Club Office Fixed Assets

Overview

The fixed asset module provides a way to categorize and track fixed assets using either the straight-line depreciation method or a manual, user-defined method. Monthly depreciation can be recorded from within the fixed asset module or if AutoPost is enabled (see configuration information below) depreciation journal entries are generated and posted automatically when a general ledger month is closed.

Menu Options

File Menu Options

- **Printer Setup/Margins:** change your printer's settings
- **Last processing date:** displays the last time fixed assets were "depreciated" by the system.
- **Post All Depreciation Now:** generate the current posting period's depreciation records on all active assets. If an asset's depreciation has already been generated by the system during the current period, the entry will not be duplicated. The title bar displays the current G/L period *as it is listed in the general ledger.*
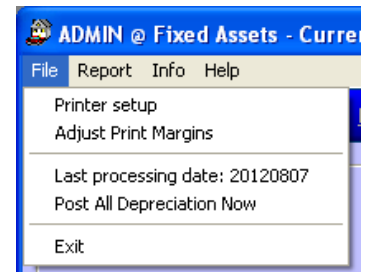
View Journal History

When an asset is viewable on the main screen, clicking this button displays a screen that lists the chronological history of depreciation journal entries for that particular asset. Click the Close History button to return the screen to normal view.

Configuration

Because most configuration issues are really on a per-asset basis, those settings are made as you create your fixed asset records. However, the security settings that restrict user access to the module and its various features are set in the configuration module, as is the option to enable AutoPost, the system's capability to create depreciation journal entries automatically. The configuration screen is located in the main Club Office system configuration area.

0	Access - Inquire ONLY
10	Access - Update/Edit
10	Access - Post to G/L
10	Access - Delete
20120807	Last posting date

⦿ I wish to make my own G/L journal entries

○ Let the system make G/L journal entries automatically

In the above example, a user having user access less than 10 cannot use the Fixed Assets module at all; level 20 is required to add, change or post depreciation to the G/L and a higher level yet is required to delete a fixed asset record.

AutoPost is enabled by selecting the "Let the system make G/L journal entries automatically" option. This setting causes the General Ledger's end-of-month function to automatically activate the fixed asset system and create applicable depreciation journal entries. While AutoPost is certainly a viable option, in practice however, most club controllers choose to make their own G/L journal entries manually.

Data Field Descriptions

Fields that are shown in **red** text are generally required fields. Holding the mouse cursor above a field for a moment or two displays on-screen information about that field:

Asset #   98-10501
The alphanumeric identifying number or 'tag' for this asset at your facility.

- **Asset #:** required. Alphanumeric up to 20 characters in length. The asset # must be unique; no duplicates are allowed. The asset# is one of the sorting methods used by the system for reporting.

- **Description:** required. Up to 50 characters allowed. It's often helpful to be specific about an asset, remembering that any alphabetical listings or lookups are based on the left-to-right characters entered. Example: John Deere Tractor would appear alphabetically in the J's while Tractor, John Deere would appear in the T's with all other items that begin with the word "tractor." Note: The description is the *primary* sorting method used by the module since most people think of assets first by description than any other way.

- **Serial #:** optional, alphanumeric entry up to 35 characters. Helpful for differentiating between identical assets purchased at different times that have different depreciation settings.
    - o Example: golf cars, greens mowers. Instead of listing a new fleet of golf cars or greens mowers as single entries, consider entering each golf car or each greens mower separately as individual assets so that each serial number can be entered.

- **Type:** optional, alphanumeric entry up to 3 characters long. Helpful for categorizing assets other than by description, serial number or status. For example, you might use the type field to mark assets depreciated over 5 years differently than those for 20 or 30 years so that you can selectively print special listings.

- **Status:** required. A list of five available status settings appears next to this field when the field becomes active. Choose from the list:

Type	F	(Select below)
		Inactive
Status	Active	Active
		FullyDepr
Depr.	2060.000	Sold
		Disposed
pense	5230.000	

- o **Inactive:** items that you may want listed but are either no longer depreciable or included on the balance sheet. Can also be used for general data entry as well because the system considers inactive assets

more-or-less like scratchpad items and does not check configuration settings for them.

