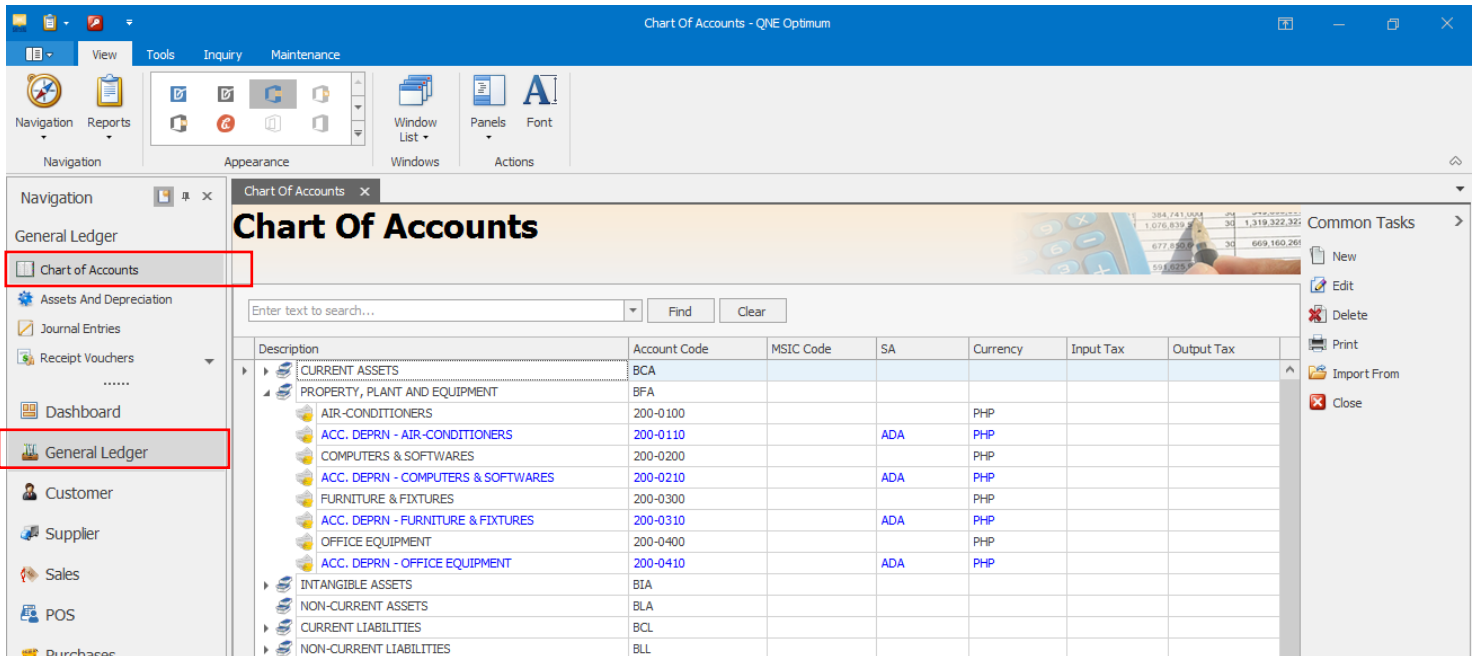




HOW TO RECORD DEPRECIATION OF FIXED ASSETS

Acquired items such as Computers, Machineries, Leaseholds, Equipment and the likes are usually being considered as a part of the company's fixed assets and the each will depreciate their value over the period of time. Recording of depreciation will let us know the current book value of the fixed assets.

Using the Navigation Panel, go to the General Ledger and select Chart of Accounts.



