

## **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.

| 🚆 🗐 + 🔯 📼                             |  | Chart Of Accounts - ( | QNE Optimum |     |          |           |                    | ፹        | —        | ٥     | ×  |
|---------------------------------------|--|-----------------------|-------------|-----|----------|-----------|--------------------|----------|----------|-------|----|
| III ▼ View Tools Inquiry              | Maintenance  |                       |             |     |          |           |                    |          |          |       |    |
| Navigation Reports                    | Image: Window     Image: Window       Image: Window     Panels |                       |             |     |          |           |                    |          |          |       |    |
| Navigation Appea                      | arance Windows Actions   |                       |             |     |          |           |                    |          |          |       | ~~ |
| Navigation 📑 म 🛪 📑                    | hart Of Accounts X   |                       |             |     |          |           |                    |          |          |       | •  |
| General Ledger                        | hart Of Accounts   |                       |             |     |          |           | 76,839 5 30 1,319. | 22,32: C | Common   | Tasks | >  |
|                                       |  |                       |             |     |          |           | 30 669,            | 160,261  | New      |       |    |
| Chart of Accounts                     |  |                       |             |     |          | 37 7 1    | 91,625,9           |          | 🖉 Edit   |       |    |
| 🔅 Assets And Depreciation             | Enter text to search   | ▼ Find Clea           | ar.         |     |          |           |                    |          | Delete   |       |    |
| 🔀 Journal Entries                     |  |                       |             |     |          |           |                    |          |          |       |    |
| 🐻 Receipt Vouchers 🚽                  | Description  | Account Code          | MSIC Code   | SA  | Currency | Input Tax | Output Tax         |          | Print    |       |    |
| · · · · · · · · · · · · · · · · · · · | ►<br>CURRENT ASSETS  | BCA                   |             |     |          |           |                    | ^ 🖸      | 🇳 Import | From  |    |
|                                       | A S PROPERTY, PLANT AND EQUIPMENT                              | BFA                   |             |     |          |           |                    | E        | Close    |       |    |
| Dashboard                             | air-conditioners   | 200-0100              |             |     | PHP      |           |                    | - 17     | -        |       |    |
| III. General Ledger                   | CC. DEPRN - AIR-CONDITIONERS                                   | 200-0110              |             | ADA | PHP      |           |                    | -        |          |       |    |
|                                       | ACC DEBRN COMPLETERS & SOFTWARES                               | 200-0200              |             | 404 | PHP      |           |                    | -        |          |       |    |
| 🚨 Customer                            | E IDNITI IDE & ETVTI IDES                                      | 200-0210              |             | ADA | DHD      |           |                    | -        |          |       |    |
|                                       | ACC. DEPRN - FURNITURE & FIXTURES                              | 200-0310              |             | ADA | PHP      |           |                    | -        |          |       |    |
| A Supplier                            | OFFICE EQUIPMENT   | 200-0400              |             |     | PHP      |           |                    | -        |          |       |    |
|                                       | ACC. DEPRN - OFFICE EQUIPMENT                                  | 200-0410              |             | ADA | PHP      |           |                    | -        |          |       |    |
| 🐅 Sales                               | ▶ 🥩 INTANGIBLE ASSETS  | BIA                   |             |     |          |           |                    |          |          |       |    |
|                                       | S NON-CURRENT ASSETS   | BLA                   |             |     |          |           |                    |          |          |       |    |
| Ca PUS                                | ►  | BCL                   |             |     |          |           |                    |          |          |       |    |
| 🖤 Purchases                           | ▶ 🍠 NON-CURRENT LIABILITIES                                    | BLL                   |             |     |          |           |                    |          |          |       |    |

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.

