SMARTStream®

Financials

Asset Management

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Note: This is a Year 2000 Readiness Disclosure.

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About This Guide

1 Overview

Chapter Contents

About Asset Management

SmartStream Asset Management lets you control and manage your investment in capital equipment and other assets. It meets the requirements of accounting, tax, and regulatory agencies for many countries.

This overview presents the highlights of Asset Management. Its intention is to orient you to the Asset Management business process so that as you begin to learn and use it, you can relate specific activities to the whole.

Setting Up and Using Asset Management

This section introduces the major activities of Asset Management. It approaches Asset Management as two groups of activities: setting up the application for your enterprise and using it on a daily basis.

Adapting Asset Management to Your Enterprise

Your first experience with Asset Management will be during training and implementation. When you learn the policy and processing options available in Asset Management, make your decisions, and set up the application to reflect those decisions. The policy decisions that you will make are:

1. Setting up entities and books
2. Reviewing asset and multinational policy options
3. Setting up tables
4. Setting up ledger integration

Setting Up Entities and Books

First you decide how you want to structure your assets. Asset Management allows you to organize them into groups, called *asset entities,* for management control. You also can define within an asset entity different sets of depreciation rules and controls for the same assets so that you can depreciate them for financial reports as well as for national and local taxes.

Reviewing Asset and Multinational Options

Asset Management offers a full range of multinational asset control features to classify assets for depreciation and tax information. You can choose from among depreciation methods, depreciable statuses, proration methods, and

accounting regulations to govern individual assets or groups of assets.

Setting Up Tables

After reviewing asset control options and multinational features, you set up your decisions in Asset Management tables. When you add assets, all the information in a table is copied into the asset when you enter the table identifier. Depreciation and tax information, user fields, and accounting distributions are among the information that can be copied to assets. You can also use tables for depreciation information for special circumstances such as supplying the rates required by regulated industries or the limits required by U.S. tax laws on luxury automobiles.

Setting Up Ledger Integration

The final step in adapting Asset Management to your business policies is determining what asset activity information to send to ledger. You choose the types of entries to generate to ledger as well as establishing the accounting distributions used for asset activity.

Using Asset Management

After setting up Asset Management to embody your business policies, you use the application for daily asset management activities. Asset Management activities are:

- Adding assets
- Transferring and retiring assets
- Running scheduled processes and correcting errors online
- Generating Asset Management reports

Adding Assets

With asset information set up as defaults in entity policy and tables, you can easily add assets by specifying no more than the cost and acquisition date. Conversely, you can use any or all of Asset Management's twenty asset maintenance windows to add (or override) depreciation, tax, accounting distribution, and descriptive information for specific assets that need individual treatment.

SmartStream Financials automates the invoice-to-asset workflow for assets purchased through SmartStream Payables. Basic asset information is automatically transferred from the invoice to the asset windows.

In addition to adding and maintaining assets online, you can add batches of assets through scheduled transaction processing.

Transferring and Retiring Assets

Asset Management tracks asset transfers and retirements and performs the calculations necessary to allocate the expense depreciation for transferring and receiving locations in transfers and to calculate gain or loss in retirements. A user enters a request to transfer or retire an asset. The request generates a message to asset accounting. When you respond to the request, your transfer or retirement window displays information from the request, which you can change or add to as necessary before you transfer or retire the asset.

Running Scheduled Processes and Correcting Errors Online

You can schedule transaction processing to be run offline. These processes include:

- Mass asset additions and maintenance (mentioned above)
- Period depreciation, which runs appropriate depreciation calculations (by selected books), updates the asset database, and posts to ledger—according to schedules that you set
- New year processing, which initializes appropriate fields and year-to-date amounts and moves ending balances to beginning balances
- Depreciation projection for modeling and forecasting

If errors occur in scheduled asset maintenance, Asset Management enables you to correct the errors through an online window. You will receive a message that an error has occurred. When you respond, your correction window shows information about the error to help you correct it easily.

Generating Asset Management Reports

Asset Management delivers standard reports to help you manage assets effectively. Numerous options are available to tailor a report to your needs. For example, you can sort differently, determine data to include or exclude, set levels of totals, set ranges, and select summary or detail.

