	1/1/05 - present	MF200	7	10
A - Automobile	Before 1981	SL	5	5
	1/1/81 - 12/31/86	AT	3	5
	1/1/87 - 9/10/01	MF200	5	5
	9/11/01 - 12/31/04	MA200	5	5
	1/1/05 - present	MF200	5	5
T - Light Trucks and Vans	1/1/03 - 12/31/04	MA200	5	5
	1/1/05 - present	MF200	5	5
Q - Personal property, listed	6/19/84 - 12/31/86	AT	5	11
	1/1/87 - 12/31/89	MF200	7	10
	1/1/90 - 9/10/01	MF200	7	10
	9/11/01 - 12/31/04	MA200	7	10
	1/1/05 - present	MF200	7	10
R - Real property, general	Before 1981	SL	40	40
	1/1/81 - 3/15/84	AT	15	40
	3/16/84 - 5/8/85	AT	18	40
	5/9/85 - 12/31/86	AT	19	40
	1/1/87 - 5/12/93	MF100	31.5	40
	5/13/93 - present	MF100	39	40

Property Type & Service Date Entered		Method	Est. Life	ADS Life
S - Real property, listed	6/19/84 - 5/8/85	AT	18	40
	5/9/85 - 12/31/86	AT	19	40
	1/1/87 - 5/12/93	MF100	31.5	40
	5/13/93 - present	MF100	39	40
C - Real property, conservation	Before 1981	SL	40	40
	1/1/81 - 3/15/84	AT	15	40
	3/16/84 - 5/8/85	AT	18	40
	5/9/85 - 12/31/86	AT	19	40
	1/1/87 - 5/12/93	MF100	31.5	40
	5/13/93 - present	MF100	39	40
E - Real property, energy	Before 1981	SL	40	40
	1/1/81 - 3/15/84	AT	15	40
	3/16/84 - 5/8/85	AT	18	40
	5/9/85 - 12/31/86	AT	19	40
	1/1/87 - 5/12/93	MF100	31.5	40
	5/13/93 - present	MF100	39	40
F - Real property, farms	Before 1981	SL	40	40
	1/1/81 - 3/15/84	AT	15	40
	3/16/84 - 5/8/85	AT	18	40
	5/9/85 - 12/31/86	AT	19	40
	1/1/87 - 5/12/93	MF100	31.5	40
	5/13/93 - present	MF100	39	40
H - Real property, low-income housing	1/1/81 - 12/31/86	AT	15	40
Z - Amortizable property	N/A	SL	5	0
V - Vintage account property	N/A	SD	7	0

The User Books Defaults

The defaults in the user books (Internal and Books 6 and 7) are affected by entries on the Book Defaults tab in the Edit Company screen. See Chapter 4, "Setting Up the Product." There you can set which book the user book should emulate or which depreciation method should be the default. If you do not specify these settings, the application will not emulate any book and will default to the

straight-line (SL) depreciation method. Set up short years on the Short Years tab in the Edit Company screen.

The application determines the default settings for the book-related fields as follows.

■ **Business-Use Percentages and Their Effective Dates**
If you chose a book to emulate on the Book Defaults tab in the Edit Company screen, the application copies the default information from that book. If no book is to be emulated and if the user book's fiscal year-end date and short-year dates are the same as in the Tax book, the application copies the information from the Tax book. Otherwise, the application leaves the default of 100% business use.

■ **Depreciation Method**
By default, the application determines the depreciation method as follows:

- If you chose a book to emulate on the Book Defaults tab in the Edit Company screen, the application copies the default depreciation method from that book.

- If you did not choose a book to emulate, the application uses the default depreciation method specified on the Book Defaults tab in the Edit Company screen if it is valid for the asset's property type.

- If the default depreciation method is not valid for the property type, the application chooses the straight-line (SL) method if valid or the straight-line method with the same averaging convention as the method in the Tax book.

■ **Estimated Life**
By default, the application determines the estimated life as follows:

- If you chose a book to emulate on the Book Defaults tab in the Edit Company screen, the application copies the default estimated life from that book.

- If you did not choose a book to emulate but did enter an ADS life for the asset, the application uses the ADS life as the default estimated life.

■ **Section 179 or Bonus, Salvage Value, Beginning Depreciation Amounts and Date**
If you chose a book to emulate on the Book Defaults tab in the Edit Company screen, the application copies the default information from that book. Otherwise, the application sets the value to zero.

The State Book Defaults

The application copies the book-related field entries from the Tax book directly to the State book.

The AMT Book Defaults

The defaults for the AMT book are automatically displayed based on the Tax book entries according to Alternative Minimum Tax rules.

■ **Business-Use Percentages and Their Effective Dates**
For these fields, if the Tax book and the AMT book have the same fiscal year end and short years, the application copies the entries in the Tax book to the AMT book as the defaults. If not, the business-use percentage defaults to 100%.

■ **Section 179 or Bonus**
The application copies the Section 179 or bonus field entries from the Tax book.

■ **Depreciation Method, Rate, and Estimated Life**
The application sets the defaults for these fields as shown in the following table. This table is for assets placed in service before 1999.

The table below displays the AMT defaults that are appropriate for assets placed in service before 1999. The Taxpayer Relief Act of 1997 made changes to the AMT Depreciation Adjustment for assets placed in service after December 31, 1998. For more information, see "AMT Depreciation Adjustment: Assets Placed in Service After 1998," page A-39.

AMT Book Defaults for assets placed in service before 1999	Tax Book	AMT Book	
Asset Property Type	Depreciation Method (Rate)	Depreciation Method (Rate)	Estimated Life
Personal (P, Q), luxury auto (A), and amortizable assets (Z) placed in service after 1986	AT	AT	Tax book
	ST	ST	Tax book
	SA	SA	Tax book
	MF (200%)	MF (150%)	ADS life (if any)
	MT (200%)	MF (150%)	ADS life (if any)
	MF (150%)	MF (150%)	Tax book
	MT (150%)	MF (150%)	Tax book
	AD	AD	Tax book
Personal (P, Q), luxury auto (A), and amortizable assets (Z) placed in service before 1987	Any method other than NO	Tax book	Tax book
	NO	NO	Tax book
Real property (R, S, C, E, F)	AT, ST	ST	Tax book
	DB, DC, YS	SL	Tax book
	DH, DI, YH	SH	Tax book
	DD, DE, YD	SD	Tax book
	MF, MT, AD	AD	40 years
	All other methods	Tax book	Tax book
Vintage accounts (V)	All methods	Tax book	Tax book

AMT Depreciation Adjustment: Assets Placed in Service After 1998

Besides exempting qualifying small corporations from the Alternative Minimum Tax, the Taxpayer Relief Act of 1997 made two significant changes to the AMT depreciation Adjustment, effective for property placed in service after December 31, 1998:

- The AMT depreciation Adjustment is eliminated for property that is depreciated for regular tax purposes under the straight-line method.

- The recovery periods for calculating AMT depreciation on all other property will be the same as for regular tax purposes, which will decrease the amount of the AMT depreciation Adjustment.

The Job Creation and Worker Assistance Act of 2002 provides a 168 Allowance deduction of 30%, 50%, or 100% for qualifying MACRS property in the first year you place an asset in service. There is no AMT adjustment for property using the 168 Allowance deduction.

The ACE Book Defaults

The defaults for the ACE book are automatically displayed based on the Tax book entries, ADS life field, and the AMT book, if applicable, as needed to calculate Adjusted Current Earnings.

■ **Default Depreciation Method**
The default depreciation method in the ACE book for property placed in service after 1993 is NO. You can change the ACE book to emulate the AMT book default data for post-1993 property. On the Book Defaults page of the New Company screen or the Edit Company screen, select the AMT: Post-1993 option in the Emulate Book field of the ACE column. Whether you accept the default of NO as the depreciation method in the ACE book or change the default to emulate the AMT book, the result is the same: a zero ACE Depreciation Adjustment amount for post-1993 property when you run the Form 4626 Worksheet. These are simply two different approaches with the same end result. See "Book Emulation for the ACE Book," page 4-21.

■ **Business-Use Percentages and Their Effective Dates**
For these fields, if the Tax book and the ACE book have the same fiscal year end and short years, the application copies the entries in the Tax book to the ACE book as the defaults. If not, the business-use percentage defaults to 100%.

■ **Section 179 or Bonus**
The application copies the Section 179 or bonus field entries from the Tax book.

■ **Depreciation Method and Estimated Life**
The application sets the defaults for these fields as shown in the following table.

ACE Book Defaults			
	Tax Book	**ACE Book**	
Asset Property Type (Code)	**Depreciation Method (Rate)**	**Depreciation Method (Rate)**	**Estimated Life**
Personal (P, Q), luxury auto (A), vintage accounts (V), and amortizable assets (Z)	MF, MT placed in service before 1/1/90	MF (150%)/RV *	ADS life **
	AD placed in service before 1/1/90	AD	Tax book **
	MF, MT, AD placed in service after 12/31/89, before 1/1/94	AD	ADS life
	MF, MT, AD, MI placed in service after 12/31/93	NO	Not applicable
	AA, MA, MR placed in service after 9/10/01	NO	Not applicable
	AT, SA, ST (ACRS property)	Tax book/RV ***	Tax book/ADS life ***
	All other methods	Tax book	Tax book
Real property (R, S, C, E, F, S)	MF, MT, AD placed in service after 12/31/89, before 1/1/94	AD	40 years
	MF, MT, AD, MI placed in service after 12/31/93	NO	Not applicable
	AA, MA, MR placed in service after 9/10/01	NO	Not applicable
	AT, SA, ST (ACRS property)	Tax book/RV ***	Tax book/ADS life ***
	All others	Tax book	Tax book

* Method MF 150 is used through the close of the last tax year beginning before 1990, at which time depreciation is calculated using method RV.

** The ACE calculation is based on the remaining ADS recovery period as of the close of the last tax year beginning before 1990.

*** Tax book method is used through the close of the last tax year beginning before 1990, at which time depreciation is calculated using method RV with the asset's remaining ADS life.

Asset Disposals

A fixed asset may be disposed of voluntarily or involuntarily. The application categorizes five kinds of voluntary disposition: sale, abandonment, like-kind exchange, taxable exchange, and bulk disposal. Similarly, you can choose between two kinds of involuntary disposition: involuntary conversion and casualty. The application also provides a category for all other kinds of disposals. An asset can be disposed of completely or in part.

When you dispose of an asset, the application calculates the realized gain or loss as appropriate for the kind of disposition. The application has defaults for gain or loss recognition (shown in a later chart), which you can override. You can also override the calculated gain or loss amount.

The following text explains each of the available disposal methods, how the application determines an asset's gain or loss, and the gain or loss recognition defaults.

Disposal Methods

- **Sale**
  This is the default method on the Disposal page. It applies to assets that you sell either for:

  - Cash

  - Cash and noncash items (if not qualifying as an exchange)

  By default, when an asset is sold, the application recognizes gains and losses in all books.

- **Abandonment**
  An asset that is voluntarily scrapped because of obsolescence, lack of suitability, or other reasons is considered an abandonment. If the asset is abandoned before the end of its useful life, any basis that has not been depreciated becomes a loss that can be deducted in the current period. Insurance reimbursements or other proceeds reduce the amount of the loss and can result in a gain. By default, the application recognizes gains and losses on abandoned assets in all books.

■ **Like-Kind Exchange: Pre-1/3/2000**
A like-kind exchange occurs when an asset is exchanged for a similar asset, such as exchanging an old car for a new one. The exchange may also include the receipt of money or dissimilar property. Any resulting gain from a like-kind exchange is recognized only to the extent of cash proceeds (sometimes called "boot"). Any resulting loss should be recognized for tax purposes.

In 2000, the IRS issued new guidelines concerning property received in a like-kind exchange. Use this disposal method for a like-kind exchange that occurred before 1/3/2000, and therefore does not require the use of the new guidelines.

■ **Like-Kind Exchange: Post-1/2/2000**
In 2000, the IRS issued new guidelines concerning property received in a like-kind exchange. Use this disposal method for a like-kind exchange that occurred after 1/2/2000, and therefore requires the use of the new guidelines. For more information, see "Like-Kind Exchanges and Involuntary Conversions After 1/2/2000," page 7-11.

■ **Taxable Exchange**
An exchange of dissimilar property, such as exchanging a car for land, is generally taxable and recognized in full. The exchange may also include the receipt of money. The gain or loss is calculated the same as for a sale.

■ **Bulk Disposal**
A bulk disposal occurs when you sell more than one asset for one selling price. When this occurs, the cash proceeds, any noncash proceeds, and any selling expenses need to be prorated for the individual assets. This is done based on the percentage of the acquisition value of each asset selected over the total acquisition value of all the assets selected.

■ **Casualty**
When an asset is stolen or damaged by a sudden natural cause or vandalism, the disposal is a casualty. Casualties are often compensated for by insurance or other means, which may produce a taxable gain unless a similar asset is acquired for replacement. Casualty losses are generally tax deductible only in the tax year in which the casualty occurred or was discovered. For the user books, the gain or loss is recognized in the current period.

■ **Involuntary Conversion: Pre-1/3/2000**
When an asset is involuntarily retired due to breakdown, condemnation, or reasons other than casualty, classify the disposal as an involuntary conversion. An involuntary conversion may be compensated for by a condemnation award or other means, which may produce a taxable gain unless a similar asset is acquired for replacement. By default, the application does not recognize the gain or loss from an involuntary conversion except in the user books.

In 2000, the IRS issued new guidelines concerning property received in an involuntary conversion. Use this disposal method for an involuntary conversion that occurred before 1/3/2000, and therefore does not require the use of the new guidelines.

■ **Involuntary Conversion: Post-1/2/2000**
In 2000, the IRS issued new guidelines concerning property received in an involuntary conversion. Use this disposal method for an involuntary conversion that occurred after 1/2/2000, and therefore requires the use of the new guidelines. For more information, see "Like-Kind Exchanges and Involuntary Conversions After 1/2/2000," page 7-11.

■ **Other**
If the asset was disposed of in a way not addressed by any of the other disposal methods, choose this method. By default, the application recognizes gains and losses from such assets in all books.

Gains and Losses

The application calculates the realized gain or loss amount for all disposed assets. You can decide whether to recognize the gain or loss. This section first describes the gain or loss calculation, then details the application defaults for recognizing gains and losses.

■ **The Gain or Loss Calculation**
Calculating the gain or loss on a disposed asset requires determining the net proceeds from the disposal and the asset's adjusted basis. The adjusted basis is then subtracted from the net proceeds to arrive at the net gain or loss.

Net proceeds are calculated as:

	cash proceeds
plus	noncash proceeds
minus	expenses of the sale

Determining the asset's adjusted basis is more complex. Most of the components of the adjusted basis are described in "Depreciable Basis," page A-19. The others are explained after the gain or loss equation that follows.

The adjusted basis for the gain or loss calculation equals:

	the asset's depreciable basis
plus	the ITC basis addback
plus	the Section 179 addback
plus	the salvage value if it was subtracted in determining the depreciable basis
minus	total accumulated depreciation through the disposal date

❑ **The ITC Basis Addback**

When an asset is disposed of before the end of its estimated life, a prorated amount of the ITC must be recaptured. If the asset's basis was reduced for the original ITC, a percentage of that recaptured amount must be added back to the asset's basis.

The following table shows the percentages the application applies to the full ITC amount to determine the ITC recapture amount. The application uses the depreciation method and estimated life entered in the Tax book.

ITC Recapture Percentages					
	Depreciation Methods MF, MA, MT, MI, MR, AD, AA, AT, SA, ST, OC		All Other Methods		
Holding Period	≤ 3 Year Est. Life (%)	> 3 Year Est. Life (%)	3 to < 5 Year Est. Life (%)	5 to < 7 Year Est. Life (%)	≥ 7 Year Est. Life (%)
0	100	100	100	100	100.0
1	66	80	100	100	100.0
2	33	60	100	100	100.0

ITC Recapture Percentages					
	Depreciation Methods MF, MA, MT, MI, MR, AD, AA, AT, SA, ST, OC		All Other Methods		
Holding Period	≤ 3 Year Est. Life (%)	> 3 Year Est. Life (%)	3 to < 5 Year Est. Life (%)	5 to < 7 Year Est. Life (%)	≥ 7 Year Est. Life (%)
3	0	40	0	50	66.6
4	0	20	0	50	66.6
5	0	0	0	0	33.3
6	0	0	0	0	33.3

After the ITC recapture amount is determined, the application multiplies the recapture amount by the rate used for computing the ITC. The result is the ITC basis addback amount.

ITC recapture amt. × *ITC basis reduct. factor* = *ITC basis addback*

❑ **The Section 179 Addback**
When a pre-1987 asset on which the Section 179 expense deduction has been taken is disposed of during either of the two taxable years following the acquisition year, all or part of the Section 179 expense must be added back to the asset's basis (that is, recaptured).

The calculation for the amount added back to the basis is:

Section 179 taken
– Depreciation on 179 amount
Section 179 addback

where the depreciation on the Section 179 is the amount of depreciation that would have been taken on the Section 179 amount had there been no Section 179 deduction.

■ **Gain or Loss Recognition Defaults**
The application determines the gain or loss recognition defaults according to the disposal method selected and the depreciation book. You can override the default when you dispose of the asset.

Gain or Loss Recognition Defaults		
Disposal Method (Code)	**Tax, State, AMT, and ACE Books**	**User Books**
Like-kind exchange (L)		
No cash	Do not recognize	Do not recognize
Cash included	Recognize to the extent of cash proceeds	Recognize to the extent of cash proceeds
Involuntary conversion (I)	Do not recognize	Recognize
All others	Recognize	Recognize

B Depreciation Methods

There are many different methods used to calculate depreciation. Some methods allow more depreciation in early years than in later years. Some apply the same percentage each year while the basis declines. Others apply different percentages each year while the basis remains the same.

For tax purposes, the depreciation method used for a particular asset depends on the IRS depreciation rules at the time the asset was placed in service. There is some flexibility in the choices that you can make. To make sure you select depreciation methods that best suit your needs, talk to a professional tax advisor.

You do not need to use the same depreciation method for every fixed asset. Once you choose a method for a particular asset, however, you generally must stick with it. A change of method requires approval from the IRS except when the change is from declining-balance to straight-line or remaining life.

The same asset may be subject to various methods of depreciation, depending on the book for which depreciation is being calculated. Federal tax books may require MACRS depreciation, for example, while internal books may use straight-line. Other books may use 150% declining-balance depreciation. You may use up to seven depreciation books.

This appendix describes each of the standard depreciation methods available in the application. They are grouped by general method type: MACRS, ACRS, straight-line, declining-balance, sum-of-the-years'-digits, and remaining value. Following the standard methods are descriptions of two special depreciation codes for use within the application (OC and NO). Finally, this appendix discusses possible uses for custom depreciation methods you can create and how the application applies depreciation to custom methods.

MACRS Methods

The Tax Reform Act of 1986 created a number of changes in the way depreciation is calculated for all assets acquired after December 31, 1986. This tax act made significant changes to the earlier Accelerated Cost Recovery System (ACRS), and created the modified ACRS (MACRS).

Recovery periods were generally extended. The typical recovery period for most personal property increased from 5 to 7 years, using 27.5 years for residential real property and 31.5 years for nonresidential real property. (The Revenue Reconciliation Act of 1993 extended the life of nonresidential real property placed in service after May 12, 1993, to 39 years.) A 200% declining-balance MACRS formula replaced the 150% declining-balance ACRS tables. However, the recovery rate for real property fell from 175% declining-balance to a straight-line computation in MACRS.

The MACRS methods created by the Tax Reform Act of 1986 are mandatory for most tangible property placed in service after December 31, 1986. Taxpayers could also choose to use MACRS for certain transitional property placed in service after July 31, 1986, and before January 1, 1987. Post-1986 depreciation on property placed in service before 1987 will continue to be computed under the method used when the property was placed in service.

There are three standard MACRS depreciation methods: MACRS formula, MACRS table, and Alternative Depreciation System (ADS) straight-line MACRS. A fourth depreciation method, MACRS method MI, permits entry of the shorter recovery periods allowed for qualifying Indian Reservation property. Method MI is available for qualified assets placed in service after 12/31/93 and before 2012. This section discusses each method separately.

MACRS Formula (Method MF)

You may apply the MACRS formula method to any assets acquired after July 31, 1986, except those that must use ADS (straight-line MACRS).

■ **MACRS Formula Conventions**

Under MACRS, the half-year convention is used for 3-, 5-, 7-, 10-, 15-, 20-, and 25-year property, with assets earning a half year's depreciation in the year they were acquired. Unlike ACRS, MACRS also allows a half year's depreciation in the year of disposition. (There is an exception, however, for tax years ending after 1/30/91. If an asset is acquired and disposed of in the same tax year, no depreciation is allowed.) Residential rental and nonresidential real property (that is, 27.5-, 31.5-, and 39-year MACRS property) use a special midmonth convention giving a half month of depreciation both in the month of acquisition and in the month of disposal.

Under MACRS, a midquarter convention was added. This convention is required for all qualifying MACRS property (generally, personal property) placed in service in a taxable year, if more than 40 percent of the depreciable value of such property is placed in service during the last 3 months of the taxable year. Under this convention, the annual allowable depreciation is multiplied by:

$\dfrac{10.5}{12}$ for qualifying property placed in service during the first quarter,

$\dfrac{7.5}{12}$ for qualifying property placed in service during the second quarter,

$\dfrac{4.5}{12}$ for qualifying property placed in service during the third quarter, and

$\dfrac{1.5}{12}$ for qualifying property placed in service during the fourth quarter.

■ **MACRS Formula Calculation**

Personal property with recovery periods of 3, 5, 7, or 10 years is generally depreciated using the 200% declining-balance method, 15- or 20-year property uses the 150% declining-balance method, and 25-year property uses the straight-line method (i.e., MF 100%).

Instead of using the 200% declining-balance method for personal property, you can elect to use a slower 150% rate. You can elect to use the 150% rate either over the GDS life, for property placed in service after 12/31/98, or over the longer ADS life, for property placed in service before 1/1/99. (The change in the recovery period used for this election was due to the IRS Restructuring and Reform Act of 1998.) The election to use the 150% rate can be helpful in eliminating the degree

of exposure to the Alternative Minimum Tax (AMT). The declining-balance method switches to straight-line at the point in time that maximizes the deduction (the application does this automatically). A half-year convention is used to calculate allowed depreciation both in the year of acquisition and in the year of disposal.

MACRS real property has a recovery period of 27.5 years for residential real property and a recovery period of either 31.5 years or 39 years for nonresidential real property. The midquarter convention required for personal property by the Tax Reform Act of 1986 does not apply to real property.

To compute the depreciation deduction for real property acquired after 1986, the application uses the straight-line method over a 27.5-year period for residential real property and a 31.5-year period for nonresidential real property (if acquired before May 13, 1993). For nonresidential property placed in service after May 12, 1993, the application uses a 39-year period. The midmonth convention is used both for the year of acquisition and the year of disposition. One exception to this rule, however, does exist for leasehold improvements placed in service after October 22, 2004 and before January 1, 2010. These improvements are to be depreciated over a 15-year recovery period (9-year recovery period for Indian Reservation property) using the straight-line method of depreciation, and half-year convention (or midquarter, if applicable).

■ **MACRS Formula Example**
In March 2007, a company placed in service a network server for which it paid $5,000. Under MACRS, the asset has a 5-year estimated life.

For MACRS personal property, the applicable convention (provided that the midquarter convention does not apply) is a half-year convention allowing a half-year's depreciation in the year of acquisition and disposal.

The rate for the declining-balance computation is determined by dividing the MACRS rate (200%) by the asset's estimated life (5 years).

$$\frac{200\%}{5} = 40\%$$

The application calculates the depreciation allowance for the computer as follows:

Year 1   ($5,000 x 40%) x $\frac{1}{2}$ = $1,000

This first year depreciation would be spread evenly over the months in the year that this asset is in service. In this example, 1,000 divided by 10, or $100, would be the monthly allocation.

The remaining years would have recovery calculations as follows:

Year 2   ($5,000 - $1,000) x 40%   = $1,600
Year 3   ($5,000 - $2,600) x 40%   = $ 960
Year 4   ($5,000 - $3,560) x 40%   = $ 576
Year 5 * ($5,000 - $4,136) / 1.5   = $ 576

Year 6   [($5,000 - $4,136) / 1.5] x $\frac{1}{2}$ = $ 288

*   In year 5, the application automatically switches to a straight-line calculation, which allows for a higher recovery rate than the declining-balance calculation.

■ **MACRS Formula Short-Year Calculation**
The short-year calculation differs for personal property and real property. In addition, for personal property, the calculation depends on whether the half-year or midquarter averaging convention applies.

❑ **Personal Property: Half-Year Convention in a Short-Year**

MACRS personal property assets use a declining-balance calculation with the half-year convention. For a MACRS short-year calculation for personal property, the amount of depreciation computed for a full year is prorated over the number of months in the short-year period. The application prorates the amount of depreciation computed for a full year by multiplying the full year amount by the short-year fraction (the number of months in the short year divided by 12). The formula is:

$$\textit{Short year depr.} \ = \ \textit{Full year depr.} \ \times \ \frac{\textit{Months in short year}}{12}$$

The prorated amount is deducted from the depreciated balance at the beginning of the short-year period to determine the depreciated balance at the beginning of the following taxable year. This calculation is the "simplified method" outlined in IRS Revenue Procedure 89-15.

❑ **Personal Property: Midquarter Convention in a Short-Year**
The test for the use of the midquarter convention for MACRS property in a short year is based upon the ratio of qualifying MACRS property (generally, personal property) placed in service during the last three months of the short year divided by the total depreciable basis of qualifying MACRS property placed in service in the short year. The midquarter convention applies when the ratio is greater than 40%. In the event of a 3-month short year, the use of the midquarter convention would be automatic for any MACRS personal property placed in service during that short year.

The application of the midquarter convention is separate from the test for using the convention. The application of the midquarter convention in the event of a short tax year requires the following steps:

1. First, determine the four quarters of the short year. For a short year that consists of 4 or 8 full calendar months, the length of each quarter is measured in whole months. Otherwise, the quarters are measured in days.

2. Divide the number of days in the short year by 4 to determine the number of days in each quarter of the short year.

3. Define the period for each quarter and determine the midpoint of each quarter (round up partial days to the following day if the fractional date is greater than or equal to .5).

4. From the midpoint date for each quarter, move backward to the nearest 1st or 15th of the month. That will be the date the asset is treated as placed in service (for example, February 16 becomes February 15, and March 14 becomes March 1).

5. From the date determined above, count the number of half months that the asset is in service during the short year. Perform the short-year recovery calculation* using the midquarter convention (the formula below).

$$\textit{Asset's depr. basis} \quad \times \quad \textit{Annual depr. factor} \quad \times \quad \frac{\textit{Half months in svc.}}{24}$$

* MACRS personal property assets generally use a declining-balance calculation.

MACRS Personal Property Short-Year Calculation Example

A company has a short tax year that begins on April 1, 2007, and ends on December 31, 2007. In May 2007 the company places in service $10,000 of equipment having a 5-year life. It uses method MF (MACRS formula) to depreciate. The test for the midquarter convention shows the use of that convention is required. The recovery for the short tax year 2007 would be calculated as follows:

4/1/07 through 12/31/07   = 274 days

$\dfrac{274}{4}$ = 68.5 days per quarter

The first quarter of the short year runs from April 1, 2007, through June 8, 2007 (69 days). The midpoint of the first quarter is May 5, 2007.

Move backward to May 1, 2007, and treat this as the in-service date for purposes of the midquarter convention. From May 1, 2007, to December 31, 2007, there are 16 half months (8 months).

Given that the asset's depreciable basis equals $10,000, the annual depreciation factor is calculated:

$$200\% \quad \times \quad \frac{1}{\textit{Asset life}} \quad = 40\%$$

The number of half months in service for 2007 is 16.

The annual recovery calculation is shown:

$$\$10,000 \quad \times \quad 40\% \quad \times \quad \frac{16}{24} \quad = \$2,666.64$$

For an asset purchased in May, the monthly allocation of this recovery allowance would be computed using the formula below:

$$Monthly\ recovery\ =\ \frac{Annual\ recovery}{Actual\ months\ in\ service}$$

For this example, the asset would be depreciated by $333.33 each month from May through December.

❑ **Real Property**
MACRS real property is calculated using the straight-line method with a midmonth convention. A half month's depreciation is allowed in the month of acquisition and in the month of disposition. As in the straight-line method, the amount of depreciation computed for a full year is prorated over the number of months in the short-year period. For example, if an asset were purchased in the second month of a 9-month short year, the annual short-year depreciation would be 7.5 times the monthly depreciation amount.

MACRS Formula Plus 168 (Method MA)

MACRS Formula Plus 168 (method MA) is the equivalent of MACRS Formula (method MF), except it allows an additional 30%, 50%, or 100% depreciation allowance in the placed-in-service year. Method MA uses the same averaging conventions as method MF.

■ **MACRS Formula Plus 168 Calculation**
MACRS Formula Plus 168, like MACRS Formula, is similar to declining-balance depreciation. It uses the half-year averaging convention for personal property (if the midquarter convention does not apply). It switches to straight-line depreciation when the result is equal to or greater than the declining-balance calculation.

First, the application calculates the 168 Allowance:

$$Depreciable\ Basis \times 30\% \ =\ 168\ Allowance$$

Then, it subtracts the 168 Allowance from the depreciable basis to calculate the annual depreciation for the first year:

$$\frac{Depreciable\ Basis - 168\ Allowance}{Estimated\ Life\ in\ Years} \times 2 \times \frac{1}{2} = Annual\ Depreciation$$

In the placed-in-service year, MACRS personal property uses the half-year averaging convention, which allows a half-year's depreciation in the year of acquisition, (provided the midquarter convention does not apply.

Year 2 and later (until the switch to straight-line):

$$\frac{Depr.\ Basis^* - Accum.\ Depr.}{Estimated\ Life} \times 2 = Annual\ Depr.$$

* In the second year, the application begins with the asset's depreciable basis after it deducts the 168 Allowance.

■ **MACRS Formula Plus 168 Example**
XYZ Manufacturing enters an asset with the following attributes:

Acquired Value:	$16,000
Recovery Period:	5 Years
Salvage Value:	$1,000
Placed-in-Service Date:	11/01/2001

Year 1:

First, the application calculates the 168 Allowance:

$\$16,000 \times 30\% = \$4,800$

Then, it subtracts the 168 Allowance from the $16,000 to calculate the depreciable basis:

$\$16,000 - \$4,800 = \$11,200$

Here is the calculation for the first-year depreciation:

$$\frac{\$11,200}{5} \times 2 \times \frac{1}{2} = \$2,240$$

Year 2:

$$\frac{\$11,200 - \$2,240}{5} \times 2 = \$3,584$$

MACRS Table (Method MT)

When the Tax Reform Act passed Congress in 1986, the IRS had not developed tables of calculations to assist taxpayers in determining their assets' MACRS depreciation. Such tables were issued with Revenue Procedure 87-57 in mid-1987.

In general, the MACRS table method may be used to depreciate any recovery property placed in service on or after January 1, 1987, and may be adopted for any recovery property placed in service on or after July 31, 1986. However, there is one exception: the MACRS table method may not be used in the event of a short tax year at any time in the asset's life.

The MACRS table method will generally result in the same amount of recovery as method MF, MACRS formula. Differences tend to be immaterial and are due to calculation rounding in the development of the IRS tables.

Viewing the MACRS Percentage Tables

The MACRS Percentage tables are located in Section VI of the FAS Depreciation Guide.

You must have Adobe Reader on your PC to view the MACRS Percentage tables. You can install the Adobe Reader software from the Adobe web site (www.adobe.com). You can also install the software by double-clicking the Adobe Reader setup file located in the ACROBAT directory on the installation CD.

To view the MACRS Percentage tables

1. Select Help/Depreciation Guide from the menu bar. The application opens Adobe Reader and displays the FAS Depreciation Guide.

2. Using either the bookmarks on the left or the Table of Contents, navigate to Section VI: Tables.

3. Select the link to "How to Use the MACRS Percentage Tables." The application displays the section of the MACRS Percentage tables.

■ **MACRS Table Conventions**

The conventions used for MACRS tables are the same as the conventions used in the MACRS formula method. The difference is that the table values take into consideration the acquisition year convention required to be used for a particular asset.

For MACRS personal property using the MACRS table method, the tables used within the application generally follow the half-year convention. They allow for a half year of depreciation in the year of acquisition and a half year's recovery in the last year of the asset's estimated life. If the asset is disposed of before the end of its estimated life, then the application automatically superimposes the half-year convention on the ordinary full-year recovery amount in the tables.

Where the midquarter convention applies or is chosen by the user for all MACRS personal property, the appropriate midquarter tables will be used. (See the preceding MACRS formula method description for a more complete explanation of the effect of the midquarter convention election on the allowed recovery amounts in the acquisition and disposal years.)

For MACRS real property, a midmonth convention is built into the real property tables and allows for a half month's depreciation in both the acquisition and disposal months. The midquarter convention does not apply to real property.

■ **MACRS Table Calculation**

The MACRS recovery allowance under the table method is substantially equivalent to the allowance under the formula method. As with the MACRS formula calculation, the MACRS table calculation allows personal property to be recovered over its estimated life at a rate of 200% (declining balance) with a switch to straight-line at the optimal point. Unlike the formula method, with the table method depreciation is computed by applying different depreciation rates to a constant property basis over the life of the asset.

You generally use the 200% declining-balance method to depreciate personal property with recovery periods of 3, 5, 7, or 10 years, while you use the 150% declining-balance method for 15- or 20-year property. Instead of using the 200% declining-balance method for personal property, you can

elect to use a slower 150% rate. You can elect to use the 150% rate either over the GDS life, for property placed in service after 12/31/98, or over the longer ADS life, for property placed in service before 1/1/99. (The change in the recovery period used for this election was due to the IRS Restructuring and Reform Act of 1998.) The election to use the 150% rate can be helpful in eliminating the degree of exposure to the Alternative Minimum Tax (AMT). While the application does not support every possible ADS life when electing the 150% rate for pre-1999 property, it does support a number of the most regularly used ones. For unusual assets with unusual ADS lives, a MACRS formula calculation allows for more flexibility in meeting the slower rate, longer-life option.