The screenshot shows the 'Chart Of Accounts - QNE Optimum' window. The left-hand 'Navigation' panel has 'General Ledger' selected, and 'Chart of Accounts' is highlighted with a red box. The main area displays a table of accounts:

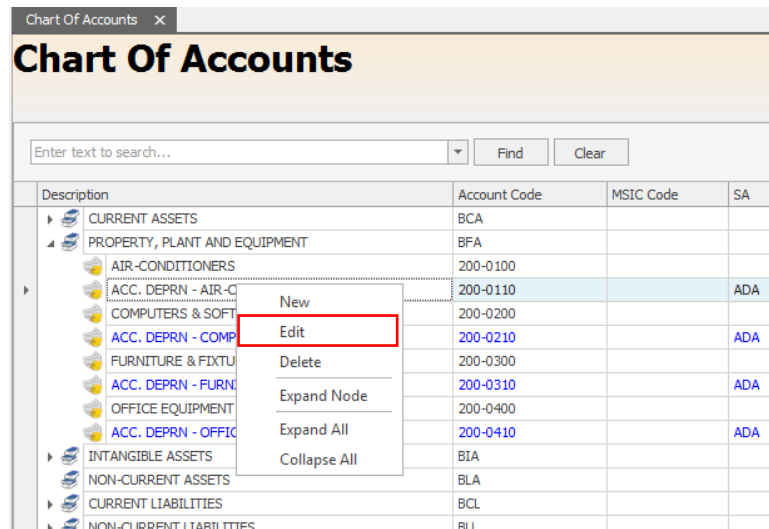
Description	Account Code	MSIC Code	SA	Currency	Input Tax	Output Tax
▶ CURRENT ASSETS	BCA					
▶ PROPERTY, PLANT AND EQUIPMENT	BFA					
▶ AIR-CONDITIONERS	200-0100			PHP		
▶ ACC. DEPRN - AIR-CONDITIONERS	200-0110		ADA	PHP		
▶ COMPUTERS & SOFTWARES	200-0200			PHP		
▶ ACC. DEPRN - COMPUTERS & SOFTWARES	200-0210		ADA	PHP		
▶ FURNITURE & FIXTURES	200-0300			PHP		
▶ ACC. DEPRN - FURNITURE & FIXTURES	200-0310		ADA	PHP		
▶ OFFICE EQUIPMENT	200-0400			PHP		
▶ ACC. DEPRN - OFFICE EQUIPMENT	200-0410		ADA	PHP		
▶ INTANGIBLE ASSETS	BIA					
▶ NON-CURRENT ASSETS	BLA					
▶ CURRENT LIABILITIES	BCL					
▶ NON-CURRENT LIABILITIES	BLL					

On the right side, there is a 'Common Tasks' panel with buttons for New, Edit, Delete, Print, Import From, and Close.

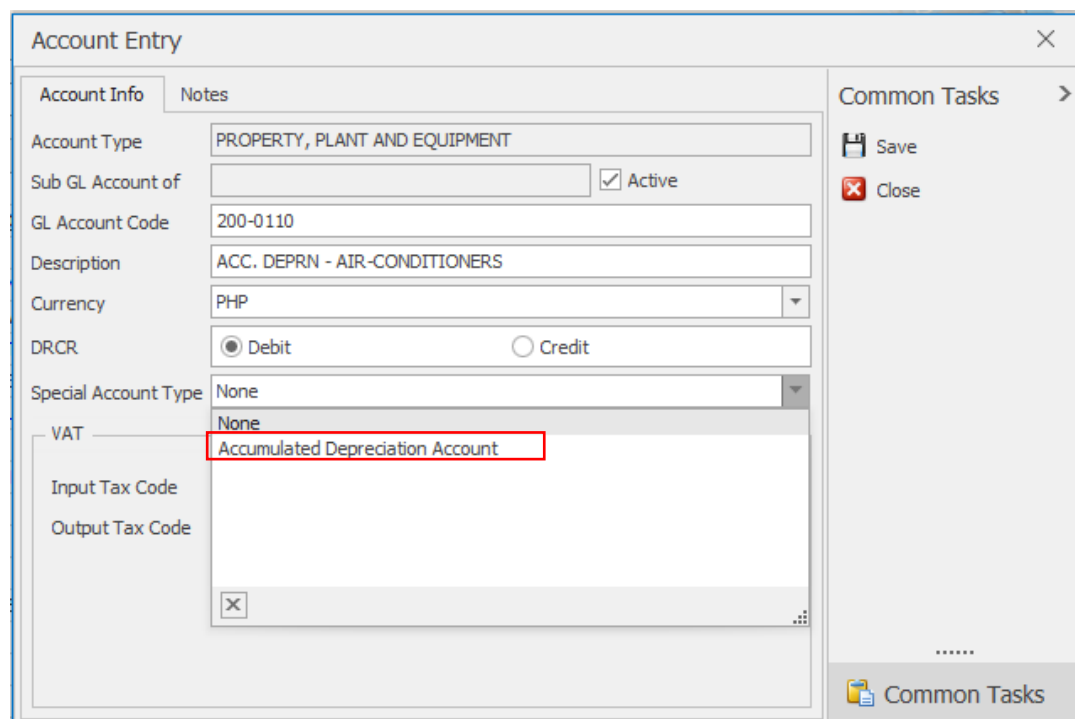
Under the Property, Plant and Equipment Accounts, create a fixed asset accounts and accumulated depreciation accounts.