2 Setting Up Asset Entity Policy

Chapter Contents

What Is Asset Entity Policy?

Asset entity policy are the rules for managing assets, specifically for determining asset depreciation and report content and structure. One of your first tasks in setting entity policy is to determine how many asset entities you need. An asset entity is an organized unit responsible for managing certain assets. This unit can be a company, corporation, organization, division, or any other entity you use to organize assets for depreciation and tracking purposes. For each asset entity, you set policy for:

- Edit format information for assets and tables
- Uses for user fields
- Books in the asset entity

The decisions you make when defining asset entity policy affect the tables used when adding or maintaining assets and the way asset activity is tracked. Spend some time to get familiar with the parts of asset entity policy and review the suggested workflow for implementing asset entity policy.

Parts of Asset Entity Policy

When you define asset entity policy, you specify:

- Basic information
- User fields
- Table information
- Book information
- Ledger options

Before You Begin

Before setting up asset entity policy, you must make the following enterprise-wide decisions:

- Set up your fiscal calendars. For more information, see Setting Up Enterprise Calendars.
- Choose a base currency for each asset entity book, determine currency conversion requirements, and set up rate sources, rate sampling methods, and conversion rates and dates. For more information, see Currency.
- Determine whether to generate activity records for changes made to accounts, policies, and tables in Asset Management. Use the Asset Management view of the Enterprise Policy window.

Generating Activity Records

Asset Management automatically generates activity records (before and after images) for most daily asset processing activities, such as asset addition, transfer, and retirement. Because activity records are cumulative, they serve as an audit trail of your processing activities.

You can generate activity records for any of the following activities:

- Changes to assets and property accounts that do not affect amounts. Asset Management generates activity records for amount fields during adding, deleting, transferring, and retiring assets. Asset Management keeps before and after images of asset and property account nonamount fields as well.
- Changes to asset entity policy. If you choose to generate activity records for policy, Asset Management keeps before and after images of base and book policy.
- Changes to Asset Management tables. You can choose to keep activity records for any or all tables. Asset Management keeps before and after images of changes to those tables you indicate in enterprise policy.

Asset Management does not keep activity records for these activities unless you choose to in enterprise policy.

Why Generate These Records?

Activity records for changes to policy, tables, and assets provide a more-detailed audits. For example, you might want to know when a change was made to depreciation controls.

Because activity records stay in the database until you purge them, they increase use of disk space. Consult your technical support staff or a Geac Professional Services consultant when you make this decision.

Setting Up Asset Entity Policy

When you set up asset entity policy, you make decisions about what information to include in each part of the policy, then implement those decisions using Asset Management.

The implementation team initially sets up asset entity policy, which management can change as needed. The implementation team can consist of tax accountants, supervisors, entry clerks, and technicians, or any other employees who contribute to the decisions for successfully implementing and operating SmartStream Asset Management.

Setting up asset entity policy is part of the implementation process that the implementation team schedules, manages, and executes. The following table describes a suggested order for setting up entity policy:

Stage	Description
1	Decide what the asset entities are and what method to use to generate asset identifiers.
2	Decide how to assign user fields and define the structure for each user field.
3	Decide at what level to access each asset information table and define the structure of each table identifier.
4	Decide which accounting books to set up within each asset entity and set depreciation policies for each accounting book.
5	Enter entity policy decisions into Asset Management. Enter the information in the order described in steps 1 through 4.
6	Save the information only after adding all base, user fields, tables, and book information for each asset entity.

Defining Basic Asset Information

Basic asset information consists of the information you need to define an asset entity and coordinate asset activity.

Asset Entities

An asset entity is an organized unit responsible for managing assets. This unit can be an enterprise, company, corporation, organization, division, or any other entity you use to organize assets for depreciation and tracking purposes. An asset entity uses user fields, tables, and books that you define for it in asset entity policy.

Managing Assets Differently Across Organizations

Setting up separate asset entities allows you to vary depreciation methods or rules according to the business needs of each organization. For example, if two organizations have different fiscal calendars or use different tax options, set them up as different asset entities.