- o **Active:** items that are current and depreciable. The system requires that active items have proper configuration settings such as purchase price, life span, life left, etc. so that depreciation can be calculated.

- o **Fully Depr:** a fully-depreciated asset which can no longer be depreciated but is included on the balance sheet.

- o **Sold:** an asset that has been sold and is no longer carried on the balance sheet, yet the history records for that assets want to be retained.

- o **Disposed:** an asset that is no longer carried on the balance sheet because it was either destroyed or thrown away (instead of being sold), yet you want to retain the history records for the asset.

- **Accum Depr:** required. Enter the G/L account number where accumulated depreciation will be recorded for this asset. This should be a liability account. Some clubs use a single account; others may use multiple accounts for different asset types.

- **Depr. Expense:** required. Enter the G/L account number where depreciation expense will be recorded for this asset. This is an expense account. Some clubs use a single account; others may use multiple accounts for different asset types.

- **Purchase Date:** optional. enter the date in YYYYMMDD format of the date the asset was either acquired or put in service.

- **Purchase Price:** required. Enter the asset's purchase price in this box. Check with your accountant whether sales tax or other initial fees related to the total acquisition cost are to be included in the "purchase price."

- **Purchase Qty:** optional numeric entry. It can be helpful to specify how many pieces comprise the asset when a single purchase represents hundreds of items. For example: purchasing table service utensils (500 forks, 250 knives, 750 spoons, etc.)

- **Purchased From:** optional alphanumeric entry, up to 35 characters. Intended to be the name of the company, vendor, sales rep or other person, etc. from whom the item was purchased.

- **Residual value:** required. Enter the proposed resale value of the item after it has been completely depreciated. This may be a nominal amount or even zero, but consider that most depreciable assets have some value even though they may be many years past their depreciable life. This value can be used as a guideline for selling the item at that point, too. The value is used in the calculation of the amount to be depreciated using the formula: `(purchase price) - (residual value) = depreciable value.`

- **Insured Value:** optional. If the item is to be insured, enter the insured value here. An insurance report is available that lists assets, net book value and insured value to help you determine how much insurance you need to purchase, and thereby save money if you're paying for more insurance than you can reasonably collect if the need arises.

- **Life Span:** required. Numeric entry for the total number of months the asset is expected to last. One year is 12 months; 10 years is 120 months, etc. Certain kinds of equipment or tools have established industry-standard life spans; check with your club's accountant for more information.

- **Life Left:** required. Numeric entry for the number of months remaining (unused) of the expected life span of the asset. One year is 12 months, etc. The value is used in calculating depreciation using the formula: `(depreciable value)/(life left) = monthly depreciation amount.`

- **Depr. Method:** required. A list of four available methods appears next to this field when the field becomes active. Choose from the list:

  - **Straight line:** the same amount is to be depreciated each month of the remaining life of the asset. Example: assuming a zero dollar residual value, an asset purchased for $1200 having a remaining life of 12 months is depreciated at $1200/12 = $100 per month. An active asset using the straight line method invokes the internal calculation mechanism built into the module for the automatic calculation and posting of depreciation.

  - **Manual:** this option displays an information box such as the example to the right. The system provides for depreciation reporting that is based on having given the user complete user control of depreciation values.