Accumulated Depreciation Accounts per each fixed asset accounts should be tagged as ADA in the Special Account.

To tagged, right-click to the corresponding accumulated depreciation account and select edit.



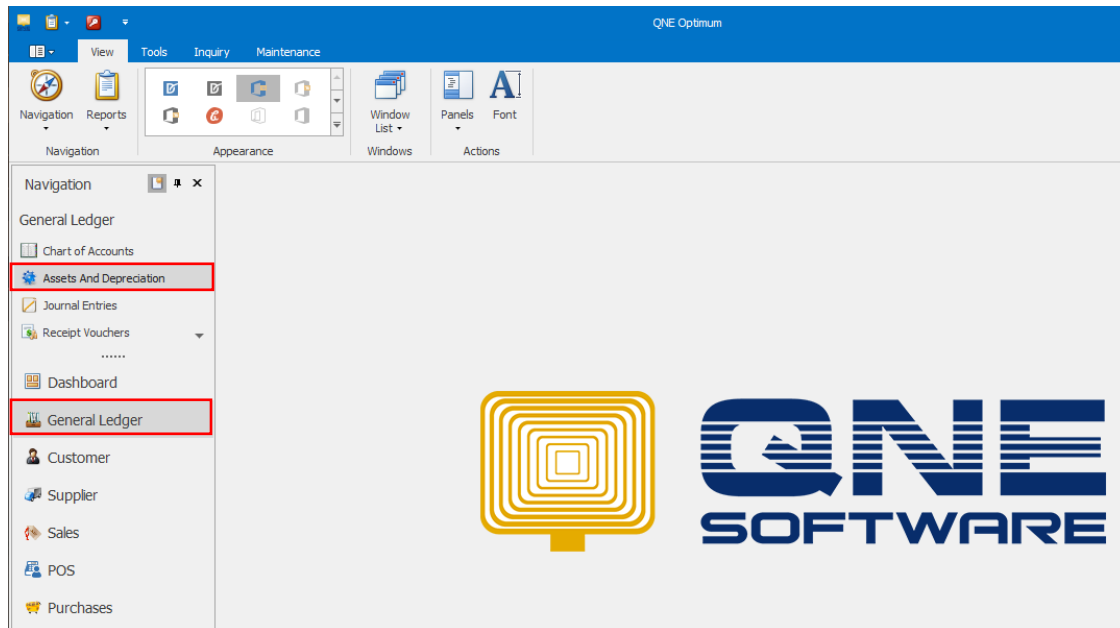
On the Account Entry pop-up window, select Accumulated Depreciation Account under Special Account Type. Once done, save the window.