For real property, the MACRS table calculation allows recovery at a straight-line rate over the recovery period. Generally, either a 31.5-year or a 39-year estimated life is used for nonresidential real property (depending on when it was placed in service) and 27.5 years for residential property. Other valid estimated lives include 7, 10, 15, 20, and 25 years. The tables use 200% declining balance for 7- and 10-year lives, 150% declining balance for 15- and 20-year lives, and 100% (straight-line) for a 25-year life, regardless of whether the property type is real or personal.

Note When an asset's depreciable life includes a short year, the MACRS table method cannot be used. The application handles this for you. If you have entered a MACRS table method and there are short years during the asset's depreciable life, the application uses the MACRS formula method instead.

■ **MACRS Table Example**
A firm places into service an industrial lathe with an estimated life of 7 years and a total acquisition value of $100,000.00. The property is placed in service in March 2007. The company operates on a calendar year-end, and the midquarter convention applies.

The application uses the following depreciation rates, taken from the IRS Table 2, General Depreciation System:

Year	Depreciation Rate (%)	Basis ($)	Recovery ($)
2007	25.00	100,000	25,000.00
2008	21.43	100,000	21,430.00
2009	15.31	100,000	15,310.00
2010	10.93	100,000	10,930.00
2011	8.75	100,000	8,750.00
2012	8.74	100,000	8,740.00
2013	8.75	100,000	8,750.00
2014	1.09	100,000	1,090.00
	100.00		100,000.00

Depreciation is calculated by determining an asset's basis and multiplying it by that year's depreciation rate. Note that the midquarter convention adjustment is already taken into consideration within the IRS tables.

Consider the calculation that would have been performed under the MACRS formula method for the year 2008:

$$(\$100,000 - 25,000) \times (1/7 \times 200\%) = \$21,428.57$$

Note that there is a slight rounding difference between the two calculations ($21,430.00 vs. $21,428.57). Either calculation is acceptable for tax reporting.

■ **MACRS Table Short-Year Calculation**
A problem is created when MACRS tables are used and a short tax year occurs. Revenue Procedure 87-57 states:

"The MACRS depreciation tables . . . may not be used in the following situations, where:

• property is placed in service in a short tax year,

• a short tax year occurs during the recovery period of property, or

• a disposition of property occurs in a short tax year."

Because of these special restrictions, when a user elects the MACRS table method, the application checks whether a short year occurred during the year that the asset was placed in

service. If the acquisition year was a short tax year, the user will not be allowed to select the MACRS table method. Rather, the user will be prompted to use the MACRS formula method.

If a short year is established after an asset that uses the MACRS table method has been entered in the application, the asset's depreciation calculation will be changed. All depreciation calculations beginning from the start of the first short tax year of the asset's life will be made using the formula method. The date of the last calculation before the short year is considered by the application to be the date of conversion to the MACRS formula method. All depreciation taken to that date will be treated as total prior depreciation in computing remaining depreciable basis.

Any differences between the table and formula methods (adjustments due to the effects of rounding in the tables) are taken into consideration automatically in the formula calculation, which is based on a declining depreciable basis with a fixed depreciation rate.

When an asset has its depreciation calculated through the conversion from MACRS table to MACRS formula, affected reports still show the use of the table method but will also print an f in the Key column, indicating the conversion to the formula calculation.

ADS, Straight-Line MACRS (Method AD)

Under the Tax Reform Act of 1986, the Alternative Depreciation System (ADS) straight-line MACRS method replaces the straight-line, alternate ACRS formula and table methods (methods SA and ST) for assets acquired after 1986. ADS is a straight-line method that combines the features of straight-line and MACRS depreciation. Under this method, costs are recovered evenly over recovery periods that are as long as or longer than recovery periods prescribed under MACRS.

ADS straight-line must be used for certain property (property located outside the United States, property used for tax-exempt purposes, and others). Businesses that do not want to take advantage of accelerated depreciation in the early years of an asset's life can use this method. The ADS election is made year by year, but for personal property it must be made for all properties

of the same class acquired during the year. For real property, ADS can be elected on a property-by-property basis.

- **ADS Conventions**
  This method uses the same half-year (personal property) and midmonth (real property) conventions as the other MACRS methods. The half-year convention allows a half year's depreciation in both the year of acquisition and the year of disposal. The midquarter convention rules apply to this method as previously explained for the MACRS formula method.

- **ADS Calculation**
  ADS uses a straight-line calculation over an asset's ADS life. This generally slows the rate of recovery as compared with other MACRS methods. Even MACRS real property, which already uses a straight-line calculation, is recovered more slowly using the asset's ADS life.

  When electing a depreciation method of AD (MACRS straight-line), enter the asset's ADS life in *both* the Estimated Life field and the ADS Life field in the Tax book. The application uses the entry in the Estimated Life field for calculating depreciation in the Tax book, and the entry in the ADS Life field for setting defaults in other books where appropriate.

- **ADS Example**
  In October 2007, a calendar-year corporation purchased a building for $150,000. Thirty thousand dollars was attributable to the cost of the land. Under the MACRS formula method, the 2007 depreciation allowance would be computed as follows:

$$\frac{\$150,000 - \$30,000}{39} \quad = \quad \$3,077 \qquad \text{Annual MACRS recovery}$$

$$\frac{2.5}{12} \times \$3,077 \qquad = \quad \$\ 641 \qquad \text{2007 depreciation allowance}$$

If the corporation elected the ADS straight-line MACRS method, the 2007 depreciation allowance would be computed as follows:

$$\frac{\$150,000 - \$30,000}{40} \quad = \quad \$3,000 \qquad \text{Annual MACRS recovery}$$

$$\frac{2.5}{12} \times \$3,000 \qquad = \quad \$\ 625 \qquad \text{2007 depreciation allowance}$$

■ **ADS Short-Year Calculation**
Under the ADS straight-line MACRS method, the amount of depreciation computed for a full year is prorated over the number of months in the short-year period. The application prorates the amount of depreciation computed for a full year by multiplying the amount by the short-year fraction.

For personal property using this method, the half-year convention applies to the disposition year, which requires that one-half of the depreciation calculated for the full short-year period be used. For real property, the midmonth convention applies.

If the property is placed in service or disposed of during a short tax year and the midquarter convention applies, the deduction is computed as if the property had been placed in service or disposed of in the middle of the quarter. See the MACRS formula method for details regarding the use of the midquarter convention.

ADS Straight-Line MACRS Plus 168 (Method AA)

ADS straight-line MACRS plus 168 (method AA) is the equivalent of ADS straight-line MACRS (method AD), except it allows an additional 30%, 50%, or 100% depreciation allowance in the placed-in-service year. Method AA uses the same averaging conventions as method AD.

■ **ADS Straight-Line MACRS Plus 168 Calculation**
First, the application calculates the 168 Allowance:

Depreciable Basis × 30% = 168 Allowance

Then, it subtracts the 168 Allowance from the depreciable basis to calculate the annual depreciation for the first year:

$$\frac{Depr.\ Basis - 168\ Allowance}{Estimated\ Life\ in\ Years} \times \frac{1}{2} = Annual\ Depr.$$

In the placed-in-service year, MACRS personal property uses the half-year averaging convention, which allows a half-year's depreciation in the year of acquisition (provided that the midquarter convention does not apply).

Year 2 and later:

$$\frac{Depr.\ Basis\ *}{Estimated\ Life} = Annual\ Depr.$$

* In the second year, the application begins with the asset's depreciable basis after it deducts the 168 Allowance.

■ **ADS Straight-line MACRS Plus 168 Example**
XYZ Manufacturing acquires an asset with the following attributes:

Acquired Value:	$16,000
Placed-in-Service Date:	11/01/2001
Estimated Life:	10 Years
Salvage Value:	$1,000

Year 1:

First, the application calculates the 168 Allowance:

$$\$16,000 \times .30 = \$4,800$$

Then, the application subtracts the 168 Allowance from the $16,000 to calculate the depreciable basis:

$$\$16,000 - \$4,800 = \$11,200$$

Here is the calculation for the first-year depreciation:

$$\frac{\$11,200}{10} \times \frac{1}{2} = \$560$$

Years 2 through 10:

$$\frac{\$11,200}{10} = \$1,120$$

Year 11:

$$\frac{\$11{,}200}{10} \times \frac{1}{2} = \$560$$

MACRS Indian Reservation (Method MI)

In 1993, Congress created a system whereby qualifying Indian Reservation property must be depreciated over shorter recovery periods than otherwise allowed. This accelerates the allowable depreciation deductions. Property that qualifies for the shorter recovery periods must be placed in service after 12/31/93 and before 2012. There is no AMT Adjustment for Indian Reservation property.

- **MACRS Indian Reservation Conventions**
  This method uses the same averaging conventions as the other MACRS methods: half-year for personal property and midmonth for real property, with the exception of leasehold improvements placed in service after October 22, 2004 and before January 1, 2012 in which case the half-year convention is used.

  The MACRS recovery allowance under the MI method is substantially equivalent to the allowance under the formula method. As with the MACRS formula calculation, the MACRS Indian Reservation method allows either a 200% or 150% rate (declining-balance) with a switch to straight-line at the optimal point for personal property, and a 100% rate (straight-line) for real property. Also, real property in the 15- or 20-year property class can use the 150% declining-balance rate; however, if the property is a leasehold improvement placed in service after October 22, 2004 and before January 1, 2012, you must depreciate it over a 15-year period using the straight-line method of depreciation. (If you elect alternative MACRS straight-line depreciation, use method AD with the appropriate Indian Reservation life.)

  The only actual difference between method MI and method MF is that method MI allows the property to be depreciated over shorter recovery periods.

Property Class	Recovery Period
3-year	2 years
5-year	3 years
7-year	4 years
10-year	6 years
15-year	9 years
20-year	12 years
nonresidential real property (39-year)	22 years

MACRS Indian Reservation Plus 168 (Method MR)

MACRS Indian Reservation Plus 168 (method MR) is the equivalent of MACRS Indian Reservation (method MI), except it allows an additional 30%, 50%, or 100% depreciation allowance in the placed-in-service year. Method MR uses the same averaging conventions as method MI.

■ **MACRS Indian Reservation Plus 168 Calculation**
First, the application calculates the 168 Allowance:

$$Depreciable\ Basis \times 30\% = 168\ Allowance$$

Then, the application subtracts the 168 Allowance from the depreciable basis to calculate the annual depreciation for the first year:

$$\frac{Depr.\ Basis - 168\ Allowance}{Estimated\ Life\ in\ Years} \times 2 \times \frac{1}{2} = Annual\ Depr.$$

In the placed-in-service year, MACRS personal property uses the half-year averaging convention, which allows a half-year's depreciation in the year of acquisition (provided that the midquarter convention does not apply).

Year 2 and later (until the switch to straight-line):

$$\frac{Depr.\ Basis - Accum.\ Depr.}{Estimated\ Life} \times 2 = Annual\ Depr.$$

■ **MACRS Indian Reservation Plus 168 Example**
XYZ Manufacturing acquires an asset with the following
attributes:

Acquired Value:	$16,000
Recovery Period:	4 Years
Salvage Value:	$1,000
Placed-in-Service Date:	11/01/2001

Year 1:

First, the application calculates the 168 Allowance:

$16,000 × 30% = $4,800

Then, it subtracts the 168 Allowance from the $16,000 to
calculate the depreciable basis:

$16,000 – 4,800 = $11,200

Here is the calculation for the first-year depreciation:

$$\frac{\$11,200}{4} \times 2 \times \frac{1}{2} = \$2,800$$

Year 2:

$$\frac{\$11,200 - \$2,800}{4} \times 2 = \$4,200$$

Year 3:

$$\frac{\$11,200 - \$7,000}{4} \times 2 = \$2,100$$

Year 4:

$$\frac{\$11,200 - \$9,100}{1.5} = \$1,400$$

Notice that in year 4 the calculation switches to straight-line
depreciation, using the following formula:

$$\frac{Acquisition\ Cost - Accumulated\ Depr.}{Remaining\ Life} = Annual\ Depr.$$

Because you have already taken 2.5 years of depreciation, the
remaining life is 1.5 years.

Year 5:

$$\frac{\$11,200 - \$10,500}{0.5} \times \frac{1}{2} = \$700$$

Year 5 is the last year of the asset's life. The asset receives only a half-year of depreciation because of the half-year averaging convention.

Note   When using the MACRS Indian Reservation depreciation method, you recover the asset's full acquisition value. In contrast, declining-balance depreciation does not recover the salvage value.

ACRS Methods

The Accelerated Cost Recovery System (ACRS) is an IRS-prescribed method for recovering the cost of personal and real property placed in service from 1981 through 1986. ACRS is a modification of the Asset Depreciation Range (ADR) method used in the 1970s. It was created by the Economic Recovery Tax Act of 1981, which required the use of ACRS or alternate ACRS for assets placed in service from 1981 through July 1986. ACRS may have been elected for qualifying assets through December 31, 1986. For tax purposes, assets acquired after 1986 (other than transitional property) must use one of the MACRS methods discussed earlier in this appendix.

The application supports three ACRS methods: ACRS table; straight-line, alternate ACRS formula; and straight-line, alternate ACRS table. The two straight-line, alternate ACRS methods are essentially the same, except that rounding in the IRS tables produces small differences from the formula calculation in the recovery amount per period.

ACRS Table (Method AT)

The ACRS table method uses the 150% declining-balance method for personal property and 175% declining-balance for real

property. Recovery periods are assigned by the IRS according to class of property.

■ **ACRS Table Conventions**
ACRS uses different conventions determined by the type of asset being depreciated and the date that the asset was placed in service. The following table summarizes these applicable conventions.

ACRS Table Conventions		
Asset Type	**Date Placed in Service**	**Applicable Convention**
Personal Property		
3-, 5-, 10-, and 15-year	1/1/81 - 12/31/86	Half-year
Real Property		
15-year	1/1/81 - 3/15/84	Full-month *
18-year	3/16/84 - 6/22/84 6/23/84 - 5/8/85	Full-month * Half-month **
19-year	5/9/85 - 12/31/86	Half-month **

* Allows for a full month's recovery in the month of acquisition but no recovery in the month of disposal.

** Allows for a half month's recovery in the month of acquisition and a half month's recovery in the month of disposal.

■ **ACRS Table Calculations**
ACRS depreciation is calculated by multiplying the asset's depreciable basis by a percentage for each year in the recovery period. The percentages, which are specified in Internal Revenue Code tables, vary according to the type of property, the recovery period assigned to the asset, and the date the asset was placed in service.

❑ **Personal Property**
Personal property uses the half-year convention, which is built into the tables. Under the half-year convention, the tables allow a half year of depreciation in the first year for each asset regardless of the date it was placed in service. ACRS (unlike MACRS) does not allow any depreciation for personal property during the year of disposition.

❑ **Real Property**
Real property (other than low-income housing) placed in service after 1980 but before March 16, 1984, is automatically assigned a 15-year recovery period. For real property placed in service after March 15, 1984, but before

May 9, 1985, the recovery period is 18 years. For real property placed in service after May 8, 1985, but before 1987, the recovery period is 19 years.

To compute the ACRS depreciation deduction for real property, the application multiplies the basis of the property by the appropriate recovery percentage from tables provided by the IRS. Because the recovery period percentage for depreciable real property depends on the month the property is placed in service, the cost recovery percentages vary for each asset.

■ **ACRS Table Example**

The ACRS cost recovery calculations for a $25,000 drill press and a $10,000 light duty truck, both purchased in September 1982, are shown below. The drill press is classified as 5-year property, the truck as 3-year property.

Depreciation for 1982

25% of $10,000 (truck)	$2,500
15% of $25,000 (drill press)	3,750
Total 1982	$6,250

Depreciation for 1983

38% of $10,000 (truck)	$3,800
22% of $25,000 (drill press)	5,500
Total 1983	$9,300

Depreciation for 1984

37% of $10,000 (truck)	$3,700
21% of $25,000 (drill press)	5,250
Total 1984	$8,950

Depreciation for 1985

21% of $25,000 (drill press)	$5,250

Depreciation for 1986

21% of $25,000 (drill press)	$5,250

The half-year convention allowed a half year of depreciation in 1982, although the two pieces of equipment were only in service for 4 months (September to December). No extra calculations were needed to handle the half-year convention in the acquisition year; it is built into the tables.

■ **ACRS Table Short-Year Calculation**
The short-year calculation for assets using the ACRS table method differs for personal and real property.

❑ **Personal Property**
The amount of ACRS deduction for a short tax year is prorated on a 12-month basis. The ACRS deduction is computed by determining the recovery deduction for a full year and multiplying it by the short-year fraction. The numerator for this equation is the number of months in the short tax year; the denominator is 12. Recovery allowances for years in a recovery period following a short tax year will be determined without regard to the short tax year.

The unrecovered short-year allowance is the difference between the recovery allowance permitted for the short tax year and the recovery allowance which would have been allowed if the year were not a short tax year. It is claimed in the tax year following the last tax year of the recovery period.

❑ **Real Property**
The depreciation calculation for 15-, 18-, or 19-year real property is much simpler than for personal property if there is a short tax year in the year of acquisition or disposition. The deduction is based on the number of months in which the property was in service during the short tax year.

When a short year occurs in a year other than the acquisition year or disposal year, the table amount for the short year is prorated according to the number of months in the short year. The remainder of the table factor is taken as unrecovered short-year amounts in the post-recovery period.

Straight-Line, Alternate ACRS (Methods SA and ST)

As its name implies, straight-line, alternate ACRS depreciation combines features of straight-line and regular ACRS table depreciation.

Like straight-line depreciation, the alternate straight-line method yields a uniform yearly depreciation amount. Whereas straight-line depreciation is based on the estimated life of the asset, alternate straight-line depreciation uses specific recovery periods (defined by law) similar to those used by ACRS table depreciation.

Under the federal tax law, if you use the alternate straight-line method for a personal property asset, you must apply the alternate straight-line method to all assets of the same class placed in service in the same tax year. A different method may be used for assets of the same class in the next year or for assets of a different class in the same tax year. This rule does not apply to real property. The choice of depreciation method for real property is made on a property-by-property basis, not on a class-by-class basis.

The application can calculate straight-line, alternate ACRS depreciation either by using a formula that divides the asset's basis by its recovery period or by using IRS tables. The difference between the two methods in the recovery amount per period is due to rounding in the tables. The following text applies to both methods unless stated otherwise.

■ **Straight-Line, Alternate ACRS Conventions**
The conventions for this method are the same as the ACRS table conventions. For details, see the ACRS convention table in .

■ **Straight-Line, Alternate ACRS Calculation**
For assets using this alternate ACRS depreciation method, the recovery periods vary. Businesses may choose to use IRS-approved recovery periods that are different from those used for ACRS depreciation, as shown in the following table.

For method SA, the application uses a formula allowing 16.75% for the first year for a 3-year property, 33.33% for the second and third years, and 16.75% for the fourth year.

Proportionate formulas are used for other recovery periods. For method ST, the percentages are built into the tables.

ACRS Recovery Periods for Personal Property		
ACRS Table	**Straight-Line, Alternate ACRS**	
3 years	3, 5, or 12 years	
5 years	5, 12, or 25 years	
10 years	10, 25, or 35 years	
ACRS Recovery Periods for Real Property		
Placed in Service	**ACRS Table**	**Straight-Line, Alternate ACRS**
Before 3/16/84	15 years	15, 35, or 45 years
3/16/84 - 5/8/85	18 years	18, 35, or 45 years
5/9/85 - 12/31/87	19 years	19, 35, or 45 years

■ **Straight-Line, Alternate ACRS Example**
Following are two examples of straight-line, alternate ACRS depreciation using the formula (method SA). One example is for personal property and the other is for real property. An example using the table (method ST) would produce slightly different recovery period amounts due to rounding differences.

❑ **Personal Property Example**
A company purchased a drill press in August 1983 for $20,000. Since the recovery period for the drill press under regular ACRS table depreciation would be 5 years, the company has the option of selecting a recovery period of 5, 12, or 25 years.

Although the property was placed in service in August, the half-year convention applies under ACRS rules. Cost recovery of an asset with an elected 5-year life is therefore taken over 6 years.

Basis	=	$20,000
Recovery period	=	5 years
Rate	=	1/5

Cost recovery for 1983

$\frac{1}{5}$ x $20,000 x $\frac{1}{2}$ = $2,000

Cost recovery for 1984

$\frac{1}{5}$ x $20,000   = $4,000

Cost recovery for 1985

$\frac{1}{5}$ x $20,000   = $4,000

Cost recovery for 1986

$\frac{1}{5}$ x $20,000   = $4,000

Cost recovery for 1987

$\frac{1}{5}$ x $20,000   = $4,000

Cost recovery for 1988

$\frac{1}{5}$ x $20,000 x $\frac{1}{2}$ = $2,000

❑ **Real Property Example**
Depreciation for real property begins in the month the property is placed in service. The straight-line deductions for the first and last years must be adjusted to reflect the number of months the property is actually in service.

Assume a corporation acquired a factory building in June 1982 for $400,000. The land is worth $100,000, so the depreciable basis of the building is $300,000. The date the building was placed in service makes the property a 15-year property under regular ACRS table rules and allows the use of 15, 35, or 45 years under alternate straight-line depreciation. Using the formula, the annual recovery rate for a 35-year recovery period is 2.857% (1/35 = 2.857%).

The calculations look like this:

Depreciation for 1982

$$\$300{,}000 \times 2.857\% \times \frac{7}{12} \qquad = \qquad \$5{,}000$$

Depreciation for 1983

$$\$300{,}000 \times 2.857\% \qquad = \qquad \$8{,}571$$

Depreciation for 2017

$$\$300{,}000 \times 2.857\% \times \frac{5}{12} \qquad = \qquad \$3{,}571$$

Notice that in the first and last years, a partial year's cost recovery was calculated because the building was in service for less than 12 months in each of those years.

■ **Straight-Line, Alternate ACRS Short-Year Calculation**
For an alternate straight-line short-year calculation, the amount of depreciation computed for a full year is prorated over the number of months in the short-year period. The application prorates the amount of depreciation computed for a full year by multiplying the amount by the short-year fraction.

For personal property, the half-rate rule applies; that is, one-half of the depreciation calculated for the short-year period is taken. In the disposal year, no depreciation is allowed regardless of whether the disposal year is a full tax year or a short tax year. The unrecovered allowance is the difference between the recovery allowance permitted for the short taxable year and the recovery allowance that would have been allowed if the year were not a short taxable year. It is claimed in the tax year following the recovery period.

Straight-Line Methods

The straight-line method is the simplest and most commonly used method for calculating depreciation. It can be used for any depreciable property, but it's not generally allowed for ACRS or MACRS property, which for tax purposes must use ADS straight-line MACRS (method AD) or straight-line, alternate

ACRS (methods SA and ST) for straight-line treatment. Under the straight-line depreciation method, the basis of the asset is written off evenly over the useful life of the asset. The same amount of depreciation is taken each year.

The straight-line method is approved under Generally Accepted Accounting Principles (GAAP) and is frequently used for internal books. In general, the amount of depreciation equals an asset's depreciable basis divided by its estimated life.

The application supports four standard straight-line methods, each using a different averaging convention: regular straight-line (midmonth convention), full month, half-year, and modified half-year.

Straight-Line (Method SL)

The regular straight-line depreciation method is quite simple and uses a midmonth convention.

■ **Straight-Line Convention**
The midmonth convention allows a full month's depreciation for the month of acquisition if the asset is purchased on or before the 15th of a month; no depreciation is allowed if the asset is purchased after the 15th. No depreciation is allowed for the disposition month if the asset is disposed of on or before the 15th of the month; a full month's depreciation is allowed if the asset is disposed of after the 15th.

■ **Straight-Line Calculation**
The basis used in straight-line depreciation is calculated by subtracting the salvage value from the acquisition value; the result is the adjusted basis. Straight-line depreciation is calculated by dividing the adjusted basis by the useful life. The first and last years of the asset's depreciable life must be prorated if the company places the asset in service at any time other than the beginning of the first month of the fiscal year. The total amount depreciated can never exceed the adjusted basis. At the end of the asset's estimated life, the salvage value will remain.

■ **Straight-Line Example**
For a $14,000 truck placed in service on March 16, 2007, with an estimated life of 6 years and a salvage value of $2,000, the

depreciation calculation for the straight-line method would look like this:

Original cost	$14,000
– Salvage value	2,000
Adjusted basis	$12,000

$$\frac{Adjusted\ basis}{Estimated\ life} = \frac{\$12,000}{6} = \$2,000$$

Yearly depreciation would be $2,000 for the years 2008 through 2012. Under the midmonth convention, the truck was considered to be placed in service in April, so the acquisition year depreciation would be 9/12ths of the annual depreciation ($1,500). The deduction for the last year would be 3/12ths of the annual depreciation ($500).

■ **Straight-Line Short-Year Calculation**
For a straight-line short year, the amount of depreciation computed for a full year is prorated over the number of months in the short-year period. The application prorates the amount of depreciation computed for a full year by multiplying the amount by the short-year fraction.

Straight-Line, Full-Month (Method SF)

The straight-line, full-month method is a GAAP-approved method of depreciation that is very similar to the regular straight-line depreciation method. The key distinction between the two is a full-month versus a midmonth convention.

■ **Straight-Line, Full-Month Convention**
Under a full-month convention, property placed in service at any time during a given month is treated as if it had been placed in service on the first day of that month. This allows depreciation for the entire month in which the asset is placed in service. If the property is disposed of before the end of its depreciable life, no depreciation is allowed for the disposal month.

■ **Straight-Line, Full-Month Calculation**
The calculation for the straight-line, full-month method is the same as for regular straight-line (method SL), except for the averaging convention.

■ **Straight-Line, Full-Month Example**
The example shown for method SL is valid for this method, except that the full-month convention allows depreciation for the month of March. The acquisition year depreciation would be 10/12ths of the annual depreciation ($1,666.67) and the final year depreciation would be 2/12ths of the annual depreciation ($333.33).

■ **Straight-Line, Full-Month Short-Year Calculation**
The short-year calculation for this method is the same as for method SL.

Straight-Line, Full-Month Plus 168 (Method SB)

The straight-line, full-month plus 168 depreciation method (method SB) calculates depreciation in the same manner as straight-line, full-month (method SF), except that the application takes an additional 30%, 50%, or 100% depreciation allowance in the placed-in-service year. Method SB uses the same averaging convention as method SF.

■ **Straight-Line, Full-Month Plus 168 Calculation**
First, the application calculates the 168 Allowance:

$$Depreciable\ Basis \times 30\% \ = \ 168\ Allowance$$

Then, it subtracts the 168 Allowance from the depreciable basis to calculate the annual depreciation:

$$\frac{Depreciable\ Basis - 168\ Allowance}{Estimated\ Life} \ = \ Annual\ Depreciation$$

■ **Straight-Line, Full-Month Plus 168 Example**
XYZ Manufacturing purchases an asset with the following attributes:

Acquired Value:	$16,000
Estimated Life:	5 Years
Salvage Value:	$1,000
Placed-in-Service Date:	11/30/01

Year 1:

First, the application subtracts the salvage value from the acquired value:

$16,000 – $1,000 = $15,000

Next, it calculates the 168 Allowance:

$15,000 × .30 = $4,500

Then, it subtracts the 168 Allowance from the $15,000 to calculate the depreciable basis:

$15,000 – $4,500 = $10,500

Next, it calculates the first-year depreciation:

$$\frac{\$10,500}{5} \times \frac{2}{12} = \$350$$

The full-month averaging convention allows a full month of depreciation for November. Therefore, the asset receives two months of depreciation in the first year.

Years 2 through 5:

The application calculates the annual depreciation up to the final year as follows:

$$\frac{\$10,500}{5} = \$2,100$$

Year 6:

$$\frac{\$10,500}{5} \times \frac{10}{12} = \$1,750$$

Straight-Line, Half-Year (Method SH)

The straight-line, half-year method is a method of depreciation that is similar to the regular straight-line depreciation method. It uses a half-year convention instead of a midmonth convention.

- **Straight-Line, Half-Year Convention**
  As the name implies, straight-line half-year depreciation uses a half-year convention. The half-year convention gives a half year's depreciation in the year of acquisition, regardless of the actual acquisition date, and a half year's depreciation in the year of disposal.

  If you dispose of an asset in its final year, the amount of depreciation depends on when it is disposed. If the asset is disposed of **before** July 1 (or before the first day of the 7th month of the fiscal year), it receives one half of the depreciation it would have received if it had not been disposed. The asset will not be fully depreciated. If the asset is disposed of **on or after** July 1 (on or after the first day of the 7th month of the fiscal year), it receives the full amount of depreciation for its final year.

- **Straight-Line, Half-Year Calculation**
  The calculation for the straight-line, half-year method is the same as for regular straight-line (method SL), except for the averaging convention.

- **Straight-Line, Half-Year Example**
  For a $14,000 truck placed in service on March 16, 2007, with an estimated life of 6 years and a salvage value of $2,000, the depreciation calculation for the straight-line method would look like this:

Original cost	$14,000
– Salvage value	2,000
Adjusted basis	$12,000

  $$\frac{Adjusted\ basis}{Estimated\ life} = \frac{\$12,000}{6} = \$2,000$$

  Yearly depreciation would be $2,000 for the years 2008 through 2012. Since the truck was placed in service in March, the 2007 depreciation using the half-year convention would be one-half of the annual depreciation, or $1,000. The

depreciation for the last year would also be one-half of the annual depreciation, or $1,000.

■ **Straight-Line, Half-Year Short-Year Calculation**
Because this method uses a half-year convention, the half-rate rule applies. The depreciation is calculated as if the asset were placed in service or disposed of during the middle of the short tax year. For example, if an asset were placed in service during a short tax year of 3 months, the annual depreciation would be one-half of the 3-month depreciation deduction. The formula is:

$$\textit{Short year depr.} \ = \ \frac{1}{2} \ \times \ \textit{Full year depr.} \ \times \ \frac{\textit{Months in short year}}{12}$$

Straight-Line, Modified Half-Year (Method SD)

Method SD is like the regular straight-line depreciation calculation in every way except that it uses the modified half-year averaging convention. It is a GAAP-approved method that allows for an even flow of depreciation over an asset's life.

■ **Straight-Line, Modified Half-Year Convention**
Under the modified half-year convention, assets that are placed in service during the first half of the year are considered to have been placed in service on the first day of the year. Therefore, they receive a full year's depreciation in the acquisition year. Assets that are placed in service during the second half of the year are considered to have been placed in service on the first day of the following year. Therefore, they receive no depreciation in the acquisition year but receive a full year's depreciation in the subsequent year.

Applying the modified half-year convention in the disposal year is slightly more complicated. For details, see the description of this convention in "Modified Half-Year Convention," page A-16.

■ **Straight-Line, Modified Half-Year Calculation**
The calculation for the straight-line, half-year method is the same as for regular straight-line (method SL), except for the averaging convention.

When calculating depreciation under this method for property type V, vintage account property, there is no adjustment to the depreciable basis for salvage value. However, the asset may not be depreciated below its salvage value. This alternate salvage treatment is applied automatically only to those assets with V for property type.

■ **Straight-Line, Modified Half-Year Example**
A piece of equipment with a 5-year life is placed in service in April 2003. The asset, which was purchased for $10,000 and has a salvage value of $2,000, is sold in July 2007.

Year	Depreciation Allowance	Calculation
2003	$1,600.00	[($10,000 - 2,000 salvage) / 5 years] x 100%
2004	1,600.00	($10,000 - 2,000 salvage) / 5 years
2005	1,600.00	($10,000 - 2,000 salvage) / 5 years
2006	1,600.00	($10,000 - 2,000 salvage) / 5 years
2007	800.00	[($10,000 - 2,000 salvage) / 5 years] x 50%

Had the asset been sold in the first half of the year, no depreciation (rather than 50%) would have been allowed in the disposal year. This is due to the effect of the convention type on the disposal year.

In the above example, the asset was placed in service in April, the first half of the year. Therefore, a full year of depreciation is allowed in the acquisition year. The annual allowance is earned evenly over the number of months that the asset was in service in that year.

■ **Straight-Line, Modified Half-Year Short-Year Calculation**
The formula is the same as for the regular straight-line method (method SL). However, because of the modified half-year convention, the treatment in the first and disposal years is different. Continuing the example shown above, the example below depicts what would happen in the event that a short tax year of 9 months had occurred in 2006:

Year	Depreciation Allowance	Calculation
2006	$1,200.00	[($10,000 - 2,000 salvage) / 5 years] x $\frac{9}{12}$
2007	800.00	[($10,000 - 2,000 salvage) / 5 years] x 50%

In the event of a short year in either the acquisition or disposal year, the determination of the cutoff date for the first half of the year can get complicated. In such an event, the following rules apply:

- If the duration of the short year is exactly 1 month, the cutoff of the short year is the 15th of that month, regardless of the actual number of days in that month.

- If the duration of the short year is an even number of months, the cutoff of the short year is the last day of the month that ends the first half of the short tax year.

- If the duration of the short year is an odd number of months, the cutoff of the short year is determined by dividing the number of days in the short year by two to arrive at the midpoint of the year. From that midpoint, advance or retreat to the closest end of a month and treat that month's end as the cutoff. If the midpoint is an equal distance from the prior month's end and the current month's end, advance to the current month's end as the cutoff.

Declining-Balance Methods

Declining-balance depreciation is a method that depreciates an asset at a higher rate in the earlier years of the asset's life than straight-line depreciation. It applies only to tangible assets with a useful life equal to or greater than 3 years. The declining-balance methods are approved under Generally Accepted Accounting Principles (GAAP). For tax purposes, for new assets placed in service from 1954 through 1980, declining-balance rates were allowed to a maximum of twice the straight-line rate (200%). When you enter a declining-balance method, you select the rate you want to apply.

Using declining-balance depreciation for each year of an asset's life will never completely depreciate the asset. Therefore, the IRS lets you switch from declining-balance depreciation to straight-line depreciation once during the life of an asset. This switch is one of few changes in depreciation method that can be made without special IRS approval.

The application provides 6 standard declining-balance methods. When paired with the 4 possible depreciation rates (125%, 150%, 175%, and 200%), you have 24 choices.