  - **Perpetual:** used for items such as land, property, lakes, artwork, etc. that are generally not depreciable but certainly could be listed as fixed assets. The system does not depreciate perpetual assets. Perpetual assets appear as "active" assets in report listings.
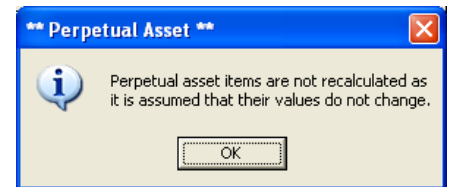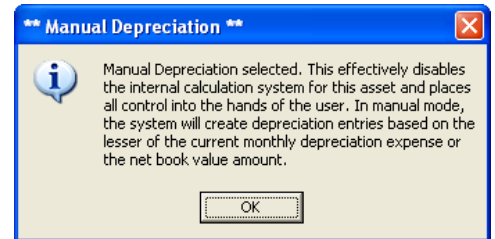
- **Depr. Start:** required. This is the starting year/month (YYYYMM) that depreciation is to begin. The system calculates the depreciation stop month based on the following formula: `(depreciation start) + (life left in months) = depr. stop month`.

- **Depr. Stop:** system managed; not editable.

- **Last Posted:** this is the YYYYMMDD date stamp of the last time depreciation was calculated by the system.

- **Total Depr Exp:** this is the total depreciation recorded throughout the already-used life of the asset. The value can be calculated using the following formula:

  `((life span) – (life left)) x (monthly depr exp) = total depr exp`

- **YTD Depr Exp:** this is the depreciation expense recorded *for the current fiscal year.*

- **Monthly Depr Exp:** required. This is the monthly value of depreciation expense and is calculated using the formula: `(depreciable value)/(life left) = monthly depreciation amount`.

- **Date Sold:** Optional. If an asset is sold, its sale date can be entered here in YYYYMMDD format as part of its historical record. Note that setting this field or selling price does NOT deactivate the asset – the user must change the asset's status accordingly.

- **Selling Price:** Optional. If an asset is sold, the selling price can be entered here as part of its historical record. Note that setting this field or selling price does NOT deactivate the asset – the user must change the asset's status accordingly.

- **Net Book Value:** for active assets, this value is calculated automatically by the system as monthly depreciation is generated. For manual assets, the calculation must be performed by the end user and entered into this field. The following formula is used:

  `(Purchase Price) – ((monthly depr exp) x ((life span)-(life left))) = NBV`

- **Serviced by/Service Phone/Service Contract:** optional. Sometimes an asset is purchased with a service contract and these fields provide for the convenient storage and

retrieval of such information. The fields are alphanumeric and in order, allow up to 35, 12 and 20 characters respectively.

- **Notes:** optional. To the right of the "service" fields, a large box appears that may be used for up to 32,000 characters of miscellaneous information about the asset. You might include special acquisition, licensing, financing or repair history information.

Procedures

Managing fixed assets in a timely manner is an important part of keeping your financial picture up-to-date. If you wish to include depreciation in your financial reports on a regular basis instead of only quarterly or annually, the management of fixed assets becomes a structured, time-sensitive issue.

- As assets are acquired, they should be entered into the system immediately. Doing so makes data entry easier as the asset has a nice, clean start date on which to base calculations and generate depreciation history. Entering an asset into the system long after it has been put into service requires that manual calculations be made so that the values are correct *at that time* in the asset's depreciation history.
- Any manually depreciated assets must be verified and edited prior to processing depreciation.
- Depreciation expense should be properly recorded and posted in the general ledger prior to completing financial reports for an accounting period.

Example: judging from the large gap between the g/l journal adjustment date@time stamps and the different fiscal years for this asset, it's evident that the fixed asset below has not been managed consistently. Properly done, there should be *monthly* entries for each asset, showing that the proper debits have been applied to depreciation expense and offsetting credits to the related accumulated depreciation accounts, forming a chronological history of the ownership of that asset.

	adjdate	glacctnum	adjreason	adjamount	user	status	checknum	glperiod	vendnum	fiscal ▼	tempflag	assetnum
►	20081124@14:26:42	2150	FA-Dep-98-10501	($135.43)	ADMIN	N	0	5	0	2008	0	98-10501
	20081124@14:26:42	6030	FA-DepExp-98-10501	$135.43	ADMIN	N	0	5	0	2008	0	98-10501
	20090820@16:29:36	2150	FA-Dep-98-10501	($135.43)	ADMIN	N	0	7	0	2009	0	98-10501
	20090820@16:29:36	6030	FA-DepExp-98-10501	$135.43	ADMIN	N	0	7	0	2009	0	98-10501

Journal History

Creating a New Fixed Asset Record
1. Click the NEW button.
2. Complete the information in the required fields (and other optional fields as you wish).
3. Click SAVE.

