

Solution-IV™ Accounting Fixed Assets



Version 8.53P

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1 Introduction

This chapter explains how the manual is organized and how it should be used. It also provides you with an overall view of the Solution-IV Fixed Assets features.

The Fixed Assets and System Integration flowcharts show how your Fixed Assets module operates and how it relates to the overall accounting system.

Thoroughbred Solutions

Thoroughbred Software develops and internationally markets software products for small through Fortune 500 sized businesses. Thoroughbred products are true multi-user solutions and are installed at thousands of worldwide sites.

Solving everyday accounting problems has never been a simple task. Thoroughbred Solution-IV Accounting modules are 4GL-based providing the quality and versatility you need to bring your business accounting needs into and through the new millennium. Thoroughbred software is always at the forefront of our industry's rapidly changing technology. Thoroughbred Solution-IV Accounting sets the pace for 4GL-based applications and is a result of more than 25 years of application development and design experience. This product was built using one of the most powerful 4GL-application development environments available today – Thoroughbred OPENworkshop.

OPENworkshop provides a comprehensive set of productivity tools designed to be easy to understand and use. Solution-IV Accounting is built on top of this robust development platform, which provides the perfect foundation for construction of a feature rich solution to your accounting problems. The Thoroughbred OPENworkshop development environment makes it easy and practical to customize complex applications.

Thoroughbred Solution-IV Accounting is a completely integrated accounting solution. Each module provides a seamless integration and sharing of common data with each of the other modules.

Fixed Assets Features

Thoroughbred Solution-IV Fixed Assets is designed to help track your assets and calculate depreciation. You can have as many depreciation calculations on an asset as required for your business. Different calculations might be used for book, federal tax, and state tax purposes.

A variety of reports are available showing you the value of each asset for book, tax, and insurance purposes. Acquisitions and retirements are handled with appropriate postings to General Ledger, if desired. Other reports compare depreciation methods, project depreciation over the life of the asset, and show depreciation taken in prior years.

The following standard features are included in Thoroughbred Solution-IV Fixed Assets:

- **Parameterized** to give you the ability to customize the system to fit your needs without making costly program changes. These parameters include whether or not to post to General Ledger, the maximum tax credit per year, how to handle comments in inquiry, and how to handle declining balance depreciation when the amount drops below the straight line calculation.
- **Standard depreciation** methods included with Solution-IV Fixed Assets include straight line, double declining balance, 150% declining balance, sum of the years digits, ACRS, MACRS, MACRS with part year conventions, all at purchase and all at sale.
- **Custom depreciation** methods may be created using the depreciation tables.

- **Stored asset information** which includes description, acquisition and retirement information, serial number, location, responsible party, depreciation methods, depreciated value, insured value, warranties and service contracts, capital lease information, comments and depreciation history.
- **Depreciation Inquiry** allows you to enter an asset and depreciation method. It then automatically computes a depreciation schedule for the asset. This is useful for determining the desired method of depreciation to assign to an asset.
- **Acquisitions and retirements** may be entered and optionally posted to General Ledger.
- **Asset labels** can be printed so that they can be attached to assets for easy identification.
- An **amortization subsystem** allows you to enter a loan amount, interest rate, and number of payments. It then calculates the payment amount and amortization schedule.
- The **budgeting subsystem** allows you to calculate the depreciation for the year for a range of assets and post it to the budget fields in General Ledger Account Maintenance.

Standard reporting includes:

- ◆ Asset Valuation Report
- ◆ Insurance Value Report
- ◆ Historical Acquisition Report
- ◆ Historical Retirement Report
- ◆ Tax Credit Report
- ◆ Depreciation Comparison Report
- ◆ Depreciation Projection Report
- ◆ Depreciation History Report
- ◆ Depreciation Tax Report

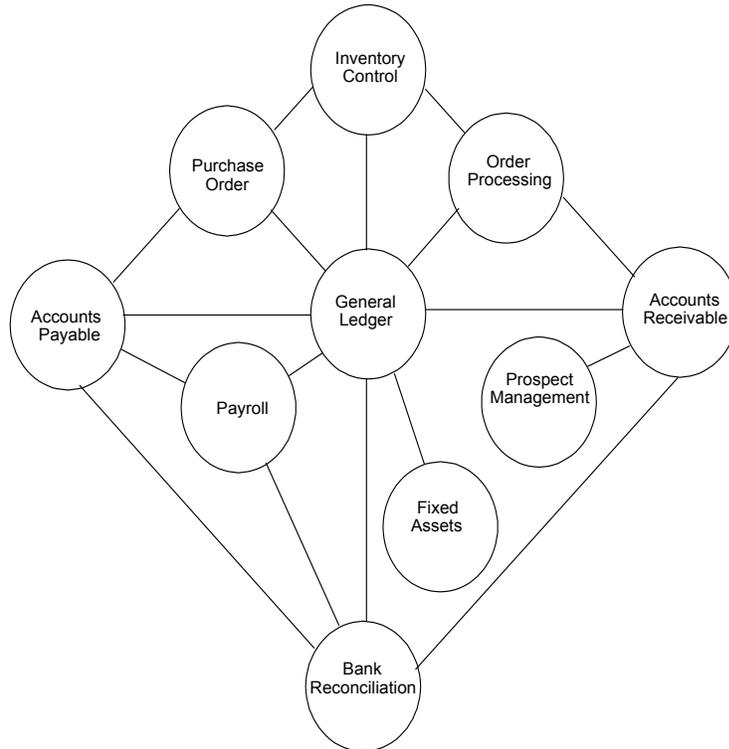
All of the preceding features are standard to the Solution-IV Fixed Assets package.

If additional features, modifications, or reports are required, Solution-IV is a 4GL-based package that makes customization a practical option. For additional information contact your Thoroughbred Value Added Reseller.

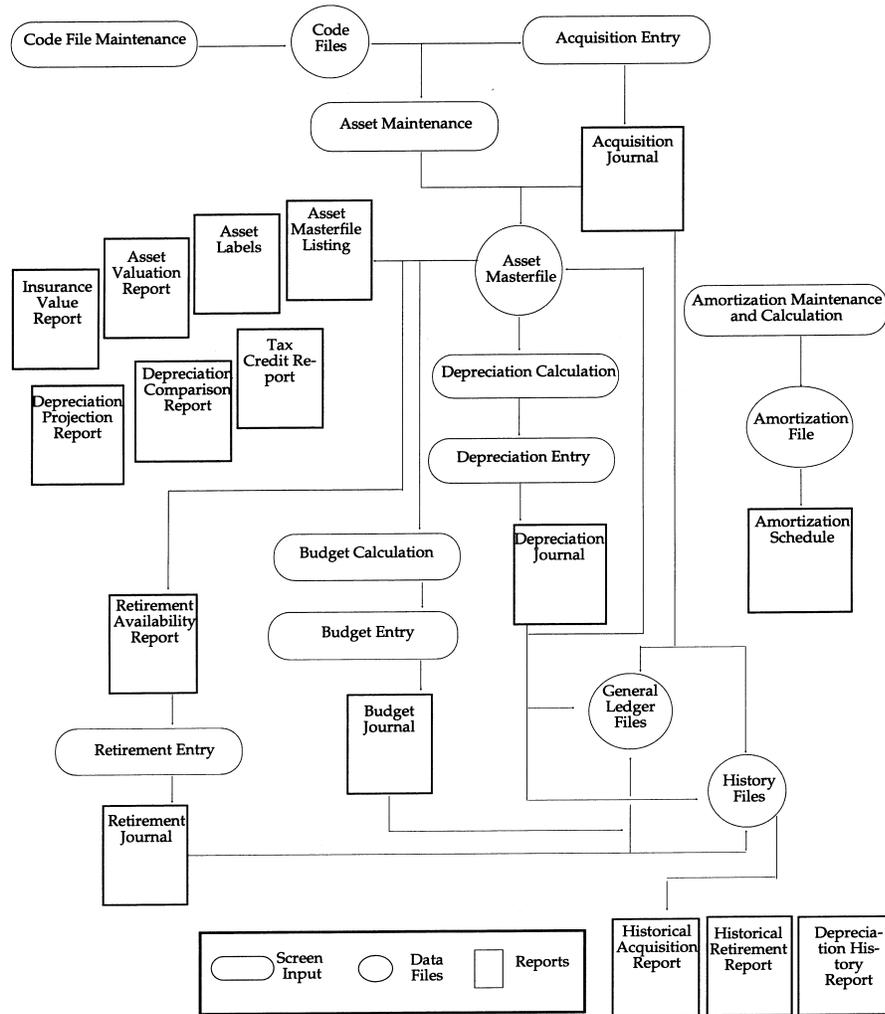
Thoroughbred Solution-IV Accounting Flowchart

The following System Integration Flowchart illustrates how the various Solution-IV Accounting modules relate to one another.

The Solution-IV Fixed Assets Flowchart on the following page shows how the various components of the Fixed Assets module are related.



Solution-IV Fixed Assets Flowchart



How to Make the Greatest Use of This Manual

Introduction

With this manual we have created reference material that is easy to read, yet contains all of the information you need to set up and run the Thoroughbred Solution-IV Fixed Assets system.

This manual introduces you to the capabilities of Solution-IV Fixed Assets, gives you ideas to help you get started with the initial setup, provides complete processing instructions, and also serves as a reference guide once you are up and running.

Suggested Steps

In order to make the greatest use of this manual and to provide the easiest transition to your new system, we suggest you complete the following before actually entering your own data into the system.

- **Know how your computer works.** Users who are familiar with the functions of their computer will have an easier time using the system.
- **Read, or at least browse, the entire manual.** Become familiar with the options and capabilities before starting to use the software.
- **Install the system.** Make sure both the programs and demonstration data have been installed on your computer so you can begin looking at the system.
- **Use the demonstration data.** Demonstration data has been provided to allow you to get a look and feel of the operations of the system and reports without using your company's information.
- **Begin using the system.** Use this manual to begin entering and/or converting your information into the Solution-IV Accounting system.
- **Keep the manual handy.** Once you are up and running, you will find the manual helpful as a reference guide. A complete Table of Contents has been provided for your assistance.

How This Manual is Organized

This manual has been organized to take you through normal Fixed Assets activity. As a supplement to these day-to-day procedures, we have included a brief explanation of accounting theory, an extensive glossary of accounting terms, and several helpful setup ideas and design hints for your codes.

Chapter 1

Introduction – Explains how the manual is organized and how the manual should be used. It also provides you with an overall view of the Fixed Assets features. The Fixed Assets and System Integration Flowcharts show how your Fixed Assets module operates and how it relates to the overall accounting system.

Chapter 2

Fixed Assets Menus – Describes the options available on the Fixed Assets Main Menu, Asset Maintenance Menu, Code File Maintenance Menu, and Reports Menu.

Chapter 3

Fixed Assets Setup – Explains how to get started with your Fixed Assets system. This chapter contains all of the options on the Code File Maintenance Menu.

Chapter 4

Assets Maintenance – Describes the options that are available from the Asset Maintenance Menu. Options include Description and Code Information, Depreciation Maintenance, Warranty Maintenance, Capital Lease Maintenance, Comment Maintenance, Depreciation History Inquiry, and Change/Delete Asset Code. This chapter also covers Fixed Asset Inquiry and Depreciation Inquiry.

Chapter 5

Transaction Processing – Describes the options that are available when acquiring, retiring and depreciating assets. They include Depreciation Calculation, Entry, Journal and Update; Acquisition Entry, Journal and Update; and Retirement Availability Report, Entry, Journal and Update.

Chapter 6

Other Options – Describes the subsystem options including Amortization Maintenance, Calculation and Schedule as well as Budget Calculation, Entry, Journal and Update.

Chapter 7

Fixed Assets Reports – Describes how to execute the Fixed Assets reports. They include the Asset Masterfile Listing, Asset Labels, Asset Valuation Report, Insurance Value Report, Historical Acquisition Report, Historical Retirement Report, Tax Credit Report, Depreciation Comparison Report, Depreciation Projection Report, and the Depreciation History Report, Depreciation Tax Report.

Chapter 8

Period End Processing – Describes the options available during Period End Processing including the Period End Update and Status Change Update.

Appendices

Appendices – Contain supplemental information, which is helpful to the understanding of Solution-IV Fixed Assets. Any errors that you may encounter while using the system are also listed and explained in the appendix. Also contain a Glossary of terms used in the Solution-IV manuals.

2 Fixed Assets Menus

This chapter describes the options that are available on the following Solution-IV Fixed Assets Menus:

- Fixed Assets Main Menu
- Asset Maintenance Menu
- Code File Maintenance Menu
- Reports Menu

Fixed Assets Main Menu

Introduction

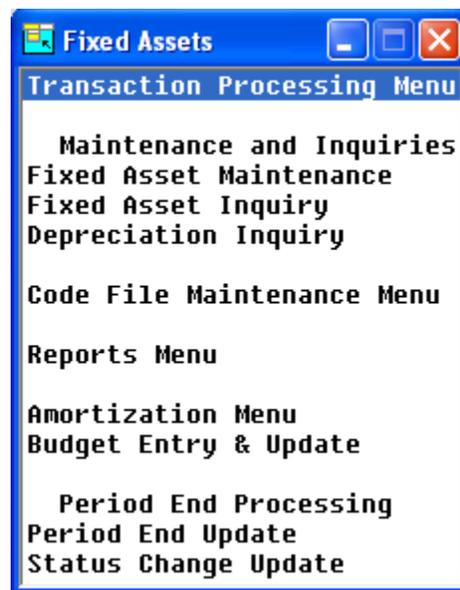
Thoroughbred Solution-IV Fixed Assets is designed to track your assets and calculate depreciation. You can have as many depreciation purposes, and therefore depreciation methods, for an asset as you need. Depreciation methods include straight line, declining balance, sum of the year's digits, ACRS, MACRS, MACRS with part year conventions, all at purchase, and all at sale.

The Fixed Assets system shows you the value of each asset for financial and tax purposes. Acquisitions and retirements are handled, with appropriate postings made to General Ledger, if desired.

A wide variety of reports are provided, as well as an amortization calculation subsystem.

How to Execute

From the Accounting System Master Menu, select **Fixed Assets**.



Depreciation Transactions

Depreciation Calculation

Depreciation Calculation builds a file containing the depreciation amounts to be taken. Only those categories, assets, and purposes that have been selected by the user are calculated.

Depreciation Entry

Depreciation Entry allows the user to edit the depreciation amounts created in Depreciation Calculation.

Depreciation Journal and Update

The Depreciation Journal is an important part of your audit trail consisting of the following reports:

- Depreciation Register

➤ General Ledger Account Summary

These reports detail the depreciation in the current batch and the update posts them to the various permanent files in Fixed Assets and General Ledger.

Acquisition Transactions

Acquisition Entry

This option allows you to enter newly acquired assets directly rather than using Fixed Asset Maintenance and then print reports showing the assets acquired within a range of dates. There is also the option of having the acquisitions post to General Ledger.

Acquisition Journal and Update

The Acquisition Journal is an important part of your audit trail detailing the assets added through Acquisition Entry.

The Acquisition Journal must be printed before the acquisitions are updated to the permanent files.

Retirement Transactions

Retirement Availability Report

This report shows all of the assets that are fully depreciated, but not yet retired. Use this option to see which assets need to be retired using Retirement Entry.

Retirement Entry

This option allows you to retire the assets shown on the Retirement Availability Report.

Retirement Journal and Update

The Retirement Journal details the assets being retired using Retirement Entry. This is an audit report that should be kept with your permanent accounting records.

Masterfile Maintenance

Fixed Asset Maintenance

This option is used to maintain detailed records for each of your assets. Once in Fixed Asset Maintenance you have the following options:

- **Description and Code Maintenance:** Allows you to maintain the description, purchase information, retirement information, and other code information for each asset.
- **Depreciation Maintenance:** Allows you to maintain information that is used when calculating depreciation. An unlimited number of purposes, and therefore depreciation methods, may be maintained for each asset.
- **Warranty Maintenance:** Allows you to maintain warranty and service contract information for each asset.

- Capital Lease Maintenance: Allows you to maintain lease information for each asset such as length of lease, lease payments, and buyout.
- Comment Maintenance: This is a text field allowing you to keep a comment specific to each asset.
- Depreciation History Inquiry: Allows you to view the historical depreciation taken for each asset.
- Change/Delete Asset Code: This is used if you want to delete an asset or change its code.

Fixed Asset Inquiry

This option allows quick access to information about an asset. This information includes the description and code information, depreciation information, comments, and historical information.

If allowed by the parameters, the comments may be edited; no other information may be modified with this option.

Depreciation Inquiry

The Depreciation Inquiry option allows you to enter an asset and a depreciation method. It then computes a depreciation schedule for the asset. This option is useful for determining the desired method of depreciation to assign to an asset.

Code File Maintenance Menu

The Code File Maintenance Menu contains the access to the Fixed Assets Parameters, and Category, Class, Insurance, Purpose and Reason Code Maintenance. It also contains access to the Depreciation Method and Table Maintenance.

Reports

Asset Masterfile Listing

This report details the information on each asset stored in the Asset Masterfile. A variety of sort and detail options are available.

Asset Label Printing

Labels may be printed for each asset as needed for labeling assets or record keeping.

Reports Menu

The Reports Menu gives you access to a variety of standard and analysis reports. These include:

- Asset Valuation Report
- Insurance Value Report
- Historical Acquisition Report
- Historical Retirement Report
- Tax Credit Report

- Depreciation Comparison Report
- Depreciation Projection Report
- Depreciation History Report
- Depreciation Tax Report
- Amortization System
- Budget Calculation System

Period End Processing

Period End Update

Unlike the other Solution-IV Applications, period end processing in Fixed Assets is only run at the end of December or at the end of your fiscal year (if different).

It should be run after all transactions have been entered for the year and after, or in conjunction with, any desired reports. Be sure to run it before any depreciation calculations are run for the following year.

Period End Processing clears the depreciation amounts taken this year and moves them to the last year's depreciation.

If you select calendar year end processing, it only clears those depreciation methods designated as type **C**. This process is usually done at the end of December.

If you select fiscal year end, it only clears those depreciation methods designated as type **F**. This process is usually done at the end of your fiscal year.

If your fiscal year ends December 31, you will run both calendar and fiscal year-end at the same time.

While not recommended, period end can also clear data from the historical files if required.

Status Change Update

This function takes all of the Masterfile entries that you have marked to change or delete, verifies that the changes/deletes are valid, and then performs the changes/deletions. A report is printed before the update is performed allowing you to decide whether or not to continue with the update.

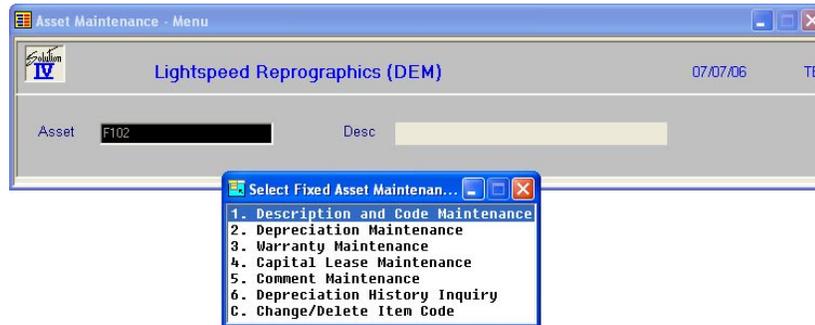
Asset Maintenance Menu

Introduction

This menu gives you access to the detailed information for each of your assets.

How to Execute

From the Fixed Assets Main Menu, select **Fixed Asset Maintenance Menu**.



Asset Options

Description and Code Maintenance

This option allows you to maintain information pertaining to the asset such as serial number, location, retirement date, class code, and other codes.

Depreciation Maintenance

This option allows you to set up and maintain information that is used when calculating depreciation for this asset. An unlimited number of purposes and depreciation methods may be maintained for each asset.

Warranty Maintenance

This option allows you to maintain information regarding the warranty and any service contract associated with the asset.

Capital Lease Maintenance

If you are leasing an asset under a capital lease, this option allows you to maintain information regarding the lease.

Comment Maintenance

This option allows you to maintain the text field for the asset. The text field is free form and of unlimited length.

Depreciation History Inquiry

This option allows you to view the historical depreciation for the asset.

Change/Delete Asset Code

This option allows you to delete an asset, change its code to another, combine it with another asset, or mark it as inactive. This function works in conjunction with the Status Change Update.