Each method is different based on the percentage used, the averaging convention used, and whether it will switch from declining-balance to straight-line at the optimal point. The optimal point for switching to straight-line depreciation is when the deductions allowed by the straight-line method equal or exceed the deductions allowed by the declining-balance method. When the change to straight-line is made, the unrecovered basis of the asset is spread over the remaining estimated life, ensuring that the entire amount is depreciated. When straight-line depreciation is applied in this way, it is often called remaining value over remaining life depreciation. The methods are as follows:

DB	Declining-balance, midmonth convention, switch to SL when optimal
DC	Declining-balance, midmonth convention, no switch to SL
DD	Declining-balance, modified half-year, switch to SL when optimal
DE	Declining-balance, modified half-year, no switch to SL
DH	Declining-balance, half-year, switch to SL when optimal
DI	Declining-balance, half-year, no switch to SL

Declining-Balance (Methods DB and DC)

■ **Declining-Balance Convention**
The midmonth convention allows a full month's depreciation for the month of acquisition if the asset is placed in service on or before the 15th of a month; no depreciation is allowed if the asset is placed in service after the 15th. No depreciation is allowed for the disposition month if the asset is disposed of on or before the 15th of the month; a full month's depreciation is allowed if the asset is disposed of after the 15th.

■ **Declining-Balance Calculation**
Declining-balance depreciation is computed at the same rate each year, but each year this rate is applied to the asset's depreciable basis remaining at the beginning of that tax period. As a result, annual depreciation deduction amounts are greater in the early years and lower in the later years of an asset's life.

The four most common rate structures for declining-balance depreciation are 125%, 150%, 175%, and 200%, where the straight-line rate would be 100%. Two hundred percent, also known as double declining-balance, is the most widely used. Salvage value does not reduce the depreciable basis for declining balance as it does in other methods. However, the total amount depreciated cannot exceed the difference between the acquisition value and the salvage value.

The declining-balance formula is:

$$\frac{1}{Estimated\ life} \times\ Percentage\ =\ Rate$$

$$Rate\ \times\ Remaining\ depreciable\ basis\ =\ Annual\ depreciation$$

For an asset with an expected life of 8 years and the double declining-balance method, the rate would be:

$$\frac{1}{8}\ \times\ 200\%\ =\ 25\%$$

Remember that if you choose to switch the asset to straight-line (method DB), the calculation changes when deductions allowed by straight-line equal or exceed deductions allowed by declining-balance. If you choose not to switch (method DC), the asset will never fully depreciate and will have a residual value at the end of its estimated life.

■ **Declining-Balance Example**
A company bought new cleaning equipment worth $4,800 on August 15, 2007, with an estimated life of 8 years and a salvage value of $300. The company would see the following results from calculating depreciation using double declining-balance depreciation. If the company uses method DB (switch to straight-line when optimal), the application calculates straight-line depreciation figures at the same time to determine when to make the switch. The straight-line amount is calculated on the remaining basis for each year.

The rate for the double declining-balance computations is figured by dividing the percentage by the estimated life:

$$\frac{200\%}{8}\ =\ 25\%$$

The beginning depreciable basis for the declining-balance computations is $4,800.

For the first year, during which the equipment was in service only 5 months (August to December using the midmonth convention), the declining-balance calculation would be:

$$\$4,800 \ \times \ .25 \ \times \ \frac{5}{12} \ = \ \$500$$

For subsequent years, the asset's remaining depreciable basis is figured by subtracting the accumulated depreciation from the beginning depreciable basis.

The second and third year declining-balance calculations would be:

Year 2	($4,800 - 500)	x .25 =	$1,075.00
Year 3	[$4,800 - (500 + 1,075)]	x .25 =	$ 806.25

If the company uses method DB (switches to straight-line when optimal), the switch will occur for the year in which the straight-line depreciation is greater than the declining-balance depreciation. This occurs in year 7, when straight-line depreciation is $278.87 and declining-balance is $255.10.

■ **Declining-Balance Short-Year Calculation**
For a declining-balance short year, the amount of depreciation computed for a full year is prorated over the number of months in the short-year period. The application prorates the amount of depreciation computed for a full year by multiplying the amount by the short-year fraction.

The prorated amount is deducted from the remaining depreciable basis at the beginning of the short-year period to determine the remaining depreciable basis at the beginning of the following taxable year.

Declining-Balance, Half-Year (Methods DH and DI)

For an overview of declining-balance depreciation, see "Declining-Balance Methods," page B-36. The methods are the same as the declining-balance methods DB and DC except for the averaging convention.

- **Declining-Balance, Half-Year Convention**
  The half-year convention gives a half-year's depreciation in the year of acquisition and a half year's depreciation in the year of disposal. There is no distinction between real and personal property for applying the convention.

- **Declining-Balance, Half-Year Calculation**
  The calculation for this method is the same as for methods DB and DC except for the averaging convention applied to the acquisition and disposal years.

- **Declining-Balance, Half-Year Example**
  Using the same asset example for this method as for methods DB and DC, the first year declining-balance, half-year deduction would be $600, as calculated below:

  $$\$4,800 \ \times \ .25 \ \times \ \frac{1}{2} \ = \ \$600$$

  Under the half-year convention, this calculation is used regardless of the month in which the asset was placed in service within that year.

- **Declining-Balance, Half-Year Short-Year Calculation**
  The short-year calculation for this method is the same as for methods DB and DC except that the half-rate rule applies. The depreciation is calculated as if the asset were placed in service or disposed of during the middle of the short tax year. For example, if an asset were placed in service during a short tax year of 3 months, the annual depreciation would be one-half of the 3-month depreciation deduction.

Declining-Balance, Modified Half-Year (Methods DD and DE)

These methods are like the declining-balance depreciation methods DB and DC in every way except that they use a different averaging convention.

■ **Declining-Balance, Modified Half-Year Convention**
Under the modified half-year convention, assets that are placed in service during the first half of the year are considered to be placed in service on the first day of the year. Therefore, they receive a full year's depreciation in the acquisition year. Assets that are placed in service during the second half of the year are considered to be placed in service on the first day of the following year. Therefore, they receive no depreciation in the acquisition year but receive a full year's depreciation in the subsequent year.

Applying the modified half-year convention in the disposal year is more complicated. For details, see the description of this averaging convention in "Modified Half-Year Convention," page A-16.

■ **Declining-Balance, Modified Half-Year Calculation**
The calculation for this method is the same as for methods DB and DC except for the averaging convention applied to the acquisition and disposal years.

■ **Declining-Balance, Modified Half-Year Example**
A company places a supply cabinet with a 5-year life in service in June 2004. The asset, which was purchased for $10,000, is sold in February 2008. The schedule of allowable depreciation for internal books under the declining-balance method DE, modified half-year method with a 200% rate (without switching to straight-line) is shown below.

Year	Depreciation Allowance	Calculation
2004	$4,000.00	[$10,000 x (200% / 5 years)] x 100%
2005	2,400.00	($10,000 - 4,000) x (200% / 5 years)
2006	1,440.00	($10,000 - 4,000 - 2,400) x (200% / 5 years)
2007	864.00	($10,000 - 4,000 - 2,400 - 1,440) x (200% / 5 years)
2008	0.00	No depreciation allowed

In this example, the asset was placed in service in June, the first half of the year. Therefore, a full year of depreciation is allowed in the acquisition year. Had the asset been sold in the second half of the year, a half year's depreciation (rather than none) would have been allowed in the disposal year.

- ■ **Declining-Balance, Modified Half-Year Short-Year Calculation**
  For a declining-balance short-year calculation where the modified half-year convention is used, the amount of depreciation allowed in the short year is the normal full year's allowance prorated over the number of months the asset was in service in the short year. The formula is the same as for the declining-balance methods DB and DC.

  The example below depicts what would happen in the event that a short tax year of 9 months had occurred in 2007 in the above example.

Year	Depreciation Allowance	Calculation
2007	648.00	$[(\$10,000 - 4,000 - 2,400 - 1,440) \times (200\% / 5 \text{ years})] \times \dfrac{9}{12}$
2008	0.00	No depreciation allowed

In the event of a short year in either the acquisition or disposal years, the determination of the cutoff date for the first half of the year can be complicated. In such an event, the following rules apply:

- If the duration of the short year is exactly 1 month, the cutoff of the short year is the 15th of that month, regardless of the actual number of days in that month.

- If the duration of the short year is an even number of months, the cutoff of the short year is the last day of the month that ends the first half of the short tax year.

- If the duration of the short year is an odd number of months, the cutoff of the short year is determined by dividing the number of days in the short year by two to arrive at the midpoint of the year. From that midpoint, advance or retreat to the closest end of a month and treat that month's end as the cutoff. If the midpoint is an equal distance from the prior month's end and the current

> month's end, advance to the current month's end as the
> cutoff.

Sum-of-the-Years'-Digits Depreciation

Sum-of-the-years'-digits depreciation is another way to accelerate the depreciation of an asset. It can result in deductions that are larger than those given by double declining-balance depreciation in the early years. Although the deductions get smaller each year, all of the asset's depreciable basis is written off over the property's useful life. It applies only to tangible assets with a useful life equal to or greater than 3 years.

For the Tax book, sum-of-the-years'-digits depreciation is normally used only for assets in service before 1981.

The application provides three standard sum-of-the-years'-digits depreciation methods, each using a different averaging convention: sum-of-the-years'-digits (midmonth), half-year, and modified half-year.

Sum-of-the-Years'-Digits (Method YS)

■ **Sum-of-the-Years'-Digits Convention**
The sum-of-the-years'-digits depreciation method applies a midmonth convention, giving a full month's depreciation in the acquisition month if the asset is purchased on or before the 15th of the month. No depreciation is allowed if the asset is acquired after the 15th. In the disposal month, no depreciation is allowed if the asset is disposed of before the 16th; a full month's depreciation is allowed if the asset is disposed of after the 15th.

■ **Sum-of-the-Years'-Digits Calculation**
The sum-of-the-years'-digits depreciation method bases its depreciation computations on a decreasing fraction of the depreciable basis (acquired value less the salvage value and any bonus depreciation). The numerator of the fraction changes each year. For any one year, the numerator represents the remaining estimated life of the asset. The denominator, which represents (but does not equal) the entire estimated life, does not change.

Here are two ways to calculate the denominator. One way is to add the digits for each year in the estimated life; that is, add 1 for the first year, 2 for the second year, and so on through the final year. For example, the sum of the years' digits for an asset with an estimated life of 5 years is:

$1 + 2 + 3 + 4 + 5 = 15$

Another, faster way to calculate the sum, when the life is expressed in whole years only, is to multiply the estimated life by itself plus 1 and divide the result by 2. The formula looks like this:

$$\frac{n(n + 1)}{2}$$

where n = the number of years in the asset's useful life.

Assuming a 5-year useful life, the calculation is shown below:

$$\frac{5(5 + 1)}{2} = \frac{30}{2} = 15$$

■ **Sum-of-the-Years'-Digits Example**
A new forklift was purchased on September 14, 2002, at a cost of $3,000. It had a useful life of 10 years and a $200 salvage value. The depreciation calculations would look like the following table.

This example uses a calendar fiscal year. First, calculate the denominator:

$$\frac{10(10 + 1)}{2} = 55$$

Then calculate the depreciation. Because the asset was placed in service after the beginning of the year, the depreciation deduction must be prorated. The total for each year, except the first year, is the remaining fraction from the previous year plus the fraction for the current year.

Date Range	Calculations		
09/02 - 12/02 *	$\frac{4}{12} \times \left(\frac{10}{55} \times 2,800 \right)$	=	$169.70
Total 2002 depreciation		=	**$169.70**
01/03 - 08/03	$\frac{8}{12} \times \left(\frac{10}{55} \times 2,800 \right)$	=	$339.39
09/03 - 12/03	$\frac{4}{12} \times \left(\frac{9}{55} \times 2,800 \right)$	=	$152.73
Total 2003 depreciation		=	**$492.12**
01/04 - 08/04	$\frac{8}{12} \times \left(\frac{9}{55} \times 2,800 \right)$	=	$305.45
09/04 - 12/04	$\frac{4}{12} \times \left(\frac{8}{55} \times 2,800 \right)$	=	$135.76
Total 2004 depreciation		=	**$441.21**
01/05 - 08/05	$\frac{8}{12} \times \left(\frac{8}{55} \times 2,800 \right)$	=	$271.51
09/05 - 12/05	$\frac{4}{12} \times \left(\frac{7}{55} \times 2,800 \right)$	=	$118.79
Total 2005 depreciation		=	**$390.30**
01/06 - 08/06	$\frac{8}{12} \times \left(\frac{7}{55} \times 2,800 \right)$	=	$237.57
09/06 - 12/06	$\frac{4}{12} \times \left(\frac{6}{55} \times 2,800 \right)$	=	$101.82
Total 2006 depreciation		=	**$339.39**
01/07 - 08/07	$\frac{8}{12} \times \left(\frac{6}{55} \times 2,800 \right)$	=	$203.64
09/07 - 12/07	$\frac{4}{12} \times \left(\frac{5}{55} \times 2,800 \right)$	=	$ 84.85
Total 2007 depreciation		=	**$288.49**

* Under the midmonth convention, year 1 includes the month of September
   in the proration because the asset was acquired before the 16th of the
   month.

The deductions continue in a similar manner for 5 more years.

■ **Sum-of-the-Years'-Digits Short-Year Calculation**
   For sum-of-the-years'-digits depreciation short-year
   calculation, a proration is made in much the same way that a
   full-year proration is made.

Building from the example above, in the event of a 3-month short year in 2006 (from January 1, 2006, to March 31, 2006), depreciation would be calculated as follows:

Date Range	Calculations		
01/06 - 03/06	$\frac{3}{12} \times \left(\frac{7}{55} \times 2,800\right)$	=	$ 89.09
Total short-year 03/06 depreciation		**=**	**$ 89.09**
04/06 - 08/06	$\frac{5}{12} \times \left(\frac{7}{55} \times 2,800\right)$	=	$148.48
09/06 - 03/07	$\frac{7}{12} \times \left(\frac{6}{55} \times 2,800\right)$	=	$178.18
Total fiscal-year 2006 depreciation		**=**	**$326.66**

Sum-of-the-Years'-Digits, Half-Year (Method YH)

Method YH is like the sum-of-the-years'-digits depreciation (method YS) calculation except that it uses a different depreciation convention.

- **Sum-of-the-Years'-Digits, Half-Year Convention**
  A half year's depreciation is allowed in the year of purchase, regardless of the acquisition date. A half year's depreciation is allowed in the disposition year, regardless of the disposal date.

- **Sum-of-the-Years'-Digits, Half-Year Calculation**
  The calculation for this method is the same as the calculation for method YS.

- **Sum-of-the-Years'-Digits, Half-Year Example**
  Using the same example for method YH as for method YS, the first-year sum-of-the-years'-digits, half-year deduction would be $254.55.

$$\frac{6}{12} \times \left(\frac{10}{55} \times 2,800\right) \qquad = \quad \$254.55$$

Under the half-year convention, the first-year calculation would be true regardless of the month in which the asset was placed in service within the year.

The second-year calculations would then be computed as follows:

$$\frac{6}{12} \times \left(\frac{10}{55} \times 2,800 \right) \qquad = \quad \$254.55$$

$$\frac{6}{12} \times \left(\frac{9}{55} \times 2,800 \right) \qquad = \quad \$229.09$$

Total year 2 depreciation　　=　\$483.64

■ **Sum-of-the-Years'-Digits, Half-Year Short-Year Calculation**
The short-year calculation for method YH is the same as the short-year calculation for method YS, except when the short year is the acquisition or disposal year. If the short year is the acquisition or disposal year, the half-rate rule applies: only one-half of the depreciation calculated for the full short-year period may be taken.

Sum-of-the-Years'-Digits, Modified Half-Year (Method YD)

Method YD is like the sum-of-the-years'-digits depreciation (method YS) calculation except that it uses the modified half-year averaging convention.

■ **Sum-of-the-Years'-Digits, Modified Half-Year Convention**
Under the modified half-year convention, assets that are placed in service during the first half of the year are considered placed in service on the first day of the year. Therefore, they receive a full year's depreciation in the acquisition year. Assets that are placed in service during the second half of the year are considered placed in service on the first day of the following year. Therefore, they receive no depreciation in the acquisition year, but receive a full year's depreciation in the subsequent year.

Applying the modified half-year convention in the disposal year is more complicated. For details, see "Modified Half-Year Convention," page A-16.

■ **Sum-of-the-Years'-Digits, Modified Half-Year Calculation**
The calculation for method YD is the same as for method YS. When calculating depreciation under this method for vintage

account property (type V) only, there is no adjustment to the depreciable basis for salvage value. However, the asset may not be depreciated below its salvage value.

■ **Sum-of-the-Years'-Digits, Modified Half-Year Example**
A single asset is placed in service in October 1998, and treated as vintage account property with a 10-year life. The asset, which was purchased for $10,000 and had a salvage value of $250, was sold in July 2007. The schedule of allowable depreciation under the sum-of-the-years'-digits, modified half-year method is shown below. Notice that, because the asset is vintage account property, the salvage value is not subtracted from the acquired value in determining the depreciable basis.

Year	Depreciation Allowance	Calculation
1998	$ 0.00	(Purchased after the midpoint of the year)
1999	1,818.18	10/55 x 10,000
2000	1,636.36	9/55 x 10,000
2001	1,454.55	8/55 x 10,000
2002	1,272.73	7/55 x 10,000
2003	1,090.91	6/55 x 10,000
2004	909.09	5/55 x 10,000
2005	727.27	4/55 x 10,000
2006	545.45	3/55 x 10,000
2007	295.45	2/55 x 10,000 x 100% *

* Because total depreciation is limited to $9,750 ($10,000 minus the salvage value of $250), 2007 depreciation is limited to $295.45.

■ **Sum-of-the-Years'-Digits, Modified Half-Year Short-Year Calculation**
For a short-year calculation where the sum-of-the-years'-digits modified half-year convention is used, a proration is made in much the same way that a full-year proration is made. The following example shows what would have happened if a short tax year of 9 months had occurred in 2006.

Year	Depreciation Allowance	Calculation
2006	$409.09	$\left(\dfrac{3}{55} \times 10,000\right) \times \dfrac{9}{12}$
2007	409.09	$\left[\left(\dfrac{3}{55} \times 10,000 \times \dfrac{3}{12}\right) + \left(\dfrac{2}{55} \times 10,000 \times \dfrac{9}{12}\right)\right] \times 100\%$

In the event of a short year in either the acquisition or disposal year, the determination of the cutoff date for the first half of the year can be complicated. The following rules apply:

- If the duration of the short year is exactly 1 month, the cutoff of the short year is the 15th day of that month, regardless of the actual number of days in that month.

- If the duration of the short year is an even number of months, the cutoff of the short year is the last day of the month that ends the first half of the short tax year.

- If the duration of the short year is an odd number of months, the cutoff of the short year is determined by dividing the number of days in the short year by 2 to arrive at the midpoint of the year. From that midpoint, advance or retreat to the closest end of a month, and treat that month's end as the cutoff. If the midpoint is an equal distance from the prior month's end and the current month's end, advance to the current month's end as the cutoff.

Remaining Value Over Remaining Life (Method RV)

Remaining value over remaining life is similar to straight-line depreciation. What makes it unique is that while the straight-line calculation is static, the remaining value over remaining life calculation is dynamic. If there is a change in a critical value (for example, the asset's estimated life), the straight-line method cannot adjust its future calculations so that the asset is fully depreciated at the end of its life. The remaining value over remaining life method, on the other hand, takes the asset's

remaining depreciable basis and depreciates that amount evenly over the asset's remaining estimated life.

Converting to remaining value over remaining life is generally the best way to take an adjustment evenly over the rest of an asset's life. It is the suggested approach to handling a change in an accounting estimate under the Accounting Principles Board (APB) Opinion Number 20.

You can convert from any other depreciation method to the remaining value over remaining life method. To do this, follow these steps:

1. Calculate depreciation through the date that the conversion to remaining value over remaining life is to be effective.

2. Change the depreciation method field selection to RV. The application displays a confirmation message.

3. Click the Yes button to confirm that you want the application to reset depreciation. A message appears asking if you want to update the beginning depreciation fields with the current depreciation amounts, or clear the beginning and current depreciation.

   If you click the Yes button, the application saves the current depreciation information as beginning depreciation. If you click the No button, the application resets depreciation to zero.

   If you change to remaining life in the Tax book, carefully consider the implications of replacing the information in the other books with new defaults before you respond to the prompt concerning changes to the Tax book. Generally, you should respond No.

If the remaining value over remaining life method is chosen for an asset in the year the asset was placed in service, and if the asset was placed in service on or before the 15th of the month, the depreciation calculated is identical to that calculated using the straight-line method.

■ **Remaining Value Over Remaining Life Convention**
The remaining value over remaining life method uses a full-month convention in calculating depreciation allowances. The full-month convention allows an asset a full

month's worth of depreciation in the month that the asset is placed in service, regardless of the date of the month. Conversely, no depreciation is allowed in the month of disposal. The full-month convention applies to all property types.

If you convert an asset to remaining value over remaining life from any other method, the convention type associated with the former method is disregarded, and the asset's remaining life is determined as though the full-month convention had been used in the acquisition year.

- **Remaining Value Over Remaining Life Calculation**
  The calculation of remaining value over remaining life depreciation is implicit in its name. The calculation takes an asset's remaining undepreciated basis and depreciates that amount evenly over the remaining time in the asset's estimated life.

- **Remaining Value Over Remaining Life Example**
  A $10,000 asset was acquired on March 31, 2003, and sold on July 31, 2007. For the internal books, the taxpayer determines depreciation using the remaining value over remaining life method over a 5-year life. The amount of depreciation allowed is shown below.

Year	Depreciation Allowance	Calculation
2003	$1,666.67	$\dfrac{\$10,000}{60\ months} \times 10\ months$ *
2004	2,000.00	$\dfrac{\$10,000 - 1,666.67}{50\ months} \times 12\ months$
2005	2,000.00	$\dfrac{\$10,000 - 3,666.67}{38\ months} \times 12\ months$
2006	2,000.00	$\dfrac{\$10,000 - 5,666.67}{26\ months} \times 12\ months$
2007	1,000.00	$\dfrac{\$10,000 - 7,666.67}{14\ months} \times 6\ months$ **

* A full month's depreciation is allowed for the month of March 2003.

** No depreciation is allowed for the month of July 2007.

Assume that, for the same asset, the company determined at the beginning of 2005 that the asset had a remaining life of 4

years as of the end of 2004. To make this change in the application, change the Estimated Life field to 5 years, 10 months (i.e., 4 years plus the 22 months for which the asset has already been depreciated). When you receive the prompts due to changes being made to a critical field, answer Yes both times. In this case, you want to save the existing depreciation (calculated through 12/31/04) before you make the change.

Note the changes in the calculations below:

Year	Depreciation Allowance	Calculation
2003	$1,666.67	$\dfrac{\$10,000}{60\ months} \times 10\ months$
2004	2,000.00	$\dfrac{\$10,000 - 1,666.67}{50\ months} \times 12\ months$
2005	1,583.33	$\dfrac{[\$10,000 - (1,666.67 + 2,000.00)]}{48\ months} \times 12\ months$
2006	1,583.33	$\dfrac{[\$10,000 - (1,666.67 + 2,000.00 + 1,583.33)]}{36\ months} \times 12\ months$
2007	791.67	$\dfrac{\{\$10,000 - [1,666.67 + 2,000.00 + (2 \times 1,583.33)]\}}{24\ months} \times 6\ months$

- ◼ **Remaining Value Over Remaining Life Short-Year Calculation**
  If a short tax year occurs, the amount of depreciation computed for a full year is prorated over the number of months in the short year. The application prorates the amount of depreciation computed for a full year by multiplying by the short-year fraction.

Own Calculation (Method OC)

Method OC provides a means for you to enter depreciation amounts you have calculated manually. You may want to use this method if you have an asset that needs a special calculation not provided by the standard methods or by any custom method you set up. The application will not calculate depreciation for any asset using this code. In Detail View, enter the depreciation

amounts in the beginning depreciation fields. They will appear in applicable reports as current depreciation.

The application cannot check whether any amounts you enter using this code are correct. As the asset depreciates, you must update the depreciation amounts yourself by entering new figures in the beginning depreciation fields.

No Depreciation (Method NO)

If you select method NO, the application will not calculate depreciation for the asset. Method NO applies to all non-depreciable assets, including non-depreciable land. You can enter any other general asset information you want. Assets using method NO will appear in the Depreciation Expense report but depreciation amounts will be zero.

Custom Depreciation Methods

You can set up custom depreciation methods through Customize option on the menu bar. See "Creating Custom Depreciation Methods," page 8-31. The custom method codes must be two characters and can include any number or lowercase letter. The Custom Depreciation Methods feature lets you create depreciation method calculations that the application does not provide.

Custom Depreciation Method Conventions

When you set up the custom depreciation method, you can choose the disposal year averaging convention. You can choose full month, midmonth, half-year (ACRS, or MACRS and pre-ACRS), or modified half-year. For more information, see "Averaging Conventions," page A-15.

Custom Depreciation Method Calculation

Custom depreciation is calculated by multiplying the yearly recovery percentage you selected by the asset's depreciable basis (acquisition value minus the salvage value, minus any bonus depreciation or Section 179 expense). A custom method table can have a recovery period ranging from 2 years to 60 years.

Custom Depreciation Method Example

A calendar year-end company places a $17,000 truck in service on June 1, 2007, subject to a 3-year recovery period.

Assume that the company had set up a custom depreciation method based on the following years and percentages:

Year	Percentage
1	14.58%
2	38.00%
3	37.00%
4	10.42%
Total	100.00%

If the depreciable basis ($17,000) were multiplied by the percentage for each year, the results would be:

Year	Calculation	Depreciation
2007	$17,000 x 14.58%	$ 2,478.60
2008	$17,000 x 38.00%	6,460.00
2009	$17,000 x 37.00%	6,290.00
2010	$17,000 x 10.42%	1,771.40
	Total	$17,000.00

Custom Depreciation Methods and Short Years

During a short tax year, the annual percentage in the custom method table is multiplied by the depreciable basis to determine

the annual depreciation. This amount is further reduced by the short-year fraction (the number of months in the short year divided by 12). For more information, see "Short Tax Years," page A-18. The short-year amount is divided equally among the months in the short tax year.

Using the example above, assume the company had a short tax year because its business began in June 2007. The calculations must be modified to take into account the short year. First-year depreciation would equal 7/12ths of the annual amount (June to December). The balance would be recovered in the year following the last scheduled recovery period.

Taking into account the short tax year, the percentage for each year would yield these results:

Year	Calculation	Depreciation
1	$17,000 x 14.58% x 7/12	$ 1,445.85
2	$17,000 x 38.00%	6,460.00
3	$17,000 x 37.00%	6,290.00
4	$17,000 x 10.42%	1,771.40
5	$17,000 x 14.58% x 5/12	1,032.75
	Total	$17,000.00

C Understanding and Specifying Criteria

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

Simple Expressions

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

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

Operator	Mathematical Symbol	If	Then
		(Given a Set of 10)	
Is	=	5	5
Is not	≠	5	1, 2, 3, 4, 6, 7, 8, 9, 10
Is less than	<	5	1, 2, 3, 4
Is greater than	>	5	6, 7, 8, 9, 10

Operator	Mathematical Symbol	(Given a Set of 10)	
		If	Then
Equals or is greater than	≥	5	5, 6, 7, 8, 9, 10
Equals or is less than	≤	5	1, 2, 3, 4, 5
Is between *		5, 8	5, 6, 7, 8
Is not between *		5, 8	1, 2, 3, 4, 9, 10
Exists	∈	Any	Include all with any data
Does not exist	∉		Include only those with no data
Contains **		abc	All occurrences of the specified string, abc.

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

** A *Contains* operator is available for only a small number of fields. It does not have an equivalent mathematical symbol. It searches for all occurrences of the specified string, much like a wildcard character searches a file for a text string.

Complex Expressions

A complex expression contains multiple expressions. To complete a complex expression, each individual expression must be connected by an *and* operator or an *or* operator (much the same way you would connect these types of statements in a sentence).

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

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

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

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

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

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

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

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

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

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

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

  Class *is not* CE

  Tax Book Depreciation Method *is* MF

  The application automatically employs the *and* operator because these expressions do not specify criteria for the same field.

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

  Tax Book Depreciation Method *is* MF

  Tax Book Depreciation Method *is* MT

  The application automatically employs the *or* operator because these expressions specify criteria for the same field.

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

Class *is not* CE

Class *is not* FF

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

∎ **An *And* Operator Connecting Multiple Criteria for a Single Field**
If a single statement searches a single field for multiple criteria connected by the *and* operator, all criteria must be satisfied. For example, to define a group that includes all assets acquired in 2008, you would write the expression:

Acquisition Date *is between* 01/01/2008 and 12/31/2008

Note that in this case, you must enter the *and* operator.
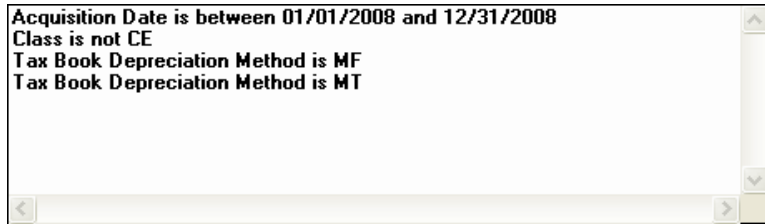
You can write an expression combining all search criteria specified above, plus more if needed. Here is an example of a more complex expression:

Acquisition Date *is between* 01/01/2008 and 12/31/2008

Class *is no*t CE

Tax Book Depreciation Method *is* MF

Tax Book Depreciation Method *is* MT

```
Acquisition Date is between 01/01/2008 and 12/31/2008
Class is not CE
Tax Book Depreciation Method is MF
Tax Book Depreciation Method is MT
```

Here is how it reads:

- Create a group where the Acquisition Date *is between* 01/01/2008 and 12/31/2008

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

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

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

Sorting Groups

You can sort groups any way you want—by any field and by any number of fields—using the Sort Criteria page in the Group Manager. The default sort field is System Number. In addition, you can specify whether to sort in ascending order (the default) or descending order.

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

D FAS 100 Asset Accounting - Network Edition

In this appendix we discuss the features that are unique to FAS 100 Asset Accounting - Network Edition. We also discuss how the application handles the potential conflicts between two or more users who have access to the same database. For information on installing and starting the application, converting databases, and troubleshooting, see the *FAS 100 Fixed Assets Network Installation & Administration Guide*.

Network Features

With the network version, you can do the following:

- View a list of users in a company or database.
- Turn off network warning messages.
- View the login ID of the user who performed an action on an asset.

List Users in a Company or Database

You can quickly see a list of users who are currently logged into a company or database. The list of users in a company or database is available from:

- The menu bar, as explained in this section.
- Network conflict messages. For more information on network conflict messages, see "Network Conflict Messages," page D-10.

To see a list of users in the company you are logged in to

1. Select File/List Users/Company Users from the menu bar. The application displays the List Company Users screen. The screen lists the login IDs of all other users currently logged into the company.

To see a list of users in the database you are logged in to

1. Select File/List Users/Database Users from the menu bar. The application displays the List Database Users screen. The screen lists the login IDs of all other users currently logged into the database.

Completing the User List Screen

- ■ **OK Button**
  When you click OK, the application closes the User List screen.

- ■ **Refresh Button**
  When you click the Refresh button, the application displays an updated list of users currently logged into the company or database.

Turning Off the Network Warning Messages

As you work in the network application, you may see network warning messages. The application displays these warning messages when you select a command that may affect other users. For example, when you attempt to delete an asset, the application displays a message that warns you, "Changes to this asset . . . may affect other users in this company." For more information on network warning messages, see "Network Warning Messages," page D-22.

As a default, the application displays warning messages. However, you can turn network warning messages off, and you can turn the messages on again.

To turn off network warning messages

1.   Select File/Preferences from the menu bar. The application displays the Preferences screen.

2.   Click the Network tab. The application displays the Network page of the Preferences screen.
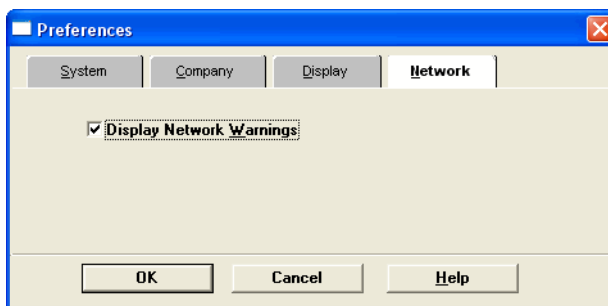
3.   As a default, the application displays network warning messages. To turn off the network warning messages, clear the Display Network Warnings check box, and then click OK.

> **Note** Each user sets preferences for his or her own workstation; preferences on other workstations on the network are not affected.

History Tab

User Column

The History tab contains an additional column: User. When you select the History page to view the history of an asset, you not only see the actions (such as import, change, and calculate depreciation) that a user performed on the asset, but you see the login ID of the user who performed each action.

Note If system security is enabled, the application displays the security login name in the User column, rather than the network login ID. When a user performs operations with FAS 100 Asset Accounting - Standalone Edition, or imports assets into FAS 100 Asset Accounting - Network Edition, the application displays "(unknown)" in the User column.

Network Multi-User Issues

When you work in a network environment, many users have access to the data in the same database, allowing you to work

more efficiently. For example, two or three users can enter assets in the same company at the same time.

However, having more than one user working in the same company at the same time can create conflicts. What if one user deletes an asset while another user is editing that asset's data? Or, what if one user starts calculating depreciation for a group of assets, and another user attempts to change the Acquired Value of an asset in that group? Or, what if two users make different changes to the same asset?

The application contains four mechanisms that ensure the integrity of your data and resolve network conflicts.

- **Locks—**mechanisms within the application that protect the integrity of your data. For more information, see "Locks," page D-5.

- **Asset Modification Protection—**a mechanism that protects the first user who saves changes to asset information when two users are modifying the same asset. For more information, see "Asset Modification Protection," page D-9.

- **Network Conflict Messages—**messages the application displays on the computer screen that momentarily interrupt your operations, require you to wait while another user performs an operation, or inform you that an operation cannot be completed at this time. For more information, see "Network Conflict Messages," page D-10.

- **Network Warning Messages—**messages that remind you that the chosen operation may affect other users. For more information, see "Network Warning Messages," page D-22.

Locks

Locks allow you to perform operations without worrying that another user will change the data during the operation. There are several different types of locks:

- **Add/Delete Asset Lock—**Allows you to add, delete, or replicate assets. Another user cannot add or delete the locked assets or lock book data when you issue an add/delete asset lock. These locks usually last only a brief moment; see the

footnote to the table in "What Other Locks Are Prevented When a Lock Is Asserted?," page D-8.

- **Book Lock—**Allows you to calculate and reset depreciation, or customize depreciation methods. When you lock a book, another user cannot add, delete, replicate, or modify asset information in the locked book, or lock the same book.