Editing a Fixed Asset Record
1. Lookup the fixed asset by one of the available lookup criteria. Alternately, you may find it easier to scroll down the list of fixed assets in the viewing grid on the rights side of the screen; click on the chosen asset and its settings will be automatically be displayed in the information boxes.
2. When the asset is viewable on the screen, click the MODIFY button.
3. Click on the field(s) of data requiring changes.
4. Click SAVE.

## Deleting a Fixed Asset Record
1. Lookup the fixed asset by one of the available lookup criteria (or select it from the list of available assets in the display grid on the right side of the screen).
2. When it's viewable on the screen, click the MODIFY button.
3. Click the DELETE button. You will likely see a warning and/or confirmation message prior to enabling the delete.
1. Note that the information from the deleted asset is saved into the fixed **asset log**. A report of these items is available via the report menu.

Posting Depreciation

To post depreciation on all **active** assets, click FILE - Post All Depreciation Now. Assets that have not yet been posted during the current month will be posted; assets that have already been posted will not be posted twice.

> **Important:** Additions/edits to fixed asset records must be made BEFORE posting depreciation so that the proper journal entries are created. If they are edited afterward, the changes are not retroactive and won't appear until the *next* posting period.
>
> The screen message on the left below appears just prior to the actual calculation/posting operation; following the completion, a "posting complete" message appears:
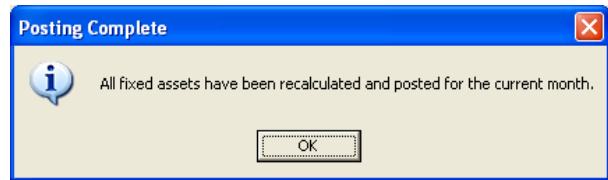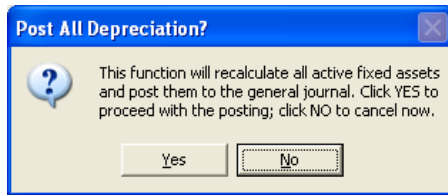

- When the fixed asset configuration option to "make my own journal entries" is chosen, the system
- When the "automatic journal entries" option is chosen at the fixed assets configuration screen, journal entries are created directly into the G/L journal.

Last Processing Date

The system tracks the date that depreciation is posted. Should you enable the AutoPost function that allows the General Ledger EOM process to activate the fixed asset module to post all assets, the "last processed" date is updated as well. Click the FILE menu option to view the last processing date.

Exporting Data

A standard Club Office feature is the ability to export data directly from a report that you're viewing on the screen.
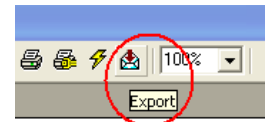
Select the export option on the viewing window and a selection box of available export formats will appear. Select the desired format and destination (where you want the exported file to be stored) and click OK. Other options may become available to you depending on the destination you choose.
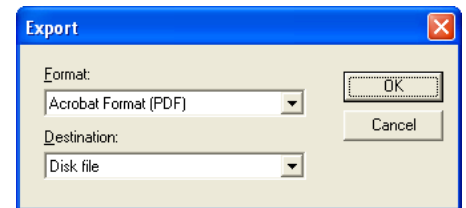
How to create a mid-life fixed asset

While adding a newly purchased asset is straight-forward, adding one that is already partly depreciated can be a little tricky. Some manual calculations are required, but all in all, it turns out not to be very difficult. For this example, we'll assume the asset has a 7 year life, was purchased for $70,000, has a residual value of $2000 and is already 27 months old when it is entered into the system in September 2009 (June 2007 through August 2009 is two years and three months, or 27 months). First, some calculations:

- Depreciable value: $70000 – $2000 = $68000
- Monthly depreciation amount: $68000 / 84 months = $809.52 per month
- Total depreciation expense to date: $809.52 x 27 months = $21857.04

- Total depreciation in current year: $809.52 x 8 = $6476.16
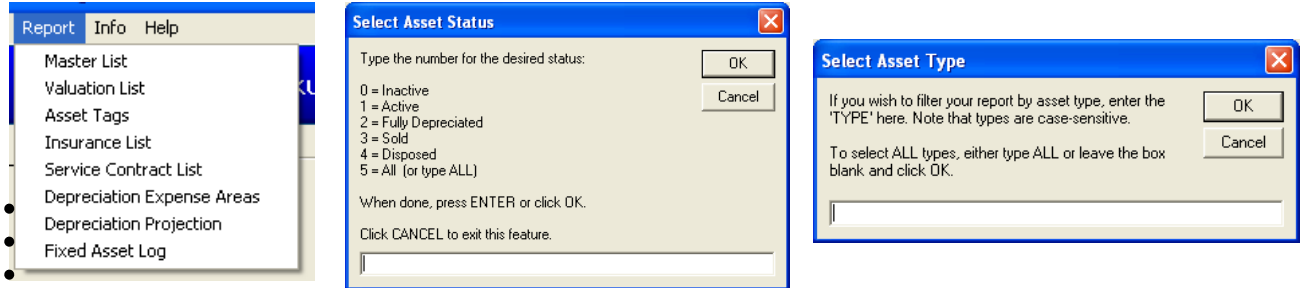- Number of months remaining: 84 – 27 = 57 months "life left"

The keys to entering mid-life assets are the proper entry of the circled items above, which are based on some very simple arithmetic calculations:

- **Life left:** 57 months.

- **Depreciation start date:** This must be the date *the system* is to start depreciating the asset, *not the year/month when it was originally acquired.* Since the asset was entered into the database so depreciation would start in September 2009, the start date was entered as 200909, allowing the system to calculate that the last depreciation would be posted in May 2014.

    o If the life left and depreciation start date are not correctly set, the depreciation stop date will not be calculated correctly. In the example above, an asset that was purchased in June 2007, having a full 7 year life (84 months) would obviously stop depreciating at the end of May, 2014. Use the stop date as a checkpoint for the values you enter.

- **Total depreciation expense:** (monthly depreciation value) x (number of months used).

    Note: The system calculated a monthly depreciation of $809.53, one penny higher than the manual calculation. However, the manual calculation was rounded *down* because of parts of pennies ($68000 / 84 months = $809.5238) which when rounded down, reduces the total depreciation expense by about 10 cents over the 27 months it's already been depreciated. This is enough difference to cause the system to round the new monthly amount up to the next penny. If you're new to working with fixed assets, you'll find the parts-of-pennies rounding issue is quite a common occurrence.

Reports

Because assets can be segmented into several status categories and types, upon choosing a report type, additional selection windows appear that allow choosing the status and user-defined "type":

Samples of fixed asset reports:

Asset identification tags – printed in label format for attaching to the assets

Fixed Assets - Insurance List Report date: 20090821   Page #   1

Asset #	Description	Type	Status	Purchase Date	Quantity	Purchase Price	Residual Value	Net Book Value	Insured Value
09-2257288	Copier	O	1-Active	20090101	1	1,250.00	100.00	1,158.33	500.00
98-10501	John Deere Tractor	F	1-Active	20031028	0	17,252.00	1,000.00	16,439.42	0.00
99-1201	Tennis Ball Machine	F	0-Inactive	19990501	0	1,995.00	0.00	1,529.50	0.00
99-23981	Range Picker	F	1-Active	20030522	0	2,975.00	500.00	2,562.50	0.00

Fixed Assets - Service Contract List Report date: 20090821   Page #   1

Asset #	Description	Type	Status	Purch Date	Serviced By	Telephone	Contract #
09-2257288	Copier	O	1-Active	20090101			
98-10501	John Deere Tractor	F	1-Active	20031028	Town Repair	952-941-0855	JDT-338471
99-1201	Tennis Ball Machine	F	0-Inactive	19990501			
99-23981	Range Picker	F	1-Active	20030522			