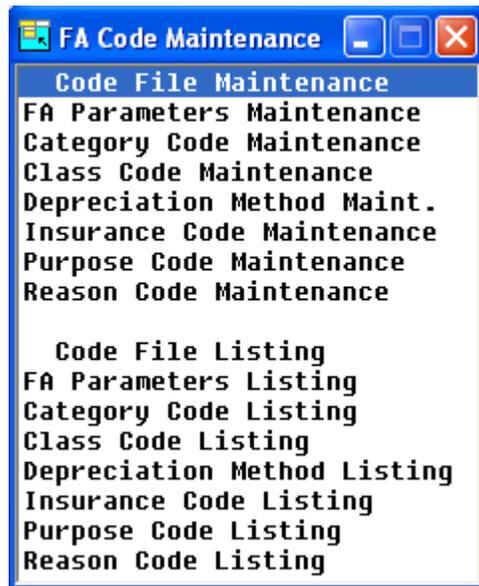
Code File Maintenance

Introduction

This menu gives you access to the Fixed Assets Parameters and all of the code files.

How to Execute

From the Fixed Assets Main Menu, select **Code File Maintenance Menu**.



Fixed Assets Parameters

FA Parameters Maintenance

The parameters allow you to customize the Fixed Assets package to meet the specific needs of your company. This is where you indicate whether or not you want to post to General Ledger, what the maximum tax credit is this year, and how to handle comments in Fixed Asset Inquiry.

Note: You must start here when setting up your Fixed Assets system.

FA Parameters Listing

This is a listing of what was entered in FA Parameters Maintenance.

Code File Maintenance

Category Code Maintenance

Categories allow similar assets to be grouped together for reporting purposes and ease of entry. By defining the General Ledger accounts, standard purpose code for posting to General Ledger, and normal asset life, you only need to change these on an asset if they are different.

A category code may be up to six characters, with a 35-character description.

Examples: F&F —Furniture & Fixtures
 AUTO — Autos & Trucks

Class Code Maintenance

Class codes are optional file verified sorts used on various reports.

A class code may be up to six characters, with a 35-character description.

Examples: DESK — Desks & Returns
CHAIR —Chairs

Depreciation Method Maintenance

Depreciation methods are used for depreciation calculation. This is where the depreciation tables are maintained. This file is not company dependent, but it is available to all companies. An asset may be assigned multiple methods, under multiple purpose codes, with one of them posting to General Ledger and the others being used for tax or informational purposes.

A depreciation method may be up to six characters, with a 35-character description.

Standard depreciation tables are included with the system for your convenience, as well as seven other standard depreciation methods that do not have tables as follows:

| | |
|--------|------------------------------------|
| SL | Straight line |
| 150DB | 150% declining balance |
| 200DB | Double (200%) declining balance |
| SUMYRS | Sum of the years digits |
| ATPURC | Depreciate full amount at purchase |
| ATSALE | Depreciate full amount at sale |
| NONE | No depreciation required |

Insurance Code Maintenance

The insurance code is used to keep track of the insurance policies that assets are insured under.

The insurance code may be up to six characters, with a 35-character description.

Examples: FIRE —Fire Insurance of America
AUTO — Safety First Auto Insurance

Purpose Code Maintenance

The purpose code is used to keep track of the different uses of depreciation. You can have as many purposes, and therefore depreciation methods, as required for an asset.

The purpose code may be up to six characters, with a 35-character description.

Examples: BOOK —Method for posting to General Ledger
FED — Method used for Federal tax purposes
STATE —Method used for state reporting purposes

Reason Code Maintenance

Reason codes are used during asset acquisition and retirement to explain why items are being purchased or retired.

A reason code may be up to six characters, with a 35-character description.

Examples RET — Retired at end of useful life
BRK — Broken
FIRE — Asset destroyed by fire
SALE — Asset was on sale

Code File Listings

Category Code Listing

This report is a listing of the entries made in Category Code Maintenance.

Class Code Listing

This report is a listing of the entries made in Class Code Maintenance.

Depreciation Method Listing

This report is a listing of the entries made in Depreciation Method Maintenance.

Insurance Code Listing

This report is a listing of the entries made in Insurance Code Maintenance.

Purpose Code Listing

This report is a listing of the entries made in Purpose Code Maintenance.

Reason Code Listing

This report is a listing of the entries made in Reason Code Maintenance.

Reports Menu

Introduction

This menu will give you access to the standard Fixed Assets reports, as well as the amortization and budgeting subsystems.

All of the reports on this menu may be printed at any time; it is not necessary to wait until the end of the month, as all reports are current to the last update.

How to Execute

From the Fixed Assets Main Menu, select **Reports Menu**.



Standard Reports

Asset Valuation Report

This report shows the value of your assets based on the depreciation method used for posting to General Ledger, sorted by asset or category code.

Insurance Value Report

This report shows the insurance value of your assets along with the location and responsible party.

Historical Acquisition Report

This report shows all asset purchases that were entered through Acquisition Entry for a given range of dates.

Historical Retirement Report

This report shows all asset retirements that were retired through Retirement Entry for a given range of dates.

Tax Credit Report

This report shows the tax credits taken for each asset by year. The tax credits may be found in the Asset Masterfile.

Depreciation Comparison Report

This report shows the difference between two different purposes for a given range of assets.

Depreciation Projection Report

This report gives a schedule of what the depreciation is for a given range of assets and depreciation methods.

Depreciation History Report

This report gives the detail on depreciation taken for a given range of assets.

Amortization System**Amortization Maintenance**

This function allows you to enter a loan amount, interest rate, and number of payments. It then calculates the payment amount and amortization schedule.

Amortization Schedule

This report prints the actual schedule for a range of loans entered through Amortization Maintenance.

General Ledger Budgeting**Budget Calculation**

The Budget Calculation is similar to the Depreciation Projection in that it calculates depreciation out over time. With Budget Calculation, however, you have the option of posting the budgeted depreciation for a range of assets to the selected budget fields in General Ledger.

Budget Entry

Budget Entry allows you to edit the General Ledger accounts to which the calculated budgets are posted.

Budget Journal & Update

The Budget Journal is an audit report detailing the depreciation budget calculated using Budget Calculation and Entry. It must be printed before updating the budgeted depreciation to the budget fields in General Ledger.

3 Fixed Assets Setup

This chapter explains how to perform the initial setup of your Thoroughbred Solution-IV Fixed Assets system. Instructions for using Fixed Assets Parameters Maintenance and all of the code files are given here.

You must set up all of the items covered in this chapter before entering any assets. The items set up here are used throughout the system.

If you have not already done so, now would be a good time to read the appendices.

FA Parameters Maintenance

Introduction

The parameters allow you to customize the Fixed Assets package to meet the specific needs of your company. This is where you will indicate whether or not you want to post to General Ledger, what the maximum tax credit amount is this year, how to handle comments in Fixed Asset Inquiry, and how to handle declining balance depreciation methods when they fall below the straight line amount.

Note: You must start here when setting up your Fixed Assets system.

How to Execute

From the Code File Maintenance Menu, select **FA Parameters Maintenance**.

Description of Fields

Enable General Ledger?

You have the option of posting to General Ledger. You may not want to if you are entering your opening balances or if you have a separate General Ledger system.

- Y** Posts to General Ledger during the Depreciation, Acquisition and Retirement updates.
- N** Does not make any postings to General Ledger during the updates. The budgeting subsystem still posts the budgets to the General Ledger Account Masterfile.

Last Depreciation Date

Enter the last date the depreciation update was run. This field is updated automatically by the system during the Depreciation Update.

Maximum Tax Credit per Year

Enter the maximum tax credit allowed. This field is not checked anywhere, but is shown on the Tax Credit Report.

Display Asset Comments in Inquiry

You have the option of allowing read and write, read only, or no access to the comments through Fixed Asset Inquiry as follows:

- C** Change (read and write) access allowed during inquiry.
- I** Inquiry (read only) access allowed during inquiry.
- N** No access to comments allowed during inquiry.

Switch from Declining Balance to Straight Line?

When using double declining balance or 150% declining balance, at some point during the life of the asset the depreciation amount will be less than it would be if you were using the 'straight line' method of depreciation.

You have the option of switching to straight line at that point as follows:

- Y** Switches to straight line for the duration of the life of the asset.
- N** Continues to use the declining balance method.

Exit the Screen

When you have finished editing the parameters, you are automatically returned to the Code File Maintenance Menu.

| |
|------------------------------|
| FA Parameters Listing |
|------------------------------|

Introduction

This report displays or prints the parameters entered in FA Parameters Maintenance.

How to Execute

From the Code File Maintenance Menu, select **FA Parameters Listing**.

Report

Select a printed or displayed copy. When it is finished, you will be returned automatically to the Code File Maintenance Menu.

Category Code Maintenance

Introduction

Categories allow similar assets to be grouped together for reporting purposes and ease of entry. By defining the General Ledger accounts, standard purpose code for posting to General Ledger, and normal asset life, you only need to change these on an asset if they are different.

How to Execute

From the Code File Maintenance Menu, select **Category Code Maintenance**.

The screenshot shows a software window titled "Category Code Maintenance" for "Solution IV Lightspeed Reprographics (DEM)". The window displays a form with the following fields and values:

- Category Code: F&F
- Description: Furniture & Fixtures
- GL Purpose Code: BOOK
- Estimated Life: 36
- Asset Account: 151-00-00
- Depreciation Acct: 160-00-00
- Expense Account: 710-00-00
- Sale Account: 461-00-00
- Gain & Loss Acct: 460-00-00
- Status: (dropdown menu)

Description of Fields

Category Code

Enter up to six alphanumeric characters for the category code.

You may have as many category codes as required for your particular needs. However, you must define at least one since the category code defines the accounts used during the depreciation, acquisition, and retirement updates.

Examples: F&F —Furniture and Fixtures
 AUTO — Cars & Trucks

Description

Enter up to 35 alphanumeric characters to describe the category code.

GL Purpose Code

Enter the purpose code that is normally used by assets in this category when calculating depreciation for General Ledger purposes. This method may be overridden on an asset-by-asset basis if required.

Estimated Life

Enter the standard estimated life, in periods, for assets in this category. This life may be overridden on an asset-by-asset basis if required.

Asset Account
Depreciation Acct
Expense Account
Sale Account
Gain & Loss Acct

Enter the standard asset, depreciation, expense, sale and gain/loss accounts for assets in this category. The accounts entered here must exist in the General Ledger Account Masterfile.

Status

The status field is used to hold the current status of every masterfile record in the Fixed Assets module.

The status may be set as follows:

- **Active** This record may be used anywhere, anytime.

I - Inactive This record may be used by those records already using it, but may not be added to new records.

D - Deleted This record is scheduled for deletion. In order to delete a code file record, it must not be in use anywhere.

C - Changed This record is scheduled to be changed to either a new code or combined with an existing code. If changing anything with history associated with it, the history is transferred as well.

Exit the Screen

When you are finished, press **F4** from the category code to return to the Code File Maintenance Menu.

Category Code Listing

Introduction

This report is a listing of the entries made in Category Code Maintenance.

How to Execute

From the Code File Maintenance Menu, select **Category Code Listing**.

Report

Select a printed or displayed copy. When it is finished, you will be returned automatically to the Code File Maintenance Menu.

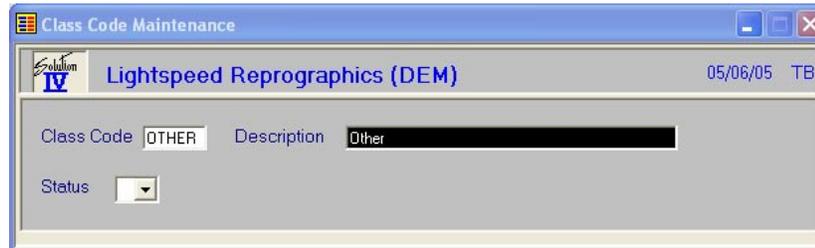
Class Code Maintenance

Introduction

Class codes are optional file verified sorts used on various reports. They are another means of classifying your assets.

How to Execute

From the Code File Maintenance Menu, select **Class Code Maintenance**.



Description of Fields

Class Code

Enter up to six alphanumeric characters for the class code.

Examples: DESK — Desks and Returns
 CHAIR — Chairs
 LIGHT — Lamps and Lighting Fixtures

Description

Enter up to 35 alphanumeric characters to describe the class code.

Status

The status field is used to hold the current status of every Masterfile record in the Fixed Assets module.

The status is set as follows:

- **Active** This record can be used anywhere, anytime.
- I - Inactive** This record may be used by those records already using it, but cannot be added to new records.
- D - Deleted** This record is scheduled for deletion. In order to delete a code file record, it must not be in use anywhere.
- C - Changed** This record is scheduled to be changed to either a new code or combined with an existing code. If changing anything with history associated with it, the history is transferred as well.

Exit the Screen

When you are finished, press **F4** from the class code to return to the Code File Maintenance Menu.

Class Code Listing

Introduction

This report is a listing of the entries made in Class Code Maintenance.

How to Execute

From the Code File Maintenance Menu, select **Class Code Listing**.

Report

Select a printed or displayed copy. When it is finished, you will be returned automatically to the Code File Maintenance Menu.

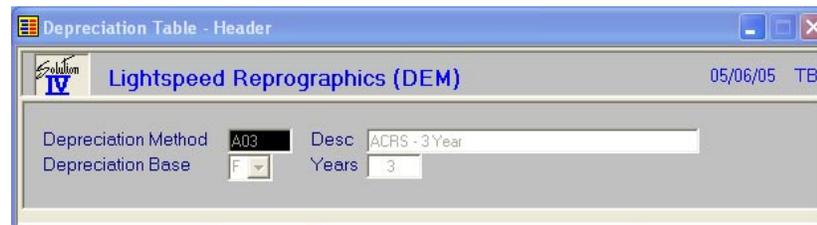
Depreciation Method Maintenance

Introduction

Depreciation methods are used for depreciation calculation. This is where the depreciation tables are maintained. This file is not company dependent, but it is available to all companies. An asset may be assigned multiple depreciation methods, under multiple purpose codes, with one of them posting to General Ledger and the others being used for tax or informational purposes.

How to Execute

From the Code File Maintenance Menu, select **Depreciation Method Maint.**



Header Screen

Depreciation Method

Enter up to six alphanumeric characters for the depreciation method.

Some tables have already been added for your convenience. Press **F2** to view these tables. In addition, the following seven depreciation methods are reserved:

| | |
|---------------|--|
| SL | Straight line |
| 150DB | 150% declining balance |
| 200DB | Double (200%) declining balance |
| SUMYRS | Sum of the years digits |
| ATPURC | Total depreciation at time of purchase |
| ATSALE | Total depreciation at time of retirement |
| NONE | No depreciation |

Desc

Enter up to 35 alphanumeric characters to describe the depreciation method.

Depreciation Base

Enter the basis for depreciation calculation when this depreciation method is used.

- F** Indicates that year-end should be run at the end of the fiscal year.
- C** Indicates that year-end should be run at the end of December, regardless of what the corporate fiscal year end is.

Years

Enter the number of years an asset will be depreciated when using this depreciation method.

When you are finished, the system prompts:

Header Correct: Y N L C P D

- Y** Saves the information on the screen, then returns to the depreciation method to allow you to select another one.
- N** Allows you to modify information on the header screen.
- L** Allows you to maintain the depreciation tables (see the following Lines Screen).
- C** Allows you to copy this depreciation method to another code (see Copy Table below).
- P** Displays or prints the Depreciation Method Listing for just this depreciation method, then returns to this prompt.
- D** Deletes this depreciation method. It does not wait for the Status Change Update to do the delete (see Delete Table below).

If you select **L** above or you are adding a new method and select **Y** above, the depreciation table screen will appear, similar to the following:

| Line | Start Year | Percentage | Limit |
|------|------------|------------|-------|
| 1 | 1 | 25.000 | .00 |
| 2 | 2 | 38.000 | .00 |
| 3 | 3 | 37.000 | .00 |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Lines Screen

Line

Enter If the line exists, Enter modifies it. If the line is blank, Enter adds one.

Line # Goes to that line. If you enter a line that is greater than the total number of lines, it goes to the last line.

Up arrow Goes to the next line above.

Down arrow Goes to the next line below.

PgUp Goes to the previous screen.

PgDn Goes to the next screen.

Line Delete Deletes that line and moves all lines below up.

Line Insert Inserts a line at that spot and moves all lines below down.

Start Year

Enter the year for which this line of the depreciation table should be applied.

Example: If this percentage applies to years one through three, enter **1**. If the next line is for years four through six, enter **4** on the second line.

Percentage

Enter the percentage of depreciation to take this year.

Example: If you are taking 33 percent, enter 33.0.

Limit

If there is a maximum depreciation amount allowed per year (such as for luxury automobiles), enter the annual limit here.

When you are finished editing the lines, press **F4** at the line number field and you will see the following prompt:

Lines Correct: Yes No Header Copy

Y Saves the information on the screen and returns to the depreciation method.

N Returns to the lines and allows you to continue editing.

H Returns to the header screen. Any changes made to the lines are saved.

C Allows you to copy this depreciation method to another code (see Copy Table below).

Copy Table

Enter the new method

Enter the depreciation method code to which you wish to copy the method currently displayed on the screen.

Delete Table

Do you really want to delete this method? (YES/NO)

YES Deletes the depreciation method and associated table.

NO Does not delete this code.

Exit the Screen

When you are finished, press **F4** from the depreciation method to return to the Code File Maintenance Menu.

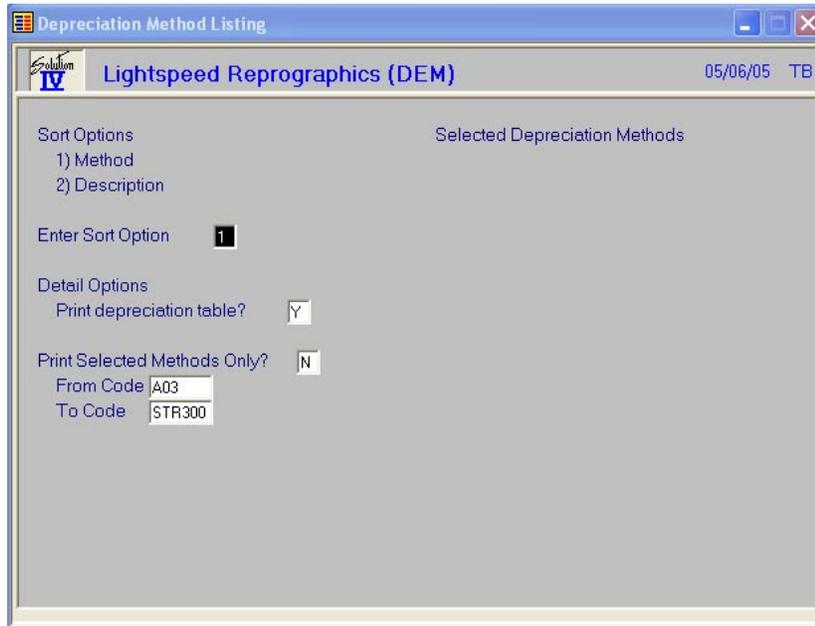
Depreciation Method Listing

Introduction

This report is a listing of the entries made in Depreciation Method Maintenance.

How to Execute

From the Code File Maintenance Menu, select Depreciation Method Listing.



Sort Options

Enter Sort Option

Enter the option number corresponding to the sort order for which you wish to print this report.

- 1. Method** Prints all, selected, or a range of depreciation methods in method code order.
- 2. Description** Prints all or a range of depreciation methods in alphabetical order by description.

Print Options

Print Detail Information?

On this report, you have the option of printing information in either detail or summary mode.

- Y** Prints the table itself on the report.
- N** Only prints the method, description, depreciation base and number of years on the report.

Print Selected Methods Only?

You are only asked this question if you are printing the report in method code order.

Y Displays a view allowing you to select individual methods to print on the report.

N Allows you to enter a range of methods to print.

If you select **N**, or selected the report in description order, the system prompts:

**From Sort Option
To Sort Option**

Enter the first and last methods or descriptions in the range you wish to print, or press **Enter** twice to select all.

Report

Select a printed or displayed copy. When it is finished, you will be returned automatically to the Code File Maintenance Menu.

Insurance Code Maintenance

Introduction

The insurance code is used to keep track of the insurance policies that cover your assets.

How to Execute

From the Code File Maintenance Menu, select **Insurance Code Maintenance**.

Description of Fields**Insurance Code**

Enter up to six alphanumeric characters for the insurance code.

Example: F&F— Insurance for furniture & fixtures

Desc

Enter up to 35 alphanumeric characters to describe the insurance code.

Company

Enter up to 35 alphanumeric characters for insurance company.

Example: Jim Smith State Farm Insurance

Address

Enter up to two lines of 35 characters each for the insurance company street address and/or P.O. Box. Do not enter the city, state or ZIP code information on either of these lines.

City

Enter up to 25 characters for the city. The city should be entered here, not on the address lines above.

State

Enter up to two characters for the state abbreviation. The state should be entered here, not on the address or city lines above.