If you maintain assets for different organizations, you can set up each organization as a separate asset entity so that people who maintain assets for one organization cannot access the assets for the other organization.

Reporting to the Same Ledger

If more than one division reports to the same ledger, you can set up a reporting structure with these conditions:

- Multiple asset entities can report to the same ledger.
- One asset entity cannot report to more than one ledger.

For more information on setting up the ledger accounting key, see Setting Up Ledger Integration.

Assigning Asset Entity Identifiers

You determine the format of your asset entity identifiers following these rules. You can use:

- Up to five characters
- Letters, numbers, or a combination
- Hyphens and special characters

Assigning Asset Identifiers

You determine the format of your asset identifiers following these rules. You can use:

- Up to 12 characters
- Letters, numbers, or a combination
- Hyphens and special characters

Using Components

A component is part of another asset.

You can assign a component number to each asset that is part of another asset. You assign these numbers for the following uses:

- As identifiers for assets that are part of one asset or grouped together on reports
- As a component of a whole asset so that you can replace only the component if necessary, not the entire asset

Example

A keyboard, monitor, and processor are all related to the base asset, the personal computer (PC). The PC and its components have the following asset identifiers:

Asset	Asset Identifier
Keyboard	395823500001
Monitor	395823500002
Processor	395823500003

The base asset is identified by the first 10 characters of the asset identifier, 3958235000.

All asset identifiers that begin with 3958235000 belong to the same asset set. To create unique asset identifiers for the components, number the last two positions of the asset identifier sequentially.

When you enter an asset like this one, you can:

1. Copy the asset.
2. Change descriptive information as necessary.
3. Change 01 to 02, and so on, manually.

Parts of Component Asset Identifiers

If you plan to assemble assets by components, remember that asset identifiers for grouped assets consist of a base identifier and a component identifier. Enter the asset base (up to 10 characters), then use the last two positions for the component identifier.

Aligning Asset Identifiers

Asset Management aligns the asset identifier based on the alignment option and the edit format you define. The alignment can be right, left, or none, and the edit format can be alphabetic, numeric, alphanumeric, or special characters. See Asset ID Edit Format for more information on the values you can enter for the edit format.

The following table explains how Asset Management responds to different edit formats and alignments:

Edit Format	Alignment	Asset Management
Numeric	Right	Fills the unused leading positions with zeros.
Numeric	Left	Generates an error message if you do not enter numeric values for all positions of the asset identifier.
Alphabetic	Left or right	Generates an error message if you do not enter alphabetic values for all positions of the asset identifier.
Alphanumeric	Left or right	Justifies the asset identifier either left or right.

Automatic Numbering

Asset Management can number your assets automatically from a starting number you provide. Your first automatically generated asset identifier will be one number higher than the number you enter as the starting asset identifier.

The starting asset identifier must be numeric if you want to automatically generate asset identifiers, but the edit format can be numeric or alphanumeric. This allows you to accept generated numeric identifiers while retaining the ability to manually enter identifiers with alphabetic and special characters.

To automatically generate asset numbers, you must select right alignment of the asset number.

You can choose not to automatically generate asset identifiers if you:

- Physically attach a tag number to the asset and want to use the tag number as the asset identifier.
- Assign asset identifiers by department and the asset numbering scheme for the two departments is not the same.
- Use the department identifier, or any other logical naming convention, in the asset identifier and want more control over the identifiers.

Considerations for Using Component Asset Identifiers

If you use components and automatically generate asset identifiers, you should:

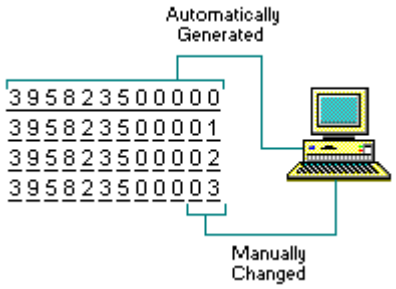
- Align the identifier on the right using a 12-character asset identifier edit format.
- Use a numeric or alphanumeric format.
- Generate asset identifiers using the ten-character base.

With these choices, Asset Management increments the asset number from the tenth position and inserts zeros into positions eleven and twelve.