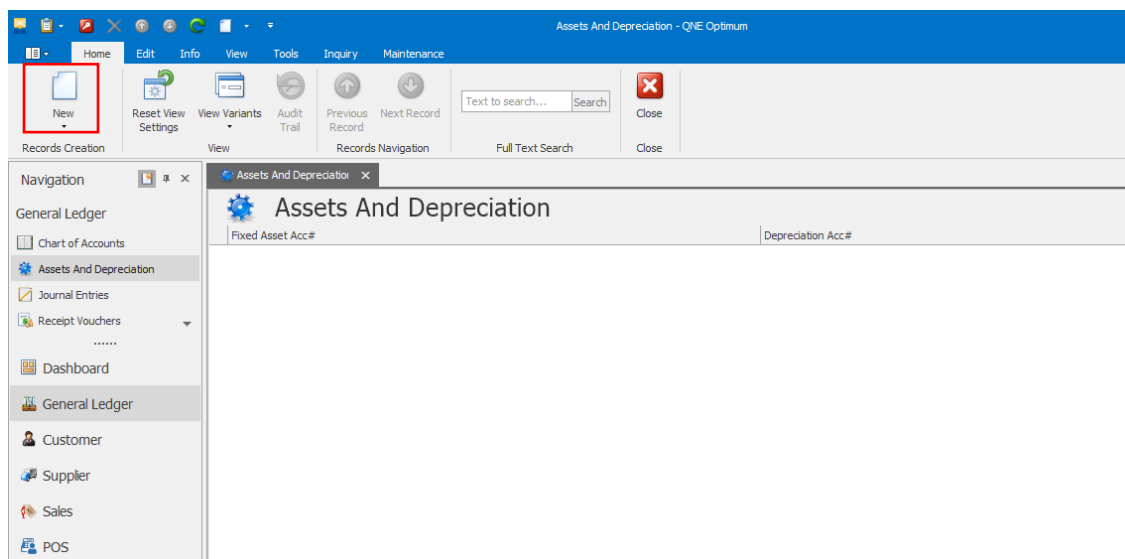
The screenshot shows the 'Account Entry' window with the 'Account Info' tab selected. The 'Special Account Type' dropdown is set to 'None'. The 'VAT' section is expanded, and the 'Accumulated Depreciation Account' option is highlighted with a red box. The 'Common Tasks' panel on the right shows 'Save' and 'Close' buttons.

Account Type	Sub GL Account of	GL Account Code	Description	Currency	DRCR	Special Account Type	VAT	Input Tax Code	Output Tax Code
PROPERTY, PLANT AND EQUIPMENT		200-0110	ACC. DEPRN - AIR-CONDITIONERS	PHP	Debit	None	None		

If all of the accumulated depreciation accounts are being tagged, we can now match them to its corresponding fixed asset accounts using Assets and Depreciation Maintenance.

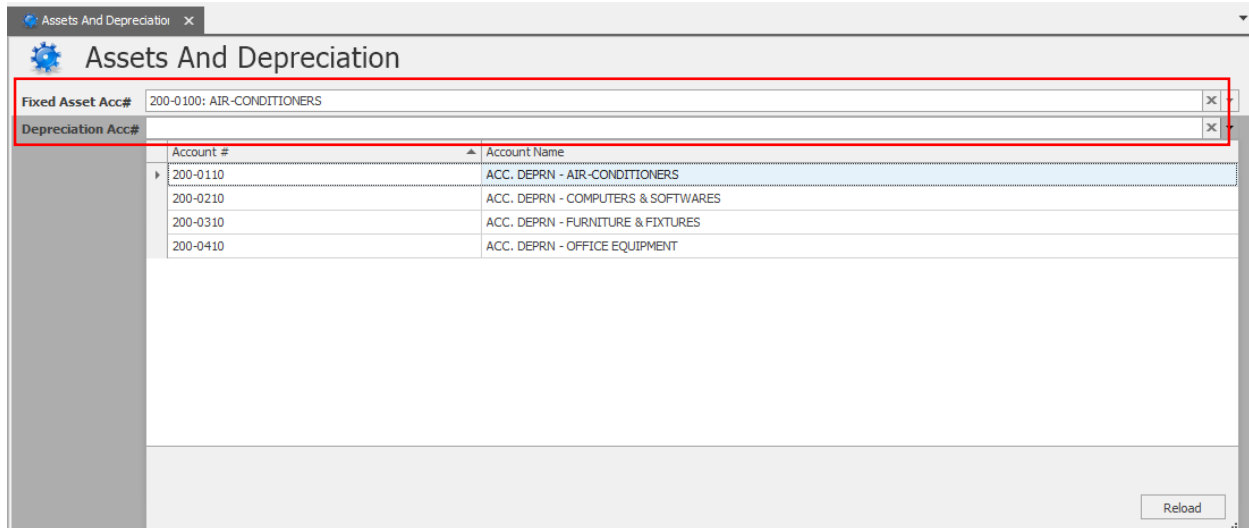


To match, click New under Record Creation.