Fixed Assets - Depreciation Expense Areas Report date: 20090821   Page #   1

Asset #	Description	Type	Status	Accum. Depr. G/	Depr. Exp. G/L	G/L Account	Monthly $
99-1201	Tennis Ball Machine	F	0-Inactive	.000	2100.000	Equipment	33.25
						Total this account:	33.25
09-2257288	Copier	O	1-Active	2130.000	6010.000	Merchandise cost	91.67
						Total this account:	91.67
98-10501	John Deere Tractor	F	1-Active	2150.000	6030.000	Sundry	135.43
99-23981	Range Picker	F	1-Active	2150.000	6030.000	Sundry	34.38
						Total this account:	169.81

Projection reports have several additional options and date range choices

Fixed Assets - Detailed Amortization Projection Date range: 200908 - 201012   Report date:20090821   Page #   1

Asset #	Description	Type	Lifespan	Life Left	Startdate	Stopdate	Depr Month	Monthly $	YTD Depr Exp.	Total Depr Exp.	Net Book Value
09-2257288	Copier	O	24	10	200906	201005	200908	91.67	91.67	183.34	1,066.66
				9			200909		183.34	275.01	974.99
				8			200910		275.01	366.68	883.32
				7			200911		366.68	458.35	791.65
				6			200912		458.35	550.02	699.98
				5			201001		550.02	641.69	608.31
				4			201002		91.67	733.36	516.64
				3			201003		183.34	825.03	424.97
				2			201004		275.01	916.70	333.30
				1			201005		366.68	1,008.37	241.63

Fixed Assets Log Report date: 20090821   Page #   1

Date	Asset #	Description	Action
20090820	09-2257288	Copier	User: ADMIN - Life Span changed from 24 to 12
20090820	09-2257288	Copier	User: ADMIN - Life Left changed from 12 to 9
20090820	09-2257288	Copier	User: ADMIN - Life Span changed from 12 to 24
20090820	09-2257288	Copier	User: ADMIN - Life Left changed from 9 to 12
20090820	09-2257288	Copier	User: ADMIN - Life Span changed from 24 to 12
20090820	09-2257288	Copier	User: ADMIN - Life Span changed from 12 to 24
20090820	09-2257288	Copier	User: ADMIN - Depr. method changed from 1 to 2
20090820	09-2257288	Copier	User: ADMIN - Depr. method changed from 2 to 3
20090820	09-2257288	Copier	User: ADMIN - Depr. method changed from 1 to 2
20090820	09-2257288	Copier	User: ADMIN - Last Posted changed from to 20090122
20090820	09-2257288	Copier	User: ADMIN - Total Depr Exp changed from .00 to 123.45
20090820	09-2257288	Copier	User: ADMIN - Depr. method changed from 2 to 1
20090820	09-2257288	Copier	User: ADMIN - Total Depr Exp changed from 123.45 to 0
20090820	09-2257288	Copier	User: ADMIN - Purchase Price changed from 1200.00 to 2400
20090820	09-2257288	Copier	User: ADMIN - Total Depr Exp changed from .00 to 1200
20090820	09-2257288	Copier	User: ADMIN - Purchase Price changed from 2400.00 to 1200
20090820	09-2257288	Copier	User: ADMIN - Total Depr Exp changed from 1200.00 to 0
20090820	09-2257288	Copier	User: ADMIN - Date Sold changed from 0 to 20090225
20090820	09-2257288	Copier	User: ADMIN - Selling Price changed from .00 to 123
20090820	09-2257288	Copier	User: ADMIN - Selling Price changed from 123.00 to 0
20090820	09-2257288	Copier	User: ADMIN - Date Sold changed from 20090225 to
20090820	09-2257288	Copier	User: ADMIN - Purchase Price changed from 1200.00 to 1250

Notes