| ہ<br>C | hart Of Accounts ×         | ounts        |              |           |     |
|--------|----------------------------|--------------|--------------|-----------|-----|
| [      | Enter text to search       |              | ▼ Find       | Clear     |     |
|        | Description                |              | Account Code | MSIC Code | SA  |
|        | IN SCURRENT ASSETS         |              | BCA          |           |     |
|        | 🔺 🥩 PROPERTY, PLANT AND EQ | UIPMENT      | BFA          |           |     |
|        | AIR-CONDITIONERS           |              | 200-0100     |           |     |
| Þ      | ACC. DEPRN - AIR-C         | Nau          | 200-0110     |           | ADA |
|        | COMPUTERS & SOFT           | INEW         | 200-0200     |           |     |
|        | acc. DEPRN - COMP          | Edit         | 200-0210     |           | ADA |
|        | 🔹 FURNITURE & FIXTU        | Delete       | 200-0300     |           |     |
|        | acc. Deprn - Furn:         | Europed Mada | 200-0310     |           | ADA |
|        | OFFICE EQUIPMENT           | Expand Node  | 200-0400     |           |     |
|        | acc. DEPRN - OFFIC         | Expand All   | 200-0410     |           | ADA |
|        | ▶                          | Collapse All | BIA          |           |     |
|        | S NON-CURRENT ASSETS       | •            | BLA          |           |     |
|        | ▶                          |              | BCL          |           |     |
|        | NON-CURRENT LTABILITIES    |              | BU           |           |     |

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

| Account Entry        |  | :            | × |  |  |  |  |
|----------------------|--|--------------|---|--|--|--|--|
| Account Info Not     | es   | Common Tasks | > |  |  |  |  |
| Account Type         | Account Type PROPERTY, PLANT AND EQUIPMENT |              |   |  |  |  |  |
| Sub GL Account of    | Active                                     | 🔀 Close      |   |  |  |  |  |
| GL Account Code      | 200-0110                                   |              |   |  |  |  |  |
| Description          | ACC. DEPRN - AIR-CONDITIONERS              |              |   |  |  |  |  |
| Currency             | PHP 🔹                                      |              |   |  |  |  |  |
| DRCR                 | Debit     Credit                           |              |   |  |  |  |  |
| Special Account Type | None                                       |              |   |  |  |  |  |
| VAT                  | None<br>Accumulated Depreciation Account   |              |   |  |  |  |  |
| Input Tax Code       |  |              |   |  |  |  |  |
| Output Tax Code      |  |              |   |  |  |  |  |
|                      |  |              |   |  |  |  |  |
|                      | ×  |              |   |  |  |  |  |
|                      |  |              |   |  |  |  |  |
|                      |  | Common Tasks | s |  |  |  |  |

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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.

| 💂 🗈 • 🛛 🗙           | <b>@</b>               | C 🛛 🔹         | ÷              |                    |                    | Assets And D          | epreciation · | ion - QNE Optimum |
|---------------------|------------------------|---------------|----------------|--------------------|--------------------|-----------------------|---------------|-------------------|
| Home                | Edit Ir                | nfo View      | Tools          | Inquiry            | Maintenance        |                       |               |                   |
| New<br>T            | Reset View<br>Settings | View Variants | Audit<br>Trail | Previous<br>Record | (U)<br>Next Record | Text to search Search | Close         | 2                 |
| Records Creation    |                        | View          |                | Records            | Navigation         | Full Text Search      | Close         | 2                 |
| Navigation          | 🖪 џ 🗙                  | 🔅 🌸 Asse      | ts And Dep     | reciatioi X        |                    |                       |               |                   |
| General Ledger      |                        |               | Ass            | ets Ar             | nd Dep             | preciation            |               |                   |
| Chart of Accounts   |                        | Fixed         | Asset Acc#     | ;                  |                    |                       |               | Depreciation Acc# |
| 🔅 Assets And Deprec | iation                 |               |                |                    |                    |                       |               |                   |
| 🔀 Journal Entries   |                        |               |                |                    |                    |                       |               |                   |
| 🚯 Receipt Vouchers  |                        | -             |                |                    |                    |                       |               |                   |
| <br>Bashboard       |                        |               |                |                    |                    |                       |               |                   |
| 🚢 General Ledge     | r                      |               |                |                    |                    |                       |               |                   |
| 🌡 Customer          |                        |               |                |                    |                    |                       |               |                   |
| 🐺 Supplier          |                        |               |                |                    |                    |                       |               |                   |
| 🚸 Sales             |                        |               |                |                    |                    |                       |               |                   |
| 🖺 POS               |                        |               |                |                    |                    |                       |               |                   |

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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.