ZIP Code

Enter up to ten characters for the ZIP code. The ZIP code should be entered here, not on the address lines above.

Example: 08875-1234 or 08875 or AP087QA

Country

Enter up to two characters for the country code, if desired.

Agent

Enter up to 20 characters for the insurance agent's name.

Example: Jim or Kathy Smith

Phone

Enter up to ten characters for the insurance companies phone number. Do not add any punctuation.

Example: 8005551212 is redisplayed as 800 555-1212.

Ext

Enter up to five characters for the insurance agent's extension (if applicable).

FAX

Enter up to 18 alphanumeric characters for the insurance company's FAX number. If you want punctuation in this field, you must enter it yourself.

Telex

Enter up to 18 characters for the telex number for the insurance company. If you want punctuation in this field, you must enter it yourself.

Policy Number

Enter up to 20 characters for the policy number for this insurance coverage.

Policy Date

Enter the original policy date.

Status

The status field is used to hold the current status of every masterfile record in the Fixed Assets module.

The status is set as follows:

- **Active** This record may be used anywhere, anytime.
- I - Inactive** This record can be used by those records already using it, but cannot be added to new records.
- D - Deleted** This record is scheduled for deletion. In order to delete a code file record, it must not be in use anywhere.
- C - Changed** This record is scheduled to be changed to either a new code or combined with an existing code. If changing anything with history associated with it, the history is transferred as well.

Exit the Screen

When you are finished, press **F4** from the insurance code to return to the Code File Maintenance Menu.

Insurance Code Listing

Introduction

This report is a listing of the entries made in Insurance Code Maintenance.

How to Execute

From the Code File Maintenance Menu, select **Insurance Code Listing**.

Report

Select a printed or displayed copy. When it is finished, you will be returned automatically to the Code File Maintenance Menu.

Purpose Code Maintenance

Introduction

Purpose codes are used to keep track of different uses of depreciation. You can have as many purposes, and therefore depreciation methods, as required for each asset.

How to Execute

From the Code File Maintenance Menu, select **Purpose Code Maintenance**.

The screenshot shows a software window titled "Purpose Code Maintenance". The window header includes the application name "Lightspeed Reprographics (DEM)", the date "05/06/05", and the user initials "TB". The main area of the window contains a form with the following fields:

- Purpose Code:** A text input field containing the value "NJ".
- Description:** A text input field containing the value "New Jersey State Tax Depreciation".
- Status:** A dropdown menu with a downward-pointing arrow.

Description of Fields

Purpose Code

Enter up to six alphanumeric characters for the purpose code.

Examples: BOOK - Book depreciation purpose
FED - Federal depreciation purpose
STATE - State depreciation purpose

Description

Enter up to 35 alphanumeric characters to describe the purpose code.

Status

The status field is used to hold the current status of every masterfile record in the Fixed Assets module.

The status is set as follows:

- **Active** This record may be used anywhere, anytime.

- I - Inactive** This record can be used by those records already using it, but cannot be added to new records.

- D - Deleted** This record is scheduled for deletion. In order to delete a code file record, it must not be in use anywhere.

- C - Changed** This record is scheduled to be changed to either a new code or combined with an existing code. If changing anything with history associated with it, the history is transferred as well.

Exit the Screen

When you are finished, press **F4** from the purpose code to return to the Code File Maintenance Menu.

| |
|-----------------------------|
| Purpose Code Listing |
|-----------------------------|

Introduction

This report is a listing of the entries made in Purpose Code Maintenance.

How to Execute

From the Code File Maintenance Menu, select **Purpose Code Listing**.

Report

Select a printed or displayed copy. When it is finished, you will be returned automatically to the Code File Maintenance Menu.

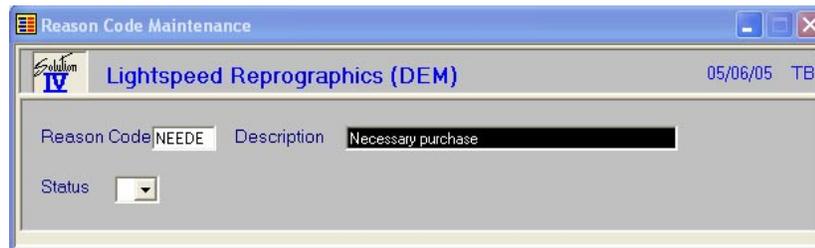
Reason Code Maintenance

Introduction

Reason codes are used during asset acquisition and retirement to explain why items are being purchased or retired.

How to Execute

From the Code File Maintenance Menu, select **Reason Code Maintenance**.



Description of Fields

Reason Code

Enter up to six alphanumeric characters for the reason code.

Examples: RET —Normal retirement at end of useful life
 FIRE —Destroyed by fire
 REDEC — Redecorating offices
 REPL —Replacement of retired assets

Description

Enter up to 35 alphanumeric characters to describe the reason code.

Status

The status field is used to hold the current status of every masterfile record in the Fixed Assets module.

The status is set as follows:

- **Active** This record may be used anywhere, anytime.
- I - Inactive** This record can be used by those records already using it, but cannot be added to new records.
- D - Deleted** This record is scheduled for deletion. In order to delete a code file record, it must not be in use anywhere.
- C - Changed** This record is scheduled to be changed to either a new code or combined with an existing code. If changing anything with history associated with it, the history is transferred as well.

Exit the Screen

When you are finished, press **F4** from the reason code to return to the Code File Maintenance Menu.

Reason Code Listing

Introduction

This report is a listing of the entries made in Reason Code Maintenance.

How to Execute

From the Code File Maintenance Menu, select **Reason Code Listing**.

Report

Select a printed or displayed copy. When it is finished, you will be returned automatically to the Code File Maintenance Menu.

4 Fixed Asset Maintenance

After providing hints on how to design asset codes, this chapter describes the following options that are available from the Asset Maintenance Menu:

- Description and Code Maintenance
- Depreciation Maintenance
- Warranty Maintenance
- Capital Lease Maintenance
- Comment Maintenance
- Depreciation History Inquiry
- Change/Delete Asset Code

Fixed Asset Inquiry and Depreciation Inquiry are also described in this chapter.

How to Design Asset Codes

Introduction

Since asset codes are used to identify all assets and their transactions in the system, it is important that you use a consistent method for assigning the codes. The primary sort on most reports is alphabetical by asset code as well. You may use numbers, letters, or a combination of both. We strongly recommend that you do not use special characters such as ~ and ^.

The Solution-IV Fixed Assets module allows you to assign up to 22 characters for the asset code.

The following is a list of four suggested types of numbering methods:

Numbers Only

While the numbers only method is the fastest method when using the numeric keypad, when used the system right justifies the number and fills the spaces to the left with zeros. To access the asset, you do not need to enter the leading zeros, only the number, but you may find the codes difficult to read on the screen and on reports.

Example: If you enter 101, the system displays:000000000000000000101.

The system automatically adds the zeros to keep assets in numerical order. Otherwise you might end up with assets printing as follows:

1, 10, 100, 101, 102, ...11, 110, 111, ...12, ...2, 20, 200,

Numbers and Dashes

To help eliminate the numbers-only problem and still keep your hand on the keypad, you may want to divide the asset code into two or more segments, separated by dashes. If you use this method, be sure to use enough digits so you do not have the sorting problem described above. This method works well for companies with multiple locations.

Examples: 01-0101 or 47-017 or 01-47-0264.

Numbers and Letters

This combination method allows asset codes to be assigned easily, and grouped by type or other methodology. You may want to use one or two characters for a classification followed by a three or four digit number.

Examples: FF0010 or AT010.

Letters Only

This method allows simple identification of the asset by looking at the first few characters of the description. This method is practical only if you have a small number of assets because the more assets you have, the harder it is to assign a unique asset code.

Example: JOES CHAIR

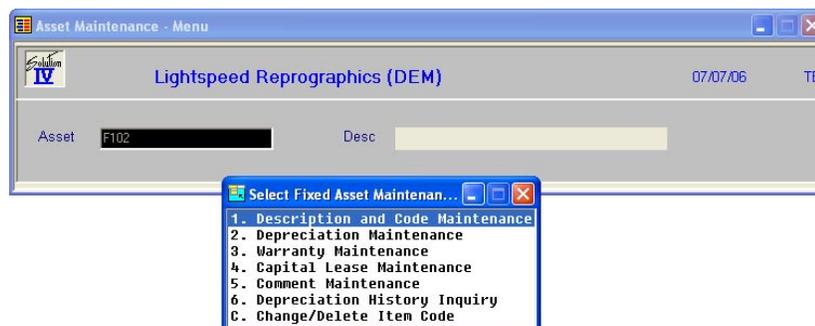
Fixed Asset Maintenance

Introduction

This option is used to maintain detailed records for each of your assets.

How to Execute

From the Fixed Assets Main Menu, select **Fixed Asset Maintenance**.



Description of Fields

To perform any of the functions on the Asset Maintenance Menu, you must first enter an asset code.

Asset

Enter up to 22 alphanumeric characters representing the asset you wish to maintain. To add a new asset, enter the new asset code.

You will then receive the following prompt:

Record not found in masterfile. Add this record? Yes No

Press **Enter** and the system automatically takes you to Description and Code Maintenance.

One asset code has been reserved as follows:

DEFAULT Enter asset code **DEFAULT** only in Asset Maintenance. If you create asset **DEFAULT**, any new assets you add are defaulted to the information entered for asset **DEFAULT**. This is very useful if you are entering groups of similar assets. **DEFAULT** can be maintained in Fixed Asset Maintenance like any other asset.

Enter Selection

Enter your selection from the following list:

- 1. Description and Code Maintenance
- 2. Depreciation Maintenance
- 3. Warranty Maintenance
- 4. Capital Lease Maintenance
- 5. Comment Maintenance
- 6. Depreciation History Inquiry
- C. Change/Delete Asset Code
- F4** Returns to the asset code.

Description and Code Maintenance

Introduction

This option allows you to maintain the description, purchase and retirement information, serial number, location, responsible party, and code information for each asset.

How to Execute

From the Fixed Asset Maintenance Menu, select **Description and Code Maintenance**.

The screenshot shows a software window titled "Asset Maintenance - Description & Codes" for "Lightspeed Reprographics (DEM)". The window contains several data entry fields:

- Asset:** P586
- Desc:** 586 200 MHZ Workstation
- Purchase Data:** Date (04/04/01), Price (2510.92), Code (NEEDE), L-P (L-P), P (dropdown)
- Retirement Data:** Date, Amount (.00), Cost (.00)
- Market:** 2510.92
- Insurance:** 2510.92
- Tax Cr:** .00
- Asset Status:** A (dropdown)
- New or Used:** N (dropdown)
- Serial #:** (empty)
- Alt Sort:** (empty)
- Responsibility:** (empty)
- Location:** (empty)
- Category Code:** F&F
- GL Purpose Code:** BOOK
- Class Code:** (empty)
- Insurance Code:** (empty)
- Exp Dept-Location:** (empty)
- Distribute Depreciation by Department-Location?:** (checkbox)

Description of Fields

Desc

Enter up to 35 alphanumeric characters to describe the asset.

Purchase Data

If you entered this asset using Acquisition Entry, these fields are pre-filled by the Acquisition Update. Only those assets entered using Acquisition Entry are shown on the Historical Acquisition Report.

Date

Enter the date this asset was purchased.

Price

Enter the price paid for this asset.

Code

Enter up to six characters for the reason code describing why you purchased this asset.

L-P

Enter whether the asset was purchased outright or is being leased as follows:

L Asset is being leased.

P Asset was purchased.

Document

Enter up to 15 alphanumeric characters giving the invoice number, lease number or other relevant document number associated with the lease or purchase of this asset.

Comment

Enter up to 35 alphanumeric characters describing why you purchased this asset. Only 15 characters are displayed on the screen.

Example: Out of business sale down the block.

Retirement Data

If you use Retirement Maintenance to retire this asset, these fields are pre-filled by the Retirement Update. Only those assets retired using Retirement Maintenance are shown on the Historical Retirement Report.

Date

Enter the date that this asset was retired.

Amount

Enter the price at which this asset was sold upon retirement.

Cost

Enter the expenses incurred in retiring this asset.

Code

Enter up to six characters for the reason code describing why you retired this asset.

Comm

Enter up to 35 alphanumeric characters describing why you retired this asset. Only 15 characters are displayed on the screen.

Example: Damaged by fire in computer room.

Other Fields

Market

Enter the market value of this asset. This field is for reference only.

Insure

Enter the declared value of this asset for insurance purposes. This field may be used to keep track of the replacement cost for the asset. It is also shown on the Insurance Value Report.

Tax Cr

Enter the tax credit taken for this asset. This amount shows on the Tax Credit Report.

Asset Status

Enter the status of this asset from the following list:

- A** Active, regular asset.
- H** Held for future use, no depreciation at this time.
- R** Retired asset, no further depreciation required.

New or Used

You have the option of tracking whether the asset was new or used when purchased as follows:

- N** Asset was new when purchased.
- U** Asset was purchased used.

Serial #

Enter up to 20 characters for the serial number of the asset.

Alt Sort

Enter up to 15 characters for use as an alternate sort for this asset. Several reports may be printed in alternate sort order.

Responsibility

Enter up to 15 characters for the name of the person or department responsible for this asset.

Location

Enter up to 15 characters for the physical location of this asset.

Category Code

Enter up to six alphanumeric characters for the category code to be assigned to this asset. The General Ledger accounts used for posting to General Ledger are pulled from the category code.

GL Purpose Code

Enter the purpose code to be used for posting to General Ledger when depreciating this asset. This code must exist in the purpose code file. Enter the depreciation method for this purpose code on the next screen.

Class Code

Enter up to 6 alphanumeric characters for the class code. This field is optional.

Insurance Code

Enter up to six alphanumeric characters for the insurance code to be assigned to this asset.

Expense Department

Enter the General Ledger department to be used when posting expense account activity. The department code entered here is substituted into the department segment of the General Ledger expense accounts used by this asset.

Expense Location

Enter the General Ledger location to be used when posting expense account activity. The location code entered here is substituted into the location segment of the General Ledger expense accounts used by this asset.

Exit the Screen

When you are finished maintaining the description and code information, press **F4** to return to the Asset Maintenance Menu, or press **F8** to select another screen.

Depreciation Maintenance

Introduction

This option allows you to set up and maintain information that is used when calculating depreciation for this asset. An unlimited number of purposes and depreciation methods may be maintained for each asset.

How to Execute

From the Fixed Asset Maintenance Menu, select **Depreciation Maintenance**.

Description of Fields**Purpose Code**

Enter up to six alphanumeric characters for the purpose code.

Depreciation Method

Enter up to six alphanumeric characters for the depreciation method.

Some tables have already been added for your convenience. Press **F2** to view these tables. In addition, the following seven depreciation methods are available:

| | |
|--------|--|
| SL | Straight line |
| 150DB | 150% declining balance |
| 200DB | Double (200%) declining balance |
| SUMYRS | Sum of the years digits |
| ATPURC | Total depreciation at time of purchase |
| ATSALE | Total depreciation at time of retirement |
| NONE | No depreciation |

Estimated Life (periods)

Enter the estimated life cycle, in periods, for this asset under this depreciation method. This life is used by depreciation calculation.

Example: If you expect the life of this asset to be Three years, enter 36 here.

Actual Life (periods)

Enter the actual life, in 'periods', that this asset has been in existence for this depreciation method. The actual life is incremented each time you update the depreciation calculation.

Start Date

Enter the date that this depreciation method begins for this asset.

End Date

Enter the date that this depreciation method finishes for this asset. This date is calculated automatically using the estimated life and start date entered above.

Primary Price

This field contains the price paid for the asset as shown on the first screen. It cannot be overridden on this screen.

Salvage Value

Enter the estimated salvage value upon retirement of this asset.

Last Depr Taken

Enter the amount of depreciation taken during the last depreciation calculation cycle. This field is updated automatically during the depreciation update.

Maximum Annual Depr

Enter the maximum amount of depreciation to be taken each year. If there is no maximum, or if the limit entered on the depreciation method table is correct, enter zero. This field overrides any limit set in the depreciation method table.

Remaining Depr

This field contains the amount still to be depreciated. It cannot be overridden.

Purchase Price

If the purchase price for this asset for this depreciation method is different than the primary price (shown above), enter the appropriate price for this method here; if the price is the same as the primary price, enter zero.

Example: If the primary price contains freight and sales tax for a total of \$5400, but the depreciation method used here disallows those costs, enter the net purchase price, \$5000, here.

Tax Credit

This field contains the tax credit taken for this asset as entered on the first screen. It cannot be overridden.

Current Year Depr

Enter the amount of depreciation taken during the current year. This field is updated automatically during the depreciation update and during year-end processing.

Prior Years' Depr

Enter the amount of depreciation taken prior to the current year. This field automatically has the current year depreciation amount added to it during year-end processing.

Current Value

This field contains the current value of the asset using this depreciation method. The current value is calculated as purchase price less depreciation taken. It cannot be overridden.

Exit the Screen

When you are finished maintaining depreciation information, press **F4** to return to the Asset Maintenance Menu, press **F8** to select another screen, or Press **F9** to print the report.

Warranty Maintenance

Introduction

This option allows you to maintain warranty and service contract information for each asset.

How to Execute

From the Fixed Asset Maintenance Menu, select **Warranty Maintenance**.

The screenshot displays a software window titled "Asset Maintenance - Warranty Information". The window header includes the company name "Lightspeed Reprographics (DEM)" and the date "05/06/05 TB". The main form area contains several input fields:

- Asset:** P586
- Desc:** 586 200 MHZ Workstation
- Manufacturer Name:** [Redacted]
- Model Number:** [Redacted]
- Warranty Information:**
 - Warranty Number: [Redacted]
 - Expiration Date: [Redacted]
 - Last Maintained: [Redacted]
- Contract Information:**
 - Contract Number: [Redacted]
 - Contractor: [Redacted]
 - Expiration Date: [Redacted]
 - Contract Price: .00
- Comment:** [Redacted]

Description of Fields**Manufacturer Name**

Enter up to 35 alphanumeric characters for the name of the manufacturer of the asset.

Example: Kaleidoscope Electronics

Model Number

Enter up to 15 alphanumeric characters for the model number of the item.

Example: DT 320

Warranty Number

Enter up to 15 alphanumeric characters for the warranty number, if applicable.

Expiration Date

Enter the date the warranty expires.

Last Maintained

Enter the last date the asset was maintained or serviced.

Contract Number

Enter up to 15 characters for the service contract number.

Contractor

Enter up to 35 characters for the name of the company or person providing the service contract.

Example: Ollie's Office Supplies

Expiration Date

Enter the date the service contract expires.

Contract Price

Enter the price of the service contract.

Comment

Press **F1** to enter an unlimited amount of text regarding the warranty and/or service contract. If you enter comments in date sequence, such as notes on dates of service and what was done to the asset, you may want to put the most recent comments on top by using **Line Insert**.

When you have finished editing the comment, press **F4** and you will receive the following prompt:

Save text (Y/N)?

Y Saves any changes or additions to the comment.

N Leaves the comment in the form it was in before you started.

Exit the Screen

When you are finished maintaining the warranty information, press **F4** from the asset code to return to the Asset Maintenance Menu, press **F8** to select another screen or press **F9** to print the report.

Capital Lease Maintenance

Introduction

If you are leasing an asset under a capital lease, this option allows you to maintain information regarding the lease. The information maintained here is for reference only. If you want to make the regular lease payments, use Recurring Invoice Entry in Solution-IV Accounts Payable.

How to Execute

From the Fixed Asset Maintenance Menu, select **Capital Lease Maintenance**.

| Field | Value |
|---------------------|-------------------------|
| Asset | P586 |
| Desc | 586 200 MHZ Workstation |
| Lessor Name | [Redacted] |
| Lease Number | [Redacted] |
| Number of Periods | [Redacted] |
| Expiration Date | [Redacted] |
| Monthly Payment | .00 |
| End of Lease Buyout | .00 |
| Comment | [Redacted] |

Description of Fields

Lessor Name

Enter up to 35 characters for the name of the company or person carrying the lease on this asset.

Lease Number

Enter up to 15 characters for the account number on the lease.

Number of Periods

Enter the number of periods in the lease.

Example: If you have a three-year lease, enter 36.

Expiration Date

Enter the date of the final payment on the lease.

Monthly Payment

Enter the amount of each monthly payment.

End of Lease Buyout

Enter the amount of the buyout due at the end of the lease payments to purchase the asset.

Comment

Press **F1** to enter an unlimited amount of free-form text discussing the lease. This field may be used for anything.

If you enter the comments in date sequence, such as to record notes of phone conversations, you may want to put the most recent comments on the top by using **Line Insert**.

When you are finished editing the comment, press **F4** and you will receive the following prompt:

Save text (Y/N)?