- **Company Lock—**Allows you to create, edit, copy, back up, or restore a company, import data into a company, export data from a company, merge companies, and extract assets from a company. When you lock a company, another user cannot open the company.

- **Database Lock—**Allows you to create or delete a database. When you lock a database, another user cannot open the locked database.

- **Edit Lock—**Allows you to modify batch or security information. The first user with Edit privileges to open system security screens obtains an edit lock, and all other users can read but not edit the system security information.

- **Image Lock—**Allows you to modify an image. When you lock an image, another user cannot modify the locked image. These locks usually last only a brief moment; see the footnote to the table in "What Other Locks Are Prevented When a Lock Is Asserted?," page D-8.

- **Read Lock—**Allows you to read batch or security information. When you issue a read lock, other users cannot change the information.

- **Update Asset Lock—**Allows you to modify asset information. When you issue an update asset lock, another user cannot add, replicate, or delete the locked asset, or lock book data. These locks usually last only a brief moment; see the footnote to the table in "What Other Locks Are Prevented When a Lock Is Asserted?," page D-8.

- **Write Lock—**Allows you to save changes to batch or security information. When you issue a write lock, other users cannot read the information.

Lock Types

This table summarizes the different types of locks, the consequences of invoking them, and the operations that cause them.

Lock Type	Description	What Operations Cause the Lock
Add/Delete Asset Lock	Allows lock holder to add, delete, or replicate assets; prevents other users from doing so. Preserves integrity of system numbering of assets.	Asset/Delete Asset/Replicate Asset/Save (new) Asset/Delete Last Transaction (in destination company of the transaction) Transfers (saving asset) in the destination company
Book Lock	For a specified book, makes depreciation book-specific data read-write for lock holder, read-only for other users.	Customize/Depreciation Methods (for all books) Depreciation/Depreciate (for selected books) Depreciation/MACRS Convention Switch (for selected books) Depreciation/Period Close (for selected books) Depreciation/Reset Depreciation (for selected books)

Company Lock	Prevents any other users from opening company.	File/New Company
		File/Edit Company
		File/Company Utilities:
		  Copy Company (for both company being created and company being copied)
		  Backup Company
		  Restore Company
		  Import
		  Export
		  Purge History
		  Extract Assets (in both source and destination companies)
		  Merge Companies (in both source and destination companies)

Database Lock	Prevents any other users from opening database.	New Database Delete Database
Edit Lock (Batch)	Allows lock holder to edit batch information.	Batch Manager/Batch Reports (when editing information)

Lock Type	Description	What Operations Cause the Lock
Edit Lock (Security)	Allows lock holder to edit security information.	File/Password Security (if you have privileges to modify data): Define Profiles Assign User Privileges Supervisor
Image Lock	Allows lock holder to modify company image information.	Customize/Image Manager (only while changes are being saved)
Read Lock (Batch)	Allows lock holder to read batch information.	Batch Manager/Batch Reports
Read Lock (Security)	Allows lock holder to read security information.	File/Password Security
Update Asset Lock	Allows lock holder to modify existing specific asset data.	Asset/Save (existing) Asset/Delete Last Transaction (in the company in which transaction originated) Partial Disposals Transfers (when you save the original asset)
Write Lock (Batch)	Allows lock holder to save batch information.	Batch Manager/Batch Reports (when saving changes)
Write Lock (Security)	Allows lock holder to save security information.	File/Password Security (when saving changes)

What Other Locks Are Prevented When a Lock Is Asserted?

This table summarizes the locks that you cannot assert when other users assert the different types of locks.

When This Lock is Asserted	These Locks Cannot Be Asserted	Which Means
Add/Delete Asset Lock *	Add/Delete Asset Lock, Book Lock	When assets are being added** or deleted, no one else can add or delete assets or lock book data.
(Any) Book Lock	Add/Delete Asset Lock, Update Asset Lock, (same) Book Lock	When a book is locked, no one can add**, delete, or modify asset information, or lock the same book.

When This Lock is Asserted	These Locks Cannot Be Asserted	Which Means
Company Lock	Any other company activity	Cannot open a company if someone else has locked it.
Edit Lock	Edit or Write Lock	When a user is modifying batch or security information, other users cannot modify it.
Image Lock *	Image Lock	Only one user can modify image information for a company at a time.
Read Lock	Write Lock	When a user is reading batch or security information, another user cannot save changes to the information.
Update Asset Lock *	Book Lock, Add/Delete Asset Lock	When someone is updating asset information, no one else can lock a book, or add** or delete assets (definitely want to prevent asset deletion).
Write Lock	Read Lock	When a user is saving changes to batch or security information, another user cannot read the information.

* This assumes that add/delete, update and image locks will not be held for very long. When one user cannot obtain a lock because one of these locks is asserted, the application waits briefly and tries again repeatedly (rather than immediately reporting a conflict). If the application still cannot obtain a lock after retrying for two seconds or so, it displays a Waiting message, then retries until successful or the user clicks Cancel. The text in the message says, "Waiting while [USER] is modifying asset (or image) information. Pressing Cancel will terminate this operation."

** Adding assets includes asset replication.

Asset Modification Protection

When two users are modifying asset data for the same asset at the same time, the application protects the changes of the first user who saves his or her changes.

For example, suppose User Alice selects Asset No. 151 and enters "Company Auto" in the Description field, but she has not yet saved the asset. User Bob selects Asset No. 151 and types "Company Car" in the Description field. Whose changes does the application preserve? Answer: The user who saves the asset first.

Suppose User Alice saves the asset first. When User Bob saves the asset, the application displays a message indicating his changes were not saved. The application protects User Alice from losing the changes she made.

Note Both User Alice and User Bob can click the Refresh button to see the most current version of the asset. If User Bob clicks the Refresh button after User Alice saves the asset, he sees User Alice's changes.

Network Conflict Messages

As you work in the application, you may see network conflict messages on your computer screen. These messages are similar, but there are three different types of network conflict messages:

- **Operation Interruption Messages—**These messages appear when the application will not allow you to continue the operation you chose because that operation conflicts with another user's operation. (The other user issued a lock, which prevents your operation.) For more information, see "Operation Interruption Messages," page D-11.

- **Retry Messages—**These messages appear when another user is copying, backing up, restoring, merging, or extracting assets from a company. The application allows you to continue when you click the Retry button if the other user is finished copying, backing up, or restoring the company. For more information, see "Retry Messages," page D-19.

- **Waiting Messages—**These messages appear when another user is adding, deleting, or replicating assets. You need to wait for only a few seconds, then the application allows you to continue. When the other user finishes adding, deleting, or replicating assets, the message disappears. For more information, see "Waiting Messages," page D-20.

Operation Interruption Messages

Operation Interruption messages appear when the application prevents you from choosing an option because that choice could adversely affect another user. These messages protect you or the other user from doing something that could harm your data. For example, if you attempt to delete a company when another user is working in that company, the application displays a Network Conflict—Operation Interruption message similar to the one shown below.
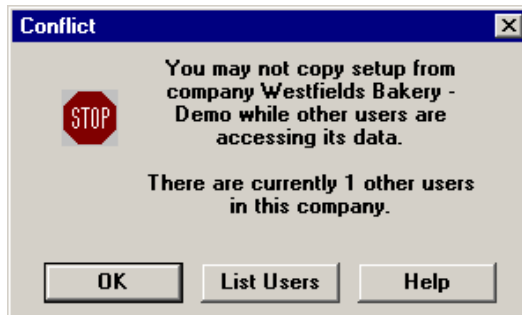
When the application displays an operation interruption message, it prevents you from completing an operation because that operation conflicts with another user's operation. You have two options when the application displays an operation interruption message:

- You can avoid the conflict and go on to another activity.

- You can resolve the conflict by looking at a list of users who are working in the same company in which you are working, then asking them to exit from the company.

Completing the Network Conflict—Operation Interruption Message

■ **OK Button**
When you click OK, the application closes the Network Conflict—Operation Interruption message. The application redisplays the screen that was open before the conflict occurred.

■ **List Users Button**
When you click the List Users button, the application displays a User List screen, similar to the one shown below. This screen lists the network login IDs of the users who are logged into the company in which you are working.

In our example, in which you attempted to delete a company, the User List screen displays a list of users who are logged into the company you tried to delete. You can then ask these users to exit from the company so that you can delete it.

Completing the User List Screen

■ **OK Button**
When you click OK, the application closes the User List screen. Then, the application redisplays the Network Conflict screen.

■ **Refresh Button**
When you click the Refresh button, the application displays an updated list of users currently logged into the company. In our example, if you click the Refresh button after the other users exit from the company, the application displays a User List screen that shows there are no other users currently working in the company.

Understanding Operation Interruption Messages

The application displays an operation interruption message under the circumstances listed below. Following the list are sections that discuss each circumstance in more detail.

- Another user is working in the company in which you are working. See "Another User in Company," page D-13.

- Another user modified asset data during the operation you chose. See "Another User Modified Data," page D-14.

- Another user is working in the database in which you are working. See "Another User in Database," page D-16.

- Another user locked the book in which you are attempting to work. See "Books Are Locked," page D-16.

- The application cannot find the company you have selected. See "Company Cannot be Found," page D-17.

- Another user locked the company that you are attempting to open. See "Company Is Locked," page D-17.

- The application cannot find the database you have selected. See "Database Cannot Be Found," page D-17.

- The application has lost its connection to the database you have selected. See "Database Engine Not Available," page D-17 and "Connection to Database is Lost," page D-17.

- Another user locked the database that you are attempting to open. See "Database Is Locked," page D-18.

- Another user deleted the asset, group, or template with which you were working. See "Deletions," page D-18.

- The print file you have selected is not available. See "Print File Unavailable," page D-18.

Another User in Company

The application displays a conflict message when another user is working in the same company in which you are working and you choose one of the following options.

- **Back Up Company—**You cannot back up a company when another user is working in that company.

- **Copy Company—**You cannot copy from or to a company when another user is working in that company.

- **Delete Company—**You cannot delete a company when another user is working in that company.

- **Edit Company—**You cannot save changes to a company when another user is working in that company.

- **Export Data—**You cannot export information from a company when another user is working in that company.

- **Extract Assets—**You cannot extract assets from a company if another user is working in either the source or destination company.

- **Import Data—**You cannot import information into an existing company when another user is working in that company.

- **Merge Company—**You cannot merge a company if another user is working in any of the source companies.

- **Restore Company—**You cannot restore a company when another user is working in that company.

Another User Modified Data

When two users are making changes to the same asset at the same time, the application protects the changes of the first user who saves his or her changes. See "Asset Modification Protection," page D-9.

Note If you receive a conflict message that indicates another user has modified data, you can click OK on the message, and then click the Refresh button. This ensures you are working on the most current version of the asset.

The application displays a conflict message when you attempt to choose any of the following options while another user is modifying asset data that would be affected by your operation.

- **Batch Manager—**When you attempt to save a batch name while another user is editing that batch or creating a batch with an identical name, the application displays a conflict message indicating the Save command did not execute.

- **Bulk Disposal—**When you attempt to perform a bulk disposal while another user is modifying data pertaining to an asset affected by the disposal command, the application displays a conflict message indicating the Bulk Disposal command did not execute.

- **Delete—**When you attempt to delete an asset while another user is modifying data pertaining to that asset, the application displays a conflict message indicating the Delete command did not execute.

- **Disposal Tab—**When you work in the Disposal tab while another user is modifying data affected by your work, the application displays a conflict message indicating the Save command did not execute.

- **Group Manager—**When you attempt to save a group name while another user is editing that group or creating a group with an identical name, the application displays a conflict message indicating the Save command did not execute.

- **Inactivate—**When you attempt to inactivate an asset while another user is modifying data pertaining to that asset, the application displays a conflict message indicating the Inactivate command did not execute.

- **Main Tab—**When you work in Main tab while another user is modifying an asset affected by your work, the application displays a conflict message indicating the Save command did not execute.

- **Reactivate—**When you attempt to reactivate an asset while another user is modifying data pertaining to that asset, the application displays a conflict message indicating the Reactivate command did not execute.

- **Replace—**When you attempt to replace a field in an asset while another user is modifying information pertaining to that asset, the application displays a message indicating the Replace command did not execute and your changes were not saved.

- **Save—**When another user has modified an asset and saved the changes before you attempt to save your changes to the same asset, the application displays a conflict message indicating the Save command did not execute because another user modified data during the operation. After you

click OK on the Network Conflict—Operation Interruption message, the application displays a refreshed view that includes the other user's changes.

- **Transfer Tab—**When you work in the Transfer tab while another user is modifying data affected by your work, the application displays a conflict message indicating the Save command did not execute.

Another User in Database

You cannot delete a database when another user is accessing data from that database.

Books Are Locked

If you attempt to work in a specific book (for example, change asset information for that book) and another user has already begun to calculate depreciation for that book, the application displays a message indicating you cannot continue because the book is locked. When a book is locked, you cannot perform any of the following operations in the locked book:

- Add an asset
- Delete an asset
- Replicate an asset
- Modify asset information
- Delete last transaction
- Depreciate/period close
- MACRS convention switch
- Reset depreciation
- Run the Depreciation on Replacement Value report.
- Run the Interest on Replacement Value report.

For more information on locks, see "Locks," page D-5.

Company Cannot be Found

If you attempt to open a company after another user has deleted the company, the application displays a message indicating it cannot find the company.

Company Is Locked

The application displays a message indicating the company is locked if you attempt to open a company when another user is performing one of the following operations:

- Copying, backing up, restoring, or purging asset history from the company.

- Importing information into the company.

- Merging the company.

- Exporting information from the company.

- Extracting assets from the company.

Database Cannot Be Found

If you attempt to open a database after another user has deleted the database, the system displays a message indicating it cannot find the database.

Database Engine Not Available

If you attempt to open a database after the application has lost its connection to the database, the application displays a message indicating the database engine is not available. This situation may occur when another user is operating a computer that is both a database server and a workstation. If that user turns the computer off, all other workstations lose their connections to the server. The solution may be as simple as turning on that computer and starting the server.

Connection to Database is Lost

If the server malfunctions and is unable to complete a critical process, such as importing data or calculating depreciation, the application performs a "database rollback." In a database rollback, the application restores the database to the values

existing before the attempted process. The purpose of the rollback is to protect data integrity.

The application displays a message on the server indicating it is rolling back the database, but the application does not display this message on your monitor. If you attempt to restart the network version of an application during a database rollback, the application displays the splash screen (initial screen) until the application completes the rollback. It can take from a few seconds to several minutes, depending on the size of the database.

Database Is Locked

If you attempt to open a database while another user is deleting that database, or another user is creating the database but the application has not completed its creation, the application displays a message indicating the database is locked. For more information, see the discussion on locks earlier in this appendix.

Deletions

Asset Deleted—When you attempt to save an asset after another user has deleted the asset with the same system number, the application displays a conflict message indicating the Save command did not execute. When you click OK on the Network Conflict— Operation Interruption message, the application displays a refreshed view, and the deleted asset's system number is no longer available.

Group Deleted—When you attempt to select a group that has been deleted, the application displays a conflict message indicating the group has been deleted and asking you to select another group.

Template Deleted—When you attempt to apply a template that has been deleted, the application displays a conflict message indicating the template has been deleted and asking you to select another template.

Print File Unavailable

If more than one user tries to print a report to the same file, the application displays a message indicating the file is not available.

Retry Messages

Retry messages appear when another user is copying, backing up, restoring, merging, extracting assets, or purging asset history from the same company in which you are working. When the other user performs one of those operations, the application "locks" the company to maintain data integrity. For more information, see "Locks," page D-5.

The application allows you to complete the command you chose after the other user finishes copying, backing up, restoring, merging, extracting assets, or purging asset history from the company. When you select File/Open Company while another user is copying, backing up, restoring, merging, or extracting assets from a company, the application displays a Network Conflict—Retry message, similar to the one shown below.

Note that the name of the user who is copying, backing up, restoring, merging, or extracting assets from the company automatically appears in the Network Conflict—Retry message. Therefore, there is no List User button on this message. Only one user's name appears in this Network Conflict—Retry message, because only one user can hold a company lock at one time.

Completing the Network Conflict—Retry Message

■ **Retry Button**
When you click this button, the application continues the operation you chose when it displayed the Network Conflict—Retry message. If the other user has finished copying, backing up, restoring, merging, extracting assets, or purging asset history from the company, the application

allows you to continue. If the other user has not finished, the
Network Conflict—Retry message remains on the monitor.

■ **Cancel Button**
When you click this button, the application closes the
Network Conflict—Retry message, then redisplays the
previous screen.

Understanding Retry Messages

The application displays a Network Conflict—Retry message
when you attempt to open a company or a database and another
user is performing one of the following operations:

- Deleting the company

- Copying the company

- Backing up the company

- Restoring the company

- Importing information into the company

- Exporting information from the company

- Merging the company

- Extracting assets from the company

- Purging asset history from the company

- Deleting the database

- Creating the database

Waiting Messages

Sometimes the application does not execute your command
immediately because another user is adding, deleting, or
replicating assets. In this case, the application displays a waiting
message. If you wait for the other user to finish the activity, the
application executes your command.

For example, if you attempt to add a new asset when another user
is also adding a new asset to the same company, the application
cannot assign a system number to your asset until it has assigned

a number to the other user's asset. The application displays a
Network Conflict—Waiting message, similar to the one shown
below, while the other user is adding or deleting assets.
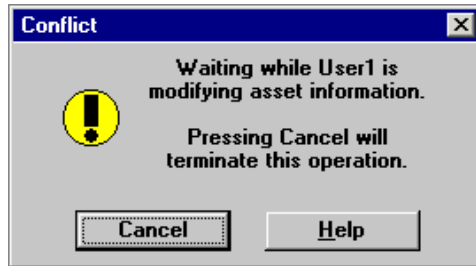
When the application displays a waiting message, you have two
choices: you can wait until the message disappears, or you can exit
from the Network Conflict—Waiting message by clicking the
Cancel button.

The application displays a waiting message when another user is
performing a brief operation that momentarily does not allow you
to continue. If you wait a few seconds until the other user finishes
the operation, the application closes the Network Conflict—
Waiting message and completes the operation you chose.

Completing the Network Conflict—Waiting Message

■ **Cancel Button**
   When you click the Cancel button, the application closes the
   Network Conflict—Waiting message and redisplays the
   previous menu.

   Notice that Network Conflict—Waiting messages do not have
   List Users buttons. You do not need one since only one user
   created the conflict and the application names that user in the
   Network Conflict—Waiting message.

Understanding Waiting Messages

When you and another user are working in the same company, the
application displays a waiting message in the circumstances
described below.

Another User Creating an Asset

When another user is creating a new asset and you attempt to add, delete, or replicate an asset, or you attempt to lock a book, the application displays a waiting message.

Another User Deleting an Asset

When another user deletes an asset (using either the Delete Asset command or the Delete Last Transaction command) and you attempt to add, replicate, or delete another asset, or lock a book, the application displays a waiting message.

Another User Replicating an Asset

When another user replicates an asset and you attempt to add, replicate, or delete another asset, or lock a book, the application displays a waiting message.

Another User Transferring an Asset

When another user is transferring an asset into a company, the application displays a waiting message while it creates the asset.

Network Warning Messages

The application displays network warning messages to remind you that the option you just chose may affect other users. Unlike network conflict messages, the application allows you to continue when it displays a warning message. For example, when you select Depreciation/Depreciate from the menu bar, the application displays a Network Warning message.
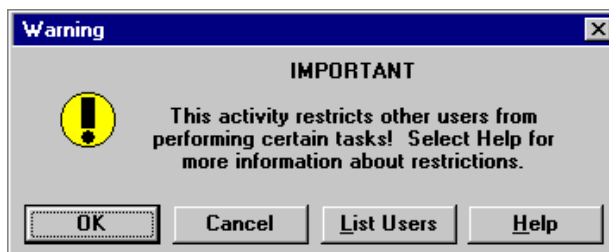
This warning message reminds you that while you are calculating depreciation, other users cannot make any changes to asset information.

You can select File/Preferences from the menu bar to turn off warning messages. To do this, see "Turning Off the Network Warning Messages," page D-3.

When the application displays a network warning message, you have three options.

- You can accept the warning and proceed with the option you chose when you received the message.

- You can exit from the Network Warning message and choose a different option.

- You can view a list of other users who will be affected if you proceed with the option you chose. This feature enables you to notify other users that you intend to perform an operation that may affect them, such as depreciate a company's assets.

Completing the Network Warning Message

■ **OK Button**
Click this button to accept the warning and proceed with the option you chose when the application displayed the message.

■ **Cancel Button**
When you click this button, the application closes the warning message, and then redisplays the current view of assets, either the group view or the detail view.

■ **List Users Button**
When you click this button, the application displays the User List screen. This screen lists the logon IDs of the users who are logged in to the same company in which you are working. For more information, see "Completing the User List Screen," page D-12.

Understanding Network Warning Messages

There are two types of network warning messages. One type warns you about changes to assets or groups; the other type warns you about performing certain activities.

Changes to Assets or Groups

The first type of warning message cautions you that changes to an asset or group may affect other users in the company in which you are working. The application displays a warning message similar to the one shown below when you select any of the following items from the menu bar:

- Asset/Delete

- Asset/Bulk Disposal

- Asset/Delete Last Transaction

- Customize/Depreciation Methods

- Customize/Group Manager
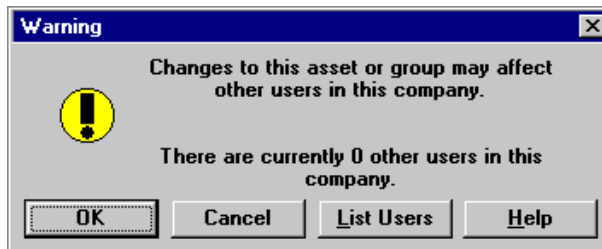
Activity Restricts Other Users

The second type of warning message warns you that the option you chose restricts other users from performing certain tasks. The application displays a message similar to the one shown below when you select any one of the following items from the menu bar:

- Depreciation/Depreciate

- Depreciation/Reset Depreciation

- Depreciate/MACRS Convention Switch

- Depreciate/Period Close

- Reports/Batch Reports (if batch includes Depreciation
  Expense Report or ACE report)

- File/Password Security Information
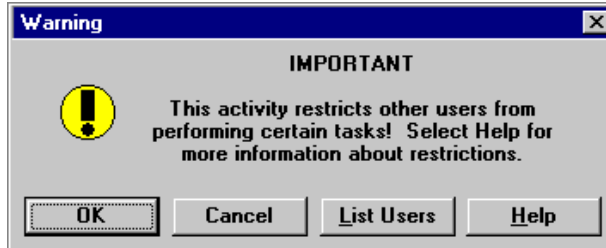
Network Conflict—License Limit Messages

Your license agreement with Sage limits the number of users who
can have access to FAS 100 Asset Accounting - Network Edition at
one time. For example, if you purchased a three-seat license, the
application does not allow more than three users to operate the
application at the same time. If three users are working in the
application, and another user attempts to open the application,
the application displays a Network Conflict—License Limit
message, similar to the one shown below.
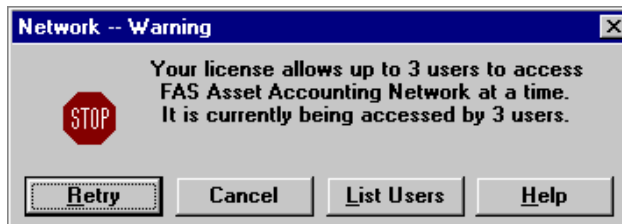
Completing the Network Conflict—License Limit Message

■ **Retry Button**
When you click this button, the system attempts again to open the application. If the number of users using the application does not exceed the number permitted by the license agreement, the application opens; otherwise, the Network Conflict—License Limit message remains on the monitor.

■ **Cancel Button**
When you click this button, the Network Conflict—License Limit message is closed, and then a message indicates the application cannot be initialized.

■ **List Users Button**
When you click this button, the application displays the User List screen. This screen lists the logon IDs of the users who are logged in to the database you are attempting to open. For more information, see "Completing the User List Screen," page D-12.

E Custom Export

The Sage FAS Export Helper guides you through the process of exporting asset data to an ASCII Comma Separated Value (CSV) file. A wide range of software applications, including popular spreadsheet applications, can read this file format.

Exporting Asset Data Using the Export Helper

The Export Helper is a series of wizard screens that assist you in exporting asset information from the application. The Export Helper guides you through the process of exporting asset data to an ASCII Comma Separated Value (CSV) file. In addition to creating the CSV file, you also create an export field map file during the export process. The field map file lists the names of the asset fields that you are exporting. You can reuse the field map in subsequent exports. By using an existing field map, you don't have to select the fields you want to export each time you perform the export.

Navigating the Export Helper

The guidelines provided below explain the navigation buttons common to all Export Helper screens.

■ **Help Button**
Click this button to access the online Help.

■ **Cancel Button**
Click this button to cancel the current export and return you to the main window.

■ **Back Button**
Click this button to return to the previous Export Helper screen.

■ **Next Button**
Click this button to accept the entries in the current Export Helper screen and display the next screen.

■ **Export Button**
Click this button to begin the export process.

Follow the steps below to export asset data using the Export Helper.

To export asset data using the Export Helper

1. Select File/Company Utilities/Custom Export from the menu bar. The Export Helper - Introduction screen appears.

2. Click the Next button. The Export Helper - Select Assets screen appears.
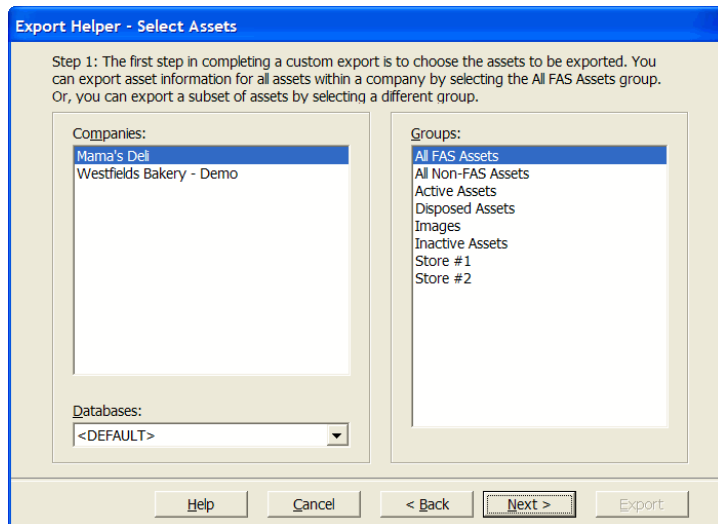
Follow the guidelines provided below to complete the fields on the Export Helper - Select Assets screen.

- **Companies**
  Use this field to select the company from which you want to export assets.

- **Groups**
  Use this field to select the group of assets that you want to export. If you want to export all of the assets of the selected company, select the All FAS Assets group. If you want to export a subset of assets from the selected company, select another group.

- **Databases**
  Use this field to select the database that contains the company from which you want to export assets.

3. Click the Next button. The Export Helper - Select Map screen appears.

Follow the guidelines provided below to complete the fields on the Export Helper - Select Map screen. A Field Map lists the names of the asset fields that you are exporting. After you create a field map, you can reuse it in subsequent exports. By using an existing field map, you don't have to select the fields you want to export each time you perform the export.

■ **Select Field Map**
Use these fields to either create a new field map or to select an existing field map. Select one of the available field map options.

❑ **Create New Field Map**
Click this option button if you want to create a new field map. When you click the Next button, you create the map on the Export Helper - Field Map screen.

❑ **Use Saved Field Map**
Click this option button if you want to use an existing field map. When you click the Next button, the Export Helper - Field Map screen is completed using the existing map.

❑ **Field Map**
Click the arrow to reveal a list of existing field maps in the application directory (use the Browse button to specify the location of the existing field map in

another directory). Select the appropriate field map from the list.

■ **Map Options**
Use the field to choose some options for the field map.

❑ **Book**
Use this field to select the Book (Tax, Internal, AMT, ACE, State, Book 6, or Book 7) the application will use for the export file. Some depreciation information differs from one book to another.

❑ **Include FAS Asset Inventory Fields**
Select this check box if you want the field map to include fields that are unique to the FAS 100 Asset Inventory application. This check box appears only if you are exporting assets from a company used in FAS 100 Asset Inventory.

4. Click the Next button. The Export Helper - Field Map screen appears.

Follow the guidelines provided below to complete the fields on the Export Helper - Field Map screen. This screen allows you to select the asset fields that you want to export.

■ **Field Category**
Use this field to select the type of fields you want displayed in the Available Fields list. This option allows you to limit the number of fields in the list so you don't have to scroll through them all.

❑ **All Fields**
Select this category to display all available fields.

❑ **General Info Fields**
Select this category to display only the fields that contain general information about an asset, such as its location, but do not affect the asset's depreciation calculations.

❑ **Critical Fields**
Select this category to display only the fields that are critical to calculating depreciation.

❑ **Book Related Fields**
Select this category to display additional data entry fields that **affect** depreciation calculations (in addition to the fields in the Critical Fields category). Most of these fields can have different values in each book.

❑ **Depreciation Fields**
Select this category to display only the fields that **contain** depreciation amounts or information about those amounts (such as the dates for which depreciation was calculated).

❑ **Disposal Fields**
Select this category to display only fields that pertain to asset disposals.

❑ **Transfer Fields (Parent)**
Select this category to display only fields that pertain to original assets that have been transferred.

❑ **Transfer Fields (Child)**
Select this category to display only fields that pertain to assets that have been created as a result of a transfer.

❑ **FAS Inventory Fields**
Select this category to display only the fields that are unique to the FAS 100 Asset Inventory application. This category appears only if you have selected the

Include FAS 100 Asset Inventory check box on the previous Export Helper - Select Map screen.

■ **Available Fields**
Use this field to select the field(s) that you want to include in the field map. You can add a field to the field map by highlighting it and then clicking the Add button. The field appears in the Export Field Map list box.

■ **Export Field Map**
This list box displays a list of the fields you have added to the field map.

■ **Add Button**
Click this button to add the selected field(s) to the field map file.

■ **Remove Button**
Click this button to remove the selected fields from the field map file.

■ **Print Map Button**
Click this button to send the map you have created to the default printer.

■ **Save Map Button**
Click this button to display a screen that allows you to save the field map you have created. See "Completing the Save Field Map Screen," page E-10.

■ **Up and Down Buttons**
Click these buttons to change the order of the fields in the Export Field Map list box. Select a field and click the Up button to move the field higher in the list. Select a field and click the Down button to move the field lower in the list.

■ **Include Company Data**
Select this check box if you want the field map to include a header row that contains the name of the selected company, group, and Book.

■ **Include Column Headers**
Select this check box if you want the field map to include a header row that contains the names of the selected asset fields.

5. Click the Next button. The Export Helper - File Destination screen appears.

If you have not included the System Number field in the field map, a message appears asking if you want to continue with the export. Click the No button if you want to return to the Export Helper - Field Map screen and select the System Number. Otherwise, click the Yes button to continue with the export.

If you have not saved your changes to the field map, a message appears asking if you want to save the field map. Click the Yes button if you want to save the field map. The Save Field Map screen appears. Enter a name for the field map, and then click OK. Otherwise, click the No button to continue with the export. The Export Helper - File Destination screen appears.

Follow the guidelines provided below to complete the fields on the Export Helper - File Destination screen.

- **File Name**
  Use this field to enter the name of the file that will contain information about the assets that you export. You do not have to enter a file extension. The application automatically adds a CSV extension to the file name.

- **Location**
  Use this field to enter the location of the export file. Click the Browse button to display the Export File screen,

which allows you to select the destination folder for the export file.

6. Click the Next button. The Export Helper - Summary screen appears.

Follow the guidelines provided below to understand the Export Helper - Summary screen.

- **Company Name**
  This field displays the name of the selected company from which you are exporting asset information.

- **Group**
  This field displays the name of the selected group of assets.

- **Export File**
  This field displays the directory path and file name of the export file.

- **Field Map**
  This field displays the name of the selected field map (in brackets). The list box displays the contents of the export field map.

- **Exporting Asset**
  This field displays the progress of the export after you click the Export button.

■ **Stop Button**
Click this button to stop the export process once it has begun.

■ **Export Button**
Click this button to begin the export process.

7. Review the data on the Export Helper - Summary screen prior to completing the export. This ensures the accuracy of your data.

8. Click the Export button. The application exports only valid data from the source file and displays a completion message, when finished with the export.

9. To exit from the Export Helper - Summary screen, do any of the following:

- Press ALT+F4.

- Click the Close button.

Completing the Save Field Map Screen
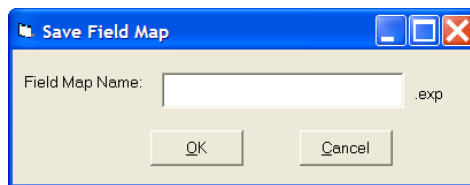
Follow the guidelines provided below to complete this screen.

■ **Field Map Name**
Use this field to enter a name for the field map. You can enter up to 10 alphanumeric characters. The application automatically adds an EXP extension to the field map name.

List of Exportable Fields

The following table contains the list of fields available for exporting with the Export Helper. For each field, the table provides the name and the required format.