Select the Fixed Asset account and its corresponding Accumulated Depreciation account using the drop-down button.

Continue to do matching until all fixed assets have been matched.

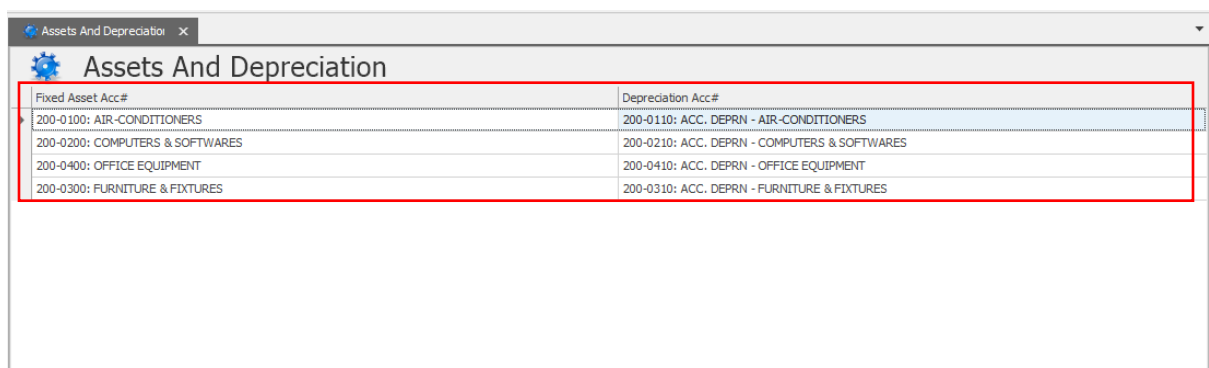


The screenshot shows the 'Assets And Depreciation' window. The 'Fixed Asset Acc#' field is set to '200-0100: AIR-CONDITIONERS'. The 'Depreciation Acc#' field is empty. Below these fields is a table with two columns: 'Account #' and 'Account Name'.

Account #	Account Name
200-0110	ACC. DEPRN - AIR-CONDITIONERS
200-0210	ACC. DEPRN - COMPUTERS & SOFTWARES
200-0310	ACC. DEPRN - FURNITURE & FIXTURES
200-0410	ACC. DEPRN - OFFICE EQUIPMENT

A 'Reload' button is located at the bottom right of the window.

Once done, all matched accounts will be displayed in the Assets and Depreciation Maintenance.