Y Saves any changes or additions to the comment.

N Leaves the comment in the form it was in before you started.

Exit the Screen

When you are finished maintaining capital lease information, press **F4** from the asset code to return to the Asset Maintenance Menu, press **F8** to select another screen, or press **F9** to print the report.

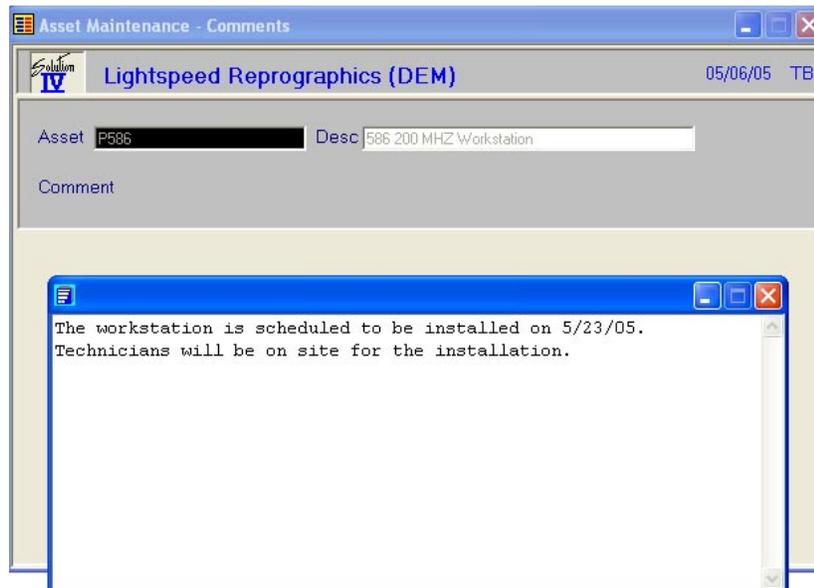
Comment Maintenance

Introduction

This option allows you to maintain the text field for the asset. This text field is free form and has unlimited length. It can be accessed in Fixed Asset Inquiry or printed on the Asset Masterfile Listing.

How to Execute

From the Fixed Asset Maintenance Menu, select **Comment Maintenance**.



Description of Fields

Comment

Use the standard text editing keys for your specific terminal to maintain the text field. **Line Insert, Line Delete, Insert, Delete, PgUp, PgDn**, etc. all work here. If you enter comments in date sequence, you may want to put the most recent comments on the top by using **Line Insert**. When you have finished editing the comment, press **F4** and you will receive the following prompt:

Save text (Y/N)?

Y Saves any changes or additions to the comment.

N Leaves the comment in the form it was in before you started.

Exit the Screen

When you are finished maintaining the comments, press **F4** from the asset code to return to the Asset Maintenance Menu, or press **F8** to select another screen.

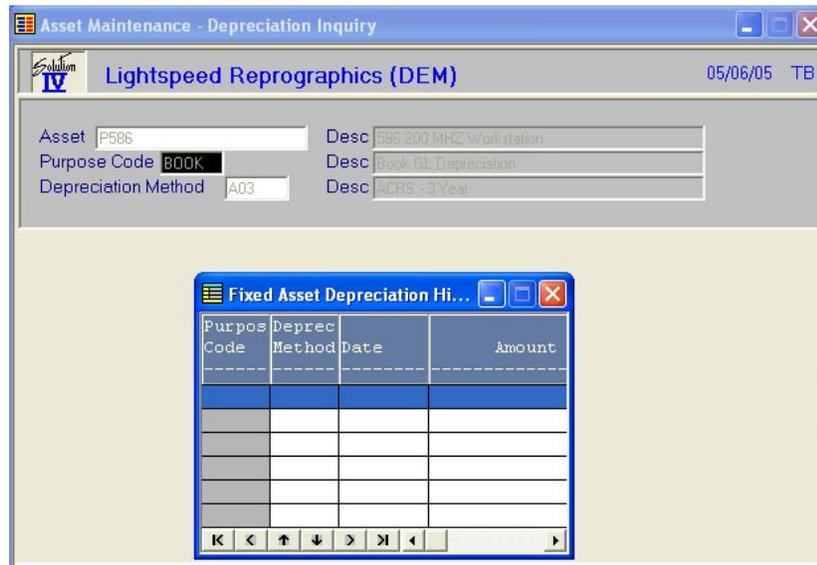
Depreciation History Inquiry

Introduction

This option allows you to view the depreciation taken each period over the life of the asset. The depreciation shown is as old as the history files maintained on your system.

How to Execute

From the Fixed Asset Maintenance Menu, select **Depreciation History Inquiry**.



Description of Fields

Purpose Code

Enter the six-character purpose code for which you wish to view the depreciation history or press **F2** to view the purpose codes associated with this particular asset.

Depreciation Method

The associated depreciation method and description for purpose code entered above is displayed. They cannot be overridden.

The date and amount for depreciation taken is then displayed on the screen. If there is more information than can be displayed on one screen, use the **Up Arrow**, **Down Arrow**, **PgUp** and **PgDn** keys to scroll through the data.

Exit the Screen

When you are finished, press **F4** to exit the view, then press **F4** from the asset or purpose code to return to the Asset Maintenance Menu, or press **F8** to select another screen.

Change/Delete Asset Code

Introduction

This option is used for the same purpose as the status field on the code files. The status is used to eliminate problems associated with deleting assets that are currently in use somewhere else in the system. It also allows you to change one code to another, or combine assets together. Assets can also be marked as inactive, allowing no further depreciation to be taken.

This function works in conjunction with the Status Change Update.

How to Execute

From the Fixed Asset Maintenance Menu, select **C. Change/Delete Asset Code**.

Description of Fields

Do you want to Delete Change Inactivate Reactivate

Enter one of the following: **D**, **C**, **I**, or **R**.

Delete

Delete this record? Yes No

Y Marks the asset for deletion. During the next Status Change Update, the asset is deleted.

N Does not mark this asset for deletion and returns the cursor to the asset field.

Change

Enter the asset code to change to

Enter the new asset code. If the code does not exist, all references to the old code are changed to the new code. If the new code already exists, the information from the old is combined with the new. These changes take effect during the Status Change Update.

Inactivate

The asset is marked with a status of **I**, which indicates you no longer wish to depreciate this asset.

Re-activate

The re-activate option is used to remove the inactive status from an asset at any time. It may be used to remove the change or delete status from an asset only before the Status Change Update has been performed.

Exit the Screen

After you have modified the status for an asset, the cursor returns to the asset code.

Fixed Asset Inquiry

Introduction

This option allows quick access to information about an asset. All of the information that can be edited from the Asset Maintenance Menu may be viewed, but not modified, using this option. The only exception is the comments; access to them is controlled by the parameters.

How to Execute

From the Fixed Assets Main Menu, select **Fixed Asset Inquiry**.

Description of Fields

Asset

Enter the code for the asset you wish to display. The description and code information is displayed on the screen.

You will then receive the following prompt:

Display: Asset Depreciation Warranty Leases Comment History Report

Asset

Displays the description and code information shown above.

Depreciation

Purpose Code

Enter the purpose code associated with the depreciation method you wish to view. Summary depreciation information is then displayed.

Warranty

Displays the information regarding the warranty followed by the prompt:

Display Comment? Yes No

Y Displays the warranty comment. If allowed by the parameters, you can edit the warranty comment at this time using the standard edit keys; if not, you can view the comment using PgUp and PgDn.

N Returns to the display prompt.

Lease

Displays the information regarding the capital lease followed by the prompt:

Display Comment? Yes No

Y Displays the lease comment. If allowed by the parameters, you can edit the lease comment at this time using the standard edit keys; if not, you can view the comment using PgUp and PgDn.

N Returns to the display prompt.

Comment

Displays the asset comment. If allowed by the parameters, you can edit the asset comment at this time using the standard edit keys; if not, you can view the comment using **PgUp** and **PgDn**. When you are finished editing, you are prompted:

Save text (Y/N)

Y Saves the asset comment.

N Returns to the display prompt without saving the asset comment.

History

Displays each date that the depreciation was taken and the amount for each purpose/method combination used on this asset. If there are more than will fit on one screen, use the **PgUp** and **PgDn** keys to scroll through the records.

Report

Prints a report showing the information displayed on these screens for this asset only. When the report is finished, you will return to the display prompt.

Exit the Screen

When you are finished with an asset, press **F4** from the display prompt to return to the asset code. When you are finished with inquiry, press **F4** from the asset code to return to the Fixed Assets Main Menu.

Depreciation Inquiry

Introduction

This option allows you to enter an asset and a depreciation method. It then computes a depreciation schedule for the asset. This option is useful for determining the desired method of depreciation to assign to an asset.

How to Execute

From the Fixed Assets Main Menu, select **Depreciation Inquiry**.

| Date | Amount | Date | Amount | Date | Amount |
|----------|--------|----------|--------|----------|--------|
| 04/30/01 | 13.95 | 12/31/01 | 13.95 | 08/31/02 | 20.92 |
| 05/31/01 | 13.95 | 01/31/02 | 20.92 | 09/30/02 | 20.92 |
| 06/30/01 | 13.95 | 02/28/02 | 20.92 | 10/31/02 | 20.92 |
| 07/31/01 | 13.95 | 03/31/02 | 20.92 | 11/30/02 | 20.92 |
| 08/31/01 | 13.95 | 04/30/02 | 20.92 | 12/31/02 | 20.92 |
| 09/30/01 | 13.95 | 05/31/02 | 20.92 | 01/31/03 | 18.83 |
| 10/31/01 | 13.95 | 06/30/02 | 20.92 | 02/28/03 | 18.83 |
| 11/30/01 | 13.95 | 07/31/02 | 20.92 | 03/31/03 | 18.83 |

Description of Fields

Asset Code

Enter an existing asset code or up to 22 characters as a test code. If you enter a valid asset code, the fields on the right side of the screen are filled.

Depreciation Method

Enter up to six alphanumeric characters for the depreciation method.

Some tables have already been added for your convenience. Press **F2** to view these tables. In addition, the following seven depreciation methods are available:

| | |
|--------|--|
| SL | Straight line |
| 150DB | 150% declining balance |
| 200DB | Double (200%) declining balance |
| SUMYRS | Sum of the years digits |
| ATPURC | Total depreciation at time of purchase |
| ATSALE | Total depreciation at time of retirement |
| NONE | No depreciation |

Purchase Price

Enter the price paid for this asset.

Salvage Value

Enter the estimated salvage value upon retirement of this asset.

Life in Periods

Enter the estimated life, in periods, that you intend to depreciate this asset.

Example: If this is a three-year asset, enter 36.

Start Date

Enter the date that you wish to begin depreciating this asset.

You will now see the following prompt:

Now processing period: x

It counts up to the number entered in "life in periods"- then displays the depreciation schedule on the screen followed by the prompt:

^ - Restart, Enter to continue

Up Arrow Re-displays the depreciation schedule starting with the first period.

Enter Goes to the next page if there is more to display, or gives the following prompt when the display is finished:

Do you wish to print the inquiry? Yes No

Y Prints the inquiry report.

N Returns to the asset code to allow another inquiry.

If you select **Y**, the system prompts:

Do you want a printed copy? Yes No

Y Prints the report on the selected printer.

N Displays the inquiry report on the screen.

When the report is finished, you will be returned to the asset code to perform another inquiry.

Exit the Screen

When you are finished, press **F4** from the asset code to return to the Fixed Assets Main Menu.

5 Transaction Processing

This chapter explains how to perform the following:

- Depreciation Transactions
- Depreciation Calculation
- Depreciation Entry
- Depreciation Journal and Update
- Acquisition Transactions
- Acquisition Entry
- Acquisition Journal and Update
- Retirement Transactions
- Retirement Availability Report
- Retirement Entry
- Retirement Journal and Update

You will be spending the bulk of your time in this chapter because this is the core of the Fixed Assets system.

Note: The transaction processing functions use what is known as a batch file. This means that when you enter one of the above transactions it is held in the batch file. You will then have the opportunity to print the register and verify that everything is correct. If you do not update the transactions, you may return to the entry functions to make any needed corrections. Once the update is run, the permanent files are affected.

Depreciation Calculation

Introduction

Depreciation Calculation builds a file containing the depreciation amounts to be taken. Only those categories, assets, and purpose codes that have been selected are calculated.

How to Execute

From the Transaction Processing Menu, select **Depreciation Calculation**.

The screenshot shows a dialog box titled "Depreciation Calculation Selection" for the application "Lightspeed Reprographics (DEM)". The window includes standard Windows window controls and a title bar. The main area contains the following fields:

- From Category:** AUTOS
- To Category:** F&F
- From Asset:** A389
- To Asset:** T894
- From Purpose:** BOOK
- To Purpose:** NJ
- Depreciation Date:** 05/06/05
- GL Purpose Only:** N (with a dropdown arrow)

Description of Fields

From Category

To Category

Enter the starting and ending category codes for which you wish to calculate depreciation or press **Enter** twice to calculate depreciation for all category codes.

From Asset

To Asset

Enter the starting and ending asset codes for which you wish to calculate depreciation or press **Enter** twice to calculate depreciation for all assets.

From Purpose

To Purpose

Enter the starting and ending purpose codes for which you wish to calculate depreciation or press **Enter** twice to calculate depreciation across all-purpose codes.

Depreciation Date

Enter the date you wish to use for posting this depreciation to General Ledger. This date is also used as the last depreciation date in the Asset Masterfile.

GL Purpose Only?

Within the range of categories, assets and purpose codes entered above, you have the option of calculating depreciation only for the General Ledger purpose code assigned to each asset as follows:

- Y** Calculates depreciation only for the purpose code used for posting to General Ledger.
- N** Calculates the depreciation for all of the purpose codes entered in the ranges above.
- X** Calculates the depreciation for all purpose codes except the purpose code used for posting to General Ledger.

Exit the Screen

When you are satisfied that your selections are correct, the system will see if there are any assets matching the selection criteria. Any matches are put in the Depreciation Entry file, where they can be edited if necessary. The system then runs the Depreciation Journal.

Depreciation Entry

Introduction

Depreciation Entry allows you to edit the depreciation amounts created in Depreciation Calculation.

How to Execute

From the Transaction Processing Menu, select **Depreciation Entry**.

Description of Fields**Asset**

Enter the asset code whose depreciation amount you wish to change.

Purpose Code

Enter the purpose code whose depreciation amount on the above asset you wish to change.

Depreciation Method

If you ran Depreciation Calculation, the depreciation method associated with the above purpose code is displayed on the screen; otherwise this field is left blank. This field may not be overridden.

Post to General Ledger?

This field contains a yes/no flag indicating whether this particular depreciation is to be posted to General Ledger. This field may not be overridden.

Depreciation Amount

This field contains the depreciation amount calculated during Depreciation Calculation. It may be changed if needed.

Exit the Screen

When you are finished, press **F4** from the asset code to return to the Transaction Processing Menu. You may now wish to proceed to the Depreciation Journal and Update.

Depreciation Journal and Update

Introduction

The Depreciation Journal details the depreciation in the current batch. These reports give you the opportunity to check the depreciation amounts before the update posts them to the various permanent files in Fixed Assets and General Ledger.

Note: The Depreciation Journal is an important part of your audit trail and must be kept with your permanent accounting records.

How to Execute

From the Transaction Processing Menu select **Depreciation Journal & Update**.

Description of Fields**Enter Posting Date**

Enter the date you wish to use for posting the depreciation to General Ledger as well as the last depreciation date on the asset itself. This date is very important because it controls the General Ledger period in which these depreciation amounts will appear.

Example: If today is 7/6/06 and you are running depreciation for June, be sure that the posting date is 6/30/06.

You will then see the message, **-Scanning depreciation record-** followed by the prompt:

Do you want a printed copy? Yes No

Y Prints a hard copy of the Depreciation Journal.

N Displays the Depreciation Journal on the screen. You are not allowed to continue with the update.

If the Depreciation Journal was printed to a printer, the system prompts:

Do you want to continue with the update? Yes No

Y Updates the current batch to the permanent files and then clears the Depreciation Entry file.

N Returns to the Fixed Assets Main Menu. You may make any necessary corrections using Depreciation Entry, then reprint the Depreciation Journal.

Reports

Select a printed or displayed copy. When the update is skipped or finished, you will be returned automatically to the Transaction Processing Menu.

Acquisition Entry

Introduction

This option gives you access to Acquisition Entry. If you enter newly acquired assets through this function, rather than directly into Asset Maintenance, you are able to print reports from the history files that show assets acquired within a range of dates. You also have the option of having the acquisitions post to General Ledger.

How to Execute

From the Transaction Processing Menu, select **Acquisition Entry**.

Description of Fields

Asset

Enter up to 22 alphanumeric characters for the asset. The asset code is used throughout the system to access individual assets.

Desc

Enter up to 35 alphanumeric characters to describe the asset.

Purchase Date

Enter the date this asset was purchased.

Purchase Price

Enter the price paid for this asset. This amount is also used for the market value and insurance value in the Asset Masterfile.

Tax Credit

Enter the tax credit taken for this asset. This amount shows on the Tax Credit Report.

Reason Code

Enter up to six characters for the reason code describing why you purchased this asset.

Document

Enter up to 15 alphanumeric characters giving the invoice number, lease number or other relevant document number associated with the lease or purchase of this asset.

Serial Number

Enter up to 20 characters for the serial number of the asset.

Alternate Sort

Enter up to 15 characters for use as an alternate sort for this asset. Several reports may be printed in alternate sort order.

Lease/Purchase

Enter whether the asset was purchased outright or is being leased as follows:

L Asset is being leased.

P Asset was purchased.

New/Used

You have the option of tracking whether the asset was new or used when purchased as follows:

N Asset was new when purchased.

U Asset was purchased used.

Responsible

Enter up to 15 characters for the name of the person or department responsible for this asset.

Location

Enter up to 15 characters for the physical location of the asset.

Category

Enter up to six alphanumeric characters for the category code to be assigned to this asset. The General Ledger accounts used for posting to General Ledger are pulled from the category code.

GL Purpose

Enter the purpose code that will be used for posting to General Ledger when depreciating this asset. This code must exist in the purpose code file.

Method

Enter the depreciation method that will be used when posting to General Ledger. Some tables have already been added for your convenience. Press **F2** to view these tables. In addition, the following seven depreciation methods are available:

| | |
|--------|--|
| SL | Straight line |
| 150DB | 150% declining balance |
| 200DB | Double (200%) declining balance |
| SUMYRS | Sum of the years digits |
| ATPURC | Total depreciation at time of purchase |
| ATSALE | Total depreciation at time of retirement |
| NONE | No depreciation |

Class Code

Enter up to six characters representing the class code. This field is optional.

Insur

Enter up to six characters representing the insurance code applicable to this asset. This field is optional.

Dept

Enter the General Ledger department to be used when posting expense account activity. The department code entered here is substituted into the department segment of the General Ledger expense accounts used by this asset.

Loc

Enter the General Ledger location to be used when posting expense account activity. The location code entered here is substituted into the location segment of the General Ledger expense accounts used by this asset.

Comment

Enter up to 35 alphanumeric characters describing why you purchased this asset.

Example: Out of business sale down the block.

Post GL Distribution?

You have the option of posting this acquisition to General Ledger as follows:

- Y** Posts the information to the Asset Masterfile as well as General Ledger.
- N** Posts the information to the Asset Masterfile but not to General Ledger. You do not want to post to General Ledger if the acquisition was also entered through Accounts Payable or Purchase Order.

Assumptions

When entering assets using Acquisition Entry, the following fields are defaulted in the Asset Masterfile as follows:

| <u>Field</u> | <u>Value</u> |
|----------------------------|----------------------------------|
| Retirement fields | BLANK |
| Insurance Value | Purchase Price |
| Market Value | Purchase Price |
| Asset Status | A-Active |
| Estimated Life | From Category Code |
| Actual Life | 0 |
| Start Date | Posting Date |
| End Date | Posting Date plus Estimated Life |
| Salvage Value | 0 |
| Last Depr Taken | 0 |
| Current Year Depr | 0 |
| Prior Years' Depr | 0 |
| Maximum Yearly Depr | 0 |

Lines Screen

It is necessary to distribute the acquisition to General Ledger accounts even if you are not posting the acquisition to General Ledger so that the history files are complete.

| Line | Account | Description | Debit | Credit |
|------|-----------|---------------------------|---------|---------|
| 1 | 151-00-00 | Furniture & fixtures | 2289.12 | |
| 2 | 461-00-00 | Asset purchase/retirement | | 2289.12 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Line

Enter If the line exists, **Enter** modifies it. If the line is blank, **Enter** adds one.

Line # Goes to that line. If you enter a line that is greater than the total number of lines, it goes to the last line.

Up arrow Goes to the next line above.