You can manually change the last two positions to identify components. Because the assets in the group may be similar, you can copy the first asset and just change the component identifier.

In the PC example, Asset Management would have generated 39582350000. You would then manually change 00 to 01, 02, and 03 as the identifier for the each component.

The following diagram shows which part of the asset identifier Asset Management automatically generates and which part you manually change when you use components:



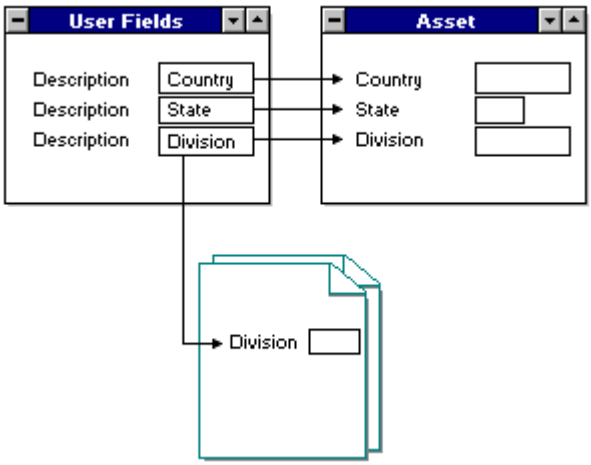
Defining User Fields

Asset Management provides user fields for standard information you can keep for the asset, such as accounting key, serial number, and acquisition date. For more information on other standard fields Asset Management provides for the asset, see Adding Assets.

You define the field headings, set edit characteristics (length and character type), and make the fields required or optional. The field headings appear on reports and on asset and table windows.

Example

The following illustration shows an example of how you can use User Fields and where they appear in Asset Management. In this example, only Division was selected to appear on the report.



Setting Up Organizational Structure with User Fields

You can use the user fields to set up an organizational structure for reporting or tracking purposes. For example, you can set up user field 1 as Organization or Corporation. When you enter assets or build reports, the value you enter in this field is the organization the asset entity belongs to. This is a way to consolidate information for an organization or corporation.

Transferring an Asset

When you transfer an asset to a different location, the user fields assigned to the asset at the first location go with the asset to the new location.

Types of User Fields

You can define these user fields in asset entity policy:

- Up to 30 descriptive user fields for each entity
- Two user amount and two user date fields for the asset entity base information
- Two user amount and two user date fields for each book within the asset entity, for up to 99 books

User Field Headings

The field length of each of the 30 descriptive user fields varies, although the descriptive heading for each user field may have up to 10 alphanumeric characters. In asset entity policy, you define the descriptive headings for user fields that appear on reports, asset windows, and tables windows.

Before You Assign User Fields

Before you decide how to define the user field headings, consider the lengths of each field. The following table shows the field lengths for each user field:

User Field	Length
1	20 characters
2, 3	15 characters
4, 5	10 characters
6-14	5 characters
15, 16	2 characters
17-20	1 character
21-25	15 characters
26-30	10 characters

Aligning User Fields

Asset Management aligns the user field name based on the defined alignment option and edit format you define. The alignment can be right, left, or none, and the edit format can be alphabetic, numeric, alphanumeric, or special characters. See User Field Edit Format for more information on the values you can enter for the edit format.

The following table explains how Asset Management responds to different edit formats and alignments:

Edit Format	Alignment	Result
Numeric	Right	Fills the unused leading positions with zeros.
Numeric	Left	Generates an error message if you do not enter numeric values for all positions of the user field.
Alphabetic	Left or right	Generates an error message if you do not enter alphabetic values for all positions of the user field.
Alphanumeric	Left or right	Justifies the user field either left or right.

Defining a Range of Entries

If you plan to restrict a user field for a range of entries, you can set lower and upper limits for entries in this user field. The **lower limit** is the lowest value you can enter; the **upper limit** is the highest value you can enter. All values entered for a user field that has a lower limit and an upper limit must fall within the range set by those limits.

Making a User Field Required

You can make user fields required when adding or transferring an asset to track specific or mandatory information for an asset.