| 🌞 Assets And Deprei | ciatio ×                   |   | ,  |
|---------------------|----------------------------|---|----|
| 🄅 Asse              | ets And Depreciation       |   |    |
| Fixed Asset Acc#    | 200-0100: AIR-CONDITIONERS |   | x  |
| Depreciation Acc#   | •                          |   | ×  |
|                     | Account #                  | Account Name ACC. DEPRN - AIR-CONDITIONERS                              |    |
|                     | 200-0210 200-0310          | ACC. DEPRN - COMPUTERS & SOFTWARES<br>ACC. DEPRN - FURNITURE & FDXTURES |    |
|                     | 200-0410                   | ACC. DEPRN - OFFICE EQUIPMENT   |    |
|                     |                            |   |    |
|                     |                            |   |    |
|                     |                            |   |    |
|                     |                            |   |    |
|                     |                            |   |    |
|                     |                            | Relo  | ad |

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

| 🔅 Assets And Depreciation 🗙     |  |
|---------------------------------|--|
| 🔅 Assets And Depreciation       |  |
| 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.

| 📕 🕯 - 💋 🗙 🙃 😳 🖀 - 📕 🛱 🤊 🔞 🃅 + 🛛 JV1501,001 - Journal Entries - QNE Optimum 📧 💷 🔿 🗙 |   |   |                                      |                     |                               |              |                 |                    |       |  |
|--|---|---|--------------------------------------|---------------------|-------------------------------|--------------|-----------------|--------------------|-------|--|
| 🔲 - Home Edit Tas  | k Info View Tools Inq                           | uiry Maintenance                                    |                                      |                     |                               |              |                 |                    |       |  |
|  |   |   |                                      | ì ì                 | <ul><li>O</li></ul>           | 88           | 3               |                    |       |  |
| New Save Sav<br>Cl   | e and Save and New Preview<br>ose • and New • A | Print Reset View View View View View View View View | ariants Audit Print Sh<br>Trail - Re | port • •            | Previous Next Recor<br>Record | d Search Clo | se              |                    |       |  |
| Records Creation   | Save  |   | View                                 |                     | Records Naviga                | tion Clo     | se              |                    | \$    |  |
| Navigation 📑 🛚 🔺 🗙   | 📝 JV1501/001 - Journal Ei 🗙                     |   |                                      |                     |                               |              |                 |                    | •     |  |
| General Ledger   | 🗾 Journal Er                                    | ntries  |                                      |                     |                               |              |                 |                    |       |  |
| Chart of Accounts  | ▲ Journal                                       |   |                                      |                     |                               |              |                 |                    |       |  |
| 💐 Assets And Depreciation  | Description ACCUMULATED DE                      | PRECIATION FOR OFFICE EQUIPM                        | IENT                                 |                     |                               | · ···        | Doc Date 01/30/ | 2015               | · ··· |  |
| 🕗 Journal Entries  | Currency PHP                                    |   |                                      | X - Rate            |                               | 1.00000000   | Journal # JV150 | 1/001              |       |  |
| 🚯 Receipt Vouchers 🗸 👻   |   |   |                                      |                     |                               |              |                 |                    |       |  |
|  | Account 🖆 Files Info                            |   |                                      |                     |                               |              |                 |                    |       |  |
| Dashboard  | □ • X & ⊕ 🖪                                     | 💾 🕞 View Variants 🔻 🧐                               | 🙆 🙆 🛝 📴 🕈 🖻                          | • Q                 |                               |              |                 |                    |       |  |
| 🏭 General Ledger   | Account   | Account Name  | Description                          |                     | De                            | bit          | Credit          | BIR Classification |       |  |
| & Customer   | ▶ 810-0120                                      | DEPRECIATION OF FIXED A                             | ACCUMULATED DEPRECIATIO              | IN FOR OFFICE EQUIP | PMENT                         | 267,600.00   | 267 600 00      |                    |       |  |
|  | 200-0410  | ACC. DEPRIN - OFFICE EQUI                           | ACCOMOLATED DEPRECIATIO              | IN FOR OFFICE EQUIP | PMENT                         |              | 267,600.00      |                    |       |  |
| 🛹 Supplier   |   |   |                                      |                     |                               |              |                 |                    |       |  |
| 🎨 Sales  |   |   |                                      |                     |                               |              |                 |                    |       |  |
| 🐴 POS  |   |   |                                      |                     |                               |              |                 |                    |       |  |

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.