Down arrow Goes to the next line below.

PgUp Goes to the previous screen.

PgDn Goes to the next screen.

Line Delete Deletes that line and moves all lines below up.

Line Insert Inserts a line at that spot and moves all lines below down.

Account

Enter up to 15 characters (including dashes, if desired) representing the General Ledger account code to be posted to.

Debit**Credit**

Enter the amount to be posted to the General Ledger account code just entered.

Debit amounts can be entered as positive numbers in the first column. Credit amounts may be entered as a negative number when in the Debit column, or press **Enter** at the Debit column and enter the amount as a positive number in the Credit column.

Comment

Enter up to 35 characters to describe this posting. This description is posted to the General Ledger Transaction Detail file.

Exit the Screen

When you are finished, press **F4** from the asset code to return to the Transaction Processing Menu.

Acquisition Journal and Update

Introduction

The Acquisition Journal details the acquisitions in the current batch. These reports give you the opportunity to check the accuracy of the new assets before the update posts them to the various permanent files in Fixed Assets and General Ledger.

Note: The Acquisition Journal is an important part of your audit trail and must be kept with your permanent accounting records.

How to Execute

From the Transaction Processing Menu select **Acquisition Journal & Update**.

Description of Fields**Enter Posting Date**

Enter the date you wish to use for posting the acquisitions to General Ledger. This date is also used as the start date on the depreciation record. It is important that this date be in the correct month because it controls the General Ledger period in which this posting appears.

Example: If today is 7/6/06 and you are entering assets acquired in June, be sure the posting date is 6/30/06.

You will then see the message, **-Scanning acquisition records-** followed by the prompt:

Do you want a printed copy? Yes No

Y Prints a hard copy of the Acquisition Journal.

N Displays the Acquisition Journal on the screen. You are not allowed to continue with the update.

If the Acquisition Journal was printed to a printer, the system prompts:

Do you want to continue with the update? Yes No

Y Updates the current batch to the permanent files, then clears the Acquisition Entry file.

N Returns to the Fixed Assets Main Menu. You can make any necessary corrections using Acquisition Entry, then reprint the Acquisition Journal.

Report

Select a printed or displayed copy. When the update is skipped or finished, you will be returned automatically to the Transaction Processing Menu

Retirement Availability Report

Introduction

This report shows all of the assets not yet retired that are fully depreciated. Use this option to see which assets need to be retired using Retirement Entry.

How to Execute

From the Transaction Processing Menu, select **Retirement Availability Report**.

Sort Options

Enter Sort Option

Enter the option number corresponding to the sort order for which you wish to print this report.

1. Asset Code Prints the report in asset code order.
2. Category Code Prints the report in category code/asset code order.

Print Selected Assets Only?

You are only asked this question if you are printing the report in asset code order.

Y Displays a view allowing you to select individual assets to print on the report.

N Allows you to enter a range of assets to print.

If you select **N**, or print the report in category code order, the system prompts:

From Sort Option

To Sort Option

Enter the first and last codes in the range you wish to print, or press **Enter** twice to print all codes.

Report

Select a printed or displayed copy. When the report is finished, you will be returned automatically to the Transaction Processing Menu.

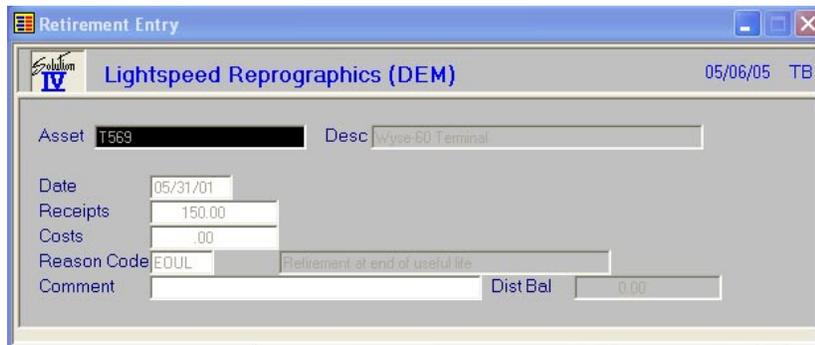
Retirement Entry

Introduction

This option allows you to retire the assets shown on the Retirement Availability Report.

How to Execute

From the Transaction Processing Menu, select **Retirement Entry**.



| Field | Value |
|-------------|----------------------------------|
| Asset | T569 |
| Desc | Wise 60 Terminal |
| Date | 05/31/01 |
| Receipts | 150.00 |
| Costs | .00 |
| Reason Code | EOUL |
| Comment | Retirement at end of useful life |
| Dist Bal | 0.00 |

Header Screen**Asset**

Enter up to 22 alphanumeric characters for the asset being retired.

Desc

The description of the asset is automatically displayed here.

Date

Enter the date that this asset was retired.

Receipts

Enter the price at which this asset was sold upon retirement.

Costs

Enter the costs or expenses incurred in retiring this asset.

Reason Code

Enter up to six characters for the reason code describing why you retired this asset.

Comment

Enter up to 35 alphanumeric characters describing why you retired this asset or any other information pertaining to the retirement of this asset.

Example: Damaged by fire in computer room.

Lines Screen

You need to distribute the retirement to General Ledger accounts, even if you are not posting to General Ledger, so the history files are complete.

| Line | Account | Debit | Credit |
|------|--------------------------------------|--------|--------|
| 1 | 151-00-00 Furniture & fixtures | | 300.00 |
| 2 | 160-00-00 Accumulated depreciation | 9.50 | |
| 3 | 460-00-00 Gain/loss on sale of asset | 140.50 | |
| 4 | 461-00-00 Asset purchase/retirement | 150.00 | |

Line

Enter If the line exists, **Enter** modifies it. If the line is blank, **Enter** adds one.

Line # Goes to that line. If you enter a line that is greater than the total number of lines, it goes to the last line.

Up arrow Goes to the next line above.

Down arrow Goes to the next line below.

PgUp Goes to the previous screen.

PgDn Goes to the next screen.

Line Delete Deletes that line and moves all lines below up.

Line Insert Inserts a line at that spot and moves all lines below down.

Account

Enter up to 15 characters (including dashes, if desired) representing the General Ledger account code to be posted to.

Debit**Credit**

Enter the amount to be posted to the General Ledger account code just entered.

Debit amounts may be entered as positive numbers in the first column. Credit amounts may be entered as a negative number when in the Debit column, or press **Enter** at the Debit column and enter the amount as a positive number in the Credit column.

Comment

Enter up to 35 characters to describe this posting. This description is posted to the General Ledger Transaction Detail file.

Exit the Screen

When you are finished, press **F4** from the asset code to return to the Transaction Processing Menu.

Retirement Journal and Update

Introduction

The Retirement Journal details the assets being retired in the current batch. These reports give you the opportunity to check the accuracy of the information before the update posts the retirements to the various permanent files in Fixed Assets and General Ledger.

Note: The Retirement Journal is an important part of your audit trail and must be kept with your permanent accounting records.

How to Execute

From the Transaction Processing Menu, select **Retirement Journal & Update**.

Description of Fields

Enter Posting Date

Enter the date you wish to use for posting the retirements to General Ledger. It is important that this date be in the correct month because it controls the General Ledger period in which these postings appear.

Example: If today is 7/6/06 and you are entering assets retired in June, be sure the posting date is 6/30/06

You will then see the message, **-Scanning retirement records-** followed by the prompt:

Do you want a printed copy? Yes No

Y Prints a hard copy of the Retirement Journal.

N Displays the Retirement Journal on the screen. You are not allowed to continue with the update.

If the Retirement Journal was printed to a printer, the system prompts:

Do you want to continue with the update: Yes No

Y Updates the current batch to the permanent files and then clears the Retirement Entry file.

N Returns to the Fixed Assets Main Menu. You may make any necessary corrections using Retirement Entry, then reprint the Retirement Journal.

Reports

Select a printed or displayed copy. When the update is skipped or finished, you will be returned automatically to the Transaction Processing Menu.

6 Other Options

This chapter contains information on how to execute the two subsystems included with Solution-IV Fixed Assets as follows:

- Amortization System
 - ◆ Amortization Maintenance
 - ◆ Amortization Schedule
- General Ledger Budgeting
 - ◆ Budget Calculation
 - ◆ Budget Entry
 - ◆ Budget Journal
 - ◆ Budget Update

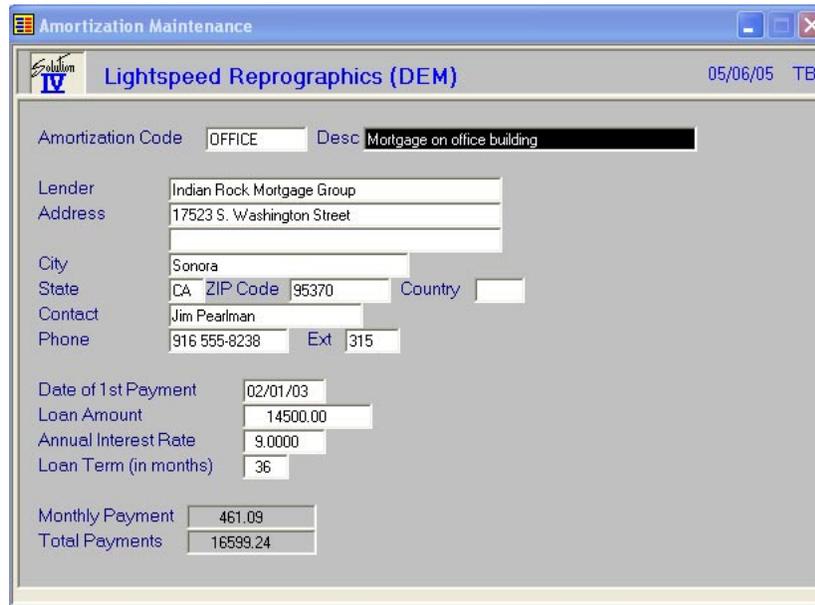
Amortization Maintenance

Introduction

This function allows you to enter a loan amount, interest rate, and number of payments, then calculates payment amount and prints the amortization schedule.

How to Execute

From the Amortization Menu, select **Amortization Maintenance**.



| | | | |
|-----------------------|----------------------------|----------|-----------------------------|
| Amortization Code | OFFICE | Desc | Mortgage on office building |
| Lender | Indian Rock Mortgage Group | | |
| Address | 17523 S. Washington Street | | |
| City | Sonora | | |
| State | CA | ZIP Code | 95370 |
| Contact | Jim Pearlman | | |
| Phone | 916 555-8238 | Ext | 315 |
| Date of 1st Payment | 02/01/03 | | |
| Loan Amount | 14500.00 | | |
| Annual Interest Rate | 9.0000 | | |
| Loan Term (in months) | 36 | | |
| Monthly Payment | 461.09 | | |
| Total Payments | 16599.24 | | |

Description of Fields

Amortization Code

Enter up to ten alphanumeric characters for the amortization code.

Desc

Enter up to 35 alphanumeric characters for the amortization description.

Lender

Enter up to 35 alphanumeric characters for the name of the lender.

Address

Enter up to two lines of 35 characters each for the lender's street address and/or P.O. Box. Do not enter the city, state or ZIP code information on either of these lines.

City

Enter up to 25 characters for the city. The city should be entered here, not on the address lines above.

State

Enter up to two characters for the state abbreviation. The state should be entered here, not on the address or city lines above.

ZIP Code

Enter up to ten characters for the ZIP code. The ZIP code should be entered here, not on the address lines above.

Example: 08875-1234 or 08875 or AP087QA

Country

Enter up to two characters for the country code, if desired.

Contact

Enter up to 20 characters for the name of the agent with whom you normally work at the lender's office.

Phone

Enter up to ten characters for the lenders phone number. Do not add any punctuation.

Example: 8005551212 is redisplayed as 800 555-1212.

Ext

Enter up to five characters for the agent's extension, if applicable.

Loan Date

Enter the date the first loan payment is due. This is the start date for the loan.

Loan Amount

Enter the dollar amount of the loan.

Interest Rate

Enter the annual interest rate.

Example: If the loan is twelve percent per year, enter 12.00.

Loan Term Mths

Enter the term of this loan in months.

Example: If this is a three-year loan, enter 36.

Monthly Payment

This field shows the monthly payment amount that is required based upon the information that has been entered for the amount of the loan, the interest rate, and the term.

Total Payment

This field shows the total of the payments that will be made over the life of the loan, including interest and principal.

Exit the Screen

When you are finished, press **F4** from the amortization code to return to the Amortization Menu.

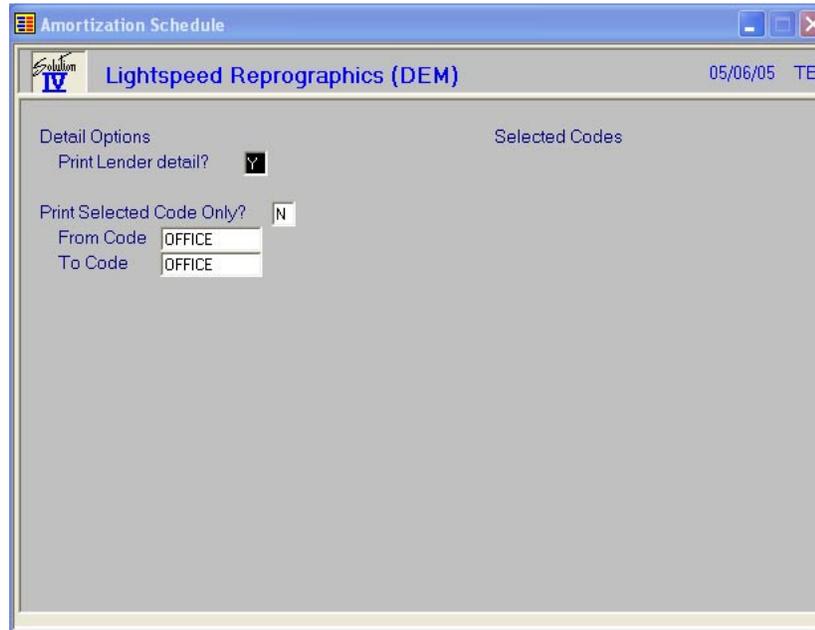
Amortization Schedule

Introduction

This report prints the actual schedule for a range of loans entered through Amortization Maintenance.

How to Execute

From the Amortization Menu select **Amortization Schedule**.



Selection Options

Print Selected Codes Only?

Y Displays a view allowing you to select individual loans to print on the report.

N Allows you to enter a range of loans to print.

If you select **N** above, the system prompts:

From Amort

To Amort

Enter the first and last amortization codes in the range you wish to print, or press **Enter** twice to print all codes.

Print Options

Print Lender Detail?

You have the option of printing the name and address and other information about the lender on the report as follows:

Y Prints lender detail information on the header of the schedule.

N Prints the schedule only.

Report

Select a printed or displayed copy. When it is finished you will be returned automatically to the Amortization Menu.

Budget Calculation

Introduction

The Budget Calculation is similar to the Depreciation Projection Report in that it calculates depreciation out over time. With Budget Calculation, however, you have the option of posting the budgeted depreciation for a range of assets to the budget columns in General Ledger.

How to Execute

From the Budget Entry & Update Menu, select **Budget Calculation**.

The screenshot shows a software window titled "Budget Calculation Selection" for "Lightspeed Reprographics (DEM)". The window includes a header with the date "05/06/05" and "TB". The main area is divided into several sections: "Sort Options" with a list "1) Asset Code" and "2) Category Code"; "Enter Sort Option" with a text input containing "1"; "Detail Options" with a dropdown menu for "Current or next year" set to "C"; "Print Selected Assets Only?" with a radio button set to "N"; and two text input fields for "From Code" (A389) and "To Code" (T894).

Sort Options

Enter Sort Option

Enter the option number corresponding to the order in which you wish to select assets for budget calculation.

1. **Asset Code:** Allows you to select individual or a range of assets for which to calculate budgeted depreciation.
2. **Category Code:** Allows you to select all assets assigned to a range of category codes.

Selection Options

Current or Next Year

You have the option of calculating budgets for this fiscal year or the next fiscal year as follows:

- C** Calculates depreciation for the current fiscal year. The current year can be determined by looking at the General Ledger Parameters.
- N** Calculates depreciation for next year.

Print Selected Assets Only?

You are only asked this question if you are performing the selection in asset code order.

Y Displays a view allowing you to select individual assets to print on the report.

N Allows you to enter a range of assets to print.

If you select **N** above, or select in category code order, the system prompts:

From Sort Option**To Sort Option**

Enter the first and last codes in the range you wish to select, or press **Enter** twice to select all codes.

Exit the Screen

When you are finished, the system calculates the depreciation amounts for the selected assets.

When it is finished, you will be returned automatically to the Budget Entry & Update Menu.

Budget Entry

Introduction

Budget Entry allows you to edit the General Ledger accounts to which the budget depreciation is posted. If you need to modify the budget amounts, use General Ledger Budget Maintenance after posting the budgets.

How to Execute

From the Budget Entry & Update Menu select **Budget Entry**.

Description of Fields**Asset Code**

Enter up to 22 characters for the asset whose General Ledger accounts you wish to check.

Depreciation Method

The depreciation method used for posting to General Ledger is displayed on the screen. It cannot be overridden.

Annual Depreciation

The annual budgeted depreciation is displayed on the screen. It cannot be overridden here. If you need to modify the budgeted depreciation amounts, it needs to be done in General Ledger.

Expense Account

Enter the expense account to which this asset's budget should post.

Depreciation Acct

Enter the accumulated depreciation account to which this asset's budget should post.

Exit the Screen

When you are finished, press **F4** from the asset code to return to the Budget Entry & Update Menu.

Budget Journal

Introduction

The Budget Journal details the depreciation budgets calculated using Budget Calculation & Entry. It must be printed before updating the budget amounts to the budget fields in General Ledger.

Note: The Budget Journal is an important part of your audit trail and must be kept with your permanent accounting records.

How to Execute

From the Budget Entry & Update Menu, select **Budget Journal & Update**.

Description of Fields

Do you want a printed copy? Yes No

- | | |
|----------|---|
| Y | Prints a hard copy of the Budget Journal. |
| N | Displays the Budget Journal on the screen. You are not allowed to continue with the update. |

Reports

Select a printed or displayed copy. If you printed hard copies of the reports, when they are finished, the update screen will be displayed automatically.

Budget Update

Introduction

The Budget Update posts the budgets shown on the Budget Journal to the selected budget columns in General Ledger.

How to Execute

This option is automatically executed after printing a hard copy of the Budget Journal.

Description of Fields

Initial, Revised or Next Year

Choose which budget column in General Ledger to post the budget amounts from the following:

- I** Posts to the initial budget columns.
- R** Posts to the revised budget columns.
- N** Posts to the next year budget columns.

Add to, Leave or Replace Budget

In the event that you have already performed some budget work in the General Ledger, you now have control over what to do with any existing amounts in the budget columns as follows:

- A** Adds the amounts shown on the Budget Journal to any amounts already in the selected budget column.
- L** If there are already amounts in the General Ledger budget column selected, they are left and the calculated budget amounts are not posted.
- R** Replaces any existing budget amounts in General Ledger with the budget amounts shown on the Budget Journal.

Do you want to continue with the update? Yes No

- YES** Posts the budgets as indicated on the Budget Journal.
- NO** Returns to the Reports Menu without posting the budgets.

Exit the Screen

When the update is finished, you will be returned automatically to the Budget Entry & Update Menu.

7 Fixed Assets Reports

This chapter describes how to execute the Solution-IV Fixed Assets reports, and provides samples of each report as well. The reports included in this chapter are:

- Asset Masterfile Listing
- Asset Label Printing
- Asset Valuation Report
- Insurance Value Report
- Historical Acquisition Report
- Historical Retirement Report
- Tax Credit Report
- Depreciation Comparison Report
- Depreciation Projection Report
- Depreciation History Report
- Depreciation Tax Report

Asset Masterfile Listing

Introduction

The Asset Masterfile Listing details the information on each asset in the Asset Masterfile. A variety of sort and detail options are available.

How to Execute

From the Reports Menu, select **Asset Masterfile Listing**.

Sort Options

Enter Sort Option

Enter the option number corresponding to the order in which you wish the report to print from the following list:

- 1. Asset Code:** Prints the report sorted by asset code.
- 2. Description:** Prints the report alphabetically by asset description.
- 3. Serial Number:** Prints the report sorted in serial number order.
- 4. Alternate Sort:** Prints the report in alternate sort/asset code order.
- 5. Category Code:** Prints the report sorted in category code/asset code order.
- 6. Class Code:** Prints the report sorted in class code/asset code order.
- 7. Insurance Code:** Prints the report sorted in insurance code/asset code order.

Print Selected Assets Only?