Amounts and Dates

Asset Management lets you define two user amount and two user date fields for:

- Asset entity base information
- Each book within the asset entity, for up to 99 books

You can define user amount fields as true amounts to use in reports and queries for calculations. You might also use the book amount fields to record information in different currencies.

Examples of dates are maintenance or service dates. You might want to keep service or maintenance dates at the book level if the dates relate only to the function of that book.

Setting Lower and Upper Limits

You can set lower and upper entry limits for these fields and make them required when adding or transferring assets. The following table shows the level at which to set up user amounts and dates:

If the user amount or date applies to…	Then set up the user amount or date field at…
All books for an asset	The asset entity level.
Specific tax or financial requirements	The book level.

Defining Table Information

Asset Management tables store information that applies to an entire group or category of assets. You can define tables to store amounts used in calculations for several assets and to set up defaults for similar assets. You can also use them to help you enter assets more quickly and more accurately.

Table Descriptions

The following chart gives a brief description of each table:

Table	Description
Location	Used to set defaults for the physical location, such as city, state, employee, or building, of property.
Category	Used to set defaults for depreciation and tax information for a group of similar assets.
Depreciation percentage	Used to calculate annual depreciation amounts for each year of an asset's estimated life and used to calculate depreciation of ACRS assets.
Annual limit	Used to set limits for annual depreciation. Limits may be prescribed by regulatory agencies or internal company policies. You can set up annual limit tables to comply with the Luxury Automobile limitations issued by the U.S. Internal Revenue Code, for example
Unit-of-production	Used to calculate depreciation for an asset based on an asset's actual units produced for a period or estimated annual unit-of-production.
Tax credit	Contains tax credits associated with assets and tax credit recapture rates for assets retired early.
Additional depreciation	Used to take an additional percentage of cost or depreciation above an asset's normal depreciation. Refers to international tax laws and the U.S. additional first-year depreciation rule.

Accessing Tables

If several asset entities use the same tables, you can set up one set of tables that multiple asset entities can use. To do this, you must first set up an asset entity that accesses its own tables (asset entity). Then, identify this asset entity as an associated entity for other asset entities that use the same tables. For other asset entities, you access the associated entity tables.

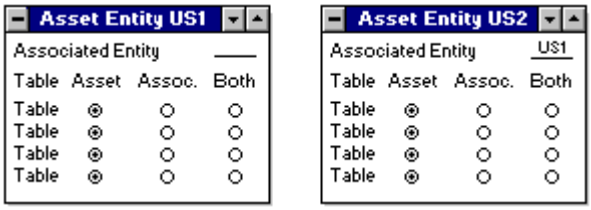
The following chart explains how you can access Asset Management tables:

If the asset entity…	Then you can access tables…
Uses tables different from other asset entities	From the asset entity.
Uses the same tables as another asset entity (or associated entity)	From the associated entity.

If you want to access both the asset entity and associated entity tables, Asset Management first references the asset entity tables. When the table is not set up for the asset entity, Asset Management references the associated entity tables.

Example

You set up asset entity US1 to use its own location and category tables. When you set up asset entity US2, you want it to use the same location and category tables as US1. You enter US1 as the associated entity when you add base information for asset entity US2. You also choose to access tables for US1 by accessing tables for US2 from the associated entity level. The following diagram illustrates this example:



Making a Table Required

You can make the tables required during asset entry to ensure that correct and complete information is added to the asset. The entry person does not have to make decisions about what information to enter.

For more information on what the tables contain, see Setting Up Tables.

Defining Book Information

For each asset entity, you can set up as many as 99 accounting books that define how assets depreciate and determine which of certain other accounting rules apply. The rules of each book apply to all the assets of the entity.

Multiple Books

The main reason for setting up more than one book for an asset entity is to depreciate assets differently for financial and tax purposes. You might also need separate tax books for federal and local taxes. Using different books gives you different ways of depreciating the same assets.