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

| 📮 🖹 • 🙆 🛷 🔹                  | Fixed Assets Three Columns - QNE Optimum | ন – |
|------------------------------|--|-----|
|                              | Tools Inquiry Maintenance                |     |
| Design Print Preview Inquiry | Close                                    |     |
| Vi 🗓 <sr>01 Fixed</sr>       | Assets Three Columns                     |     |
| Navigation 📑 🖛 🗙             | i Fixed Assets Three Coli X              |     |
| General Ledger               | Fixed Assets Three Columns               |     |
| Chart of Accounts            | Filter Inquiry                           |     |
| 🔅 Assets And Depreciation    |  |     |
| Journal Entries              | Filter Options                           |     |
| 🚯 Receipt Vouchers 🗸 🚽       | As of Date 01/24/2018 ~                  |     |
|                              | Projects ALL PROJECTS To b               |     |
| Dashboard                    | Cost Centre 👻 45                         |     |
| 🕮 General Ledger             | Order by (Report Only)   Account Code    |     |
| Lustomer                     |  |     |
| 🐙 Supplier                   | Other Options     Indude Zero            |     |
| 🔅 Sales                      |  |     |

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 - Fixe                  | d Assets F              | Report                             |           |            |                     |             |   |       |            | - o ×                         |
|--------------|---------------------------------|-----------------------|--|------------------------------------|----------------------|---------------------------------------|-------------------------|------------------------------------|-----------|------------|---------------------|-------------|---|-------|------------|-------------------------------|
| e<br>gner 15 | 🏐 Print<br>🍠 Quick Print<br>Pri | Doptions Parameter nt | s Header/Footer                            | Scale •<br>Margins •<br>Page Setup | Crientation •        | Find Bookmarks                        | I∢ Firs<br>∢ Pre<br>Nav | st Page<br>evious Page<br>rigation | ▶ Next Pa | age 🗼      | Many Pages •        | ©∕<br>0∕0 • | Ð | Image | ₩ •<br>₩ • | Close Print Preview<br>Export |
|              |                                 |                       |  |                                    |                      |                                       |                         |                                    |           |            |                     |             | ] |       |            |                               |
|              |                                 |                       |  |                                    | F                    | ixed Asset                            | s Rep                   | oort                               |           |            |                     |             |   |       |            |                               |
|              |                                 |                       | As of Date: 01/24/:<br>Exclude Zero Balanc | 2018<br>:e                         | Project:<br>Cost Cer | [ALL PROJECTS]<br>htre: [ALL COST CEN | TRES]                   |                                    |           |            | Order by Account Co | de          |   |       |            |                               |
|              |                                 |                       | SAMPLE TRADIN                              | G, INC. (001-22                    | 2-333)               |                                       | _                       |                                    |           |            | Page 1 of 1         |             |   |       |            |                               |
|              |                                 |                       | ACCOUNT CODE                               | ACCOL                              | JNT NAME             |                                       |                         | C                                  | OST       | ACC. DPRN  | I. BOOK VALI        | JE          |   |       |            |                               |
|              |                                 |                       | 200-0100                                   | AIR-CC                             | NDITIONERS           |                                       |                         | 120,00                             | 00.00     | -12,000.0  | 0 108,000.          | 00          |   |       |            |                               |
|              |                                 |                       | 200-0200                                   | COMPL                              | JTERS & SOFTWARE     | 55                                    |                         | 118,00                             | 00.00     | -11,800.0  | 0 106,200.          | 00          |   |       |            |                               |
|              |                                 |                       | 200-0300                                   | FURNI                              | TURE & FIXTURES      |                                       |                         | 468,00                             | 00.00     | -415,200.0 | 0 52,800,           | 00          |   |       |            |                               |
|              |                                 |                       | 200-0400                                   | OFFICE                             | EQUIPMENT            |                                       |                         | 310,00                             | 00.00     | -276,600.0 | 0 33,400,           | 00          |   |       |            |                               |
|              |                                 |                       |  |                                    |                      | Total :                               |                         | 1,016,0                            | 00.00     | -715,600.0 | 0 300,400.          | œ           |   |       |            |                               |
|              |                                 |                       |  |                                    |                      |                                       |                         |                                    |           |            |                     |             |   |       |            |                               |
|              |                                 |                       |  |                                    |                      |                                       |                         |                                    |           |            |                     |             |   |       |            |                               |
|              |                                 |                       |  |                                    |                      |                                       |                         |                                    |           |            |                     |             |   |       |            |                               |
|              |                                 |                       |  |                                    |                      |                                       |                         |                                    |           |            |                     |             |   |       |            |                               |

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