You are only asked this question if you are printing the report in asset code order.

Y Displays a view and allows you to select individual assets to print on the report.

N Allows you to enter a range of assets.

If you select **N**, or selected sorts two through seven, the system prompts:

From Sort Option

To Sort Option

Enter the first and last codes in the range you wish to print or press **Enter** twice to select all.

Print Options

Print Detail Information?

Y Prints detailed information about the asset such as serial number, location, purchase information, retirement information, market and insurance values, and tax credit taken.

N Prints the asset code and description only.

Print Code Information?

Y Prints the codes (such as class code, category code, etc.) on the report.

N Does not print the codes on the report.

Print Comment?

Y Prints the asset comment on the report.

N Does not print the asset comment.

Report

Select a printed or displayed copy. When the report is finished, you will be returned automatically to the Reports Menu.

Asset Label Printing

Introduction

Asset labels may be printed for each asset as needed for labeling assets or other record keeping. The labels are designed to print 1-up on 1-1/2 x 4-inch labels.

How to Execute

From the Reports Menu, select **Asset Label Printing**.

Sort Options

Enter Sort Option

Enter the option number corresponding to the order in which you wish to print the report from the following list:

1. **Asset Code:** Prints the labels sorted in asset code order.
2. **Description:** Prints the labels sorted alphabetically by asset description.
3. **Serial Number:** Prints the labels sorted in serial number order.
4. **Alternate Sort:** Prints the labels in alternate sort/asset code order.

Print Selected Assets Only?

You are only asked this question if you are printing the labels in asset code order.

- Y** Displays a view and allows you to select individual assets for label printing.
- N** Allows you to enter a range of assets.

If you select N, or selected sorts two through four, the system prompts:

From Sort Option To Sort Option

Enter the first and last codes in the range you wish to print or press **Enter** twice to select all.

Labels

Select a printed or displayed copy. When the labels are finished, you will be returned automatically to the Reports Menu.

Asset Valuation Report

Introduction

The Asset Valuation Report shows the current value of your assets based on the depreciation method used for posting to General Ledger.

How to Execute

From the Reports Menu, select **Asset Valuation Report**.

The screenshot shows a software window titled "Asset Valuation Report" for "Solution IV Lightspeed Reprographics (DEM)". The window includes a header with the date "05/06/05" and user initials "TB". The main area is divided into "Sort Options" and "Selected Assets". Under "Sort Options", there is a list: "1) Asset Code", "2) Category Code", and "3) Alternate Sort". Below the list is an "Enter Sort Option" field containing the number "1". There is also a "Print Selected Assets Only?" checkbox with the value "N". At the bottom, there are "From Code" and "To Code" fields with values "A389" and "T894" respectively.

Selection Options**Enter Sort Option**

Enter the option number corresponding to the order in which you wish to print the report from the following list:

1. **Asset Code:** Prints the report in asset code order.
2. **Category Code:** Prints the report in category code/asset code order.

Print Options**Print Selected Assets Only?**

You are only asked this question if you are printing the report in asset code order.

- Y** Displays a view and allows you to select individual assets to print on the report.
- N** Allows you to enter a range of assets.

If you select N, or selected category code order, the system prompts:

**From Sort Option
To Sort Option**

Enter the first and last codes in the range you wish to print, or press **Enter** twice to select all.

Report

Select a printed or displayed copy. When it is finished, you will be returned automatically to the Reports Menu.

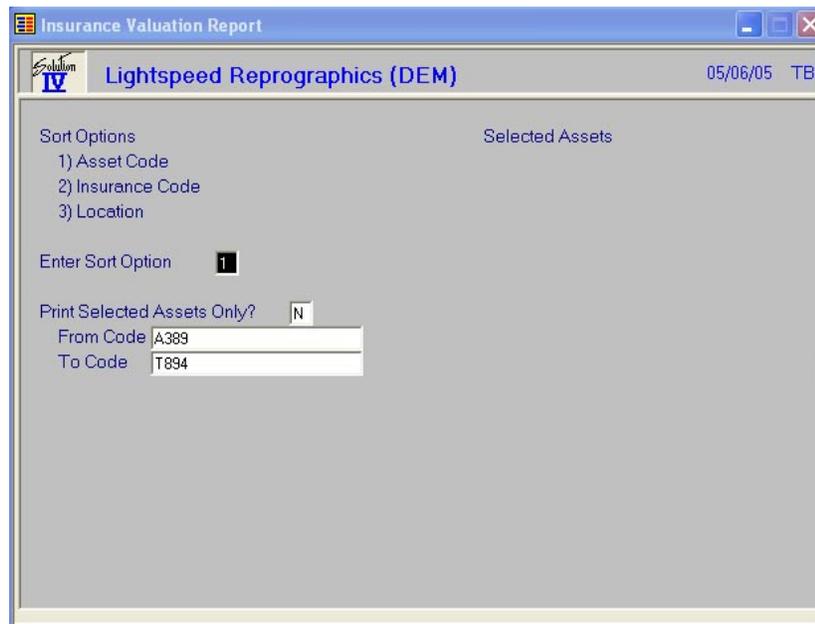
Insurance Value Report

Introduction

The Insurance Value Report shows the insurance value of your assets along with the location and responsible party. You may find this report useful during insurance reviews or audits, or in case of fire or theft resulting in loss of assets.

How to Execute

From the Reports Menu, select **Insurance Value Report**.



Sort Options

Enter Sort Option

Enter the option number corresponding to the order in which you wish to print the report from the following list:

1. **Asset Code:** Prints the report sorted in asset code order.
2. **Insurance Code:** Prints the report sorted in insurance code/asset code order.
3. **Location:** Prints the report sorted in asset location/asset code order.

Print Options

Print Selected Assets Only?

You are only asked this question if you print the report in asset code order.

Y Displays a view and allows you to select individual assets to print on the report.

N Allows you to enter a range of assets.

If you select **N**, or selected sorts two or three, the system prompts:

From Sort Option

To Sort Option

Enter the first and last codes in the range you wish to print, or press **Enter** twice to select all.

Report

Select a printed or displayed copy. When it is finished, you will be returned automatically to the Reports Menu.

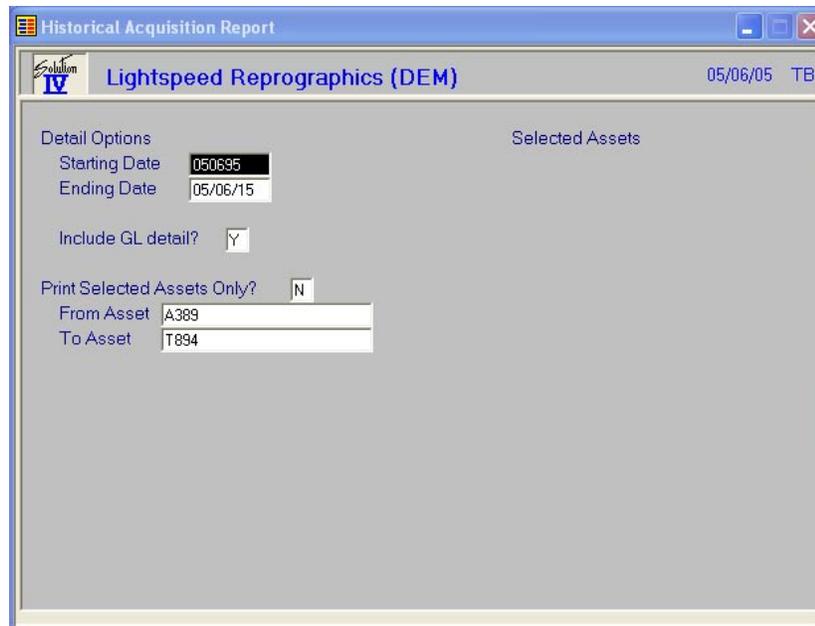
Historical Acquisition Report

Introduction

The Historical Acquisition Report shows all asset purchases that were entered through Acquisition Entry for a given range of dates.

How to Execute

From the Reports Menu, select **Historical Acquisition Report**.



Detail Options

Starting Date

Ending Date

Enter the first and last purchase dates in the range you wish to print, or press **Enter** twice to select all purchases contained in your history files.

Example: Dates from 07/01/06 to 07/31/06 would show all assets acquired during July 2004.

Include GL detail?

Y Prints the General Ledger postings on the report.

N Prints only purchase prices on the report.

Print Selected Assets Only?

Y Displays a view and allows you to select individual assets to print on the report.

N Allows you to enter a range of assets.

If you select **N**, the system prompts:

From Asset

To Asset

Enter the first and last assets in the range you wish to print, or press **Enter** twice to select all.

Report

Select a printed or displayed copy. When it is finished, you will be returned automatically to the Reports Menu

Historical Retirement Report

Introduction

The Historical Retirement Report shows all assets that were retired using Retirement Entry for a given range of dates.

How to Execute

From the Reports Menu, select **Historical Retirement Report**.

Detail Options

Starting Date

Ending Date

Enter the first and last retirement dates in the range you wish to print, or press **Enter** twice to select all retirements contained in your history files.

Example: Dates from 07/01/06 to 07/31/06 would show all assets retired during July 2004.

Include GL Detail?

Y Prints the General Ledger postings on the report.

N Prints only retirement amounts on the report.

If you select **N**, or selected category code order, the system prompts:

From Sort Option

To Sort Option

Enter the first and last codes in the range you wish to print, or press **Enter** twice to select all.

Print Selected Assets Only?

Y Displays a view and allows you to select individual assets to print on the report.

N Allows you to enter a range of assets.

If you select **N**, the system prompts:

**From Asset
To Asset**

Enter the first and last assets in the range you wish to print, or press **Enter** twice to select all.

Report

Select a printed or displayed copy. When it is finished, you will be returned automatically to the Reports Menu.

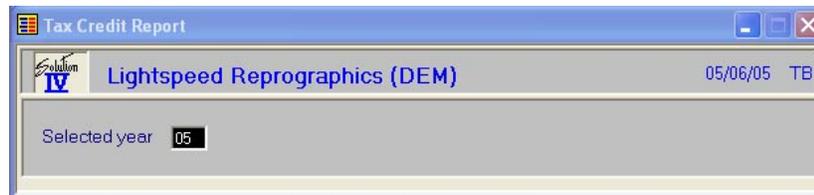
Tax Credit Report

Introduction

The Tax Credit Report shows the tax credits taken, as found in the Asset Masterfile, and compares it against the tax credit available as shown in the parameters.

How to Execute

From the Reports Menu, select **Tax Credit Report**.

**Select Options****Print for Year**

Enter the two-digit year the assets were purchased in, for all assets you wish to print on the report.

Example: If you want to see tax credits taken for assets purchased in 2004, enter 04.

Report

Select a printed or displayed copy. When the report is finished, you will be returned automatically to the Reports Menu.

Depreciation Comparison Report

Introduction

The Depreciation Comparison Report shows the difference between two different purposes (and therefore depreciation methods) for a given range of assets.

How to Execute

From the Reports Menu, select **Depreciation Comparison Report**.

Sort Options

Enter Sort Option

Enter the option number corresponding to the order in which you wish to print the report from the following list:

1. **Asset Code:** Prints the report in asset code order.
2. **Category Code:** Prints the report in category code/asset code order.

Print Options

Compare GL Purpose Vs Other or Two Purpose Codes

You have the option of comparing the purpose code used to post to General Ledger (no matter what the code is) with another purpose code or comparing two distinct purpose codes as follows:

- G** Compares the purpose code used for posting to General Ledger to the code entered below.
- T** Allows you to enter two purpose codes below which are compared against each other.

1st Purpose Code

Depending on your selection above, enter the following:

G Enter the purpose code you wish to compare against the GL purpose.

T Enter the first purpose code you wish to compare.

2nd Purpose Code

Depending on your selection above, enter the following:

G This field is skipped.

T Enter the purpose code you wish to compare against the code entered above.

Print Selected Assets Only?

You are only asked this question if you are printing the report in asset code order.

Y Displays a view and allows you to select individual assets to print on the report.

N Allows you to enter a range of assets.

If you select **N**, or selected category code order, the system prompts:

From Sort Option

To Sort Option

Enter the first and last codes in the range you wish to print, or press **Enter** twice to select all.

Report

Select a printed or displayed copy. When it is finished, you will be returned automatically to the Reports Menu.

Depreciation Projection Report

Introduction

The Depreciation Projection Report prints a schedule of what the depreciation is for a given range of assets and methods.

How to Execute

From the Reports Menu, select **Depreciation Projection Report**.

Sort Options

Enter Sort Option

Enter the option number corresponding to the order in which you wish to print the report from the following list:

1. **Asset Code:** Prints the report in asset code order.
2. **Category Code:** Prints the report in category code/asset code order.

Print Options

Starting Date

Ending Date

Enter the first and last dates for which you wish to project the depreciation, or press **Enter** twice to select all dates.

GL Purpose Only?

Y Prints the projection only for the depreciation method used for posting to General Ledger.

N Allows you to enter a list of purpose codes to print on the report.

If you select **N** above, the system prompts:

Include purpose codes

Enter a list of purpose codes to include on the report. If you leave all five purpose codes blank, the report prints for all the purpose codes.

Print Selected Assets Only?

You are only asked this question if you are printing the report in asset code order.

Y Displays a view and allows you to select individual assets to print on the report.

N Allows you to enter a range of assets.

If you select **N**, or selected category code order, the system prompts:

From Sort Option

To Sort Option

Enter the first and last codes in the range you wish to print, or press **Enter** twice to select all.

Report

Select a printed or displayed copy. When it is finished, you will be returned automatically to the Reports Menu.

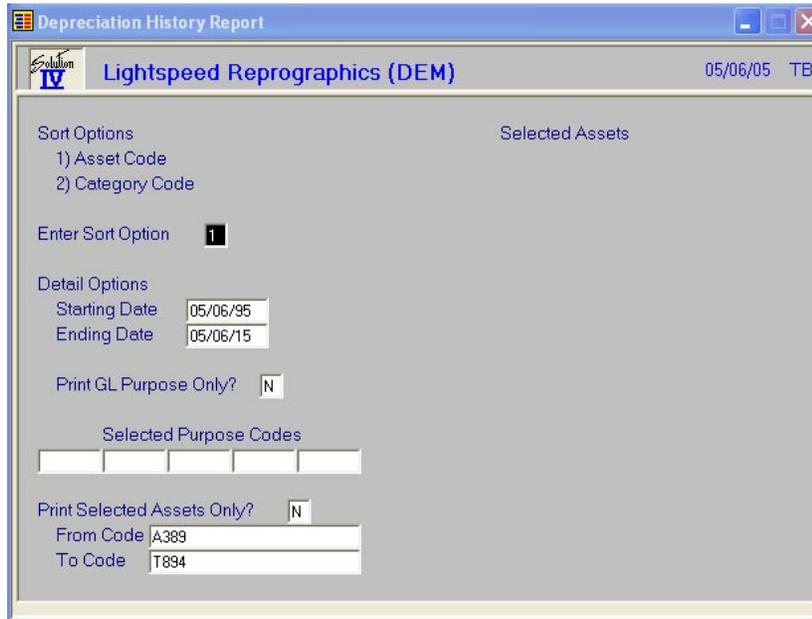
Depreciation History Report

Introduction

The Depreciation History Report prints the depreciation that has been taken for a given range of assets and dates.

How to Execute

From the Reports Menu, select **Depreciation History Report**.



Sort Options

Enter Sort Option

Enter the option number corresponding to the order in which you wish to print the report from the following list:

1. **Asset Code:** Prints the report in asset code order.
2. **Category Code:** Prints the report in category code/asset code order.

Print Options

Starting Date

Ending Date

Enter the first and last dates for which you wish to print the depreciation history, or press **Enter** twice to select all dates.

GL Purpose Only?

Y Prints the history only for the depreciation method used for posting to General Ledger.

N Allows you to enter a list of purpose codes to print on the report.

If you select **N** above, the system prompts:

Include purpose codes

Enter a list of purpose codes to include on the report. If you leave the purpose codes blank, the report prints for all the purpose codes.

Print Selected Assets Only?

You are only asked this question if you are printing the report in asset code order.

Y Displays a view and allows you to select the individual assets to print on the report.

N Allows you to enter a range of assets.

If you select **N**, or selected category code order, the system prompts:

From Sort Option

To Sort Option

Enter the first and last codes in the range you wish to print, or press **Enter** twice to select all.

Report

Select a printed or displayed copy. When it is finished, you will be returned automatically to the Reports Menu.

Depreciation Tax Report

Introduction

The Depreciation Tax Report allows you to compare two different depreciation methods and it calculates the difference in depreciation amounts between the two methods.

How to Execute

From the Reports Menu, select **Depreciation Tax Report**.

Sort Options

Enter Sort Option

Enter the option number corresponding to the order in which you wish to print the report from the following list:

1. **Asset Code:** Prints the report in asset code order.
2. **Category Code:** Prints the report in category code/asset code order.

Print Options

Starting Date

Ending Date

Enter the first and last dates for which you wish to print the depreciation tax, or press **Enter** twice to select all dates.

1st Purpose Code

Enter the Purpose Code to be used in the report. Press F2 for a look-up of purpose codes.

2nd Purpose Code

Enter the Purpose Code to compare against the purpose code entered above. Press F2 for a look-up of purpose codes.

Print Selected Assets Only?

You are only asked this question if you are printing the report in asset code order.

Y Displays a view and allows you to select the individual assets to print on the report.

N Allows you to enter a range of assets.

If you select **N**, or selected category code order, the system prompts:

From Sort Option

To Sort Option

Enter the first and last codes in the range you wish to print, or press Enter twice to select all.

Report

Select a printed or displayed copy. When it is finished, you will be returned automatically to the Reports Menu.

8 Period End Processing

This chapter describes the options that are available during Period End Processing. They include:

- Period End Update
- Status Change Update

Period End Update

Introduction

Unlike the other Solution-IV Applications, period end in Fixed Assets is only run at the end of December and at the end of your fiscal year (if different). It should be run after all transactions have been entered for the year and after, or in conjunction with, any desired reports.

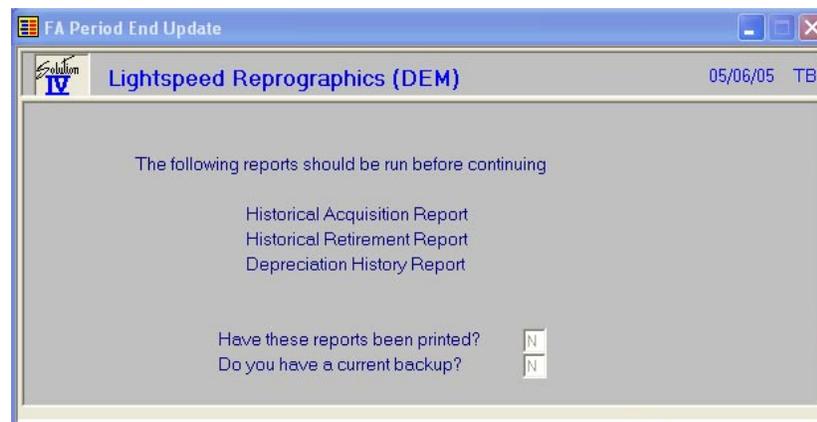
Note: Be sure to run the Period End Update before any depreciation calculations are run for the next year.

The Period End Update does the following:

- Zeros out the depreciation taken this year and moves them to the last year's depreciation fields.
- If you select calendar year end processing, it only clears those depreciation methods designated as type **C**. This process is done at the end of December.
- If you select fiscal year end processing, it only clears those depreciation methods designated as type **F**. This process is done at the end of your fiscal year.
- If your fiscal year ends December 31, you will run both calendar and fiscal year-end at the same time.
- While not recommended, period end can also clear data from the historical files, if necessary.

How to Execute

From the Fixed Assets Main Menu, select **Period End Update**.



Description of Fields

Have these reports been printed?

The following reports should be printed before processing period end because data may be cleared from these files:

- Historical Acquisition Report
- Historical Retirement Report
- Depreciation History Report
- Tax Credit Report
- Asset Valuation Report

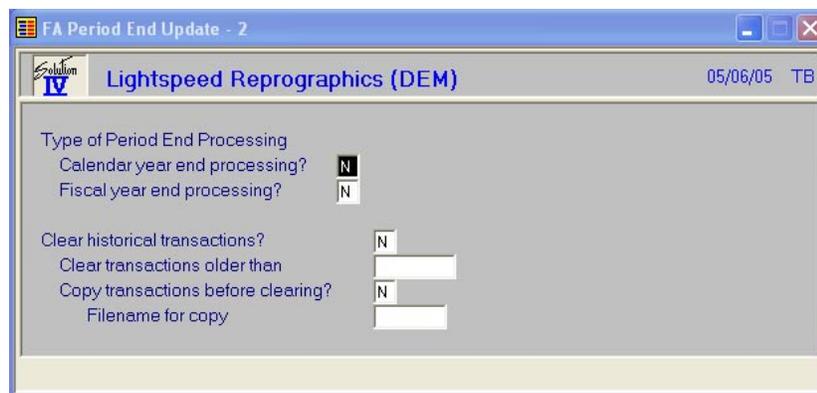
If you have printed your final copy of these reports, answer **Y**.