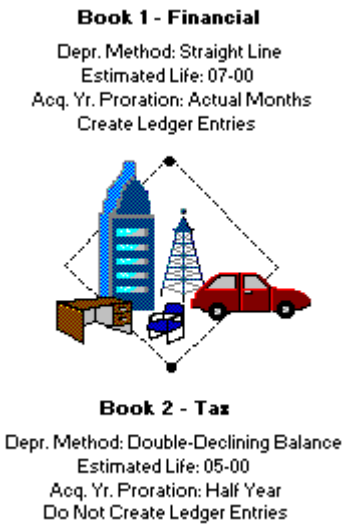
Numbering Books

Your books are identified by a one- or two-digit number. You need not assign numbers in sequence, but the first book of each entity must be numbered 1. You can also give the book a name of up to 35 characters.

The number and name of the book appear on windows and in printed reports.

Using Books

The following illustration shows how you can depreciate assets differently for financial and tax reasons. In policy, you establish which books you will use and how the book controls depreciation rules. By setting up two books, you can apply different depreciation rules to the same assets. In the following example, book 1 is the financial book and book 2 the federal tax book.



Accounting Function

By choosing an accounting function for the book, you determine which regulations apply and how to process the assets of that book. Accounting function governs the edits that apply during asset entry, including allowable depreciation and proration methods. Accounting function also determines the calculations Asset Management uses to depreciate assets.

Number of Books

The number of books you set up depends on how many accounting functions you want to depreciate assets for. Set up a separate book for each accounting function. Asset Management is delivered with a selection of accounting functions for you to choose from. Tax and financial accounting functions for several countries are available.

Generic tax and financial accounting functions are available to use for countries other than those already supported. You can also use the generic tax function for local taxes.

See Accounting Function for a list of the applicable regulation codes for each accounting function.

Book Dates

The booked-through date is the date through which you have taken depreciation for the assets of this book (the date through which YTD and LTD depreciation have been accumulated).

When you implement Asset Management, indicate the date through which you have taken depreciation for the assets of this book. If you have taken depreciation through the end of the year, however, use the first day of the following year as the booked-through date. By doing this, you avoid having to apply new year processing to your existing assets.

The booked-through date is updated automatically to show the actual booked-through date whenever depreciation is taken.

Book 1

The booked-through date of book 1 cannot be earlier than the booked-through date of any other book. For example, if book 1 is booked through June 30, book 2 cannot be booked through December 31 of the same year. However, book 2 could also be booked through June 30.

Fiscal Calendars

A fiscal calendar converts ordinary calendar dates into fiscal dates (accounting periods) when you enter them into Asset Management. Select the fiscal calendar that you want the book to use.

Before you can establish policy for a book, you must establish the calendars for the booked-through year. Before you add assets, you must establish all the calendars back to the year of the earliest acquisition date. You must also

establish calendars for all the years for which you want to project depreciation.

You might also use calendars for different accounting purposes. For example, if your tax year ends on a different date from your financial year, you could establish a fiscal calendar for the tax function.

For a year, establish the calendar year, the accounting periods, and the accounting quarters. The accounting quarters are used for proration methods and reporting.

For more information, see Setting Up Enterprise Calendars.

Associating Books

Within an entity, you can set up a book so that when assets are entered or retired, amounts are copied from another book. These books are called associated books.

You can associate books that are in different currencies. Asset Management converts asset amounts to the proper currency for a book before it copies amounts to it. For more information, see Currency.

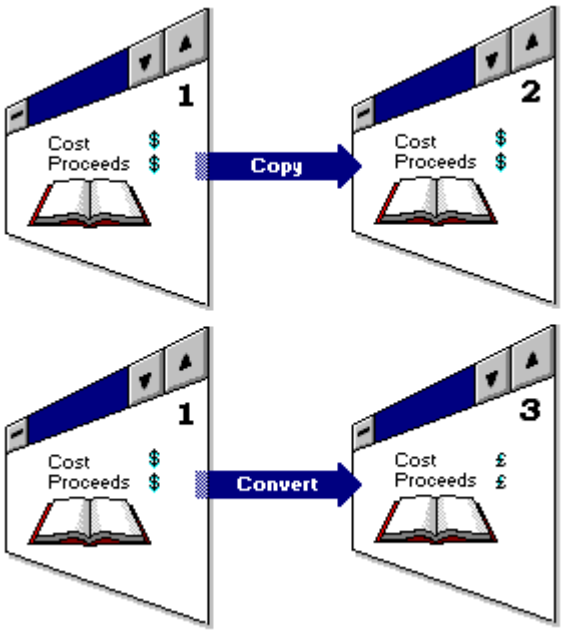
The amounts that are spread to associated books are:

- Cost for asset additions
- Cost adjustments
- Cost elements, if they exist and if Asset Entity Policy indicates to default to the first cost element
- Proceeds, selling expense, and cost of removal for asset retirement

The purpose of associating books is to ensure that these amounts are consistent from book to book for a given asset whether books are kept in one or more currencies.