Field Name	Format
General Information Fields	
Acquisition Date	Date
Activity Code	Text – A, D, I, etc.
Class	Alphanumeric
Company Asset Number	Alphanumeric
Creation Code	Text – O, D, etc.
Custodian	Alphanumeric
Department	Alphanumeric
Description	Alphanumeric
Extension	Numeric
G/L Accum Account No	Alphanumeric
G/L Asset Account No	Alphanumeric
G/L Expense Account No	Alphanumeric
Insurance Category	Alphanumeric
Location	Alphanumeric
Mfg Serial No	Alphanumeric
Purchase Order No	Alphanumeric
Replacement Value	Numeric (Currency)
RV Override	Numeric (Currency)
RV Override Date	Date
System Number	Numeric
User Field 1	Alphanumeric
User Field 2	Alphanumeric
User Field 3	Alphanumeric
User Field 4	Alphanumeric
User Field 5	Alphanumeric
User Field 6	Alphanumeric
User Field 7	Alphanumeric
User Field 8	Alphanumeric
User Field 9	Alphanumeric
User Field 10	Alphanumeric

Field Name	Format
User Numeric	Numeric
Vendor/Mfg	Alphanumeric
Warranty Date	Date
Critical Fields	
168 Allow %	Numeric - 0, 30, 50
Acquisition Value	Numeric (Currency)
Depreciation Method	Text - MF, MT, SL, SD, etc.
Depreciation Percent	Numeric - 100, 125, 150, 175, 200
Estimated Life	YYMM
In Service Date	Date
Property Type	Text – P, A, T, Q, R, S, C, E, F, H, Z, V
Book Related Fields	
ACE Basis	Numeric (Currency)
ACE Remaining Life	YYMM
Adjustment Amount	Numeric (Currency)
ADS Life	YYMM
Current Business Use	Percentage – e.g., 60.5
Current Remaining Life	YYMM
ITC Amount	Numeric (Currency)
ITC Basis Reduction Amt	Numeric (Currency)
ITC Option	Text – A, C, Q, R, etc.
ITC Percent	Percentage – e.g., 40.00
Last Calc Date	Date
Net Book Value	Numeric (Currency)
Salvage Value	Numeric (Currency)
Section 179 Qualified	Yes/No
Section 179 Recap	Numeric (Currency)
Section 179/Bonus	Numeric (Currency)
Depreciation Fields	
168 Allowance	Numeric (Currency)
Begin Accum Depr	Numeric (Currency)
Begin Prior Accum Depr	Numeric (Currency)
Begin Thru Date	Date
Begin YTD Depr	Numeric (Currency)

Field Name	Format
Current Accum Depr	Numeric (Currency)
Current Key Codes	Text – m, l, a, etc.
Current Thru Date	Date
Current YTD Depr	Numeric (Currency)
Depreciation This Run	Numeric (Currency)
Exclude on DER (Depreciation Expense Report)?	Yes/No
Prior Accum Depr	Numeric (Currency)
Disposal Fields	
Cash Proceeds	Numeric (Currency)
Deferral Date	Date
Disposal Date	Date
Disposal Description	Alphanumeric
Disposal Method	Text – S, A, T, etc.
Exchange?	Text – Yes, No
Expense of Sale	Numeric (Currency)
Gain/Loss Amount	Numeric (Currency)
ITC Recap	Numeric (Currency)
Non-Cash Proceeds	Numeric (Currency)
Recognize G/L?	Text – Y, N, D
Transfer Fields – Parent	
Amount Transferred	Numeric (Currency)
Effective Date of Transfer-Out	Date
Percent Transferred-Out	Numeric
Transfer Date-Out	Date
Transfer From	Alphanumeric
Transfer To	Alphanumeric
Transfer-by Field	Alphanumeric
Transfer Fields – Child	
Effective Date of Transfer-In	Date
Percent Transferred-In	Percent
Transfer Date-In	Date
Transferred-In From	Alphanumeric
Transferred-In To	Alphanumeric

Field Name	Format
FAS 100 Asset Inventory Fields	
Checked Out Date	Date
Condition	Alphanumeric
Expected Return Date	Date
FAI Replacement Value	Numeric (Currency)
FAI Replacement Value Category	Alphanumeric
FAI User Field 1	Alphanumeric
FAI User Field 2	Alphanumeric
FAI User Field 3	Alphanumeric
FAI User Field 4	Alphanumeric
FAI User Field 5	Alphanumeric
FAI User Field 6	Alphanumeric
FAI User Field 7	Alphanumeric
FAI User Field 8	Alphanumeric
FAI User Field 9	Alphanumeric
FAI User Field 10	Alphanumeric
Floor	Alphanumeric
Room	Alphanumeric

F Custom Import

The Sage FAS Import Helper guides you through the process of importing asset data from other sources into the application. When importing data, you can add the assets into a new or existing company. The assets are imported as new assets. These new assets can be either active or fully disposed.

Import Helper File Types

Using the Import Helper you can import data from the following sources:

- ASCII Files (tab delimited, comma delimited, or fixed width)

- Data Interchange Format Files

- dBase Files (version II to IV)

- Excel Spreadsheet Files (Microsoft Excel 2000 and later)

- Lotus Spreadsheet Files (version 1.x to 3.x)

The table below shows the types of files that you can import using Import Helper, along with their file extensions.

File Type	File Extension
ASCII Files - comma delimited	*.csv
ASCII Files - fixed width	*.txt
ASCII Files - tab delimited	*.tab
Data Interchange Format Files	*.dif
dBase Files	*.dbf
Excel Spreadsheet Files	*.xls
Lotus 123 Spreadsheet Files v. 1.x	*.wks
Lotus 123 Spreadsheet Files v. 2.1	*.wk1
Lotus 123 Spreadsheet Files v. 3.x	*.wk3

Importing Depreciation-Critical Fields

Each asset contains five fields that are critical to your depreciation calculations. You can import these fields into each of the seven depreciation books. If you choose to import one of these fields for a book, you must import all of them for that book. However, you must import critical fields into at least one book. You are not required to import all seven books. The five critical fields are listed below.

- Acquisition Value

- Depreciation Method

- Estimated Life

- Placed-In-Service Date

- Property Type

Note Declining balance methods require a depreciation percentage in addition to the depreciation method. These depreciation methods are MF, MA, MT, MI, MR, DB, DC, DD, DE, DH, and DI. For further information regarding depreciation methods, refer to Appendix B, "Depreciation Methods."

Note The "Plus 168" depreciation methods require a value in the 168 Allowance % field. If you use depreciation method MA, MR, SB, or AA, then a value of 30, 50, or 100 must appear in the 168 Allowance % field.

Setting Import Security

The security supervisor can set system security to allow or disallow specific users from importing data into the application. The security supervisor assigns security for Import Helper in the system-level security feature by assigning access to the Import menu heading. Therefore, users denied access to Import Helper will not be able to use any other functions listed under the Import menu heading, because all import functions are controlled by the

same security option. Likewise, any user with access to Import Helper will have access to any other function listed under the Import menu heading. For information on setting system security, see "Setting User Security," page 4-56.

Setting Asset Warning Preference

The Import Helper reports two types of messages when validating or importing a data file. Error messages indicate invalid information in your data file, and will always be displayed. Warning messages indicate data inconsistent with depreciation concepts and rules. The application does not import an asset if the Import Exceptions report displays an error message for that asset. However, the application does import an asset if the report displays a warning message for that asset.

To turn on or turn off the display of asset warnings on the Import Exceptions report, select File/Preferences from the menu bar. Click the Company tab in the Preferences screen. Note that if you clear the Display Asset Warnings check box, you will not see any warning messages when adding or changing assets.

Importing Asset Data

When using the Import Helper to import data, you create a map that correctly links the field data from your originating source file to the fields in the application. The Import Helper guides you through this entire process. The order of the data within the source file is not important; however, you may need to convert some of your data to the correct FAS 100 Asset Accountingformat. For more information on preparing your data for import, see "List of Importable Fields," page F-17, and "Field Specifications," page F-24.

Navigating the Import Helper

The guidelines provided below explain the navigation buttons common to all Import Helper screens.

- **Help Button**
  Click this button to access the online Help.

- **Cancel Button**
  Click this button to cancel the current import and return you to the main window.

- **Back Button**
  Click this button to return to the previous Import Helper screen.

- **Next Button**
  Click this button to accept the entries in the current Import Helper screen and display the next screen.

- **Import Button**
  Click this button to begin the import process.

To import asset data

1. Select File/Company Utilities/Custom Import from the menu bar. The Import Helper - Introduction screen appears.

2. Click the Next button. The Import Helper - Select File screen appears.
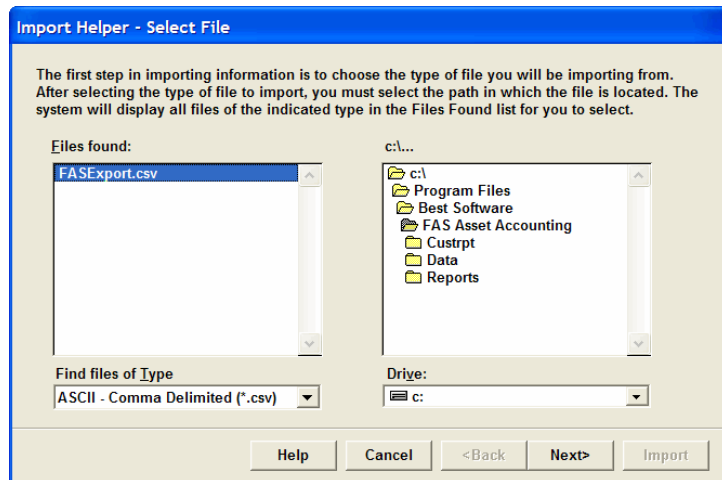
Follow the guidelines provided below to complete the fields on the Import Helper - Select File screen.

■ **Files Found**
    This list box displays the importable files found in the specified location. Select the source file containing the data you want to import. The application displays only file types of those specified in the Find Files of Type field in this box.

■ **Find Files of Type**
    Click the arrow to reveal a list of available import file types. Select the appropriate file type from the list. If you select the ASCII Fixed Width File option, the ASCII Fixed Width File Editor screen appears when you click the Next button. See "Completing the Import Helper - Column Width Definition Screen," page F-13.

■ **Drive**
    Select the drive letter where the file you want to import is located.

■ **Path**
    Select the path where the file you want to import is located.

3. Click the Next button. The Import Helper - Select Field Map screen appears.

Follow the guidelines provided below to complete the fields on the Import Helper - Select Field Map screen. A Field Map correctly links the data fields from your originating source to the fields in the application.

■ **Select Field Map**
Select one of the available field map options.

❑ **Create New Field Map**
Click this option button if you want to create a new field map. When you click the Next button, you'll create the map on the Import Helper - Select Fields screen.

❑ **Use Saved Field Map**
Click this option button if you want to use a pre-existing field map. When you click the Next button, the Import Helper - Select Fields screen is completed using the pre-existing map.

❑ **Field Map**
Click the arrow to reveal a list of pre-existing field maps in the application directory (use the Browse button to specify the location of the pre-existing field map in another directory). Select the appropriate field map from the list.

❑ **Include FAS Asset Inventory Fields**
Select this check box if you own FAS Asset Inventory and want to include fields used by FAS Asset Inventory in the import. If you choose this option, your FAS Asset Inventory fields will be available when you are creating a field map.

4. Click the Next button. The Import Helper - Select Fields screen appears.
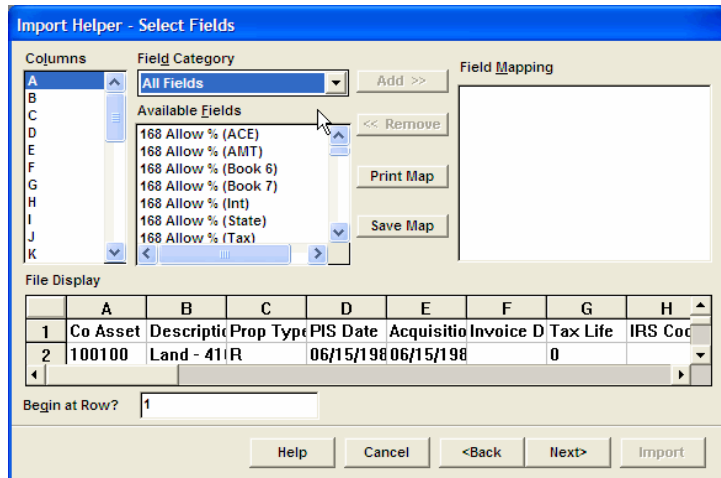
Follow the guidelines provided below to complete the fields on the Import Helper - Select Fields screen. This screen allows you to map the columns in the file you are importing to the fields in the application. This is an essential step to importing data into the application. The File Display box displays the first 15 rows of the file you are importing in a spreadsheet format. You match up the columns in that spreadsheet format to the fields in the application. You do not have to map all of the columns in your source file to the fields in the application.

■ **Columns**
Select the column you want to map to the application field. The File Display box displays the column data as it appears in the file you are importing.

■ **Field Category**
Select the type of fields you want displayed in the Available Fields list. This option allows you to limit the

number of fields in the list so you don't have to scroll through them all.

❑ **All Fields**
Select this category to display all available fields.

❑ **Book Fields**
Select this category to display only fields that pertain to the book-related fields in the application.

❑ **Critical Fields**
Select this category to display only the fields that are critical to calculating depreciation.

❑ **Descriptive Fields**
Select this category to display only the descriptive fields that are not critical to calculating depreciation.

❑ **Disposal Fields**
Select this category to display only fields that pertain to asset disposals.

■ **Available Fields**
After you've selected the column you want to map from the Columns list, select the application field you want to map to that column. You can select multiple fields from this list in order to map the data in a column to multiple fields. For example, the placed-in-service date might appear only once in your source file, but you can map it to the Placed-in-Service field in all seven books. Once you've mapped a field to a column, the field no longer appears in the Available Fields list.

■ **Field Mapping**
This list box displays a list of the fields you've added to the map.

■ **File Display**
This box displays the column data as it appears in the file you are importing. This is where you view the data to decide which column you want to map to the application field.

■ **Begin at Row?**
Type the row number of the file you are importing that you want the application to start importing from. This option allows you to view header rows from your source file in the File Display box without importing them.

- **Add Button**
  Click this button to add the selected fields to the map file.

- **Remove Button**
  Click this button to remove the selected fields from the map file.

- **Print Map Button**
  Click this button to send the map you have created to the default printer.

- **Save Map Button**
  Click this button to display a screen that allows you to save the map you've created. See "Completing the Save As Screen," page F-14.

5. Click the Next button. The Import Helper - Select Company screen appears.

Follow the guidelines provided below to complete the fields on the Import Helper - Select Company screen. This screen allows you to specify the company into which you want the asset data imported.

- **Company**
  Click the arrow to display a list of available companies. Select the company into which you want to import the asset data.

■ **Database**
Click the arrow to display a list of databases where your companies are stored. Select the database containing the company into which you want to import the asset data. You can also select the Database List Manager, which allows you to create a new database.

■ **New Company Button**
Click this button to create a new company. The New Company screen appears. If you decide to create a new company at this time, follow the instructions concerning creating a new company in "Creating a New Company," page 4-4.

6. Click the Next button. The Import Helper - Summary screen appears.

Follow the guidelines provided below to understand the Import Helper - Summary screen and to run an Import Exceptions report.

■ **Company Name**
This field displays the name of the company into which you are importing the file.

■ **Import File**
This field displays the name of the file you are importing.

- ■ **Field Map**
  This field displays the name of the selected field map (in brackets). The list below contains the names of all the fields included in the field map.

- ■ **Invalid**
  After you've clicked the Validate button, this field displays the number of invalid records in the data you are importing.

- ■ **Valid Records**
  After you've clicked the Validate button, this field displays the number of valid records in the data you are importing.

- ■ **Exceptions**
  After you've clicked the Validate button, this field displays the number of individual exceptions in the data you are importing. An exception is an error in the data you are importing. Each record can have many exceptions. The Import Exceptions report details these errors.

- ■ **Validate Button**
  Click this button to validate the data in the source file you are importing.

- ■ **View Report Button**
  Click this button to display the Import Exceptions report. The Import Exceptions report provides information about invalid records and their trouble spots. See "Sample Import Exceptions Report," page F-16.

- ■ **Import Button**
  Click this button to import the data. Import Helper imports only valid records. You can validate the data and view an Import Exceptions report prior to importing.

7. Review the data on the Import Helper - Summary screen prior to completing the import. This ensures the accuracy of your data.

8. Click the Validate button to validate the data of the source file before importing. The application determines whether the data in the originating source file is valid and then displays the number of valid and invalid records. You can also run an Import Exceptions report from this screen. An Import Exceptions report indicates incompatible or invalid records

in the file you are importing. It also indicates the reason the record is invalid.

9. If desired, click the View Report button to view the Import Exceptions report, and then click the Close button. If the application finds invalid fields in the import file, this report explains why the fields are invalid. If you choose to run the report at this time, the application displays the report in a report viewer, where you can then print the report or save it in a file. You must close the report viewer in order to return to the import function.

10. Correct any errors in your data (you can click the Back button to move backwards through the screens).

> **Note** You cannot have the spreadsheet open while you are in Import Helper.

11. Click the Import button. The application imports only valid data from the source file and displays a completion message, when finished with the import.

> **Note** Avoid importing valid records twice. The application imports valid records, but it does not import invalid records. If some records in your data file are invalid, you can correct the data file and reimport the records that were invalid. Make sure you import only the records that contained errors, and do not reimport the records that were valid more than once.

12. To exit from the Import Helper - Summary screen, do any one of the following:

*   Press ALT+F4.

*   Click the Close button.

Completing the Import Helper - Column Width Definition Screen
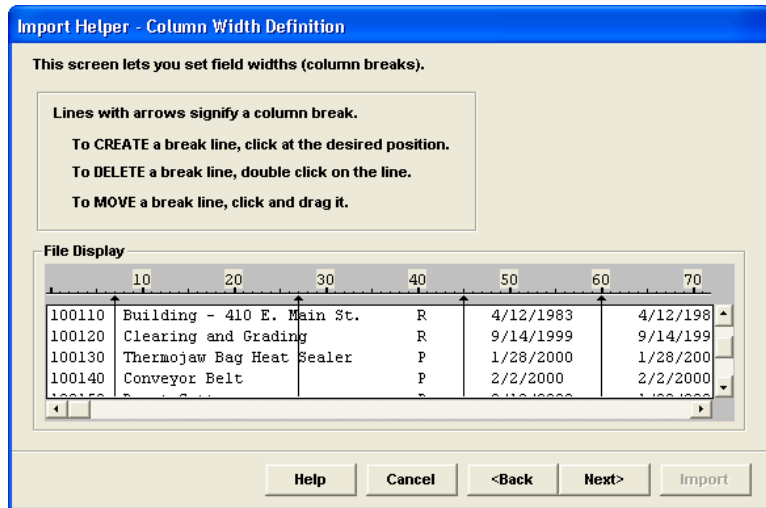
In the ASCII fixed width file format, all field data is assigned a fixed width. This screen allows you to re-assign the width of individual fields.

When the Column Width Definition screen appears, the Import Helper displays the ASCII file with its fixed width field data in a spreadsheet. The application estimates the breaks in the source file data, but you can edit these estimated breaks.

You can insert a line break by clicking inside the spreadsheet on the area where you want the line break to occur; a line-break marker will appear. To delete a line break, double-click on the line-break marker. To change the length of individual fields, click on the line-break marker and drag it to the right to increase the field width, or drag it to the left to decrease the field width.

When finished, click the Next button to continue with the import process.

Completing the Save As Screen
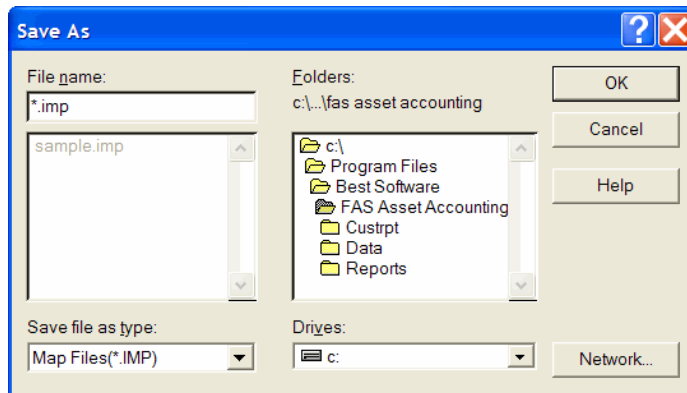
Follow the guidelines below to complete this screen.

■ **File Name**
Specify a name for the file you are creating.

■ **Save File as Type**
You must select the .IMP file type.

■ **Drives**
Specify the drive letter where you want to store the file you are creating.

■ **Directories**
Specify a storage location for the file you are creating.

Sample Import Field Map Report

Below is an example of an Import Field Map report. The report displays the connections you mapped from the columns in your source file to the fields in the application.

May 4, 2004
5:36 PM

Page   1

sample map.imp
Import Field Map

Field Map Path: C:\Work Documents\FAS 2004.2\Sample Data\

Column	FAS Field
A	Co Asset Number
B	Description
C	Property Type
D	Placed In Service Date (Int)
D	Placed In Service Date (Tax)
E	Acquisition Date
F	User Field 3
G	Est Life (YYMM) (Tax)
I	Depr Method (Tax)
J	Depr Percent (Tax)
K	168(k) Percent (Tax)
M	ADS Life
M	Est Life (YYMM) (Int)
N	Depr Method (Int)
O	Salvage Value (Int)
P	Custodian
R	User Numeric 1
S	Acquisition Value (Int)
S	Acquisition Value (Tax)
T	Mfg Warranty Date
U	User Field 4
V	Vendor
X	Mfg Serial No
Y	Location
Z	Department
AA	Class
AB	Insurance Category
AC	G/L Asset Account No
AD	G/L Expense Acct No
AE	G/L Accum Acct No
AF	Purchase Order Number
AG	User Field 2
AH	User Field 1

Sample Import Exceptions Report

Below is an example of an Import Exceptions report. The report specifies where problems exist in your source file data, and explains the nature of the problems, if possible.

June 1, 2004   Page   1

2:04 PM   Westfields Bakery
                                            Import Exceptions Report

Import File: C:\Program Files\Best Software\FAS Asset Accounting\sample import.xls
Field Map: sample.imp

Line Number	Exceptions
11	Error: Depreciation method 'SL' may not use 200% with property type 'P'. (Tax)
15	Warning: Only use a +168k depr meth if real prop in NYLZ, or LHI prop, or real prop recover pd of <=20 yrs. (Tax)
22	Error: Critical field 'Depr Method (Tax)' cannot be blank.
22	Error: Depreciation method 'NO' may not use 200% with property type 'P'. (Tax)
26	Error: Invalid Property Type in column C
65	Error: Critical field 'Acquisition Value (Int)' cannot be blank.
65	Error: Critical field 'Acquisition Value (Tax)' cannot be blank.
65	Error: Acquisition Value is zero. Depreciation method must be 'NO'. (Tax)
65	Error: Acquisition Value is zero. Depreciation method must be 'NO'. (Internal)
108	Error: Depreciation method 'AT' may not use 200% with property type 'P'. (Tax)

List of Importable Fields

The following table contains the list of fields available for mapping with Import Helper. For each field, the table provides the name and the required format. Some fields require a particular code that is specified by the application. These fields are noted with an asterisk in the Field No. column. For the correct codes for these fields, see "Field Specifications," page F-24. Please pay particular attention to the format of date fields and the Estimated Life field.

Date Fields

Enter dates in MM/DD/YYYY format.

Please note that both the Beginning Through Date and Current Through Date fields should *always* be expressed as the end of the month.

The application assumes that a date entered with only five characters contains a leading zero in the month field.

Numeric Fields

Numeric fields must be stored as integers (0 through 9), not as formulas or special functions.

Estimated Life

The Estimated Life field generally should be formatted as YYMM. Data received without leading or trailing zeroes will be assumed to have the following format:

Data	Format	Example
1 character	Y	5 or five years
2 characters	YY	15 or fifteen years
3 characters	YMM	506 or five years and six months

Fields Available for Importing

Field No.	Field Name	Format
1	168 Allow % (ACE)	Numeric - 2
2	168 Allow % (AMT)	Numeric - 2
3	168 Allow % (Book 6)	Numeric - 2
4	168 Allow % (Book 7)	Numeric - 2
5	168 Allow % (Int)	Numeric - 2
6	168 Allow % (State)	Numeric - 2
7	168 Allow % (Tax)	Numeric - 2
8	Acquisition Date	See Date Reference
9	Acquisition Value (ACE)	Numeric - 12 (9.2)
10	Acquisition Value (AMT)	Numeric - 12 (9.2)
11	Acquisition Value (Book 6)	Numeric - 12 (9.2)
12	Acquisition Value (Book 7)	Numeric - 12 (9.2)
13	Acquisition Value (Int)	Numeric - 12 (9.2)
14	Acquisition Value (State)	Numeric - 12 (9.2)
15	Acquisition Value (Tax)	Numeric - 12 (9.2)
16	Activity Code	Text - A, D, I
17	ADS Life	YYMM
18	Begin Accum Depr (ACE)	Numeric - 12 (9.2)
19	Begin Accum Depr (AMT)	Numeric - 12 (9.2)
20	Begin Accum Depr (Book 6)	Numeric - 12 (9.2)
21	Begin Accum Depr (Book 7)	Numeric - 12 (9.2)
22	Begin Accum Depr (Int)	Numeric - 12 (9.2)
23	Begin Accum Depr (State)	Numeric - 12 (9.2)
24	Begin Accum Depr (Tax)	Numeric - 12 (9.2)
25	Begin Thru Date (ACE)	See Date Reference
26	Begin Thru Date (AMT)	See Date Reference
27	Begin Thru Date (Book 6)	See Date Reference
28	Begin Thru Date (Book 7)	See Date Reference
29	Begin Thru Date (Int)	See Date Reference
30	Begin Thru Date (State)	See Date Reference
31	Begin Thru Date (Tax)	See Date Reference
32	Begin YTD Depr (ACE)	Numeric - 12 (9.2)
33	Begin YTD Depr (AMT)	Numeric - 12 (9.2)
34	Begin YTD Depr (Book 6)	Numeric - 12 (9.2)

Field No.	Field Name	Format
35	Begin YTD Depr (Book 7)	Numeric - 12 (9.2)
36	Begin YTD Depr (Int)	Numeric - 12 (9.2)
37	Begin YTD Depr (State)	Numeric - 12 (9.2)
38	Begin YTD Depr (Tax)	Numeric - 12 (9.2)
39	Cash Proceeds	Numeric - 12 (9.2)
40	Class	Text - 2 - Alphanumeric
41	Co Asset Number	Text - 25 - Alphanumeric
42	Custodian	Text - 25 - Alphanumeric
43	Deferred Disp Date (ACE)	See Date Reference
44	Deferred Disp Date (AMT)	See Date Reference
45	Deferred Disp Date (Book 6)	See Date Reference
46	Deferred Disp Date (Book 7)	See Date Reference
47	Deferred Disp Date (Int)	See Date Reference
48	Deferred Disp Date (State)	See Date Reference
49	Deferred Disp Date (Tax)	See Date Reference
50	Department	Text - 25 - Alphanumeric
* 51	Depr Method (ACE)	Text - 2
* 52	Depr Method (AMT)	Text - 2
* 53	Depr Method (Book 6)	Text - 2
* 54	Depr Method (Book 7)	Text - 2
* 55	Depr Method (Int)	Text - 2
* 56	Depr Method (State)	Text - 2
* 57	Depr Method (Tax)	Text - 2
58	Depr Percent (ACE)	Numeric - 3
59	Depr Percent (AMT)	Numeric - 3
60	Depr Percent (Book 6)	Numeric - 3
61	Depr Percent (Book 7)	Numeric - 3
62	Depr Percent (Int)	Numeric - 3
63	Depr Percent (State)	Numeric - 3
64	Depr Percent (Tax)	Numeric - 3
65	Description	Text - 80
66	Disposal Date	See Date Reference
67	Disposal Method	Text - 1
* 68	Disposal Recog Code (ACE)	Text - Alpha (Y/N/D)
* 69	Disposal Recog Code (AMT)	Text - Alpha (Y/N/D)
* 70	Disposal Recog Code (Book 6)	Text - Alpha (Y/N/D)

Field No.	Field Name	Format
* 71	Disposal Recog Code (Book 7)	Text - Alpha (Y/N/D)
* 72	Disposal Recog Code (Int)	Text - Alpha (Y/N/D)
* 73	Disposal Recog Code (State)	Text - Alpha (Y/N/D)
* 74	Disposal Recog Code (Tax)	Text - Alpha (Y/N/D)
75	Est Life (YYMM) (ACE)	Numeric - YYMM
76	Est Life (YYMM) (AMT)	Numeric - YYMM
77	Est Life (YYMM) (Book 6)	Numeric - YYMM
78	Est Life (YYMM) (Book 7)	Numeric - YYMM
79	Est Life (YYMM) (Int)	Numeric - YYMM
80	Est Life (YYMM) (State)	Numeric - YYMM
81	Est Life (YYMM) (Tax)	Numeric - YYMM
82	Expenses of Sale	Numeric - 1 2 (9.2)
83	G/L Accum Acct No	Text - 100 - Alphanumeric
84	G/L Asset Account No	Text - 100 - Alphanumeric
85	G/L Expense Acct No	Text - 100 - Alphanumeric
86	Gain/Loss Amt (ACE)	Numeric -12 (9.2)
87	Gain/Loss Amt (AMT)	Numeric -12 (9.2)
88	Gain/Loss Amt (Book 6)	Numeric -12 (9.2)
89	Gain/Loss Amt (Book 7)	Numeric -12 (9.2)
90	Gain/Loss Amt (Int)	Numeric -12 (9.2)
91	Gain/Loss Amt (State)	Numeric -12 (9.2)
92	Gain/Loss Amt (Tax)	Numeric -12 (9.2)
93	Insurance Category	Text - 25 - Alphanumeric
94	ITC Amount	Numeric - 12 (9.2)
95	ITC Basis Reduction Amt	Numeric - 12 (9.2)
* 96	ITC Option	Text - 1
97	ITC Percent	Numeric - 6
98	ITC Recap Amt (ACE)	Numeric - 12 (9.2)
99	ITC Recap Amt (AMT)	Numeric - 12 (9.2)
100	ITC Recap Amt (Book 6)	Numeric - 12 (9.2)
101	ITC Recap Amt (Book 7)	Numeric - 12 (9.2)
102	ITC Recap Amt (Int)	Numeric - 12 (9.2)
103	ITC Recap Amt (State)	Numeric - 12 (9.2)
104	ITC Recap Amt (Tax)	Numeric - 12 (9.2)
105	Location	Text - 25 - Alphanumeric
106	Mfg Serial No	Text - 25 - Alphanumeric

Field No.	Field Name	Format
107	Mfg Warranty Date	See Date Reference
* 108	Mid-Quarter Flag (ACE)	Text -1 (Y/N)
* 109	Mid-Quarter Flag (AMT)	Text -1 (Y/N)
* 110	Mid-Quarter Flag (Book 6)	Text -1 (Y/N)
* 111	Mid-Quarter Flag (Book 7)	Text -1 (Y/N)
* 112	Mid-Quarter Flag (Int)	Text -1 (Y/N)
* 113	Mid-Quarter Flag (State)	Text -1 (Y/N)
* 114	Mid-Quarter Flag (Tax)	Text -1 (Y/N)
115	Non Cash Proceeds	Numeric - 12 (9.2)
116	Placed In Service Date (ACE)	See Date Reference
117	Placed In Service Date (AMT)	See Date Reference
118	Placed In Service Date (Book 6)	See Date Reference
119	Placed In Service Date (Book 7)	See Date Reference
120	Placed In Service Date (Int)	See Date Reference
121	Placed In Service Date (State)	See Date Reference
122	Placed In Service Date (Tax)	See Date Reference
* 123	Property Type	Text - 1 - Alpha
124	Purchase Order Number	Text - 25 - Alphanumeric
125	RV Override	Numeric - 12 (9.2)
126	RV Override Date	See Date Reference
127	Salvage Value (ACE)	Numeric - 12 (9.2)
128	Salvage Value (AMT)	Numeric - 12 (9.2)
129	Salvage Value (Book 6)	Numeric - 12 (9.2)
130	Salvage Value (Book 7)	Numeric - 12 (9.2)
131	Salvage Value (Int)	Numeric - 12 (9.2)
132	Salvage Value (State)	Numeric - 12 (9.2)
133	Salvage Value (Tax)	Numeric - 12 (9.2)
134	Sec 179 Qual? (ACE)	Text - T or F
135	Sec 179 Qual? (AMT)	Text - T or F
136	Sec 179 Qual? (Book 6)	Text - T or F
137	Sec 179 Qual? (Book 7)	Text - T or F
138	Sec 179 Qual? (Int)	Text - T or F
139	Sec 179 Qual? (State)	Text - T or F
140	Sec 179 Qual? (Tax)	Text - T or F
141	Sec 179 Recap Amt (ACE)	Numeric - 12 (9.2)
142	Sec 179 Recap Amt (AMT)	Numeric - 12 (9.2)

Field No.	Field Name	Format
143	Sec 179 Recap Amt (Book 6)	Numeric - 12 (9.2)
144	Sec 179 Recap Amt (Book 7)	Numeric - 12 (9.2)
145	Sec 179 Recap Amt (Int)	Numeric - 12 (9.2)
146	Sec 179 Recap Amt (State)	Numeric - 12 (9.2)
147	Sec 179 Recap Amt (Tax)	Numeric - 12 (9.2)
148	Sec 179/Bonus Amt (ACE)	Numeric - 12 (9.2)
149	Sec 179/Bonus Amt (AMT)	Numeric - 12 (9.2)
150	Sec 179/Bonus Amt (Book 6)	Numeric - 12 (9.2)
151	Sec 179/Bonus Amt (Book 7)	Numeric - 12 (9.2)
152	Sec 179/Bonus Amt (Int)	Numeric - 12 (9.2)
153	Sec 179/Bonus Amt (State)	Numeric - 12 (9.2)
154	Sec 179/Bonus Amt (Tax)	Numeric - 12 (9.2)
155	Sec 179/Other Amt (ACE)	Numeric - 12 (9.2)
156	Sec 179/Other Amt (AMT)	Numeric - 12 (9.2)
157	Sec 179/Other Amt (Book 6)	Numeric - 12 (9.2)
158	Sec 179/Other Amt (Book 7)	Numeric - 12 (9.2)
159	Sec 179/Other Amt (Int)	Numeric - 12 (9.2)
160	Sec 179/Other Amt (State)	Numeric - 12 (9.2)
161	Sec 179/Other Amt (Tax)	Numeric - 12 (9.2)
162	Sec 179/Other Code (ACE)	Text - B, C, D, E, O, or X
163	Sec 179/Other Code (AMT)	Text - B, C, D, E, O, or X
164	Sec 179/Other Code (Book 6)	Text - B, C, D, E, O, or X
165	Sec 179/Other Code (Book 7)	Text - B, C, D, E, O, or X
166	Sec 179/Other Code (Int)	Text - B, C, D, E, O, or X
167	Sec 179/Other Code (State)	Text - B, C, D, E, O, or X
168	Sec 179/Other Code (Tax)	Text - B, C, D, E, O, or X
169	User Field 1	Text - 25 - Alphanumeric
170	User Field 2	Text - 25 - Alphanumeric
171	User Field 3	Text - 25 - Alphanumeric
172	User Field 4	Text - 25 - Alphanumeric
173	User Field 5	Text - 25 - Alphanumeric
174	User Field 6	Text - 25 - Alphanumeric
175	User Field 7	Text - 25 - Alphanumeric
176	User Field 8	Text - 25 - Alphanumeric
177	User Field 9	Text - 25 - Alphanumeric
178	User Field 10	Text - 25 - Alphanumeric

Field No.	Field Name	Format
179	User Numeric 1	Numeric - 11
180	Vendor	Text - 25 - Alphanumeric
181	Zone Type (ACE)	Text - G, K, E, D, or X
182	Zone Type (AMT)	Text - G, K, E, D, or X
183	Zone Type (Book 6)	Text - G, K, E, D, or X
184	Zone Type (Book 7)	Text - G, K, E, D, or X
185	Zone Type (Int)	Text - G, K, E, D, or X
186	Zone Type (State)	Text - G, K, E, D, or X
187	Zone Type (Tax)	Text - G, K, E, D, or X

* These fields require a particular code that is specified by the FAS 100 Asset Accounting application.