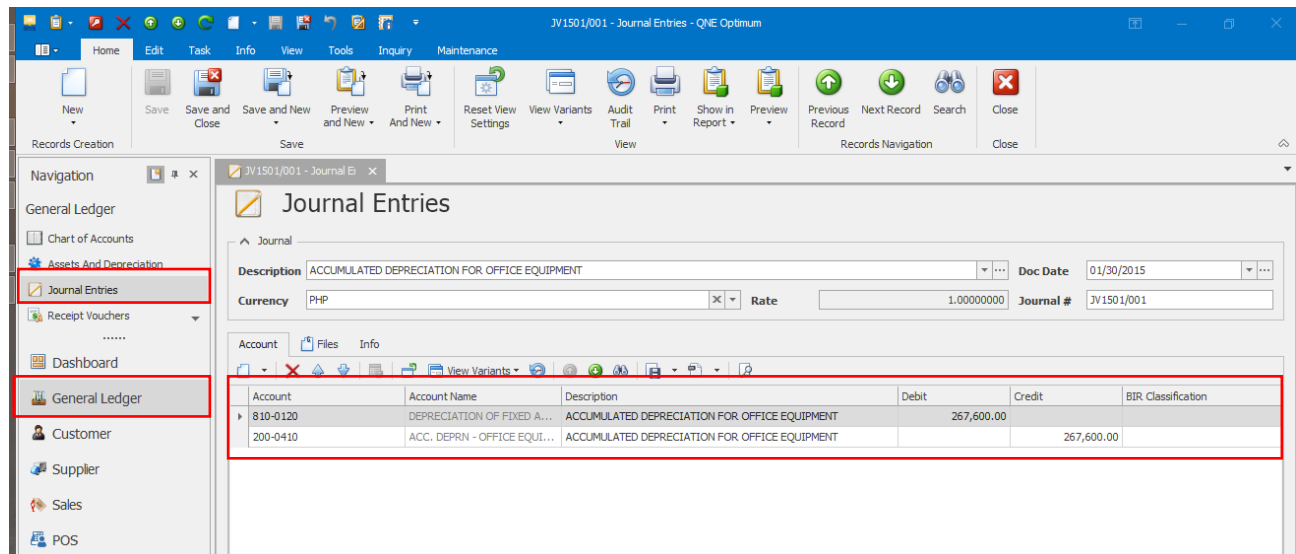
The screenshot shows the 'Assets And Depreciation' window with the 'Fixed Asset Acc#' and 'Depreciation Acc#' fields filled. The 'Fixed Asset Acc#' field contains '200-0100: AIR-CONDITIONERS' and the 'Depreciation Acc#' field contains '200-0110: ACC. DEPRN - AIR-CONDITIONERS'. Below these fields is a table with two columns: 'Fixed Asset Acc#' and 'Depreciation Acc#'.

Fixed Asset Acc#	Depreciation Acc#
200-0100: AIR-CONDITIONERS	200-0110: ACC. DEPRN - AIR-CONDITIONERS
200-0200: COMPUTERS & SOFTWARES	200-0210: ACC. DEPRN - COMPUTERS & SOFTWARES
200-0400: OFFICE EQUIPMENT	200-0410: ACC. DEPRN - OFFICE EQUIPMENT
200-0300: FURNITURE & FIXTURES	200-0310: ACC. DEPRN - FURNITURE & FIXTURES

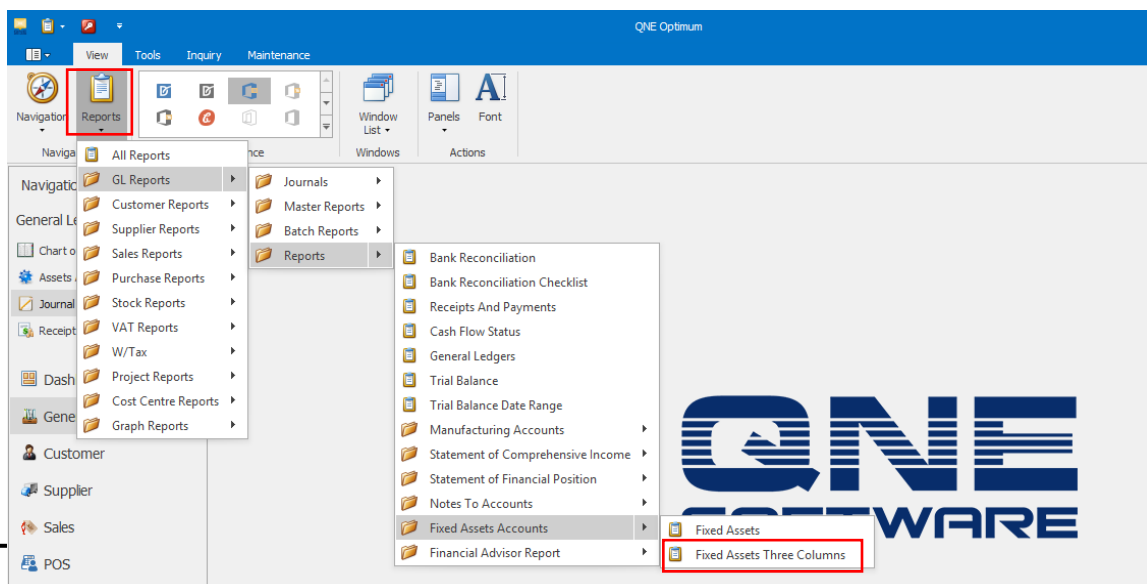
Now go to Journal Entries in the General Ledger Module using Navigation Panel.