Do you have a current backup?

It is VERY IMPORTANT that you make backups before processing period end. Even if you do not make other backups during the month, at least make them at this time.

If you have current backups, answer **Y**.

If you answer **Y** to both of the above questions, the system displays the following screen; otherwise you are returned to the Fixed Assets Main Menu.



Description of Fields

Calendar year-end processing?

Calendar year-end processing clears the "depreciation taken this year" field in the asset depreciation records only for those purposes that have methods based upon a calendar year (designated on the header in Depreciation Method Maintenance).

Y The period end update is being run for the end of December.

N It is not the end of December.

Fiscal year end processing?

Fiscal year end processing clears the "depreciation taken this year" field in the asset depreciation records only for those purposes that have methods based on a fiscal year (designated on the header in Depreciation Method Maintenance).

Y The period end update is being run for the end of the fiscal year, which may or may not be the end of December.

N It is not the end of your fiscal year.

Clear historical transactions?

Every transaction in the system is saved to a combination of historical transaction files. It is from these files that the following reports are printed:

- Historical Acquisition Report
- Historical Retirement Report
- Depreciation History Report

It is in your best interest to retain this information for the life of the system. However, this file can get rather large, so we therefore give you the option of clearing these files if necessary.

Y Clears data from the historical files based on the date entered below.

N History files are left alone.

Clear transactions older than

Enter the oldest date for which you wish to maintain historical transactions.

Example: If you enter 8/1/06, all data in the history files through 7/31/06 are removed.

Copy transactions before clear?

You have the option of copying transactions that are cleared to a separate file that can then be backed up as follows:

Y Copies cleared transactions to a separate file so they can be backed up (and later merged back with the original file, if necessary).

N Removes the transactions permanently.

If you answer **Y** above, the system prompts:

Filename for copy

Enter up to seven characters for the filename to which you wish to copy the history files.

Exit the Screen

When the update is finished, you will be returned automatically to the Fixed Assets Main Menu.

Status Change Update

Introduction

The Status Change Update takes all of the code file entries that you have marked to change or delete, verifies their validity, and then affects the change. A report is printed prior to the update detailing the changes/deletes, before giving you the option of whether or not to continue the update.

Important: This is a powerful function which may result in codes being deleted or irreversibly combined with others. Make sure you have current backups before continuing!

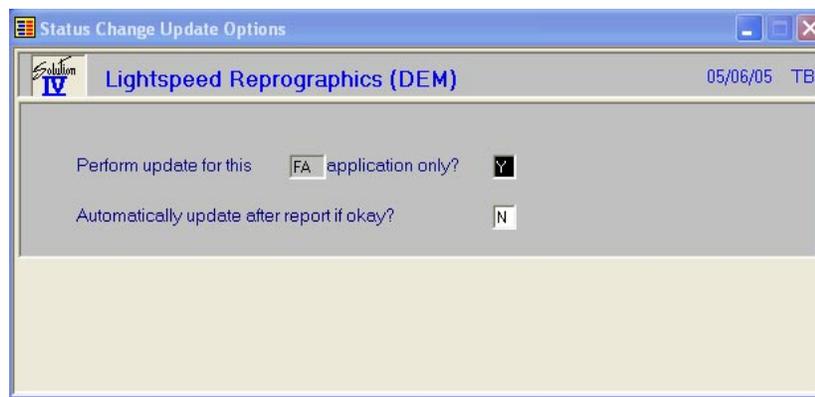
Before You Start

Before you start the Status Change Update, you must do the following:

- Make a current backup for your own protection.
- Make sure the transaction entry files have been updated.
- Make sure no one else is using Solution-IV Accounting.

How to Execute

From the Fixed Assets Main Menu, select **Status Change Update**



Procedures for Status Change

The Status Change Update works as follows:

1. Makes sure the entry files are empty and that no one else is using the system (any company, any application).
2. Builds a list of all records that are marked to be changed or deleted (status = C or D).
3. Once the list is built, it checks all of the records to be deleted and ensures that they are not being used elsewhere (except in the history files).

Example: If you are deleting class code F&F, F&F may not be used by any assets, but may exist on records in the history file.

4. It then checks the records to be changed and ensures that the "change to" it not going to be changed to something else or deleted.

5. A report is printed showing the changes and deletions to be made and any conflicts found in steps three and four. If there are any conflicts, the remaining steps are skipped.

If there are no conflicts, the system prompts:

Are you sure you want to continue the update?

Y Completes the status changes as indicated on the report in the order below.

N Does not do the update and returns to the Fixed Assets Main Menu.

6. The requested changes are performed.

7. The requested deletes are performed.

8. The history files are marked if anything was changed. There are multiple flags in each record in each of the history files. Each flag corresponds to each element that could be changed (they are normally blank). If the element has been changed, the associated flag is set to 'C.'

Exit the Screen

When the Status Change Update is finished, you will be returned automatically to the Fixed Assets Main Menu.

9 Appendices

The following pages contain supplemental information which is helpful to the understanding of Solution-IV Fixed Assets.

- A. Fixed Assets Messages
- B. Understanding the Accounting Theory Behind Fixed Assets
- C. What to do with all the Paper Generated
- D. Glossary

A Fixed Assets Messages

Most messages that you will encounter when using the Solution-IV Fixed Assets system are described in the appropriate chapters of this manual, where the operation you are performing is documented.

This appendix contains additional messages that may be displayed during the normal processing of your system. These messages are not discussed in the body of the manual because they are not frequently displayed.

The messages are grouped as follows:

- Acquisition Entry
- Acquisition Journal & Update
- Budget Calculation
- Depreciation Calculation
- Depreciation Entry
- Depreciation Journal & Update
- Depreciation Table Maintenance
- Retirement Entry
- Retirement Journal & Update

Acquisition Entry

Asset already on file

You are trying to add an asset that already exists in the Asset Masterfile. Use another code for this asset or check your records.

Distribution out of balance. Delete F4-More changes

The sum of the debits does not equal the sum of the credits for this posting. You must make the entry balance before continuing.

Acquisition Journal & Update

No information to update

The Acquisition Entry file is empty. Either the update has already occurred (you can check using the Event Log) or no assets have been entered into the entry file.

Budget Calculation

Budget Calculation. New Merge

A budget calculation has already been run, but not updated. You have the following options:

N Clears the budget calculation already in progress and starts again.

M Leaves the budgets already calculated and adds this selection to it.

Is this really a new budget calculation? Yes No

If you answer **N** above, you need to confirm that you really want to clear the budget calculation file and start again. This step does not affect any budgets already in the General Ledger account file.

Depreciation Calculation

Depreciation already in progress: Merge Clear

You have already started, but no yet updated, a previous depreciation calculation. You now have the following options:

M Leaves the depreciations already calculated and adds this selection to it.

C Clears the calculations in the current batch and starts over with this selection.

Do you really want to clear the file? Yes No

If you answer **C** above, you need to confirm that you really want to clear the Depreciation Entry file and start again. This step does not affect any depreciations previously updated.

No matching data for depreciation.

There are no assets matching the selection criteria available for depreciation calculation. Check your selections and try again.

Depreciation Maintenance

Asset/Purpose record not found

You are trying to calculate depreciation for an asset/purpose combination that does not exist in the asset file. Either check the purpose and asset or add this combination using Fixed Asset Maintenance before continuing.

Depreciation Entry

Distribution out of balance Delete F4-more changes

The sum of the debits does not equal the sum of the credits for this posting. You must make the entry balance before continuing.

Depreciation Journal & Update**No information to update**

The Depreciation Entry file is empty. Either the update has already occurred (you can check using the Event Log), or no depreciation calculation has been run.

Depreciation Table Maintenance**Depreciation method x reserved**

The following seven depreciation methods are reserved and cannot have tables created for them:

| | |
|--------|--|
| SL | Straight line |
| 150DB | 150% declining balance |
| 200DB | Double (200%) declining balance |
| SUMYRS | Sum of the years digits |
| ATPURC | Total depreciation at time of purchase |
| ATSALE | Total depreciation at time of retirement |
| NONE | No depreciation |

Depreciation years not in sequence

In the lines of the depreciation table, it is necessary for the years to increase with each line of the table.

Example: A sequence of 1, 4, 6, 7, 12 is valid, but a sequence of 3, 2, 1, 5 is not valid.

This table cannot be deleted

The table you are attempting to delete is a standard table included with the Solution-IV Fixed Assets system. You are not permitted to delete this table.

Retirement Entry**Distribution out of balance Delete F4-More changes**

The sum of the debits does not equal the sum of the credits for this posting. You must make the entry balance before continuing.

Retirement Journal & Update**No information to update**

The Retirement Entry file is empty. Either the update has already occurred (you can check using the Event Log), or no assets have been entered into the entry file.

B Understanding the Accounting Theory Behind Fixed Assets

You can use the Solution-IV Fixed Assets package without understanding accounting but may find the following concepts helpful in understanding what the system is doing.

Definition

A fixed assets management system gives you the information you need to manage your assets. It also relieves you of the drudgery of calculating depreciation each month, perhaps using multiple methods on each asset. Solution-IV Fixed Assets is integrated with Solution-IV General Ledger, allowing you to post monthly depreciation amounts as well as annual depreciation budget amounts.

A variety of reports may be printed showing you each asset's current and insured values, tax credits taken vs. available, depreciation projections and history, and historical acquisitions and retirements.

Accounting Components

Every company's financial picture is made up of the following basic elements:

- **Assets** – anything of value that the company owns.
Examples: cash, accounts receivable, inventory, furniture, fixtures, property
- **Liabilities** – anything that the company owes to someone else.
Examples: accounts payable, notes payable
- **Equity** – what the company is worth.
Examples: owner's equity, capital stock, retained earnings
- **Revenue** – income or earnings.
Examples: sales revenue, interest income
- **Expenses** – the cost of doing business.
Examples: cost of sales, payroll expense, depreciation, supplies

Cash vs. Accrual

There are two acceptable ways of keeping your accounting records.

Under an accrual method of accounting, revenue is recorded into the General Ledger whenever you make a sale, not when you actually receive payment; expenses are recorded when you receive the invoice, not when you write the check. Operating under an accrual basis, you are better able to match revenue to expenses, giving a better picture of the actual profitability of your company. Most companies operate under an accrual basis.

If you operate under a cash basis, you do not actually record the revenue in the General Ledger until the payment is received and the expenses are not recorded until you write the check. In general, only very small companies operate under a cash basis.

With depreciation, it does not matter whether you operate on a cash or accrual basis. The depreciation is recorded when you run the Depreciation Journal & Update regardless of your chosen accounting method.

Debits & Credits

In the simplest of terms, every account has a debit side and a credit side. If total debits are more than total credits, the account has a debit balance. If total credits are more than total debits, the account has a credit balance. Each account has a normal debit or credit balance. The following table demonstrates what happens with each basic component.

| Account type | Normal balance | Debits | Credits |
|---------------------|-----------------------|------------------|------------------|
| Asset | Debit | Increase Balance | Decrease Balance |
| Liability | Credit | Decrease Balance | Increase Balance |
| Equity | Credit | Decrease Balance | Increase Balance |
| Revenue | Credit | Decrease Balance | Increase Balance |
| Expense | Debit | Increase Balance | Decrease Balance |

Pluses & Minuses

Debits and credits cause some confusion when thought of as pluses and minuses. In general, in the General Ledger, debits are entered as positive numbers and credits are entered as negative numbers. This may be confusing because revenue is a credit account (see the table above) which means the amounts posted to it are usually negative numbers. We have tried to eliminate this confusion in the Fixed Assets package by doing the debits and credits (pluses and minuses) for you.

While in Solution-IV Fixed Assets, you have to enter very few negative numbers. The only time you need to concern yourself with them is during Acquisition and Retirement Entry if you need to change the posting that the system defaults to.

Postings

The basis of double entry accounting, which Solution-IV uses, requires that every entry be composed of at least two entries — a debit and a credit. The chart at the end of this section shows the actual postings made by Fixed Assets to General Ledger.

Your posting to General Ledger can get even more sophisticated by posting expenses to General Ledger by department and/or location. See the example below to understand how it works:

If your General Ledger accounts are setup as xxx-xx where the second segment represents the location, you might have the following accounts:

| | |
|--------|---------------------------|
| 151-00 | Furniture & fixtures - NJ |
| 151-01 | Furniture & fixtures - CA |
| 160-00 | Accumulated depreciation |
| 710-00 | Depreciation expense - NJ |
| 710-01 | Depreciation expense - CA |

In this simple case, you would define only one category code, with 151-00 for the asset, 160-00 for depreciation, and 710-00 for depreciation expense. Then, when in Asset Maintenance, you would simply assign the asset to the appropriate location code.

When you post depreciation of \$100 for an asset located in New Jersey, the posting would be as follows:

| | | |
|--------|---------------------------|----------|
| 160-00 | Accumulated depreciation | \$100.00 |
| 710-00 | Depreciation expense - NJ | \$100.00 |

If you were to post the same depreciation for an asset located in California, the posting would appear as:

| | | |
|--------|---------------------------|----------|
| 160-00 | Accumulated depreciation | \$100.00 |
| 710-01 | Depreciation expense - CA | \$100.00 |

Subsidiary Ledger

A subsidiary ledger is a supporting ledger consisting of a group of similar accounts, the total of which is in agreement with a controlling account in the General Ledger. The purpose behind a subsidiary ledger is to keep unnecessary detail out of the General Ledger.

In Solution-IV Fixed Assets, the Depreciation Journal can be considered a subsidiary ledger because it contains the details of what assets were depreciated and for how much. The Acquisition Journal and Retirement Journal are subsidiary ledgers as well, as they substantiate the amounts contained in other General Ledger accounts. The Asset Valuation Report can also be considered to be a subsidiary ledger as the totals on the report can be used to substantiate the amounts in your asset and depreciation accounts.

General Ledger Accounts Used
 (All accounts are defined in Category Code Maintenance)

| Account Type | Name |
|--------------|--|
| Asset | Fixed Assets (may be multiple) such as: Furniture & fixtures Plant, property & equipment Accumulated depreciation |
| Revenue | Gain/loss on sale of assets |
| Expense | Depreciation & amortization expenses |

Fixed Assets Postings

| Type of Entry | Account | Debit | Credit |
|---------------|-----------------------------|---------|---------|
| Acquisition | Furniture & fixtures | 5000.00 | |
| | Notes payable (or other) | | 5000.00 |
| Depreciation | Accumulated depreciation | 125.00 | |
| | Depreciation expense - NJ | | 125.00 |
| Retirement | Furniture & fixtures | 3000.00 | |
| | Accumulated depreciation | 4200.00 | |
| | Cash (or other) | | 5000.00 |
| | Gain/loss on sale of assets | | 2200.00 |

C What to do with all the Paper Generated

Solution-IV Fixed Assets generates a great deal of paper from the multitude of reports it prints. This appendix explains why so much of the paper is generated and what you are supposed to do with it.

Why?

The entire line of Solution-IV Accounting System has been designed to comply with the Generally Accepted Accounting Principles (GAAP). In general, GAAP are broad concepts and detailed practices including all conventions, rules, and procedures that comprise accepted accounting practice at any given time. They have become generally accepted by agreement in industry.

The paper generated by the Solution-IV Fixed Assets system complies with GAAP by providing an audit trail, or sufficient backing, for every entry in the General Ledger, a principle mandated by GAAP. The Depreciation Journal, Acquisition Journal, and Retirement Journal provide this necessary audit trail

What You Need to Keep

In general, you need to keep the final copy of each of the reports listed below. The final copy is the one printed just before you 'run' the update. If you printed the report several times, you can identify the final copy by looking at the date and time the report was printed. It is important that you keep only the final copy and discard the earlier ones.

The reports that you **MUST** keep are:

- Depreciation Journal
- Acquisition Journal (if posted to General Ledger)
- Retirement Journal (if posted to General Ledger)
- Budget Journal (recommended)
- Status Change Register (recommended)

You should keep periodic copies of the following reports as you print them for reference:

- Asset Valuation Report
- Insurance Value Report
- Tax Credit Report (especially at year end)
- Depreciation History Report

- Historical Acquisition Report
- Historical Retirement Report

How to Organize Saved Reports

The following are suggestions on how best to file and organize printed reports. Review them and determine the one that works most effectively for you.

Ring Binders

If your company is relatively small and is printing only a few reports each month, standard three-ring binders may be the best method for you. Use dividers to separate the reports by month. You should have at least four binders, one for each of the following:

- Depreciation Journals
- Acquisition & Retirement & Budget Journals
- Status Change Register
- Other Reports (separated by report, rather than month)

Data Binders

If your company is a little larger, computer data binders may work better for you. They hold more printed information and do not require the extra time it takes to tear off the feed strips and to punch the holes. You should have a binder for each report you are keeping for a total of 5 to 15 or more binders. Use dividers especially made for data binders to help organize the contents. Disadvantages of data binders are that (1) they are large and cumbersome to handle, and (2) it may be difficult to take pages out if necessary. Fixed Assets is not well suited for data binders.

Filing Cabinet

A third way to file your reports is to use hanging file folders and your filing cabinet. You should use a separate folder for each type of report and file them by month. For example, you would label a folder "Depreciation Journals - January". If you print many reports, and need to make copies of them from time to time, this is the easiest system for you. Be sure to keep the reports in date order in the file folder. Only one folder should be necessary for each of your periodic reports.

A Closing Note

Try to keep your filing system as up to date as possible. Although it may seem tedious, saving and organizing your reports is beneficial. In the event of a system problem, you will find the saved reports invaluable in tracing data entry in the system. In an accounting or IRS audit, you will be able to provide the information needed easily and quickly. With proper storage of your important reports, corrections are easier to make and audits will take less time, saving you both time and money.

D Glossary

1099 Reporting

1099 reporting is the filing of a 1099 tax form with the federal government. This is a report of all payments made to individual vendor of more than an amount specified by the government in a calendar year.

| |
|----------|
| A |
|----------|

Account or Account Code

An account is the basic component of a formal accounting system. It records all additions and deductions and shows balances of assets, liabilities, owners' equity, revenues and expenses.

There are two types of accounts: debit and credit. Asset and expense accounts are usually debit accounts. Liability, equity and revenue accounts are usually credit accounts.

Accounting

The process of recording, organizing, reporting and interpreting the financial data of a business.

Accounting Period

An accounting period is an interval of time for which a financial statement is prepared. In most businesses, each month is a separate accounting period.

Solution-IV allows you to store data for as many as 26 accounting periods (2 full years).

Accounting System

An accounting system is a method for interpreting the financial performance of a business. It includes the raw data, procedures and equipment needed to make this analysis.

Accounts Payable

Accounts payable is a record of money owed and payments made by a business to creditors. It is a current liability showing the actual dollar amount owed to creditors.

Accounts Receivable

Accounts receivable is a record of money owed and payments made to a business by customers. It is a current asset showing the actual dollar amount owed by customers.

Accrual Basis

Accrual basis accounting records revenues and expenses for the current accounting period even though payments will not be received or paid until a later accounting period. This is to be distinguished from cash basis.

Most companies operate on the accrual basis.

See Accrued Asset and Accrued Liability.

Accrued Asset

An accrued asset is a revenue that is recorded when it is earned, not when a payment is received. The revenue then appears on financial statements for the period in which it is earned. (It may also be called an accrued income.)

Example: If you sell a camera for \$295 on credit, this transaction is immediately recognized as revenue and recorded in accounts receivable (even though cash has not yet been received).

Accrued Liability

An accrued liability is an expense recorded when it is incurred, not when a payment is made. The expense then appears on financial statements for the period in which it is incurred. (It may also be called an accrued expense).

Example: If you purchase on credit 5 dictionaries at \$24.95 each, the \$124.75 transaction is immediately recognized as an expense even though cash has not been paid.

Accumulated Depreciation

Accumulated depreciation is the sum of all recorded depreciation for a particular asset (or group of assets) since the date of acquisition.

Activity

Activity is the continuous completing of transactions. This activity, whether an expense or a revenue, changes the account balance.

The Solution-IV General Ledger allows you to see the activity of each account for a given accounting period.

Adjusting Entry

An adjusting entry is a general journal entry that corrects an account or brings that account up to date.

These entries are usually made at the end of an accounting period, but may be made whenever it is considered appropriate.

Aging Period

The aging period is an interval of time following a sale or a purchase that defines a revenue or expense as outstanding. The length of this period is different for each company.