Field No.	Field Name	Format
	FAS 100 Asset Inventory Fields	
1	FT User field 1	Text - 25 - Alphanumeric
2	FT User field 2	Text - 25 - Alphanumeric
3	FT User field 3	Text - 25 - Alphanumeric
4	FT User field 4	Text - 25 - Alphanumeric
5	FT User field 5	Text - 25 - Alphanumeric
6	FT User field 6 (Acq. Value)	Numeric - 12 (9.2)
7	FT User field 7	Numeric - 12 (9.2)
8	FT User field 8	Numeric - 12 (9.2)
9	FT User field 9	Numeric - 12 (9.2)
10	FT User field 10	Numeric - 12 (9.2)
11	Checked Out Date	Date
12	Condition	Text - 25 - Alphanumeric
13	Expected Return Date	Date
14	Floor	Text - 25 - Alphanumeric
15	Replace Value	Numeric - 12 (9.2)
16	Replace Value Cat	Text - 25 - Alphanumeric
17	Room	Text - 25 - Alphanumeric

Field Specifications

The files you import must match the format the application expects to receive. Each file you import includes multiple records, and each record includes multiple *fields* that must contain data of the proper type.

Most general-information fields are user-defined. In the description of each field that follows, general information fields are listed as user-defined. This means you can enter data of your choice that is appropriate to the field name. For field lengths and formats of each field listed below, see the table, "Fields Available for Importing," page F-18.

Note The order of the fields within a record is not important. For convenience, the field numbers in the descriptions below match the order in which they are listed in the table, "Fields Available for Importing," page F-18.

- ◼ **Fields 1-7: 168 Allowance %**
  - • This field is required with depreciation methods MA, MR, SB, and AA.

  - • Enter the Section 168 Allowance percentage. Use this field only with depreciation methods MA, MR, SB, or AA.

  - • Enter the number as 30 for a 30% allowance, 50 for a 50% allowance, or 100 for a 100% allowance.

- ◼ **Field 8: Acquisition Date**
  - • User-defined date field.

- ◼ **Fields 9-15: Acquisition Value**
  - • The field must contain the cost of the asset.

  - • The format of this field is Numeric - 12 (9.2). Example: 123456789.12.

■ **Field 16: Activity Code**
  • Use one of the following codes.

Activity Code	Type	Definition
A	Active	Active Asset
D	Disposed	Disposed Asset
I	Inactive	Inactive Asset

■ **Field 17: ADS Life**
  • The first two digits display the number of years in the ADS life. The last two digits display the number of months.

  • The format of this field is YYMM. Example: 0700.

■ **Fields 18-38: Beginning Depreciation Data Fields**
  • These fields should contain depreciation data being brought forward from a previous fixed assets solution.

  ❑ **Fields 18-24: Beginning Accumulated Depreciation**
    • This field should contain the total of all depreciation calculated on the asset since it was placed in service, including the amount in the beginning YTD depreciation field.

    • The amount in this field may not be greater than the asset's depreciable basis or less than the beginning YTD depreciation amount.

  ❑ **Fields 25-31: Beginning Through Date**
    • Required if the beginning accumulated amount is greater than 0. The date must be in the format MMDDYYYY, where the day represents the end of the month.

  ❑ **Fields 32-38: Beginning YTD Depreciation**
    • This field should contain the amount of depreciation, if any, already taken on this asset in this book for the fiscal year in which you are importing the data. This is the amount of depreciation taken from the beginning of that fiscal year through the date in the beginning date field. If the beginning date is any date other than the end of a fiscal year, this field must contain the YTD depreciation to get correct results when you run

depreciation for the current fiscal year. If this field is blank, the application assumes no depreciation for the fiscal year as of the beginning date has been taken.

- The amount in this field may not be greater than the asset's depreciable basis, or the beginning accumulated depreciation amount.

■ **Field 39: Cash Proceeds**
- You may leave this field blank. However, if the gain/loss amount is based on this figure, the number should be entered.

■ **Field 40: Class**
- User-defined.

■ **Field 41: Company Asset Number**
- User-defined.

- The format for this field is alphanumeric text, up to 25 characters.

■ **Field 42: Custodian**
- User-defined.

■ **Fields 43-49: Deferred Disposal Date**
- Enter a deferred disposal date only if you entered "D" in the Disposal Recognition Code field.

■ **Field 50: Department**
- User-defined.

■ **Fields 51-57: Depreciation Method**
- This field must contain a valid depreciation method code. All depreciation method codes must be in uppercase letters. The following table contains the valid depreciation method codes.

Code	Depreciation Method
MA	MACRS formula plus 168
AA	ADS straight-line MACRS plus 168
MR	MACRS Indian Reservation plus 168
SB	Straight-line, full-month plus 168
MF	MACRS formula
MT	MACRS table
MI	MACRS Indian Reservation

Code	Depreciation Method
AD	ADS straight-line MACRS
AT	ACRS table
SA	Straight-line, alternate ACRS formula
ST	Straight-line, alternate ACRS table
SD	Straight-line, modified half-year
SL	Straight-line
SF	Straight-line, full month
SH	Straight-line, half-year
DB	Declining-balance, switch to SL when optimal
DD	Declining-balance, modified half-year, switch to SL when optimal
DC	Declining-balance, no switch to SL
DH	Declining-balance, half-year, switch to SL when optimal
DE	Declining-balance, modified half-year, no switch to SL
DI	Declining-balance, half-year, no switch to SL
YH	Sum-of-the-years'-digits, half-year
YD	Sum-of-the-years'-digits, modified half-year
YS	Sum-of-the-years'-digits
RV	Remaining value over remaining life
OC	Own depreciation calculation
NO	Do not depreciate

- The depreciation method is interdependent with values in several other fields: placed-in-service date, declining-balance percent, property type, 168 Allowance %, and estimated life.

- All custom method depreciation codes must be in lowercase letters.

■ **Fields 58-64: Depreciation Percent**
  - Enter the depreciation percentage associated with the declining balance method specified in the Depreciation Method field. Use this field only if you entered a depreciation method of MF, MA, MT, MI, MR, DB, DH, DD, DI, DE, or DC.

  - Enter the number as 100, 125, 150, 175, or 200 without special formatting.

- ■ **Field 65: Description**
  - User-defined.

- ■ **Field 66: Disposal Date**
  - If the asset has been disposed of, this field must contain a valid date in the format MMDDYYYY.

- ■ **Field 67: Disposal Method**
  - If the record includes a disposal date, a disposal method is required. Enter one of the following codes.

Code	Disposal Method
S	Sale
A	Abandonment
E	Taxable Exchange
C	Casualty
L	Like-Kind Exchange: Pre-1/3/2000
K	Like-Kind Exchange: Post-1/2/2000
I	Involuntary Conversion: Pre-1/3/2000
V	Involuntary Conversion: Post-1/2/2000
R	Other

- ■ **Fields 68-74: Disposal Recognition Code**
  - Enter "Y" if you want to recognize a gain for a disposal.

  - Enter "N" if you do not want to recognize a gain for a disposal.

  - Enter "D" if you want to defer the gain until a later date.

- ■ **Fields 75-81: Estimated Life**
  - This field must have an estimated life in years and months that is valid for the depreciation method used. The format of this field is YYMM. For example, enter 5 ½ years as 0506.

- ■ **Field 82: Expenses of Sale**
  - This field may be left blank. However, if the gain/loss amount is based on this figure, the number should be entered.

- ■ **Field 83: G/L Accumulated Account Number**
  - User-defined.

- **Field 84: G/L Asset Account Number**
  - User-defined.

- **Field 85: G/L Expense Account Number**
  - User-defined.

- **Fields 86-92: Gain/Loss Amount**
  - Enter the gain/loss amount for this asset. This field may be left blank.

  - Denote a loss by a negative sign before the amount.

- **Field 93: Insurance Category**
  - User-defined.

- **Field 94: ITC Amount**
  - The ITC Amount field cannot exceed the asset's depreciable basis.

- **Field 95: ITC Basis Reduction Amount**
  - This field displays the amount of the ITC credit used to reduce the basis when calculating depreciation. If no value is entered in this field, the application calculates the basis reduction using the default reduction percentage based on the type of ITC taken in the ITC Option field.

- **Field 96: ITC Option**
  - Complete this field based on whether ITC was taken.

  - ❑ **If ITC was taken:**
    - The ITC Option field must display one of the following codes.

Code	ITC Option
1	Heat/Power System
2	Small Wind Energy
3	Geothermal Heat Pump
A	New Property, full credit
B	New Property, reduced credit
C	Used Property, full credit
D	Used Property, reduced credit
E	30-year rehabilitation property
F	40-year rehabilitation property
G	Certified historical structure rehabilitation

Code	ITC Option
H	Noncertified historical structure rehabilitation
I	Biomass property
J	Intercity buses
K	Hydroelectric generating property
L	Ocean thermal property
M	Solar energy property
N	Wind property
O	Geothermal property
P	Certified historical transition property
Q	Qualified progress expenditures
R	Reforestation property

❑ **If ITC was not taken:**
- ITC Option field—Enter the letter X in the ITC field.

- ITC Percent, ITC Amount, and ITC Basis should be zero (0).

■ **Field 97: ITC Percent**
- The ITC Percent field cannot be greater than 40%.

- The format of this field is 0.nnnn, where n is the applicable percent.

■ **Fields 98-104: ITC Recapture Amount**
- This field displays the ITC recapture amount as required by tax law (if ITC was taken on the asset and the asset was disposed of before the end of its recovery life). The amount in this field is carried to the Form 4255—ITC Recapture worksheet, which is accessible through the Reports Menu.

■ **Field 105: Location**
- User-defined.

■ **Field 106: Manufacturer's Serial Number**
- User-defined.

■ **Field 107: Manufacturer's Warranty Date**
- User-defined date field.

■ **Fields 108-114: Mid-Quarter Flag**
- Enter "Y" to use the midquarter convention for depreciation methods MF, MA, MT, MI, MR, AD, or AA.

- Enter "N" to use the half-year convention for depreciation methods MF, MA, MT, MI, MR, AD, or AA.

- Leave this field blank if using other depreciation methods.

■ **Field 115: Non-Cash Proceeds**
- This field may be left blank. However, if the gain/loss amount is based on this figure, the number should be entered.

■ **Fields 116-122: Placed-in-Service Date**
- The placed-in-service date must be valid for the depreciation method entered in the Depreciation Method field and the property types listed below.

- Property types:

  - Property type H is valid only for dates in the range of 01/01/81 to 12/31/86.

  - Property types P, R, C, E, F, Z, and V are valid with any placed-in-service date.

  - Property types A, Q, and S are valid only for dates after 06/18/84.

- Depreciation Methods:

  - ACRS = 1/1/81 - 12/31/86

  - MACRS = Begins 8/1/86 - present (allowed for transitional property between 8/1/86 and 12/31/86)

For an in-depth discussion of depreciation methods and property types, see Appendix A, "Depreciation and Fixed Asset Concepts."

■ **Field 123: Property Type**
- Enter property type in uppercase letters. The property type field must display one of the following codes.

Code	Property Type
P	Personal property, general
A	Automobile
T	Light trucks and vans
Q	Personal property, listed
R	Real property, general

Code	Property Type
S	Real property, listed
C	Real property, conservation
E	Real property, energy
F	Real property, farms
H	Real property, low-income housing
Z	Amortizable property
V	Vintage account property

- Property type must be valid for the date placed in service in all books.

- Property types P, R, C, E, F, Z, and V are valid with any placed-in-service date.

- Property types A, Q, and S are valid only for dates after 06/18/84.

- Property type T is valid only for dates starting 01/01/03.

- Property type H is valid only for dates in the range of 01/01/81 to 12/31/86.

■ **Field 124: Purchase Order Number**
  - User-defined.

■ **Field 125: RV Override**
  - This field is used only if you are using the Replacement Value functionality. Enter the RV Override amount if applicable.

■ **Field 126: RV Override Date**
  - This field is used only if you are using the Replacement Value functionality. Enter the RV Override Date pertaining to the RV Override amount entered in RV Override field.

■ **Fields 127-133: Salvage Value**
  - The salvage value cannot be greater than the asset's depreciable basis.

■ **Fields 134-140: Section 179 Qualified?**
  - This field indicates whether the asset is qualified to take a Section 179 deduction and should be included in the phase-out calculations, whether or not the asset actually claims a Section 179 deduction.

- Enter "T" (for True) if the asset is qualified Sec. 179 property.

- Enter "F" (for False) if the asset is not qualified Sec. 179 property.

■ **Fields 141-147: Section 179 Recapture Amount**
- When a pre-1987 asset on which the Section 179 expense deduction has been taken is disposed of during either of the two taxable years following the acquisition year, all or part of the Section 179 expense must be added back to the asset's basis (that is, recaptured).

- The calculation for the amount added back to the basis is:

  Section 179 taken

  − *Depreciation on 179 amount*

  Section 179 recapture

- In the above equation, the depreciation on the Section 179 amount is the amount of depreciation that would have been taken on the Section 179 amount had there been no Section 179 deduction.

■ **Fields 148-154: Section 179/Bonus Amount**
- This field should contain either a zero if no Bonus or Section 179 were taken in the acquisition year or the total amount of Bonus or Section 179 that was applied to the asset.

- Bonus amount should not exceed $2,000 or 20% of the asset's depreciable basis, whichever is less.

- Section 179 amount may not exceed the asset's depreciable basis. Limitations for this field are based on the applicable law.

■ **Fields 155-161: Section 179/Other Amount**
- Complete this field based on whether or not you are claiming a Section 179 Other deduction. In order to enter an amount here you must enter a corresponding code in the Section 179/Other Code field.

■ **Fields 162-168: Section 179/Other Code**
- Complete this field based on whether a Sec. 179/Other deduction was taken.

❑ **If Sec. 179/Other was taken:**
- The Section 179/Other Code field must display one of the following codes:

Code	Sec. 179/Other Option
B	EPA Sulfur Control Requirements
C	Qualified Refineries
D	Energy Efficient Commercial Buildings
E	Advanced Mine Safety Equipment
O	Other Basis Reduction

❑ **If Sec. 179/Other was not taken:**
- Enter the letter "X" in the Sec. 179/Other Code field.

■ **Field 169-178: User Fields 1 through 10**
- User-defined.

■ **Field 179: User Numeric 1**
- User-defined.

■ **Field 180: Vendor**
- User-defined.

■ **Fields 181-187: Zone Type**
- Enter a zone type code in this field if your asset is located in a special zone which entitles the asset to claim an additional Sec. 179 deduction above the regular dollar limits.

❑ **If the asset is located in a special zone:**
- The Zone Type field must display one of the following codes.

Code	Definition
G	Gulf Opportunity Zone
K	Kansas Disaster Zone
E	Enterprise Zone
D	Qualified Disaster Zone
X	No Zone Applies

❑ **If the asset is not located in a special zone:**
- Enter the letter "X" in the Zone Type field.

G Sage FAS Links

The Sage FAS links enable you to electronically create and post depreciation expense directly from the application to your accounting software. Using a Sage FAS link will reduce duplicate data entry, eliminate keyboard errors, and keep the asset register up to date with the accounting solution.

Note For complete instructions on using all of the Sage FAS links, refer to the *Sage FAS Links Guide* located on your installation CD-ROM.

The Sage FAS link creates a depreciation expense journal entry for one company or group within a company at a time (the company that has been selected when you run the link). The Sage FAS link cannot export depreciation transactions for multiple companies within the same output file.

In the simplest terms, the Sage FAS link accomplishes these tasks:

- Identifies assets in the data files for a given company.

- Accumulates the Depreciation This Run expense amounts for these assets.

- Creates a depreciation expense journal entry. For some Sage FAS links, the application creates an output file that you must import into your general ledger software. For other Sage FAS links, the application sends the depreciation expense journal entry directly to your general ledger software when you run the link.

The application installs several links automatically at no additional cost when you install the application. **You do not have to install these links.** These links enable you to post depreciation to many Sage packages, including Sage MAS 500 ERP, Peachtree by Sage, and Sage Timberline Office.

However, you can install additional links if needed. You must enter a serial number when you install one of these additional

links. To purchase a link and receive your serial number, call your Sage FAS sales representative.

You access the desired link from the Links menu.

Selecting a Favorite Sage FAS Link

You can select the Sage FAS link that you run most often. After you select your favorite Sage FAS link, it appears at the bottom of the Links menu, so that you can run the link with a single mouse click.

To select a favorite Sage FAS link

1. Select File/Preferences from the menu bar. The System page of the Preferences screen appears.
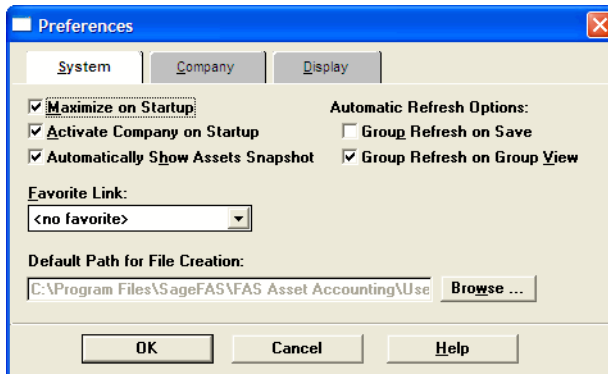
2. Open the drop-down list box in the Favorite Link field, and select one of the Sage FAS links.

3. Click OK to close the Preferences screen. The selected link appears at the bottom of the Links menu.
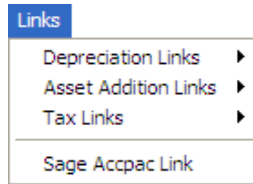
Sage FAS Link Process

Each time you transfer depreciation information from Sage FAS to the standard output file, you will follow the steps outlined below:

1. Add new assets and change existing assets as necessary. Make certain that the G/L Expense Account Number and G/L Accumulated Account Number have been entered for every asset included in your posting. For more information, see "Step 1: Entering G/L Account Numbers," page G-4.

2. Calculate depreciation for the period you want to post. Typically, users post depreciation amounts once a month. Calculate depreciation by selecting the Depreciate command from the Depreciation menu. This procedure calculates depreciation for the period and updates the data files. Depreciation This Run must equal the period you want to post. For more information, see "Step 2: Calculating Depreciation Before Running the Sage FAS Link," page G-5.

3. Run the Sage FAS link to generate the depreciation expense journal entry. For some Sage FAS links, the application sends the depreciation expense journal entry directly to your general ledger when you run the link. For more information, see "Step 3: Running a Sage FAS Link," page G-7.

4. For some Sage FAS links, you must now import the ASCII file that the application has just created into your general ledger system.

Step 1: Entering G/L Account Numbers

The application uses two account numbers to post depreciation: the G/L Expense Account Number and the G/L Accumulated Account Number. The format of these account codes must match the format used by your general ledger software.

- **G/L Expense Account Number:** This is the depreciation expense account number and should be entered as it is set up in the Chart of Accounts in your general ledger software. This account usually has a debit balance. The application uses it to create the journal entry to be transferred to your general ledger software.

- **G/L Accumulated Account Number:** This is the accumulated depreciation expense account number and should be entered as it is set up in the Chart of Accounts in your general ledger software. This is a contra asset account and usually has a credit balance. The application uses it to create the journal entry to be transferred to your general ledger software.

Note By default, you can enter up to 35 characters in the three general ledger fields. However, you can change the limit to up to 100 characters by editing the Entry Mask field in the Customize Fields screen.

Before you run the Sage FAS link, you should make sure that all of the assets on which you calculate depreciation contain information in their G/L account fields. To quickly discover if any assets have blank G/L account fields, follow the steps below.

To check for blank G/L account fields

1. Go to Group View.

2. Select the All FAS Assets group.

3. Double-click the G/L account field name.

Double-clicking on a column heading in Group View sorts the column temporarily. Any assets with blank G/L account fields will appear at the top of the list.

If you have any assets for which you calculate depreciation with blank G/L account fields, select the asset and click the Detail View button to view the asset information. The general ledger fields will appear in the general asset information in the middle of Detail View.

Enter the G/L Accumulated Account Number and G/L Expense Account Number for every asset on which you calculate depreciation. Use the same format for these account numbers as the format used in the general ledger software.

Note   You may save time by using the Replace feature.

Important Note if You Customize G/L Account Number Fields

Many Sage FAS users facilitate data entry of the G/L account number fields by using the Customize Fields screen. For example, suppose your G/L Expense Account numbers consist of three numbers, a hyphen, and then three more numbers. In the Customize Fields screen, you could select the G/L Expense Account Number field and enter **NNN-NNN** in the Entry Mask field. When you begin to enter an account number in the G/L Expense Account Number field, the application enters the hyphen automatically.

However, the application does not recognize the entries in the Entry Mask field when you use the Peachtree by Sage Link. If the account number fields contain hyphens entered automatically by the application because of entries in the Entry Mask field, these hyphens will not appear in the link export file.

Therefore, if you want the G/L account numbers to have hyphens, you must enter the hyphens manually in the G/L account number fields.

Step 2: Calculating Depreciation Before Running the Sage FAS Link

Before you run the Sage FAS link, you must calculate depreciation for all assets to be included in your link file. You should calculate depreciation for each period (whether monthly, quarterly, or annually) you plan to post. Do this through the Depreciate

command on the Depreciation menu. Calculate depreciation through the posting date, making sure to select the depreciation book you use for financial reporting, typically the Internal book. Run and review the report for all assets to be included in your output file.

Caution The application uses the amount in the Depreciation This Run column for the depreciation amounts in the output file. Therefore, it is important that the amount of depreciation in the Depreciation This Run column represents the depreciation expense for the period you want to post. To ensure the amounts in the Depreciation This Run column represents the period you want to post, follow the guidelines below.

If you post depreciation monthly and calculate depreciation monthly, simply run the Sage FAS link after you calculate your monthly depreciation figures. However, if you are not sure what period was included in the last depreciation run figures, use the following procedure:

1. Calculate depreciation through the month-end before the beginning of the posting period. For example, to create a Sage FAS link file for October 2007, first calculate depreciation through September 2007.

2. Calculate depreciation through the end of the posting period. Continuing the example, you would calculate depreciation through October 2007. The period included in the Depreciation This Run column, shown on the Depreciation Expense report, would include only the month of October (the period since the last time you calculated depreciation).

3. Run the Sage FAS link using a posting date of October 2007.

In most cases, you will want to include all assets in both the depreciation calculations and the link file. To include all assets, calculate depreciation for the group All FAS Assets.

Step 3: Running a Sage FAS Link

Before you run a Sage FAS link, you should have performed the following tasks:

- Make sure that the G/L Expense Account Number and G/L Accumulated Account Number have been entered for every asset included in your posting.

- Calculate depreciation for the period you want to post. Typically, users post depreciation amounts once a month. Calculate depreciation by selecting the Depreciate command from the Depreciation menu. Calculate depreciation through the posting date, making sure to select the depreciation book you use for financial reporting (typically the Internal book). Run and review the report for all assets to be included in your output file.

To run a Sage FAS link

1. Do one of the following:

   - Select Links/Depreciation Links from the menu bar.

   - Select Links/Asset Addition Links from the menu bar.

   > **Note** Asset addition links allow you to create assets in the application. The asset information is sent to the application as you enter invoices and/or purchase orders. For information on running an asset addition link, see the *Sage FAS Links Guide.*

   - Select Links/Tax Links from the menu bar.

   > **Note** If you have selected a favorite Sage FAS link, you can select the link directly from the Links menu.

2. Select the link that you want to run. The Link screen for the selected Sage FAS link appears.

3. Complete the Sage FAS Link screen, and then click the Preview button to view the G/L Posting report. **This is a required step.**

4. Click the Post button to run the Sage FAS link.

Completing the Sage FAS Link Screen

Follow the guidelines below to complete the fields on the Sage FAS Link screen.

■ **Database**
Use this field to specify the database that contains the company and group of assets for which you want to export depreciation expense information to the general ledger software.

■ **Company**
Use this field to specify the company that contains the group of assets for which you want to export depreciation information to the general ledger software.

■ **Group**
Use this field to specify a group that you have defined using the Group Manager or the Save as Group command. If you do not select a group from the list, the standard output file will include information for "All FAS Assets" for the current company, in order by G/L account number.

■ **Book**
Use this field to select the depreciation book (Tax, Internal, State, AMT, ACE, Book 6, or Book 7) for which you want to post depreciation expense. The Internal book is the default selection.

The Sage FAS link will post depreciation for any of the seven books, but it will only do so for one book at a time. On the Book Defaults page of the Edit Company screen, make sure that the book for which you are posting depreciation is open.

■ **Period Posting Date**
Use this field to specify the end of the period through which you want to post depreciation expense. Enter the date in MMYY, MMYYYY, or MMDDYYYY format. The application validates that the date entered is the end of a period. The journal entry will include the Depreciation This Run figures

only for the assets for which depreciation has been calculated through the posting date you enter in this field. If you do not enter a date in this field, you are unable to preview the Posting report or post depreciation.

■ **Journal Entry Date**
Use this field to specify the date on which you want to post the transaction in your general ledger software. Enter the date in MMDDYYYY format. The default date is the system date; generally, this is the date that you are completing the screen. However, you can change this date if you want.

Example: Suppose you closed the books for March in the general ledger software, but inadvertently did not post the depreciation expense journal entry at that time. Now it is April, and you want to post the depreciation expense journal entry for March. You would enter a March date in the Period Posting Date field and an April date in the Journal Entry Date field.

■ **Reference Number**
Enter up to 10 alphanumeric characters as the journal entry number for your general ledger. The application uses this number as a reference number for each record (or row) in the standard output file. This field can include numbers, letters, and hyphens.

■ **Sage FAS Link Filename**
Use this field to indicate a path and file name for the ASCII files that will be created. You can accept the default directory path and file name of C:\GLLINK.ASC, or you can click the Browse button to create a different directory path and/or file name.

■ **Preview Button**
Click this button to create a G/L Posting report containing depreciation expense and accumulated depreciation information for the selected group of assets. The Preview button is available only after you enter a date in the Period Posting Date field.

■ **Post Button**
Click this button to create the depreciation expense journal entry for the selected group of assets.

ProSystem *fx* Tax Link

The integration between Sage FAS Fixed Assets and ProSystem *fx* Tax allows you to import depreciation calculations, ITC, and disposal information from Sage FAS into ProSystem *fx* Tax for the preparation of your year-end tax return.

Note We refer to the Sage FAS asset accounting and depreciation products as "Sage FAS." In this chapter, Sage FAS does not include FAS 100 Asset Inventory or FAS 100 CIP Accounting.

Version Compatibility

Each year, the Sage FAS product supports the latest tax laws, as well as the updated Form 4562. The version number of the Sage FAS product indicates that it supports the Section 179 limits and automobile limits for that year and all previous years, and the Form 4562 for the previous tax year. For example, the 2011.1 release of Sage FAS supports the Section 179 limits and automobile limits for 2011 and the Form 4562 for the 2010 filing year.

The ProSystem *fx* Tax product supports a single tax year. The version number of the ProSystem *fx* Tax product indicates the tax year that it supports. For example, the 2010 Tax Prep product supports the Form 4562 for the 2010 filing year. You can have Tax Prep products for multiple years on a single computer.

The Sage FAS 2011.1 product is compatible with the 2010 Tax Prep product.

Sage FAS Companies and ProSystem *fx* Tax Returns

In Sage FAS, a company is a collection of assets that you define as you prefer; it is not necessarily a legal entity. For example, you might want to define a company for the assets in each department or in each location in your organization.

It is important to remember that one or more Sage FAS companies could belong to a single ProSystem *fx* Tax return.

Using the Link

The integration between Sage FAS and ProSystem *fx* Tax is a four-step process:

Step 1: Set up the Link between the two applications. You need to set up the link just once for each Sage FAS company from which you'll be importing information into ProSystem *fx* Tax. See "Step 1: Setting Up the Link," page G-11.

Step 2: Assign an entity to each asset. See "Step 2: Assigning an Entity to Each Asset," page G-20.

Step 3: Calculate depreciation. See "Step 3: Calculating Depreciation," page G-23.

Step 4: Import depreciation into ProSystem *fx* Tax, either in summary or in detail. You can import information from more than one Sage FAS company into each ProSystem *fx* Tax return when importing in detail. See "Step 4: Importing Depreciation into ProSystem fx Tax," page G-25.

Important: The integration features in Sage FAS are available only if ProSystem *fx* Tax is installed on your computer.

Step 1: Setting Up the Link

Setting up the link between Sage FAS and ProSystem *fx* Tax consists of two parts:

1. Enter an EIN in the New Company or Edit Company screen within Sage FAS. See "Entering an EIN," page G-11.

2. Complete the ProSystem *fx* Tax Setup screen in Sage FAS. See "Accessing the ProSystem fx Tax Setup Screen," page G-13.

Entering an EIN

The EIN (Employer Identification Number) is used for validation purposes when you import entity information from ProSystem *fx*

Tax into Sage FAS. You can enter an EIN when you create a new company, or you can enter an EIN for an existing company.

To enter an EIN for a new company

1. Select File/New Company from the Sage FAS menu bar. The application displays the New Company screen.

2. In the Company Name field, enter a name for the new company.

3. In the Identifying Number (EIN) field, enter the EIN for the company.

   Enter the EIN as a 9-digit number in NN-NNNNNNN format. You must enter the first two digits, followed by a dash, and then enter the remaining seven digits.

4. Complete the remaining fields on the New Company screen, and then click OK.

To enter an EIN for an existing company

1. Open the company for which you want to enter the EIN.

2. Select File/Edit Company from the Sage FAS menu bar. The application displays the Edit Company screen.

Edit Company

Company Name	Westfields Bakery - Demo		
Identifying Number (EIN)	52-1234567	Business Start Date	07/1968
Starting system number	000001	Round reports to whole dollars?	No
Include Sec 168 Allow & Sec 179 in expense?	Yes	Transfer By	Location

Book Defaults | Short Years | Book Overrides

	Tax	Internal	State	AMT	ACE	Book 6	Book 7
Open Book?	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Book Title	Tax	Internal	State	AMT	ACE	Book 6	Book 7
FY End	December	December	December	December	December	December	December
Emulate Book	N/A	None	N/A	N/A	AMT:Post-1993	None	None
Default Method	N/A	SF	N/A	N/A	N/A	SL	SL
Allow Prior Depr?	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Database : <DEFAULT>

| OK | Cancel | | Copy Setup... | | Help |

3. In the Identifying Number (EIN) field, enter the EIN for the company.

    Enter the EIN as a 9-digit number in NN-NNNNNNN format. You must enter the first two digits, followed by a dash, and then enter the remaining seven digits.

4. Click OK to close the Edit Company screen.

Accessing the ProSystem *fx* Tax Setup Screen

The second step in setting up the link between Sage FAS and ProSystem *fx* Tax is to complete the ProSystem *fx* Tax Setup screen in Sage FAS.

To access the ProSystem *fx* Tax Setup screen, select Links/Tax Links/ProSystem *fx* Tax from the menu bar. The application displays the ProSystem *fx* Tax Setup screen.

Completing the Map Books Page of the ProSystem *fx* Tax Setup Screen

Use the Map Books page to select the Sage FAS books that you want to send to ProSystem *fx* Tax and to indicate the proper use for each book.

Follow the guidelines below to complete the fields on the Map Books page of the ProSystem *fx* Tax Setup screen.

■ **Book**
Use this field to select the Sage FAS book(s) from which depreciation will be sent to ProSystem *fx* Tax. You can map a Sage FAS book more than once. For example, you can use the State book for both Virginia and South Carolina depreciation purposes.

■ **Use**
Use this field to identify the use for the selected Sage FAS book. A Use can be mapped to a book only once. In order for the link to operate successfully, one Sage FAS book must be identified as being in use for federal depreciation purposes.

Note You can select **no more than four states** from the Use list.

- **Add Button**
  Click this button to add the selected Sage FAS book and its intended use to the Book Map list box.

- **Remove Button**
  Click this button to remove the selected Sage FAS book from the Book Map list box.

- **Book Map**
  This field displays the selected Sage FAS books and their intended uses.

- **Save Book Map Button**
  Click this button to save the information in the Book Map list box. When you click this button, the application validates the Book Map list. For example, the application makes sure you have selected a federal use in the Use list.

Completing the Manage Entities Page of the ProSystem *fx* Tax Setup Screen

The integration between Sage FAS and ProSystem *fx* Tax operates by linking each asset in the fixed asset application to an entity in the tax application. In order to facilitate the assignment process, use the Manage Entities page to set up a list of Entities to which each asset belongs.

Follow the guidelines below to complete the fields on the Manage Entities page of the ProSystem *fx* Tax Setup screen.

■ **Entity List**
This field displays the list of entities that you can assign to assets.

❑ **Entity**
This column displays the Entity Type and Entity ID, separated by a dash.

❑ **Description**
This column displays a description of the entity.

■ **Import Button**
Click this button to connect to ProSystem *fx* Tax and import a list of entities. When you click the button, the application prompts you to enter a fiscal year-end. You must enter a valid fiscal year-end in MM/DD/YYYY format. The year must be 2004 or later. After you enter the fiscal year-end and click OK, the application displays a series of wizard screens that allow you to import the list of entities from the ProSystem *fx* Tax return that corresponds to the fiscal year entered. For more information, see "Importing Entities from ProSystem fx Tax," page G-17.

■ **Add Button**
If you want to enter entity information as you create assets throughout the year, you may need to create new entities before you install next year's tax application. Click the Add button to display a screen that allows you to manually enter a new entity. When you click this button, the application prompts you to select an entity type and to enter an entity number and description.

After you enter this information and click OK, the application returns to the Manage Entities page and adds the new entity to the list.