Associating books also reduces the number of entries you need to make when you add or retire assets.

The following illustration shows two associations from the first book entered (book 1). One association copies amounts in the same currency from book 1 to book 2. The other converts from the currency of book 1 to another currency before copying the amounts to book 3.



Rule: You can copy or convert amounts only from a lower numbered to a higher numbered book.

If you want to associate books, indicate:

- Whether you want to copy or convert
- From which book you want to copy or convert

- Currency information, when you want to convert

Currency

If you have associated books for an entity and selected currency conversion, Asset Management converts currency at the rate for the date on which you add or retire assets. The information Asset Management uses is set up in enterprise policy. For more information, see Currency.

In Asset Entity Policy, you set up additional currency information and have the option to override enterprise information.

Currency Information in Entity Policy

You need to set up the following information before you can convert currency between associated books:

- Base currency code
- Rate entity
- Rate type

Indicate the base currency of the book you want to convert. You can set up defaults for rate entity and rate type in enterprise policy. You can change this information if necessary.

Indicating Book's Currency

If you associate books and keep asset records in more than one currency for an entity, indicate the base currency of the book by selecting a currency code.

If you keep asset records for this entity in only one currency, you do not need to indicate currency for books.

If you keep asset information in different currencies but do not want to associate books, do indicate the base currency of the book. Then Asset Management displays the appropriate number of decimal positions for the currency.

Capitalization Policy

When you set up the book, you can specify the following limits for depreciating assets:

- Minimum cost
- Minimum life
- Maximum life

Setting these limits ensures that asset information will not be entered for assets with less value or less life expectancy than you want to track. The upper limit on life prevents entries that would depreciate an asset over a longer period of time than allowed by your enterprise's policy.

Tax ID

If you assign a tax ID to the book, the ID prints on regulatory reports. For example, you might assign an FEI number on U.S. tax books, a state tax ID on state tax books, and an Australian tax ID on Australian tax books.

Depreciation Policies

When you set up a book, you select depreciation processing controls that apply to all the entity's assets. For the depreciation choices available when you add assets, see Asset Concepts.

At the book level, you indicate:

- Whether to adjust depreciation in the current period
- Whether to allocate depreciation to reference assets
- How many periods after acquisition to begin depreciation
- Whether to allocate depreciation based on periods or days

Adjusting Depreciation

Adding an asset that was placed in service in a previous period or changing an asset's depreciable characteristics, such as its depreciation method or estimated life, results in the need to adjust depreciation. You can choose to recognize the adjustment amount in the period in which the asset is added or changed (the current period) or spread the adjustment amount over the remaining periods in the year.

If you choose to adjust depreciation in the current period, Asset Management books enough depreciation to equal the amount it would have recognized through the current booked-through date if you had added the asset when it was placed into service or had changed the depreciable characteristics at the beginning of the fiscal year. For assets placed into service in a previous year, Asset Management adjusts depreciation to equal the amount it would have booked from the beginning of the current fiscal year.

Example

To see the effect of selecting this choice, consider an asset with the following characteristics:

- Annual depreciation: 600.00
- YTD depreciation: 0
- In-service date: July 12 of this year
- Booked-through period: 9
- Depreciation method: Straight line–unrec.
- Proration method: Actual periods

If you select Adjust Depreciation in the Current Period, Asset Management adjusts depreciation when you add the asset as shown in the following diagram. The amount in period 10 comprises the adjustment amount of 300.00 and period depreciation of 100.00.