Example: A loan company may want a listing of payments that are 2 weeks late.

Allowance for Bad Debts

Allowance for bad debts is an asset account that offsets uncollectible revenue. The amount is usually estimated as a percentage of accounts receivable, based on previous experience with unpaid accounts.

Alphanumeric

Alphanumeric describes a combination of letters and/or numbers.

Example: L48, 56SJ, E913S, 1234, and ASTVLS are alphanumeric.

Amortization

Amortization is the writing-off of the cost of an intangible asset over its economic life. It is usually used with leasehold improvements, organization costs, or goodwill.

Asset

An asset is anything that is owned by a business and has a monetary value.

Example: Buildings, fixtures, equipment, supplies and cash are assets.

Audit Report

An audit report verifies the accuracy of information entered into the computer. An audit report must be printed before updating the permanent files.

Audit Trail

An audit trail is a detailed record of accounting activity. It is a means of examining transactions from the time they are entered into a journal until they are printed in the financial statements.

Average Cost Method

The average cost method is a system of inventory costing. The value of inventory is determined by averaging the cost of goods in stock with goods recently received.

Example: 25 bicycle pedals purchased by you for resale at a cost of \$35 each remain in inventory. You purchase 10 more at \$40. Your inventory is now valued at $(25 \times \$35) + (10 \times \$40)$ or a total of \$1275 or \$36.43 each. If you sell 30 of them, the cost of the sale will be computed as $\$36.43 \times 30$ or \$1092.90, with a remaining inventory value of $\$36.43 \times 5$ or \$182.15.

See Standard Cost, LIFO and FIFO.

B**Back Order**

A back order is a request for items that are currently out of stock. As soon as they become available they are shipped to the customer.

Backup

A backup is a copy of computer files on a portable medium (such as a floppy diskette or tape cartridge). Should the computer files be corrupted or destroyed the backup can be used to replace the data.

Backups should be made at regular intervals.

Bad Debt

A bad debt is a revenue that is partially or completely uncollectible. It becomes an expense when it is established that the customer will not pay the obligation and it is not practical to enforce payment.

Balance

A balance is the difference between total debits and total credits of an account at a given time. An individual account is said to have a debit balance if debits are greater than credits, a credit balance if credits are greater than debits, or a zero balance if debits equal credits.

Balance Forward

Balance forward is a technique used in accounts receivable summarizing all transaction activity at the end of an accounting period. The balance is then carried forward to the next accounting period.

See Open Item.

Balance Sheet

A balance sheet is a financial statement summarizing the financial status of a business at a specific time. It is a detailed presentation of the assets, liabilities and owner's equity as in the fundamental accounting equation: $\text{Assets} = \text{Liabilities} + \text{Equity}$.

Bank Reconciliation

A bank reconciliation compares the bank statement to the depositor's records. Differences should be analyzed and explained by deposits in transit, checks outstanding, bank charges, and errors.

Bucket

A bucket is a field on the screen or in a file where data is displayed or stored. Often it is a field that does not allow user input such as the data in a specific aging category.

Budget

A budget is a financial plan or goal for a specific period of time. It can be used to compare with actual results.

C**Capital**

In accounting, capital is too general to be used by itself. In most cases it means the ownership of the assets of a business by the proprietor(s).

See Equity.

Cash Basis

Cash basis accounting records revenue only when a payment is received and records an expense only when a payment is made. The payments are recorded on financial statements for the period in which they are made.

Very small businesses usually operate on a cash basis.

Example: When the sale of a product or a service is made, the transaction is not recorded until cash is received. This is to be distinguished from accrual basis.

Cash Discount

A cash discount is the amount deducted from a customer's bill when a prompt payment of that invoice is made.

Character

A character is a symbol, letter, or number.

Chart of Accounts

The chart of accounts is a table of contents for the General Ledger. It lists the accounts systematically with assets followed by liabilities, capital, revenue, cost of sales and expenses.

Check Register

A check register is a listing of check numbers and invoices paid. It is available when computer checks are generated, hand-written checks are entered, or as a summary at the end of the period.

Company

A company is an organization with its own separate assets, liabilities and equity. It may, however, be a division, branch office, department or subsidiary of a single organization. Solution-IV separates all files by company. In Solution-IV a company may also be referred to as a business or an entity.

Compressed Printing

Compressed printing is a feature available on some 80-character printers. It allows reports formatted for a 132-character column width to be printed on an 8-inch by 11-inch page.

Credit

A credit decreases an asset or an expense account and increases a liability, equity, or revenue account. It is entered on the right side of a ledger account.

Credit Balance

See Balance.

Credit Limit

A credit limit is the maximum dollar amount in merchandise a customer may receive prior to payment. Once this amount is reached, the customer must make a payment before receiving additional merchandise.

Credit Memo

A credit memo is a document notifying a customer that his account has been credited. It is usually a result of a return. A credit memo reduces accounts receivable.

Current Asset

A current asset is expected to be converted into cash or depleted in one year or less.

Current Liability

Also called short term liability. See Liability.

Current Liquidity Ratio

See Liquidity Ratios.

Current Ratio

See Liquidity Ratios.

Cursor

The cursor is a character on a computer terminal screen, which marks the place where typed characters are entered.

D**Data File**

See File.

Debit

A debit increases an asset or an expense account and decreases a liability, equity, or revenue account. It is entered on the left side of the ledger account.

Debit Balance

See balance.

Depreciation

Depreciation is the decrease in value of a fixed asset over a period of time. The loss of value is caused by wear or obsolescence.

Direct Labor

Direct labor is the labor cost to convert raw materials into finished goods.

Discount Due Date

The discount due date is the last day a payment may be made to receive a cash discount. After this date the full price must be paid.

Diskette

A diskette, computer storage media, is made of flexible plastic rather than rigid metal. It is a portable medium and can be easily stored.

Due Date

The due date is the date on which payment must be made.

Dunning Message

Dunning messages are messages that may be printed on a customer statement. The messages usually are different, depending on how late the customer's oldest invoice is.

Example: Your account is past due please pay promptly. Thank you!

E**Economic Life**

The economic life of a fixed asset is the time during which it is usable. When it must be replaced, its economic life is over.

Equity

Equity is the investment in a business by the owner. It can be expressed as: $\text{Equity} = \text{Assets} - \text{Liabilities}$.

Expense

An expense is a cost incurred while operating a business.

Example: The electric bill is an expense of operating a retail store.

F**FIFO**

FIFO (an abbreviation for first-in, first-out) is a method of assigning cost to inventory. Those items acquired or produced first are used or sold first. This keeps the value of all items in stock at the latest price to be paid for them.

In inflationary times, costing by FIFO increases both the gross margin and the stated value of remaining inventory.

Example: 25 bicycle pedals purchased by your company for resale at a cost of \$35 each remain in inventory. You purchase 10 more at a cost of \$40. Your inventory is now valued at $(25 \times \$35) + (10 \times \$40)$ or \$1275. If you sell 30 of them, the cost of sale will be computed as $(25 \times \$35) + (5 \times \$40)$ or \$1075, with a remaining inventory value of $(5 \times \$40)$ or \$200.

See LIFO, Standard Cost and Average Cost.

Field

A field is the place on the computer terminal screen where a single item of data is entered.

Example: In a customer masterfile record, the customer name is typed in the customer name field and the customer address is typed in the customer address field.

See Key.

File

A computer file is a collection of related records stored under a unique name. Data files contain accounting information such as journal entries and account balances. Program files contain instructions used by the computer.

Financial Statement

A financial statement is a report of the financial status of a business. It can be a balance sheet, profit and loss statement, or any other presentation of financial data.

Fiscal Year

The fiscal year is an accounting period that does not necessarily follow the calendar year. It might consist of 12 months, 13 periods of 28 days each or 4-4-5 weeks (each 13 weeks equaling 1/4 year).

Fixed Asset

A fixed asset is a physical item having a useful life of one year or more. It is also referred to as property, plant, equipment, or plant assets.

Example: A copy machine is a fixed asset.

Floppy Disk

See Diskette.

Function

A function is an operation that performs a job.

G**GAAP**

See Generally Accepted Accounting Principles.

General Ledger

The General Ledger summarizes all business transactions, grouping them by account code. Financial statements are prepared from this information.

Generally Accepted Accounting Principles (GAAP)

Generally Accepted Accounting Principles provide guidelines for conventions, rules, and procedures currently considered acceptable accounting practice.

Goodwill

Goodwill is an intangible asset whose dollar value is derived from the management skills and reputation of a business. It represents the potential earning power of a business beyond the current market value of its assets. Goodwill is usually recognized only at the time a business is sold.

Gross Profit

Gross profit is the difference between the selling price and the cost of the items being sold. It does not recognize other expenses such as rent, telephone, or utilities.

Gross Profit Percentage

Gross profit percentage shows the relationship of gross profit to sales. It can be expressed as: $\text{Gross Profit Percentage} = (\text{Total Sales} - \text{Total Cost of Sales}) / \text{Total Sales}$.

H**Hard Disk**

The hard disk is computer storage media made of rigid material and is either fixed or removable. It has greater storage capacity and handles data faster than diskettes.

Hardware

Hardware is a general term referring to the computer and its associated equipment.

I**Income**

Income is the excess of revenues over expenses. It may be expressed as: $\text{Income} = \text{Revenues} - \text{Expenses}$.

Income Statement

An income statement is a report that balances total revenues and total expenses over a period of time. A positive balance is a profit, while a negative balance is a loss. It is also called a profit and loss statement or a statement of operations.

Intangible Asset

An intangible asset is a long term asset without physical substance.

Examples: Copyrights, franchises, patents, trademarks, and goodwill are intangible assets.

Integration

Integration is the bringing of separate parts together. It can be used to describe the transferring of data from one system to another or the entering of data into the system once and having it transferred to all related files.

Example: Accounts Payable is integrated with General Ledger. Entries to Accounts Payable, which are relevant to General Ledger, are automatically transferred to General Ledger.

Interactive System

An interactive system does not allow the user to enter invalid data.

Example: Solution-IV is an interactive system and does not accept the entry of a company code that has not yet been created.

Interest

Interest is the amount of money paid for the use of money over time.

Inventory

An inventory is the stock owned by a business at any given time. It can be finished goods held for direct sale or component parts used in manufacturing for future sale.

Inventory Costing

Inventory costing is the method of determining the value of items in inventory.

See LIFO, FIFO, Average Cost, and Standard Cost.

Invoice

An invoice is a complete list of goods or services delivered to the buyer by the seller. It also shows quantity, price, shipping charges, terms, and other costs or discounts.

J**Journal Entry**

A journal entry is the primary means of entering financial data into the General Ledger. The sum of the debits and credits in a journal entry must always equal zero.

Example: The journal entry for the purchase of \$250 of office supplies (paid in cash) would consist of a \$250 credit to cash and a \$250 debit to office supplies expense.

K**Key**

A key is a specialized field (see Field). Since the system uses the characters entered in this field to access records in a specific file, the key entry must be unique.

Example: In Solution-IV Customer Maintenance Masterfile, the customer code is the key field.

L**LIFO**

LIFO (an abbreviation for last-in, first-out) is a method of assigning cost to inventory. Those items acquired or produced last are used or sold first. This keeps the value of all items in stock at the earliest price paid for them.

In inflationary times costing inventory by LIFO reduces both the gross margin and the stated value of remaining inventory.

Example: 25 bicycle pedals purchased by you for resale at a cost of \$35 each remain in inventory. You purchase 10 more at a cost of \$40. Your inventory is now valued at $(25 \times \$35) + (10 \times \$40)$ or \$1275. If you sell 30 of them the cost of sale will be computed as $(10 \times \$40) + (20 \times \$35)$ or \$1100, with a remaining inventory value of $(5 \times \$35)$ or \$175.

See FIFO, Standard Cost and Average Cost.

Labor Burden

Labor burden is the expense incurred for workers in addition to their actual wages.

Example: The employer's share of FICA (Social Security), federal and state unemployment insurance tax, workers' compensation insurance premiums, and employer-paid union contributions are part of the labor burden.

Leasehold Improvement

A leasehold improvement is a fixed asset purchased by the lessee for a rented property. Usually it may not be removed from the property when the lease expires.

Example: The installation of new fixtures and walls are leasehold improvements.

Leverage Ratios

Leverage ratios indicate how much the business is encumbered by its liabilities. It is the relationship of liabilities to assets and of debt to equity.

Liability

A liability is the amount of money due creditors.

Types of liabilities:

1. Current(or short term)-full payment is due in 1 year or less.
2. Long term-full payment is not expected for over 1 year.

Liquidity Ratios

Liquidity ratios indicate how much of the assets are easily available.

The Current Ratio is the relationship of current assets to current liabilities. It can be expressed as: $\text{Current Ratio} = \text{Current Assets} / \text{Current Liabilities}$.

The Quick Ratio is the relationship of current assets less inventory to the current liabilities. It can be expressed as: $\text{Quick Ratio} = (\text{Current Assets} - \text{Inventory}) / \text{Current Liabilities}$.

List Price

A list price is a published price subject to customer discounts.

Long Term Liability

See Liability.

M**MTD**

MTD is an abbreviation for month-to-date. In Solution-IV it usually refers to the activity of an account (such as General Ledger account codes, customers, or vendors) so far this month.

Masterfile

A masterfile is a computer file containing all related data elements for a specific record.

Multi-Company Accounting

See Multi-Company Environment.

Multi-Company Environment

A multi-company environment allows the user to maintain separate sets of records for different businesses. Solution-IV is a multi-company environment system. It is also called multi-company accounting.

Multi-User Accounting System

A multi-user system allows more than one user to access a specific program from different terminals at the same time. All users can access the same files (except when a file has been security protected).

N**Net Asset**

The net asset is the total stockholders' equity. It can be expressed as: $\text{Net Assets} = \text{Total Assets} - \text{Total Liabilities}$.

Net Income

See Net Profit.

Net Profit

The net profit results when income exceeds costs and expenses. A Net Loss occurs when costs and expenses exceed income.

O**Open Item**

Open item accounting is the accounts receivable procedure which tracks each transaction in the customer record. Statements for open item customers show all invoices that are not fully paid regardless of the period in which they originated.

See Balance Forward.

Operating Expense

An operating expense includes marketing and administrative expenses. It is all expenses other than the cost of goods, cost of labor, interest, and income tax.

Operator Code

The operator code is an identifier from 1 to 3 characters long that must be entered to gain access to the system or to a function.

Overhead

Overhead is an expense not directly related to a specific job. These expenses occur whether or not a specific job is under way.

Example: Wages to office personnel, office supplies, rent, and utilities are overhead.

Overhead Burden

Overhead burden is all overhead expenses except for labor that can be applied to the cost of producing goods or services.

Overhead Rate

An overhead rate applies a predetermined rate to a contract or job to cover overhead burden. It is usually based on labor hours or direct material dollars.

Overtime

Overtime is the number of hours of work done beyond regular hours. These records are kept for payroll purposes.

Example: Overtime might be anything over 8 hours a day or 40 hours a week.

P**Paid-in Capital**

Paid-in capital is the amount of money invested as equity when a business is started.

Parameter

A parameter is a format definition. When setting up Solution-IV, the system may be customized by setting parameters such as the length of the account size, the position of the location segment and the position of the department segment.

Perpetual Inventory Method

The perpetual inventory method is a continuous count of merchandise. The inventory count is updated at the time of a purchase or a sale.

Physical Inventory

A physical inventory is a list of merchandise on hand, determined by an actual count.

Profit Center

A profit center is a part of a business generating its own income and incurring its own expenses. It is separated from the rest of the business for accounting purposes. A conceptual division (rather than a physical department) of a company may also be a profit center.

Example: One store in a chain of stores may be designated a profit center.

Profitability Ratios

The profitability ratio is the relationship of the net profit to the size of the business. It may be expressed as:

Net Profit Margin = Net Profit / Total Sales
 Return on Assets = Net Profit / Total Assets
 Return on Equity = Net Profit / Total Equity
 Earnings per Share = Net Profit / Total Shares of Stock

Program File

See File.

Purchase Order

A purchase order is a document requesting a vendor to ship a specified quantity of merchandise.

Q**Quantity Pricing**

Quantity pricing is a system that provides a lower price when larger quantities are ordered.

Example: 10 bicycle tires may be ordered at \$9.95 each, while 100 bicycle tires may be ordered at \$9.45 each.

Quick Ratio

See Liquidity Ratios.

R**Range**

A range is a group defined by two specific end points.

Examples: The number 2 is within the range of numbers from 1 to 10. The letter G is outside the range of all letters from A to C.

Ratio Analysis

A ratio analysis is a financial report assessing the performance of a business. It analyzes the activity in terms of leverage ratios, liquidity ratios, and profitability ratios for a business over a specific period of time.

Record

A record is related data stored in a computer file.

Example: Information for each company (company name, address, telephone number, federal ID number and applications used) is a single record in the Company Masterfile.

Recurring Entry

A recurring entry is a fixed journal entry that occurs on a regular basis.

Example: Rent, loan payments, and flat rate utility fees may be recurring entries.

Reorder Amount

The reorder amount is the minimum quantity of stock allowed in inventory. When that number is reached, an order is placed to replenish the stock.

Example: If the reorder amount for handlebars is 25, an order will not be placed until the inventory reaches 25 handlebars.

Reorder Level

See Reorder Amount.

Retainage

Retainage is an amount of money withheld from payment until an entire job (or a specified portion of the job) is completed. It is most often used in construction.

Retained Earnings

Retained earnings are profits reinvested in the business as stockholder equity. It is also the accumulated profits, minus any losses or dividends, of a company from its creation.

Reversing Entry

A reversing entry cancels a previous entry. A credit is used to cancel a debit and a debit is used to cancel a credit.

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Sales Allowance

The sales allowance is a reduction of the previously agreed upon selling price.

Sales Returns

A sales return is a product returned by the customer. When merchandise is returned, a debit must be made to the sales return and allowances account, and a credit to Accounts Receivable.

Security

Security is a system safeguard against unauthorized entry.

Short Term Liability

Also called current liability. See Liability.

Source Document

A source document is the original transaction record. It is used to enter data into the computer file.

Example: The vendor invoice is a source document which contains information such as the vendor invoice number, the invoice date, terms, discount, and sales tax which is entered into the computer files.

Standard Cost Method

The standard cost method is a system of inventory costing. It uses a predetermined amount for a specific item to value the inventory and establish the sales price.

See LIFO, FIFO and Average Cost methods.

Example: The standard cost of your bicycle pedals is predetermined to be \$35. 25 pedals remain in inventory at a cost of \$35 each. You purchase 10 more at \$40 each. Your inventory value will be calculated at (35×35) or \$1225. If you sell 30 of them the cost will be computed as (30×35) or \$1050 with a remaining inventory value of (5×35) or \$175.

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Terms

Terms are the conditions of payment agreed to by the customer and are included on the invoice. Discount terms are often used to encourage prompt payment.

Example: Terms of payment such as 2/10 net 30 (a 2% discount is allowed if payment is made within 10 days), might be offered to encourage prompt payment.

Trade Discount

A trade discount is a reduction from the list price.

Transaction

A transaction is an event that affects the financial position of a business.

Example: The purchase of 2 bicycle pumps @ \$7.50 each is a transaction requiring the following journal entries: a \$15 debit to inventory and a \$15 credit to cash.

Trial Balance

The trial balance is a report showing the balance of each account in the General Ledger. The total credits must always equal the total debits in the General Ledger.

Two-Step Billing

In a two-step billing procedure the first step is to enter the customer order and the second step is to prepare the invoice for that order. The invoice is not prepared until the ordered items are shipped.

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Variance

A variance is the difference between an actual amount and an estimated amount. It can be shown as an amount (e.g., \$1000 over) or as a percentage (e.g. -2%).

Example: If \$500 is budgeted for office supplies and \$450 is spent, the variance is \$50 under (or -10%).

Voucher

A voucher is a document that legitimizes an invoice and authorizes payment. Solution-IV Accounts Payable allows the entry of records using either the vendor's invoice number or your company's voucher number.

W**W-2 Form**

A W-2 form is a statement of an employee's total earnings received and total taxes paid during the calendar year. The IRS requires that a W-2 be prepared for and distributed to each employee.

W-4 Form

The W-4 is a form completed by the employee informing the company of the amount of income tax that should be withheld from that employee's wages. The form is provided by the IRS and is also called the Employee's Withholding Exemption Certificate.

Working Capital

Working capital is the amount of capital in current use in the operation of a business. It can be expressed as: Working Capital = Current Assets – Current Liabilities.

Write-Off

See Amortization.

Y**YTD**

YTD is an abbreviation for year-to-date. In Solution-IV it usually refers to the activity of an account (such as General Ledger account codes, Customers, or Vendors) so far this fiscal year.