- **Edit Button**
  Click this button to change the information for the selected entity. First, select an entity from the Entity List. When you click this button, the application displays a screen that allows you to change the entity type, entity number, and description. After you click OK, the application returns to the Manage Entities page and displays the changed information in the Entity List.

- **Delete Button**
  Click this button to remove the selected entity from the Entity List.

Note Any edits made to the entity list using the management buttons (Import, Add, Edit and Delete) will require an update to existing assets.

That completes the setup process. After you set up the link, you are ready for Step 2: Assigning an entity to each asset.

Importing Entities from ProSystem *fx* Tax

You may import a list of entities from ProSystem *fx* Tax into Sage FAS using the List of Entities wizard. Before you can import entities into Sage FAS, you must first:

- Be logged in to a currently running session of Sage FAS.

- Open a Sage FAS company for which the ProSystem *fx* Tax setup has already been performed.

- Install the ProSystem *fx* Tax year corresponding to the Fiscal Year Begin you are requesting.

To import entities from ProSystem fx Tax

1. Select Links/Tax Links/ProSystem *fx* Tax from within Sage FAS. The application displays the ProSystem *fx* Tax Setup screen.

2. Select the Manage Entities page.

3. Click the Import button. The Import from ProSystem *fx* Tax wizard will open. If ProSystem *fx* Tax is available on multiple locations, continue to Step 4, otherwise, go to Step 5.

4. Select which version of ProSystem *fx* Tax (Network or Laptop) should be used for the list of entities, and click the Next button.

5. If you are required to log in to ProSystem *fx* Tax, the login screen will display. Enter your login information and click OK. The application displays the Select Filters screen.

6. Enter the appropriate filters to create a list of returns. (With the resulting list of returns, you will select a return from

which to import the list of entities into your open company in Sage FAS).

7. Click the Next button. The application displays the Applicable Returns screen listing the returns that meet the filter criteria you entered.
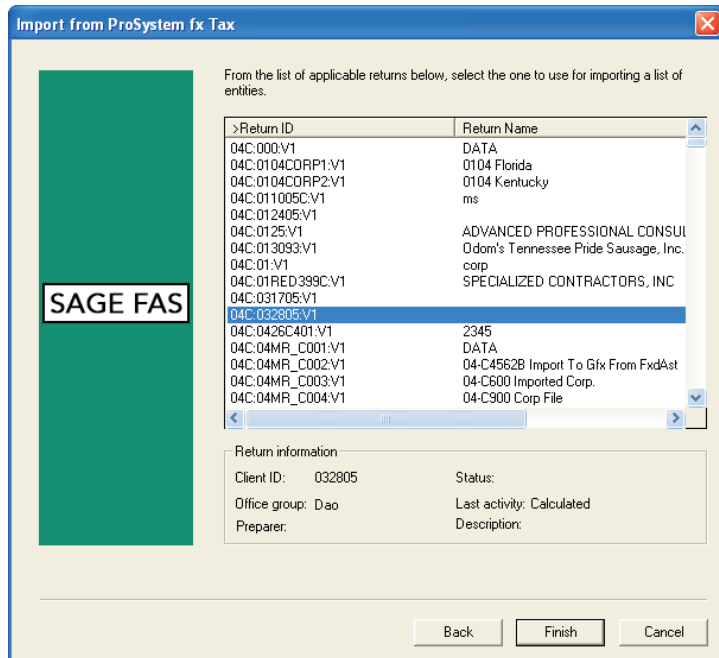
8. Highlight a return and click the Finish button to begin the import.

The return you select:

- Must contain entities.

- Must have an Employer Identification Number (EIN).

- Cannot be in use.

- Must be saved prior to the request for a list of entities.

If any of the entities are not validated in the import, Sage FAS will produce an Entity Exceptions report.

Step 2: Assigning an Entity to Each Asset

Important: Before you assign entities to assets, you must have already created a list of entities on the Manage Entities page of the ProSystem *fx* Tax Setup screen.

If your company already contains assets, you must associate an entity with each active asset and each asset disposed during the current year. You need to select an entity for each asset that has a net book value. You do not need to associate an entity with assets that have been disposed in previous years.

The quickest way to assign an entity to multiple assets at one time is to use the Replace feature.

To use the Replace feature to globally assign entities

1. In Sage FAS, in Group View, display the group of assets for which you want to assign an entity.

2. Click the Select All icon button to select all of the assets in the group.

3. Select Edit/Replace from the menu bar. The application displays the Replace screen.

4. In the Change field, select Entity.

5. Click the All check box.

6. In the To field, enter the entity that you want to assign to the group of assets.

Note The value in the To field must be formatted as <Entity Type>-<Entity Number>-<Entity Description> in order to match the values on the Manage Entities page of the ProSystem *fx* Tax Setup screen. For example, you might enter the following in the To field: Rental-3-410 E. Main St.

---

7. Click OK. The application displays a message confirming that you want to assign the entity.

8. Click the Yes button.

As you continue to enter assets in the application throughout the year, you should assign an Entity to each asset while in Detail View.

To assign an entity to a new asset

1. Within Sage FAS, do one of the following:

- Select Asset/New from the menu bar.

- Click the New Asset icon button.

- Click the New button while in Group View or Detail View.

The application displays a blank form for entering a new asset.

2. Click the Assign Entity button. The application displays the Assign Entity screen.

Note The Assign Entity button is not available in Detail View unless ProSystem *fx* Tax is installed on your computer.
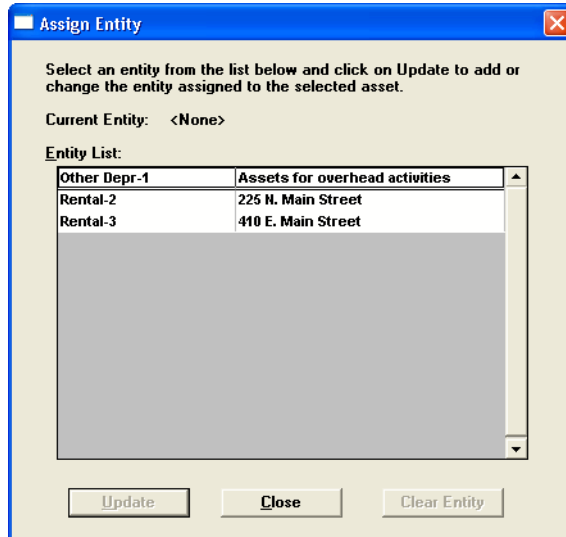
The Current Entity field displays the name of the entity currently assigned to the asset.

3. To assign a new entity (or a different entity), select the entity from the list, and then click the Update button. The application updates the Current Entity field with the selected entity.

4. Click the Close button. The application returns to the selected asset in Detail View.

Step 3: Calculating Depreciation

Before you can send depreciation to ProSystem *fx* Tax, you must
calculate depreciation for all active assets.

Important: When you calculate depreciation, make sure you
select the correct fiscal year-end in the Depreciate screen. The
integration supports only tax years beginning in 2004 or later.

To calculate depreciation

1. Select Depreciation/Depreciate from the Sage FAS menu bar.
    The application displays the Depreciate screen.

2. Complete the Depreciate screen, and then click the Execute
    button. The application calculates depreciation for the
    selected group of assets. If you select a Send To option, the
    application either displays the results or sends them to a
    printer.

    Hint: We recommend that you print the Depreciation
    Expense report. The amount in the Current Year-to-Date
    column represents the current depreciation that will be
    imported into ProSystem *fx* Tax.

If you opted to display the results, click the Close button to exit the report viewer.

Completing the Depreciate Screen

Follow the guidelines provided below to complete the fields on the Depreciate screen.

■ **Group**
Use this field to specify a group for which you want to calculate depreciation. To create a new group, you can select the Group Manager from the drop-down list box or from the Customize Menu.

■ **Books**
Use this field to select the books for which you want to calculate depreciation. You should select each book that you mapped to a ProSystem *fx* Tax use in the ProSystem *fx* Tax Setup screen.

❑ **Select All/Deselect All Button**
Click this button either to select the check boxes for all available books or to clear the check boxes for all available books.

■ **Calculate Depreciation Through**
Use this field to enter the date (in the format MMYYYY) through which you want the application to calculate depreciation. The application includes all assets placed in service through the last day of the month you enter. The date can be for any period, including an earlier period. However, if you enter a date for an earlier period, the application resets the current depreciation figures for all assets included in the calculation to the depreciation amounts for that earlier period.

Note Certain date validations occur during the depreciate process. Refer to "Calculating Depreciation for Your Assets," page 8-5, for an explanation of depreciation calculation dates.

■ **Recalculate Depreciation on Assets You Have Already Calculated Through This Date**
Select this check box to recalculate depreciation on assets for which you have already calculated depreciation through this date. You should select this check box if you have changed the

company's fiscal year-end or the adjustment convention in the Edit Company screen since you last calculated depreciation. Otherwise, you can save processing time by clearing this check box.

■ **Update Current Reporting Period for Selected Books**
Select this check box to change the current reporting period to the date entered in the Calculate Depreciation Through field.

■ **Send To**
You can send a report to two possible destinations: a display window or a printer. Click the appropriate check box. If you do not want to generate a report, clear both check boxes. When no boxes are checked, the application calculates depreciation for the selected assets and updates them in Detail View.

■ **Choose Report**
Use this field to select a customized report that will display the calculation results at the end of the depreciate process. You can choose any customized standard report based on the Depreciation Expense report. For example, if you have changed the column headings on the Depreciation Expense report and named the customized report "My Depr Expense Report," you can select My Depr Expense Report from this field.

Note This field is available only if you have purchased FAS Report Writer.

Now that you have calculated depreciation on all of your assets that contain a net book value, you are ready for Step 4, Importing depreciation into ProSystem *fx* Tax.

Step 4: Importing Depreciation into ProSystem *fx* Tax

This import will transfer data to the ProSystem *fx* Tax DP-series of Interview Forms, or their Worksheet equivalents, for the Corporation (1120), S Corporation (1120S), and Partnership (1065) tax products.

Before you can import deprecation into ProSystem *fx* Tax:

- The company(ies) you select to import from must be calculated, unlocked, and have an EIN assigned in Sage FAS that matches the EIN of your ProSystem *fx* Tax return.

- The assets of the selected company(ies) must be associated with entities.

To import depreciation from Sage FAS into ProSystem fx Tax

1. Open a Corporation, S Corporation, or Partnership tax return in ProSystem *fx* Tax Preparation.

2. Select File/Import/Fixed Assets/Sage FAS. The Sage FAS import wizard will open.
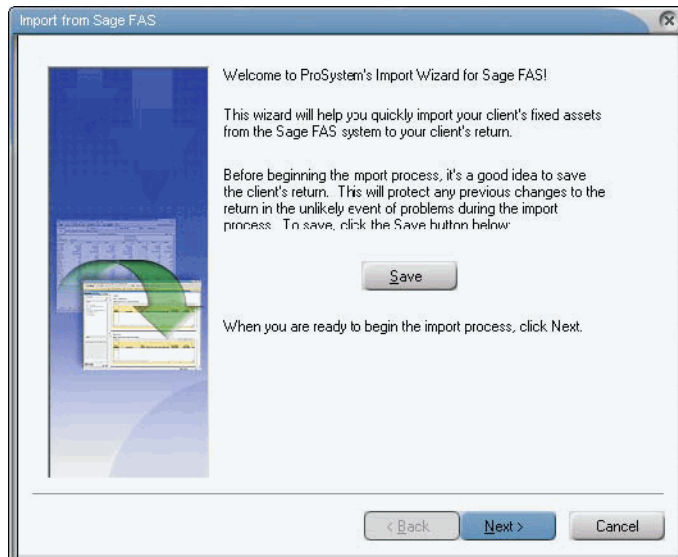
3. Click Save to save the open return.

4. Click Next.

- If there is more than one Sage FAS application available, continue to Step 5.

- If there is only one Sage FAS application available to you, continue to Step 6.

5. Highlight the Sage FAS application to use for importing data to the open return, and click Next.

Note Once the Sage FAS application has been selected, the selection cannot be changed. If you need to select a different system, you must cancel the current import, and begin the import process again.

Note If you select a network application, you must be currently connected to the network.

6. If there is more than one Sage FAS database, highlight the Sage FAS database to use for importing data to the open return, and click Next. If there is only one Sage FAS database, go to Step 7.

Note Only one Sage FAS database can be imported to an open return in a single import. However, you do have the option to perform the import for the same return multiple times, and select different databases each time.

Note The database you select must be unlocked and contain at least one company assigned an Employer Identification Number (EIN) matching that of the tax return.

7. If you are not currently logged in to Sage FAS (and the User ID and Password entered for ProSystem *fx* Tax are not valid for Sage FAS), and the security option is selected, you will be prompted for your Sage FAS User Name and Password. Click OK.

8. Select the Sage FAS company from which to import fixed assets data, and click Next.

Note If the following criteria are not met, you will receive an Exception log.

- The company you select must match the Employer Identification Number (EIN) and tax year for the open return.

- The company you select to import from must be calculated, and unlocked.

- The assets of the selected company must be associated with entities.

9. Select a group for each company listed on the Assign Groups to FAS Companies screen. The default is All FAS Assets.

10. Click Next when you have completed your selections.

If...	Then...	Go to Step #...
You selected only one company in Step 8	the Choose Method of Importing screen will display	11
You selected two or more companies in Step 8 **or** You selected a Sage FAS application that is older than the tax year of the open return (for tax years after 2004)	the Choose Asset Details Method Option screen will display	13

11. Review the notes on the screen and choose one of the following:

- **Totals only**
- **Asset detail**
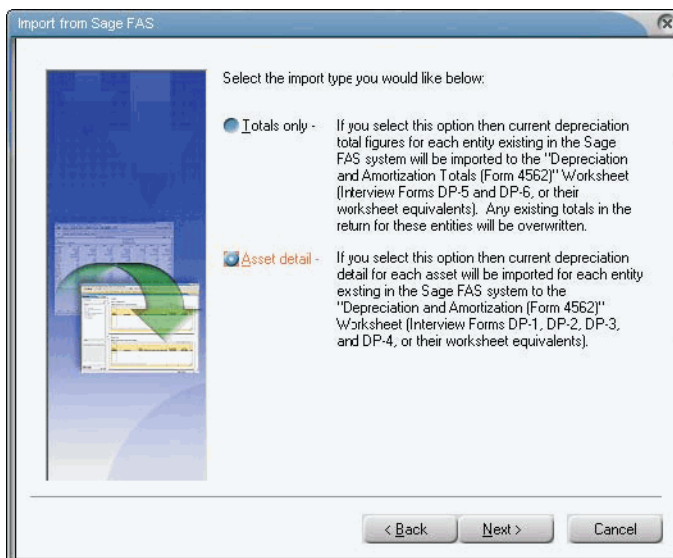
12. Click Next. If you chose Totals only, skip to Step 15.

13. Choose one of the following options:

   ■ **Full Import (default)**
   Overwrites all existing depreciation input, and replaces it
   with the detail data imported from Sage FAS.

   ■ **Append**
   Adds the detail data from the selected Sage FAS
   company(ies) to the return's existing depreciation input.
   No data matching will take place, and no overwriting of
   existing data will occur.
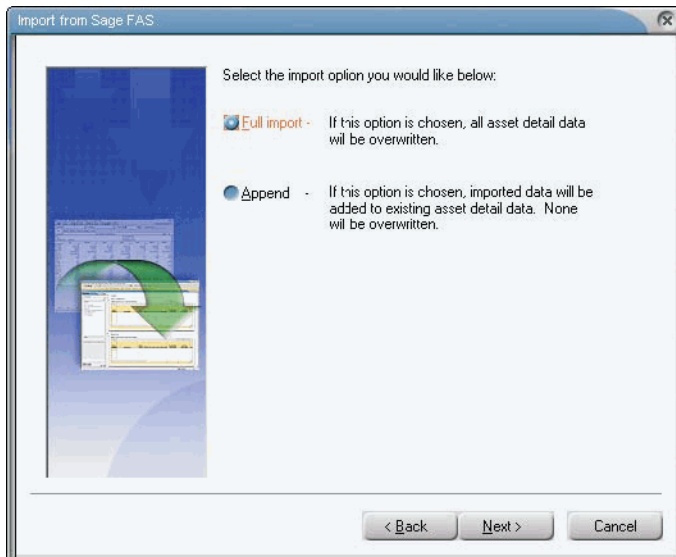
14. Click Next. The application displays the Choose Add or Bypass Entities screen.
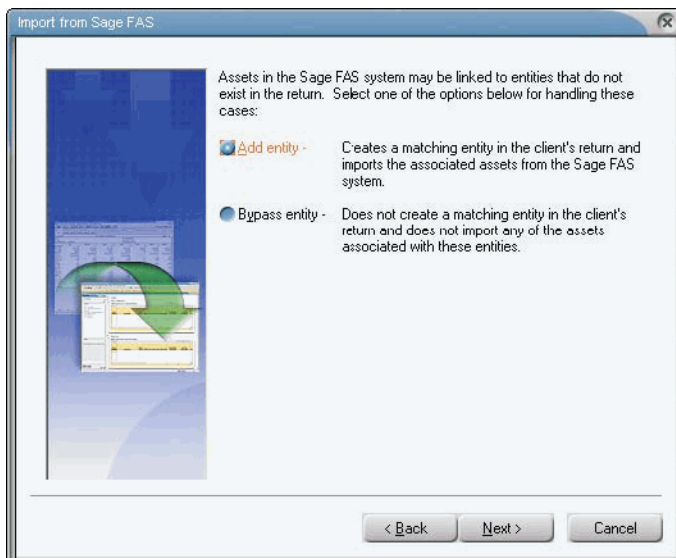
15. Choose one of the following options:

■ **Add Entity (default)**
Creates new depreciation input records for data relating to any entity that is unmatched in the open return.

■ **Bypass Entity**
Skips data relating to any entity that is unmatched in the open return.

16. Click the Next button. The application displays the Confirm Import Selections screen.
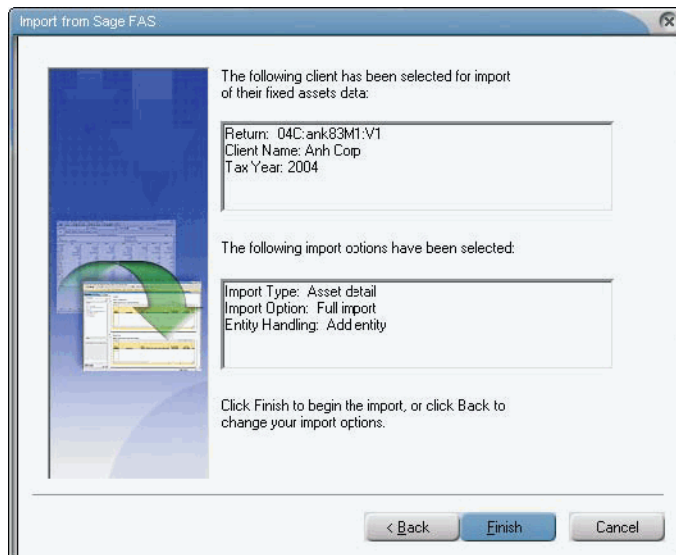
17. Click the Finish button to start the import. The Sage FAS - Import Status screen will display.

- If there are no exceptions and the import is successful, a success message displays.

- If any of the information is not validated in the import, Sage FAS will produce an Exceptions report as shown below. If this is the case, continue to Step 18.
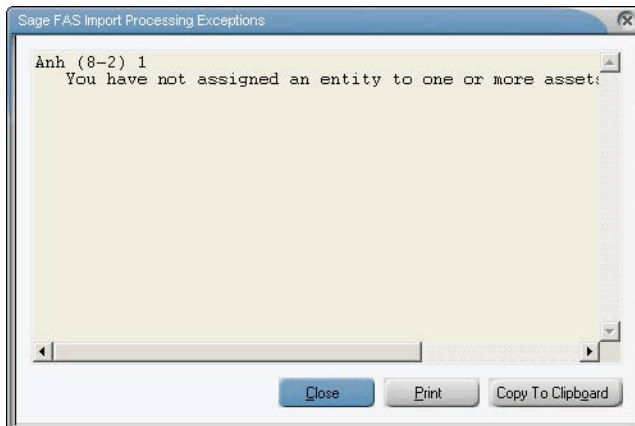
18. Do one of the following:

- Click the Close button to close the screen and cancel the import.

- Click the Print button the report.

- Click the Copy To Clipboard button to copy the report to the clipboard to paste into another application.

Sage FAS and ProSystem *fx* Tax Differences

Differences between the Sage FAS and ProSystem *fx* Tax applications may cause presentation differences on the Form 4562 when you import assets from Sage FAS into ProSystem *fx* Tax. The total depreciation claimed on the Form 4562 will reconcile appropriately, but in certain situations the reporting of information on the form may be different.

The following differences exist between the two applications:

- Indian Reservation Property

- Averaging Conventions

- Negative Assets

- Gain/Loss Deferred

- Like-Kind Exchanges

- Investment Tax Credit
- Casualties
- Property Type S

Indian Reservation Property

In 1993, Congress created a system whereby qualifying Indian reservation property must be depreciated over shorter recovery periods. These assets have shorter GDS lives than would otherwise apply if they were not located on an Indian reservation.

For example, a computer on an Indian reservation has a 3-year life; if it were not located on an Indian Reservation, it would have a 5-year life. On the Form 4562, Sage FAS reports Indian Reservation property (depreciation method MR or MI) according to the class life table found in the Form 4562 instructions and using the asset's reduced Indian reservation recovery period.

ProSystem *fx* Tax reports the property on the line corresponding to the property's original recovery period if it were not on an Indian reservation.

Continuing with the computer example above, Sage FAS reports the property on Line 19a of the Form 4562; ProSystem *fx* Tax reports the same property on Line 19b. The calculated depreciation will be the same, but the data is reported on different lines when comparing the two forms.

Averaging Conventions

A Sage FAS asset imported into the ProSystem *fx* Tax application may display a different averaging convention on the Form 4562.

For example, an asset using the mid-quarter convention in Sage FAS may appear on the Form 4562 as using the half-year convention. Sage FAS specifies the averaging convention on an asset by asset basis. It is up to you to ensure that each asset is correctly using the averaging convention prescribed by law. In ProSystem *fx* Tax, a company-level option either forces the mid-quarter convention, forces the half-year convention, or recalculates depreciation based on the asset information.

Because multiple assets flow to the same line on the Form 4562, and because there is a potential for each asset to have a different averaging convention in Sage FAS, ProSystem *fx* Tax has been set to recalculate the averaging convention when importing assets from Sage FAS.

Note The actual depreciation numbers are not recalculated; only the presentation of the averaging convention on the Form 4562 is affected.

Negative Assets

Sage FAS allows you to enter assets with a negative cost value, and will depreciate the negative asset accordingly. However, these assets will not be imported into ProSystem *fx* Tax as this application does not allow for negative assets.

If you have entered a negative asset into Sage FAS, you'll need to make the appropriate adjustments to your depreciation expense in the ProSystem *fx* Tax application.

Gain/Loss Deferred

Sage FAS allows you to defer a gain/loss from the disposition of an asset to a given tax year by selecting Defer in the field Recog GL, and then entering a date in the Defer Date field on the Disposal tab. If the gain/loss is deferred it does not appear on the Form 4797 Worksheet until the year of the deferral date.

When the asset disposal is imported into the ProSystem *fx* Tax application, the value in the Recog GL field will be ignored, and the gain/loss will be recognized and will flow to the Form 4797 for the year it was disposed. If the gain/loss should be deferred to a future tax year the appropriate information should be entered into the ProSystem *fx* Tax application to allow for the deferral. For example, if the gain/loss should be deferred due to an Installment Sale, the information pertaining to the sale should be entered for the Form 6252 to allow the ProSystem *fx* Tax application to properly calculate the realized and recognized gain/loss from the sale.

Like-Kind Exchanges

While Sage FAS supports Like-Kind Exchanges, it does not include fields to gather all information needed to complete the IRS Form 8824 - Like-Kind Exchanges.

When importing a LKE from Sage FAS, enter all applicable information related to the Like-Kind exchange in ProSystem *fx* Tax to complete the transaction.

Investment Tax Credit (ITC)

Both Sage FAS and ProSystem *fx* Tax provide support for the Investment Tax Credit (ITC); however, the specific codes for the credits vary with each application.

After importing an asset for which the ITC was taken, the reduced basis will be imported and the correct depreciation will be calculated and reported on the IRS Form 4562. However, if the imported asset was either placed into service or disposed of during the tax year, and ITC was taken on that asset, the appropriate ITC code will need to be entered on the Form DP-1 within the ProSystem *fx* Tax application to correctly complete the IRS Form 3468 (Investment Credit) or Form 4255 (Recapture of Investment Credit).

The ITC codes supported in Sage FAS are as follows:

Code	Description
1	Heat/Power System
2	Small Wind Energy
3	Geothermal Heat Pump
4	Advanced Energy Project
A	New Property, Full Credit
B	New Property, Reduced Credit
C	Used Property, Full Credit
D	Used Property, Reduced Credit
E	30-year Rehabilitation Property
F	40-year Rehabilitation Property
G	Certified Historic Structures
H	Pre-1936 Buildings
R	Reforestation Property
S	Solar Energy Property

Code	Description
T	Other Energy Property
U	Fuel Cell Property
V	Microturbine Property
W	Advanced Coal Project
X	No Investment Tax Credit
Y	Gasification Project

The ITC codes supported in ProSystem *fx* Tax are as follows:

Code	Description
R	Rehabilitation of Pre-1936 Building
HS	Certified Historic Structure
T3	Transition Property 30-year Buildings
T4	Transition Property -40-year Buildings
TH	Transition Property Historic Structure
H	Solar Energy Equipment
P	Geothermal Equipment
F	Fuel Cell Property
M	Microturbine Property
CI	Advanced Coal - Integrated Gasification
CO	Advanced Coal - Other
G	Gasification Project
T	Reforestation (Pre-2005 assets only)
N	Regular Investment Credit
O	Enhanced Oil Recovery (Pre-2006 assets)
I	Qualified Indian Reservation Property
EZ	Qualified Enterprise Zone Property

Casualties

Sage FAS does not support the IRS Form 4684; therefore, the gain/loss from a casualty or theft will flow directly to the Form 4797 Worksheet.

When importing an asset disposal from Sage FAS into ProSystem *fx* Tax with a disposal method of Casualty, the gain/loss will correctly flow to the IRS Form 4684.

Property Type S

In Sage FAS, if an asset is entered with a Property Type of S (Real, Listed) it will be reported on Form 4562, in Part V - Listed Property.

When importing an asset with a Property Type of S from Sage FAS into ProSystem *fx* Tax, it will be reported in Part III, line 19i of the Form 4562, assuming it is a MACRS asset.

H **How Do I ...?**

Get Depreciation Numbers for a Prior Period

Depreciation must always be calculated for the same period as the report date you want to run. Simply running reports does not calculate depreciation.

Option 1: Running Depreciation for a Prior Period

We highly recommend that you make a backup of your company before you perform these steps.

To run depreciation for a prior period

1. Calculate depreciation for the period before the desired period by selecting Depreciate from the Depreciation menu. The Depreciate screen appears.

For example, if you want to run depreciation for October 2007, you would first run depreciation for September 2007. This run of depreciation is just to set the Previous Thru date for the assets. Do not attempt to tie these numbers to old reports.

2. Calculate depreciation for the desired period.

   In our example, you would calculate depreciation for October 2007.

3. Run the desired reports for the same period.

   In our example, you would run reports for October 2007.

4. Run depreciation back to the current period.

5. Run the desired reports for the same period.

The above procedure has some considerations and drawbacks:

- While disposed and transferred assets will show as they were when you previously ran depreciation for the current period, partial disposals and transfers will not appear the same.

- Deleted assets will remain deleted and will NOT appear on the report.

- Any asset with a Beginning Date will not show if the Beginning Date is after the depreciation run date.

- There may be rounding differences when running for a past period or rerunning back to the current period.

- If adjustments have recently been turned on, the adjustments will hit in the prior period. (We strongly recommend a backup.)

If any of these issues continue after you run depreciation back to the current period, it may be necessary to restore the backup file.

Option 2: Restoring a Backup (if available)

Another option is to restore a backup of your company that was made at the time that you want to run the report.

To restore a backup

1. Select File/Company Utilities/Restore Company from the menu bar. The Restore Companies screen appears.
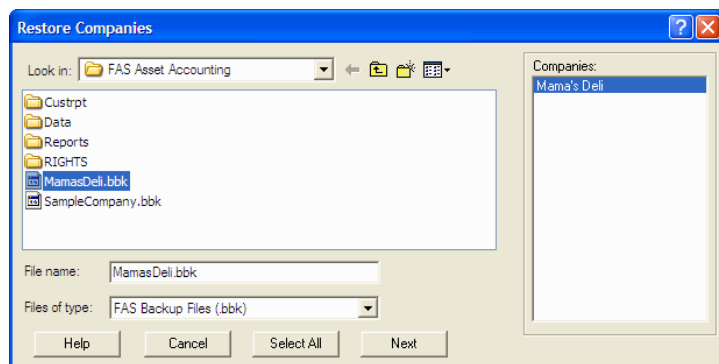
2. Select the backup file and click the Next button. The Restore - Choose Destination screen appears.
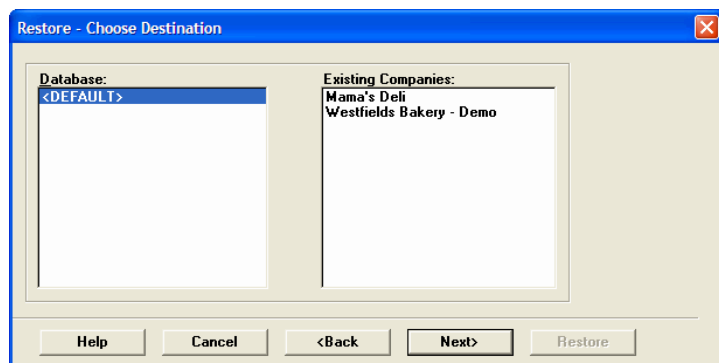
3. Choose the database to which you want to restore the backup and click the Next button. The Restore - Purge History screen appears.

Note If the combined number of assets in all companies in your existing database will exceed 8,000 to 10,000 assets, then we strongly recommend that you restore the company to a new database.

4. Select the history events that you want to delete from the database, if any, and then click the Next button.

    If you decide to use an existing database, a message indicates that a company with that name already exists in the database and asks if you want to overwrite the company or rename it.

5. Type a new company name, and then click the Rename button. (You may want to name the company after the date of the backup, such as Restore FY END 2007.)

Important If you click the Overwrite button, you will lose your current company information.

6. After the company is restored, open the restored company and rerun the reports for that same restored period. You will not have to recalculate depreciation using this method.

7. You may want to delete the restored company when finished, or leave it for future use.

Force Depreciation Numbers

The blue current depreciation fields are calculated fields; therefore, you cannot enter information in these fields directly.

You can use the beginning depreciation fields to force the desired depreciation numbers. Any amounts you enter into the beginning depreciation fields will be pulled automatically into the Current Accum (current accumulated depreciation) fields (for that period only).

*   BEG DATE (Beginning Date): Enter the month/year for which you want to force depreciation. Enter the date in MM/YYYY format.

*   BEG YTD (Beginning Year to Date): Enter the Current YTD (Year to Date) depreciation that you want to show for that same BEG DATE.

*   BEG ACCUM (Beginning Accumulated Depreciation): Enter the Current Accum (Accumulated) Depreciation from that same period.

Important Notes

— While the Current Accum and Current YTD fields will show the amounts that you entered, the Depreciation This Run column on the Depreciation Expense report will not include this adjusted amount. You will need to make a journal entry to adjust your GL for this adjusted amount.

— If you force depreciation on assets that still have life, you may also want to consider changing the method to RV (remaining value over remaining life). This ensures that the asset will fully depreciate without a remainder. Otherwise, you should consider using the Adjustments option. Changing assets with existing

beginning depreciation information will OVERWRITE the previous beginning depreciation information. Thus, if you were to run depreciation for a period prior to the BEG Date, the report will not show this asset for that time. The application will continue calculating depreciation (if there is remaining life on the asset) starting the month following the BEG Date entered.

Change Critical Depreciation Fields

How do you make changes to fields that are critical to calculating depreciation, such as Acquired Value, Estimated Life, Placed-in-Service Date, Depreciation Method, or Property Type?

Before you make changes to a critical depreciation field, we recommend that you print the Main tab of the asset you are changing to ensure that you have the original asset information. You may also want to make a backup of the company before making the change in case you do not get the desired outcome.

Follow the steps below to change a critical field (any field in the lower, spreadsheet portion of the detail asset screen).

To change a critical depreciation field

1. Go to the Detail View of the asset to be changed. Type in the desired value in the critical depreciation field.

2. Click the Save button, or tab out of the field. A message asks if you are sure you want to continue.
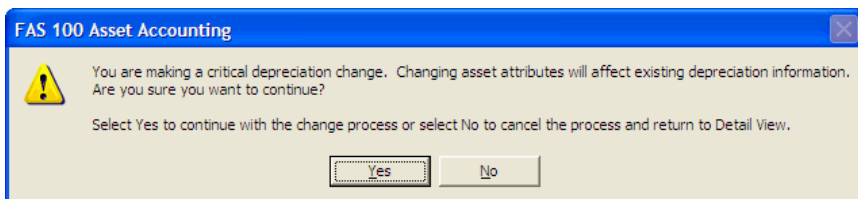
3. Click Yes to continue. A message asks when you want to apply the critical depreciation change.
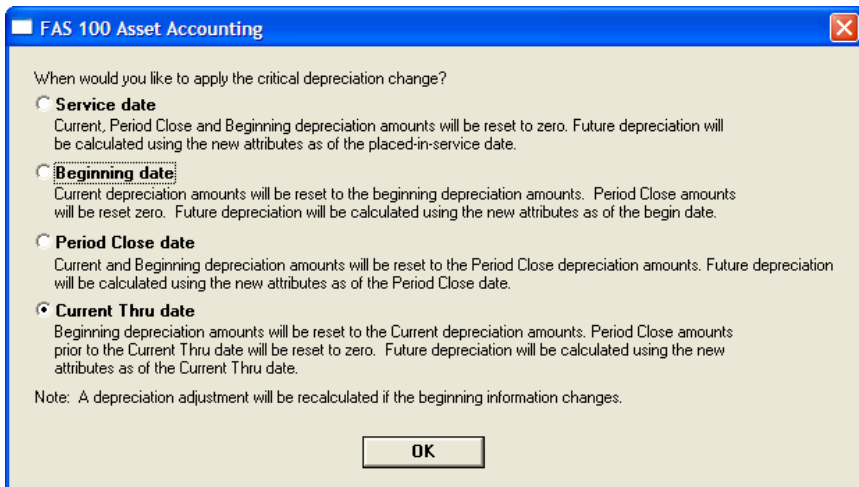
You have four options:

- **Service Date:** Current, Period Close, and Beginning Depreciation amounts will be set to zero.