Create a depreciation of fixed asset by debiting the Depreciation Expense account and credit the Accumulated Depreciation account.

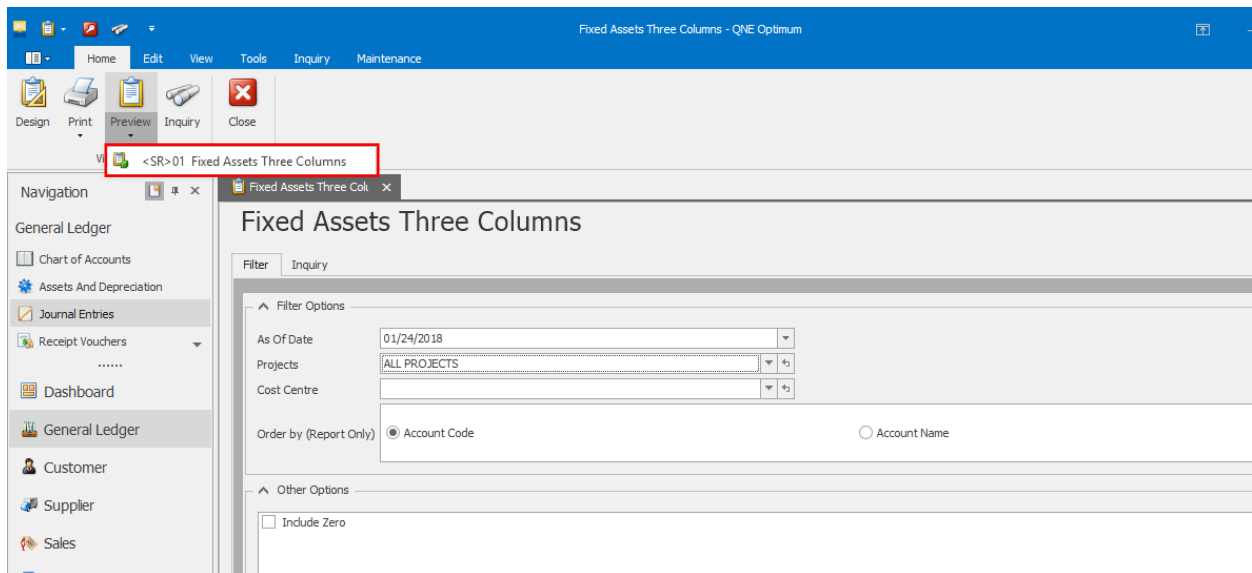
Note: Provide a description for reference in report.



Then to check the current book value of the fixed accounts. Go to View then Reports > GL Reports > Reports > Fixed Assets Accounts > Fixed Assets Three Columns report.



Now generate a report, click the preview and select the available format. (you may select and filter date based on preference).



Upon checking on the report, Book Value of each fixed assets have been shown by deducting the accumulated depreciation amount to its corresponding cost upon acquired.

Print Preview - Fixed Assets Report

Print Quick Print Options Parameters Header/Footer Page Setup Navigation Zoom Page... Close Print Preview Export

Fixed Assets Report

As of Date: 01/24/2018 Projects: [ALL PROJECTS] Order by Account Code
Exclude Zero Balance Cost Centre: [ALL COST CENTRES]
SAMPLE TRADING, INC. (001-222-333) Page 1 of 1

ACCOUNT CODE	ACCOUNT NAME	COST	ACC. DPRN.	BOOK VALUE
200-0100	AIR-CONDITIONERS	120,000.00	-12,000.00	108,000.00
200-0200	COMPUTERS & SOFTWARES	118,000.00	-11,800.00	106,200.00
200-0300	FURNITURE & FIXTURES	468,000.00	-415,200.00	52,800.00
200-0400	OFFICE EQUIPMENT	310,000.00	-276,600.00	33,400.00
Total :		1,016,000.00	-715,600.00	300,400.00