- **Beginning Date:** Current depreciation will be reset to the Beginning Depreciation amounts. Period Close amounts will be reset to zero.

- **Period Close Date:** Current and Beginning depreciation will be reset to the Period Close amount.

- **Current Thru Date:** Beginning Depreciation will be set to the Current depreciation amounts. Period Close amounts will be reset to zero if the Period Close date is prior to the Current Thru Date.

If you select anything except Service Date, and the depreciation method is currently SL, SF, or SH and the changes make the asset under-depreciated as related to the new values, the asset will not fully depreciate over the life of the asset. In this case, changing the Depreciation Method to RV is recommended. The Depreciation Adjustment report can assist in identifying under-depreciated assets.

Reset Depreciation

Resetting depreciation should be reserved for clearing disposals or clearing Beginning Dates from assets.

Warning You should always make sure you have a current backup of your company before resetting depreciation. There is no way to undo this operation without a backup.

To reset depreciation for a single asset

1.   Go to the Detail View of the asset to be reset.

2.   Select Depreciation/Reset Depreciation from the menu bar. The Reset Depreciation screen appears.

3.   Select the books to be reset.

4.   Select Service Date, Beginning Date, or Period Close Date.

- **Service Date:** Resets the Current Through Date to zero. This will clear any Beginning Date and Period Close Date information.

- **Beginning Date:** Resets the Current Through Date to the Beginning Date.

- **Period Close Date:** Resets the Current Through Date to the last period close date.

5. Select Clear the Midquarter Convention if desired (affects MACRS assets only).

6. Click OK to execute the command.

7. Select Depreciation/Depreciate to recalculate depreciation after the reset.

To reset depreciation for a group of assets

1. Create a group of assets to be reset.

2. In Group View, select this group of assets in the Group field.

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

4. Select Depreciation/Reset Depreciation from the menu bar.

5. Select the books to be reset.

6. Select Service Date, Beginning Date, or Period Close Date.

- **Service Date:** Resets the Current Through Date to zero. This will clear any Beginning Date and Period Close Date information.

- **Beginning Date:** Resets the Current Through Date to the Beginning Date.

- **Period Close Date:** Resets the Current Through Date to the last period close date.

7. Select Clear the Midquarter Convention if desired (affects MACRS assets only).

8. Click OK to execute the command.

9. Select Depreciation/Depreciate to recalculate depreciation after the reset.

Fix the Depreciation This Run Amount

What if Depreciation This Run is incorrect?

What do you do if you believe the Depreciation This Run amount on the Depreciation Expense report is incorrect? For example, the amount is too high or too low, or the amount is for the wrong month.

There could be several reasons for the problem. You may have skipped a month when running depreciation. You may have run depreciation on the same asset(s) more than once.

Depreciation This Run is defined as the depreciation from the last time depreciation was run to the current run of depreciation. For example, if you last ran depreciation for August 2007 and then ran depreciation for September 2007, the Depreciation This Run on the September Depreciation Expense report will be one month of depreciation. (We are assuming the asset is still taking depreciation and is not taking adjustments due to adjustment conventions.) If you last ran depreciation for September 2006 and then ran depreciation again for September 2007, then Depreciation This Run will reflect one year's worth of depreciation.

When you dispose of an asset in a given month, the application calculates depreciation through that month and marks that asset with a through date of the month of disposal. If you then calculate depreciation on that asset for the month of disposal, the application sees it as the second time the asset has been run for the same month, so it reports Depreciation This Run from the Beginning Date (or Service Date if there is no Beginning Date). You can check this by looking at the Previous Thru Date column for the asset on the Depreciation Expense report.

To fix the Depreciation This Run amount

1. Calculate depreciation for the period (or month) before the desired period by selecting Depreciate from the Depreciation menu.

    For example, if you want to run depreciation for October 2007, you would first run depreciation for September 2007. This run

of depreciation is just to set the Previous Thru date for the assets. Do not attempt to tie these numbers to old reports.

2. Calculate depreciation for the desired period (or month).

In our example, you would calculate depreciation for October 2007.

The Previous Thru column on the Depreciation Expense report represents the month that depreciation was last run. If you ran for September 2007 last month and October 2007 this month, you will see 09/2007 in the Previous Thru column. If the Previous Thru column says 00/00/00, this would represent an asset that was reset to its placed-in-service date or a new asset depreciated for the first time.

Import Assets into the Application

For instructions on importing assets into the application, see Appendix F, "Custom Import." If you are having trouble importing assets, here are some things you may want to check:

- Make sure that the Excel file does not have extra worksheets. Even blank sheets need to be deleted. Only a file containing a single worksheet will import.

- The file cannot have any special formatting (besides General, Text (preferred), or Date-MMDDYY or MM/DD/YYYY). if you click on the upper-left hand corner box that highlights all cells in the worksheet and then right-click, select Formatting and choose Text. Then format the date columns to Date (MMDDYY or MM/DD/YYYY).

- The spreadsheet cannot contain formulas. If you suspect formulas may be the issue, you can Cut/Paste Special Values into a new worksheet.

- Save the file as an Excel 4.0 worksheet or Comma-Separated Values (.CSV) file. (In Excel, select File/Save as 4.0 Worksheet.)

- If you are importing any assets that have a depreciation percentage (for example, MT100, MF200, DB150), you will have to map a column for Depreciation Method and another

column for Depreciation Percentage. The percentage column should be an integer, usually 100, 150, or 200 without the percent sign (%).

- Import as many fields as you can for as many books as you will need. The import process is a one-time shot. It will not update existing assets.

- If you do not see a preview of your spreadsheet during the import process, there is some formatting you still have to remove from the data.

Undo a Disposal

You have two options for undoing a disposal.

Option 1: Resetting Depreciation

To reset depreciation

1. Go to the Detail View of the disposed asset.

2. Select Depreciation/Reset Depreciation from the menu bar. The Reset Depreciation screen appears.

3. Select any book.

4. Select either Beginning Date or Period Close Date.

5. Click OK.

Option 2: Deleting the Last Transaction

To Delete Last Transaction

1. Go to the Detail View of the disposed asset.

2. Select Asset/Delete Last Transaction from the menu bar. A message asks you if you are sure you want to continue.
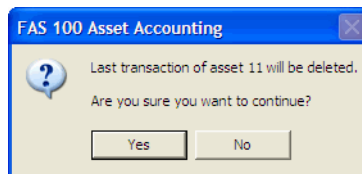
3. Click Yes to clear the disposal information.

Important In either case, you will need to run depreciation for the month prior to the month of disposal before redoing the disposal of the asset, and then run depreciation on the asset for the current month.

Add a Database to Database List Manager

You may need to move a database from a workstation to a network drive, or move a database from one computer to another. After you move the database, you will need to let the application know the location of the database by adding it to the Database List Manager.

The recommended procedure is to perform a company backup from the old system and then do a Company Restore onto the new system. However, if this is not an option, it is possible to copy the BEST.DB or *.BDB file to the new location and use Database List Manager to associate the moved files with the new system.

Network Version

To add a database to the system

1. Install the application from the CD onto the new server.

2. Configure and start the Sybase SQL Service.

3. If the existing server and service will be running for the interim, either use different engine name (the -n parameter), or stop the original Service/NLM before proceeding. Please refer to the *FAS 100 Fixed Assets Network Installation & Administration Guide* for more specific details about service parameters.

On the workstation:

4. Uninstall any previous Sage FAS Fixed Assets applications.

5. In the Control Panel, select Add/Remove Programs.

6. Install the Sage FAS Fixed Assets client from the new server.

7. Open the application on the workstation, and connect to the default company to insure connectivity with the new server.

8. Copy only the BEST.DB or *.BDB file(s) to the new folders on the new server or workstation. (Do not overwrite the default database.)

9. Use Database List Manager to reassociate the copied databases to the new system.

You will now be able to open the companies within the databases.

Note If the file is 2.64 MB or 3.11 MB, it is most likely the default database with the sample company in it. If the file is 1.3 MB, it is an empty database.

I Glossary

For greater detail about many of the terms in this glossary, see the appropriate section of this manual. The index will direct you to specific pages.

- **abandonment**
  A type of disposal where you voluntarily scrap an asset because of obsolescence, lack of suitability, or other reasons.

- **accounting period**
  An accounting period is the economic cycle for which financial records are maintained. It may be a twelve-month period or a year that is less than twelve months (a short year). A calendar year is an accounting period that begins on January 1 and ends on December 31.

- **accumulated depreciation**
  Current accumulated depreciation for an asset is the amount of depreciation taken, including current year-to-date depreciation, from the date the asset was placed in service to the date through which depreciation was last calculated.

- **ACE**
  ACE means Adjusted Current Earnings. ACE, as defined in Code Section 56(g), is the recalculation of C corporation income for purposes of computing an adjustment amount as required for the Alternative Minimum Tax.

- **acquired value**
  An asset's acquired value is the cost of obtaining the asset. This may be the asset's purchase price, its fair market value, or its basis in the hands of the transferor, depending on the type of transaction. The acquired value is used as the beginning value for calculating the depreciable basis. See "depreciable basis."

- **acquisition date**
  The acquisition date is a general information field. It represents the date the asset was actually acquired, which may not be the same as the date it was placed in service.

- **ACRS**
  ACRS means Accelerated Cost Recovery System, a depreciation method created by the Economic Recovery Tax Act of 1981. ACRS allows faster depreciation of fixed assets than earlier depreciation methods. It provides a tax break and was intended to encourage the purchase of capital goods. It was modified by the Tax Reform Act of 1986 to become modified ACRS. See "MACRS."

- **adjusted basis**
  The application uses an adjusted basis for the gain or loss calculation when assets are disposed. This adjusted basis is the depreciable basis plus a percentage of the ITC recapture amount (if any), plus salvage value (if subtracted in determining depreciable basis), minus current accumulated depreciation.

- **Adjusted Current Earnings**
  See "ACE."

- **ADR**
  ADR means Asset Depreciation Range. ADR is a pre-1981 (that is, pre-ACRS) depreciation system that grouped assets by industry type.

- **ADS**
  ADS means Alternative Depreciation System. ADS is a straight-line alternative MACRS depreciation method using generally longer recovery periods than GDS recovery periods. ADS was created by the Tax Reform Act of 1986.

- **ADS life**
  The ADS life is generally used to depreciate pre-1999 MACRS property for AMT purposes. This is approximately the midpoint of the Asset Depreciation Range (ADR) in which the asset belongs.

- **alphanumeric field**
  An alphanumeric character is any letter or number you can create using your keyboard.

- **Alternative Depreciation System**
  See "ADS."

- **Alternative Minimum Tax**
  See "AMT."

■ **amortization**
The tax law requires taxpayers to recover certain specified capital expenditures through a process known as amortization. Amortization uses a straight-line calculation over certain specified time periods. Many intangible assets that can't be depreciated can be amortized, such as business startup expenses, covenants not to compete, trademarks, and goodwill. Some tangible assets, such as pollution control facilities, some low-income housing, and the rehabilitation of certified historic structures, can also be amortized.

■ **AMT**
AMT means Alternative Minimum Tax. The Tax Reform Act of 1986 changed the Alternative Minimum Tax rules to make it more difficult to avoid tax through the use of certain tax benefits known as tax preference items. The provisions for depreciation under the Alternative Minimum Tax rules serve to reduce the advantages available under the regular tax rules for accelerated depreciation and other preferences. The reductions in these advantages are added to taxable income.

■ **ASCII file**
ASCII means American Standard Code for Information Interchange. An ASCII file is a text file without any special control characters such as for bold text or underlining.

■ **Asset Depreciation Range**
See "ADR."

■ **asset group**
An asset group is a request from a user to search the company database for assets matching the range criteria the user has entered. For example, you could specify a range of 0 to 500 for the *acquired value* field, and the application would display a list of assets having an acquired value of $500 or less. For more information, see Chapter 3, "Understanding Key Elements."

■ **at-risk basis**
An Investment Tax Credit on Section 38 property is allowable only to the extent that the asset holder is at risk. Except for real estate acquisitions, nonrecourse financing does not create risk in an investment.

■ **averaging conventions**
Averaging conventions assume assets are placed in service or disposed of at designated dates throughout the year. An averaging convention generally adopts a prescribed

in-service date that simplifies depreciation calculations and record keeping.

Examples of averaging conventions are the midmonth convention, full-month convention, half-year convention, modified half-year convention, and midquarter convention.

■ **basis**
Basis usually refers to the acquired value (that is, purchase price); however, basis can have a number of meanings depending on the descriptive word that precedes it. For instance, depreciable basis is generally the acquired value adjusted for the percentage of business use, ITC taken, Section 179 expense or bonus depreciation, and salvage value (for certain depreciation methods only).

■ **beginning date**
The date through which depreciation was calculated for the asset at the time you entered it in the application.

■ **beginning depreciation**
Beginning depreciation is the amount of depreciation taken on an asset before the date you want to start calculating the asset's depreciation. For example, if you switch from another depreciation system to the application in May 2008 and you want the application to calculate depreciation from the beginning of the 2008 calendar year, an asset's beginning depreciation would be all depreciation taken on it before 2008. For details, see Chapter 6, "Working with Assets."

■ **bonus**
For assets acquired before 1981, some depreciation methods allowed an optional first-year bonus of up to 20% of the property's basis. In the year of acquisition, this represented an additional amount of allowable depreciation. If the optional bonus was taken, the bonus amount was subtracted from the asset's acquired value before the year's regular depreciation was calculated.

■ **book-related fields**
The book-related fields are the data entry fields for which you enter (or accept) separate values in each depreciation book. All of these fields affect the depreciation calculations. Examples of book-related fields include the *depreciation method* and the *acquired value*.

- **boot**
  In a trade-in of one asset for another, boot is any cash or note payable given to the seller in addition to the asset traded.

- **bulk disposal**
  A type of disposal that occurs when you sell multiple assets for one selling price.

- **business-use percentage**
  Some assets used in a business may also be for personal use. However, a business may only take depreciation on an asset to the extent that it is used for business. The percentage that an asset is used for business, if less than 100%, reduces the asset's depreciable basis.

- **calendar year**
  A calendar year is the period of twelve months beginning January 1 and ending December 31. It is the most widely used accounting period.

- **cascade**
  This command under the Window Menu places screens on top of each other, with the active screen on top and the inactive screen(s) slightly visible behind.

- **casualty**
  A type of disposal that occurs when an asset is stolen or damaged by a sudden natural cause or vandalism.

- **catalog**
  The catalog is a collection of images that can be opened on the Image Tab. You can associate any number of images in the catalog to the asset you are viewing. The catalog is built using the Image Manager, which is available at the Customize Menu.

- **class**
  Class refers to user-defined classification codes for grouping fixed assets. Most companies have such codes. For example, a company might use this kind of coding system:

A	Automobiles
FF	Furniture and fixtures
HW	Computer hardware

- **comma-delimited ASCII file**
  A file that contains a single comma between each field, double quotes around the text fields, and the extension .WFA.

- **company**
  A company is an organization you define for the purpose of grouping assets and is not necessarily a legal entity. For example, it may be an entire company, a division, a plant, or a branch.

- **company asset number**
  Many companies have an existing asset numbering system. The application lets you enter the asset's existing number in the *company asset number* field and lets you search for the asset using that number.

- **company setup**
  Defines critical depreciation-related elements of a company, such as short years and book defaults.

- **complex expression**
  An expression that uses the *and* operator or the *or* operator to search for multiple criteria.

- **credit**
  A tax credit is an amount that is subtracted from the income tax liability in a given year. Tax credits differ from deductions: credits are subtracted from the tax itself, resulting in a dollar-for-dollar reduction in the tax liability; deductions are subtracted from either gross income or adjusted gross income, resulting in a reduction in the amount of income subject to tax.

- **criteria string**
  A statement or series of statements that qualifies the characteristics of assets to be included in a group. Also called an expression.

- **current accumulated depreciation**
  See "accumulated depreciation."

- **current extension**
  Every System Number contains a numeric extension. Asset extensions reflect the changing condition of an asset that has been partially transferred or partially disposed. The current extension displays the current condition of the asset, as displayed in Detail View. See also "Asset Extension Numbers," page 3-9.

- **current through date**
  The current through date is the date depreciation was last calculated for the asset in a given book. It is displayed in Detail View. Depreciation can be calculated by executing the Depreciate command from the Depreciate menu.

■ **current year-to-date depreciation**
Current year-to-date depreciation includes all depreciation expense from the beginning of the fiscal year containing the current through date up to and including the through date. (The *through date* is the last date through which you calculated depreciation.)

■ **custom depreciation method**
The application lets you create custom depreciation methods. You enter annual depreciation percentages for the life of the asset and specify the disposal year averaging convention. When an asset uses the custom depreciation method, the application calculates depreciation each year based on that year's percentage.

■ **database**
An internal software structure that stores data in a way that makes it extremely easy to search, sort, organize, and retrieve.

■ **declining-balance depreciation**
Using a declining-balance method of depreciation, assets are depreciated faster than using straight-line depreciation. The asset's net book value is multiplied by a constant rate (125%, 150%, 175%, or 200%, divided by the estimated life or recovery period), which results in a greater amount of depreciation being expensed in the early years of an asset's life and a smaller amount in later years.

■ **default**
A default is a selection that appears or is used automatically if you press Enter or make no other choice. For example, if you select OK at the New Company screen, a message appears in a screen asking if you want to create the new company. The highlighted frame is on the Yes button. Therefore, Yes is the default.

A default also occurs when you enter data in certain book-related fields and the application automatically enters information in others. For example, when you enter the *property type* and the *service date* fields, the application provides a default depreciation method, estimated life, and ADS life.

■ **depreciable basis**
Depreciable basis is the acquisition value adjusted to arrive at the total amount to be depreciated. See also "basis."

- **depreciation**
  Depreciation is the process of allocating the cost of an asset used in a business over the period of time during which the asset is used. It also suggests that an asset declines in value because of use, wear and tear, or obsolescence.

- **depreciation adjustment**
  The application lets you enter year-to-date and accumulated depreciation amounts from your current depreciation books as beginning depreciation. The application then compares the difference between the depreciation entered and what the application would have calculated for the beginning period. The difference between the two, if any, is stored as an adjustment amount and appears in the Depreciation Adjustment report.

  If not enough depreciation was taken for the asset, you may choose a depreciation adjustment to adjust for the difference immediately, in the post recovery period, or not at all. For instructions on choosing a depreciation adjustment for each depreciation book, see "The Book Overrides Page," page 4-15.

- **depreciation methods**
  The depreciation method determines the pattern of allocating the asset's cost to the specific years of its life. For example, a straight-line depreciation method allocates the asset's cost uniformly over its useful life. A declining balance depreciation method allocates a greater cost at the beginning of the useful life than at the end.

- **directory**
  A directory is a place on a hard drive, equivalent to a folder in a filing cabinet, where the application stores information. In Windows 95, directories are called *folders*.

- **disposal date**
  The disposal date is the date on which the asset was sold, lost, damaged, stolen, exchanged, used up, worn out, broken, retired, or given away. It is not determined by the estimated life or recovery period, but by the actual disposal or retirement of the asset.

- **disposal method**
  There are eight disposal methods: sale, abandonment, like-kind exchange, taxable exchange, involuntary conversion, bulk disposal, casualty, and other. The disposal method determines the default gain or loss treatment.

- **energy credit**
  Energy credits are available for certain assets used in the conservation of energy.

- **estimated life**
  Estimated life is the period over which an asset is to be depreciated or its cost is to be recovered. The estimated life often has nothing to do with the physical life span of an individual asset. The shorter the estimated life, the more rapidly the cost of an asset can be recovered.

- **expression**
  A statement or series of statements that qualifies the characteristics of assets to be included in a group.

- **field**
  A field is an area that holds (or can hold) application data. Each field on the screen is labeled for its intended purpose. For example, the first field on the Bulk Disposal screen is labeled "Disposal Date."

- **fiscal year**
  A fiscal year is the twelve-month period you use to define your accounting year.

- **fixed asset**
  A fixed asset is property acquired by a business for use in its operations and having an estimated life of more than one year.

- **GAAP**
  GAAP stands for Generally Accepted Accounting Principles. These include both guidelines and specific rules and procedures issued by bodies within the accounting industry, principally the Financial Accounting Standards Board (FASB) and the American Institute of Certified Public Accountants (AICPA), to standardize accounting practices. The goal of these principles is for firms to produce financial records that fairly reflect their operations.

- **gain or loss**
  Fixed assets that are disposed of usually are sold at a price above or below the net book value of the asset. This results in a gain or loss. For tax purposes, gain or loss is further affected by ITC recapture and Section 179 expense deductions and recapture. The Disposal Report shows whether the disposal of an asset results in a gain or loss. The calculated gain or loss is the amount realized; if this amount is reported for tax

purposes, all of the amount may not be recognized. (Gains and losses on certain types of dispositions need not be recognized.) Recognition may also be deferred.

■ **GDS**
GDS means General Depreciation System. GDS is the principal system used for depreciating MACRS property. Compared to the MACRS Alternative Depreciation System (ADS), the GDS system generally uses shorter recovery periods and faster depreciation methods.

■ **general information fields**
General information fields hold information about assets that does not affect the depreciation calculations but which is useful for asset management. For example, you can enter information about the *G/L asset account number*, the *purchase order number*, and the vendor or manufacturer. You can customize the general information fields and also define and use eleven additional fields for your own purposes.

■ **general personal property**
All personal property other than listed personal property and automobiles.

■ **general real property**
All real property that is not listed real property or required to be reported separately for tax purposes.

■ **Generally Accepted Accounting Principles**
See "GAAP."

■ **group**
An asset group is the result of a request from a user to search the company database for assets matching the criteria the user has entered. For example, you could specify a range of 0 to 500 for the Acquired Value field, and the application would display a list of assets having an acquired value of $500 or less.

By defining and using groups you can quickly and efficiently view, run reports, and/or project depreciation for a selected group of assets.

■ **half-year convention**
The half-year averaging convention treats all property placed in service during any taxable year (or disposed of during any taxable year) as if it were placed in service (or disposed of) at the midpoint of such year.

■ **image**
An image can be a scanned picture of an asset, a drawing of an asset created with a number of software packages, or a scanned picture of documentation, such as a warranty, that you want to keep with the asset.

■ **inactive assets**
The assets can be inactivated. This removes them from all reports except the File Listing. Inactive assets can be reactivated. Inactive assets will not be depreciated, so be sure assets are fully depreciated before they are inactivated.

■ **intangible assets**
Intangible assets are those assets that provide future economic benefit but have no physical substance. Examples include goodwill, patents, copyrights, and trademarks.

■ **Internal book**
The Internal book is for the depreciation calculations used in the preparation of financial statements. It follows Generally Accepted Accounting Principles (GAAP).

■ **Investment Tax Credit (ITC)**
The ITC is a tax credit that can be taken for the purchase of specific types of business property. Although the ITC was eliminated by the Tax Reform Act of 1986, excess credit from previous years can be carried forward. Also, there are a few special situations in which the credit is still available. The credit must, however, be taken for the year in which the purchase was made, and it is limited by a maximum amount. Assets eligible to qualify for the ITC include business property, energy property, and rehabilitation property.

■ **involuntary conversion**
A type of disposal that occurs when you involuntarily retire an asset due to a breakdown, condemnation, or reasons other than a casualty.

■ **ITC recapture**
If an asset for which ITC was taken is disposed of before the end of its recapture period, the tax credit is recaptured by the IRS (repaid by the owner) on a prorated basis. The amount to be repaid is the ITC recapture amount.

■ **like-kind exchange**
A type of disposal that occurs when you exchange an asset for a similar asset. It can include the receipt of money or dissimilar property.

■ **listed property**
Section 280F of the Internal Revenue Code defines certain kinds of property for which special information must be provided on IRS Form 4562. These assets are those that can be used for both business and personal purposes. They include passenger cars and other forms of transportation; and entertainment, amusement, and recreational properties.

■ **low-income housing**
Low-income housing means any building that has met certain federal guidelines and where the dwelling units are held for occupancy on a rental basis by families and individuals of low or moderate income.

■ **MACRS**
MACRS is an acronym for Modified Accelerated Cost Recovery System. It is a method of depreciation as modified by the Tax Reform Act of 1986, and it is used for most property placed in service after 1986.

■ **menu bar**
A standard Windows interface tool used to access specific functions or actions in the application.

■ **midquarter convention**
The midquarter convention is a special averaging convention that applies only when more than 40% of qualifying MACRS property is placed in service in the last three months of the tax year. Under this convention, qualifying MACRS property is treated as though it were placed in service in the middle of the quarter in which it was purchased.

■ **Modified ACRS**
See "MACRS."

■ **net value**
The net value of an asset is its acquisition value minus any Section 179 expense deduction minus its total accumulated depreciation.

■ **numeric field**
A numeric field accepts only numbers (no letters or other keyboard characters except a single decimal point). For example, a field used to enter dollar values is a numeric field.

■ **168 Allowance**
The 168 Allowance refers to the additional 30%, 50%, or 100% depreciation allowance that the application calculates when you select a "plus 168" depreciation method for a qualified

asset placed in service after September 10, 2001. You can select a 50% allowance on qualifying assets placed in service after May 5, 2003.

- **partial transfer**
  You can transfer less than the entire acquired value of an asset from one location to another. When you perform an intracompany transfer (within a single company), the partial transfer can occur between any descriptive field in the application. You select the descriptive field in the Transfer By field on the Edit Company (or New Company) screen. (For an intercompany transfer, you cannot select a descriptive field because the transfer occurs between *companies*, by definition.) The most common examples of partial transfers are between locations, companies, or GL accounts.

- **personal property**
  Personal property generally includes fixed assets that are movable (that is, not attached to the land), and that are not real property (buildings). Equipment and machinery are examples of personal property.

- **placed-in-service date**
  The date that an asset is ready and available for a specified use is the date it was placed in service for depreciation purposes. This date is entered for each depreciation book and may be different from the date it was acquired. You can enter an acquisition date in the general information field if you need it for warranty, insurance, or other purposes.

- **"plus 168" depreciation method**
  A "plus 168" depreciation method is one that provides an additional 30%, 50%, or 100% depreciation deduction in the year you place an asset in service. The application has four "plus 168" depreciation methods: MA, MR, AA, and SB.

- **postrecovery period**
  The postrecovery period is the period that begins immediately after the end of an asset's normal depreciable life.

- **primary company**
  When merging two or more companies, the first company you select is referred to as the primary company. The fiscal year-end date and any short years of this primary company are used to determine whether the rest of the selected companies are compatible for merging.

- **printer port**
  A printer port is where your printer cable connects to the computer.

- **property type**
  There are two major types of property: tangible and intangible. Tangible property is either personal property or real property. The application breaks down personal and real property into eleven types. The property type you enter for the asset determines which depreciation methods you can use and other factors in the depreciation calculation, such as how to apply averaging conventions.

- **RAM**
  RAM stands for random access memory. It is your computer's internal memory, which the application uses as its work space and temporary storage area. The application saves data permanently on your computer's hard drive.

- **range**
  You can specify which assets to include in Asset Group or in a report by selecting a range of assets. The range specifies which values must be found in the selected field for the asset to be included. For example, if the range for acquired value is 0 to 500, any asset having an acquired value of $500 or less will be included in the group results or in the report.

- **reactivate assets**
  An asset that has been made inactive may be made active again. An inactive asset is no longer depreciated and does not appear on reports. After being reactivated, the asset again appears in reports and recommences depreciation, if its cost is not fully recovered.

- **real property**
  Real property includes land and generally anything erected on or attached to the land, such as a building or a parking lot.

- **recovery period**
  As compared with the period of time over which an asset may reasonably be expected to be useful, the recovery period is a statutory designation of depreciable lives under ACRS and MACRS. Therefore, it is the period of time over which such an asset is depreciated.

- **recovery property**
  Recovery property is property depreciated under ACRS or
  MACRS (method AT, SA, ST, MF, MT, MI, or AD), which
  requires the use of a recovery period as the asset's estimated life.

- **refresh**
  Updates all data in the current group. Click the Refresh
  button on the main system windows.

- **remaining asset**
  The remaining asset represents the amount of basis left after a
  partial transfer or a partial disposal has occurred. It is always
  the last numbered extension in a partial transaction.

- **remaining life**
  Remaining life is an asset's original estimated life less the
  number of years for which depreciation has already been taken.

- **remaining value**
  Remaining value is an asset's original depreciable basis less
  depreciation taken to date. It is also called remaining basis.

- **Replacement Value**
  Replacement Value represents the increase (or decrease) in
  the value of your assets. You can use Replacement Value to
  determine the equivalent cost of purchasing assets new today.
  Replacement Value is calculated annually for an asset when
  depreciation is run.

- **replicate [an asset]**
  Fixed assets that are similar or identical can be entered once
  and then replicated as many as 99 times to speed up the data
  entry process. For example, if you had four identical chairs,
  you might enter the first one and then replicate that asset
  three times.

- **sale**
  A type of disposal that occurs when you sell an asset for:

  - Cash
  - Cash and noncash items (if not qualifying as an exchange).

- **salvage value**
  The salvage value of an asset is the value it's expected to have
  at the end of its useful life. Straight-line,
  sum-of-the-years'-digits, and custom depreciation methods
  subtract salvage value from an asset's depreciable basis, while
  other methods will not depreciate below the salvage value.

ACRS and MACRS methods disregard salvage value in calculating depreciation.

■ **scroll**
Scrolling refers to the movement of a screen display in a manner similar to unrolling a scroll. This scrolling can be done by using the scroll bars or the arrow keys. You can scroll a report up, down, left, and right.

■ **Section 179 expense**
Section 179 of the Internal Revenue Code allows the costs of certain new assets to be treated as expenses rather than capital expenditures and to be deducted in the year placed in service instead of depreciated.

■ **short year**
A short year occurs when there is an accounting period of less than twelve calendar months. It often appears in the first and last years of a company's life.

■ **simple expression**
A simple expression is an expression that searches for just one criterion.

■ **SmartList**
A SmartList is a customized list box of available entries for a field. You can give a field a SmartList by using the field customization feature.

■ **sort**
To sort a report means to put the items in the report in a specified order. For example, the simplest way to sort a report is to let the application print the assets in order by System Number. You can specify that you want the assets sorted by some other field, such as by *class*, if you want the assets organized for a particular purpose. Use Group Manager to define how you want the assets to be sorted.

■ **straight-line depreciation**
Straight-line depreciation generally allows an equal amount of depreciation for each year in the asset's estimated life. Exceptions for the first and last years in the life are caused by the averaging convention in use for the asset.

■ **sum-of-the-years'-digits depreciation**
Sum-of-the-years'-digits depreciation is an accelerated method of depreciation that results in a greater amount of depreciation being expensed in the early years of an asset's life and a smaller amount in later years.

- **system (or SYS) number**
  The application assigns each asset a permanent system number that can be used to find the asset in the data files. The number is different for each asset. When you set up a company, you determine what the beginning system number will be. The application also uses the system number in sorting assets in reports.

- **tab**
  The application makes efficient use of the space on a screen by providing tabs which provide access to different types of information on that screen.

- **tangible assets**
  Tangible assets are those assets that provide economic benefit and have physical substance. See also "intangible assets."

- **Tax book**
  The Tax book is for the depreciation calculations used when reporting regular depreciation on federal tax returns under IRS rules.

- **tax credit**
  A tax credit reduces, dollar for dollar, the amount of tax to be paid.

- **tax deduction**
  A tax deduction reduces the amount of net income subject to tax.

- **tax preference (ACRS)**
  A tax preference for ACRS real property is the difference between depreciation calculated by ACRS and that calculated using straight-line depreciation. Other pre-1987 real property also creates a tax preference to the extent that accelerated depreciation exceeds the straight-line depreciation amount. Tax preferences are used in calculating the Alternative Minimum Tax.

- **taxable exchange**
  An exchange of dissimilar property, such as exchanging a car for land. It can also include the receipt of money.

- **taxable year**
  Taxable year means the period for which taxable income is computed. It may be a twelve-month period or a year that is less than twelve months (a short year). If it is a calendar year, it begins on January 1 and ends on December 31.

■ **template**
An asset template is predefined asset information for a certain kind of asset. Once you have saved as much or as little data as you want for an asset as an asset template, you can use the template to quickly create new assets that need only a small amount of modification to be unique, for example, giving each asset its own asset number.

■ **through date**
The date through which the application last calculated depreciation for the asset in a given book. It is displayed in Detail View. Depreciation can be calculated by executing the Depreciate command from the Depreciate menu.

■ **toolbar**
A standard Windows interface tool used to initiate specific functions or actions in the application through the use of buttons.

■ **transfer by**
The transfer by key indicates the field that the user establishes as a cost center to transfer assets. The most common applications would be a location, GL account, or company.

■ **transferred asset**
A transferred asset is the amount of basis being transferred out of an asset, creating a new unique System Number.

■ **transitional property**
If, at the time that a tax provision expires, a company has a firm agreement that certain property be delivered, that property is called transitional property. The rules of the tax provision can usually be applied to transitional property even though the property is not yet placed in service when the tax provision expires.

■ **user books**
User books are depreciation books not designated for specific tax reporting purposes. The predefined user book is the Internal book. The default information in the Internal book conforms to GAAP. The other user books, Book 6 and Book 7, may be defined as you wish.

■ **utilities**
Utilities are programs or functions of an application that help the user maintain the database and perform other tasks that are not the primary purpose of the application. For example,

some of the utilities let you inactivate assets, reset depreciation, and export ASCII files.

■ **vintage account**
Asset Depreciation Range (ADR) depreciation allowed multiple asset accounts to be used from 1971 through 1980. These accounts are called vintage accounts, referring to the year in which the multiple assets that comprised a particular account were placed in service.

■ **whole transfer**
A whole transfer occurs when an asset's entire acquired value is moved from one location to another. A whole transfer can occur between any descriptive field in the application. This is set in the New (or Edit) Company screen in the Transfer By field. The most common examples of whole transfers are between locations, companies, or G/L accounts.

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