Period 10	Period 11	Period 12	Total
400.00	100.00	100.00	600.00

If you **do not** select Adjust Depreciation in the Current Period, Asset Management does not adjust depreciation when you add the asset. Instead, it spreads the adjustment amount over the remainder of the year. The amount in each period comprises 100.00 of period depreciation and 100.00 (300.00 divided by 3) of adjustment.

Period 10	Period 11	Period 12	Total
200.00	200.00	200.00	600.00

Allocating to Reference Assets

Property accounts are grouped assets that come under certain regulation codes, such as regulated group or CCA. You can calculate depreciation on the group as a whole instead of on the individual members. Reference assets are the individual assets that make up a property account. For setting up property accounts, see Asset Concepts.

The option to allocate depreciation to reference assets allows you to allocate depreciation information from a property account to the individual assets that make up the account. The information is used for reporting and to calculate net book value for the reference assets. It is also used with regulated group assets for transfers and extraordinary retirements.

If you select this option, Asset Management allocates depreciation each time it calculates current depreciation for the asset.

Delaying Depreciation

You can specify a number of periods to delay the onset of depreciation. You might use this feature for assets that will

not be placed in service for a while after acquisition. Use the acquisition-year proration method Number of Periods After when you enter these assets. You can begin depreciation up to 53 periods after acquisition of the asset.

If you do not want to use the Number of Periods After proration method, make no entry.

Allocating Based on Days or Periods

You can allocate depreciation in either of two ways:

- Equally for all accounting periods for the year
- Differently for each accounting period according to the number of days in the period

Allocating depreciation daily is most often used with 4-4-5 fiscal calendars when you want to recognize more depreciation in periods with five weeks than in periods with four weeks.

Financial Institution

If the book belongs to a financial institution that processes Canadian GST transactions, Asset Management uses this information to determine how to calculate a significant change in use for Canadian Goods and Services Tax (GST) transactions.

Cost Elements

Asset Management has 20 cost element fields you can use to split and track elements of the asset cost between different entities. You can use cost elements to track miscellaneous costs associated with an asset, such as sales and freight charges, or to track ownership of an asset.

You identify the cost element fields in Asset Entity Policy. You can also require:

- The total of the asset elements to equal the asset cost
- The asset cost to default to the first cost element.

3 Asset Concepts

Chapter Contents

About Depreciating Assets

An asset contains the following types of information:

- Depreciation information, including units-of-production material, adjusting depreciation in the current period, and recalculating life-to-date depreciation
- Book amounts information
- Purchase tax information

Depreciation Information

Depreciation information consists of the factors that control asset depreciation, such as regulation method, depreciable status, depreciation method, and proration methods for the

acquisition and retirement years. You can also keep historical data for assets whose depreciation methods were switched before you added them to Asset Management.

Book Amounts

Book amounts information consists of the financial and tax books belonging to an asset, the cost for each book, and several depreciation amounts that Asset Management calculates. When you add book information, you can also set up Asset Management to recalculate life-to-date depreciation for an asset when appropriate. For more information on recalculating depreciation, see Recalculating Life-to-Date Depreciation.

Purchase Tax Information

Purchase tax information consists of any type of tax associated with the sale of an asset, such as sales tax, value added tax (VAT), or goods and services tax (GST).

For More Information

This chapter discusses some of the basic calculated values; for a detailed discussion of Asset Management calculations, see Asset Management Calculations.

Asset Depreciation Information

Asset Management calculates depreciation for an asset according to the rules, codes, and methods you establish for the asset. Asset Management edits selected values according to the regulation applicable to the asset. For depreciable assets, Asset Management usually uses the methods and life to calculate a full year of depreciation. In the acquisition and retirement years, Asset Management prorates to determine how much depreciation of the full year to recognize. Annual depreciation, or the prorated amount, is spread evenly among the periods in the year that the asset is in service. This section covers some of the decisions you need to make when determining how to depreciate your assets.

Regulation Code

The regulation code indicates the financial or tax rules you want to use for a category of assets. These rules affect depreciation calculations and the calculation of gain or loss at retirement. For each category table, select one of the following regulation codes to apply to the book for all assets in the category:

- Facts and Circumstances
- ACRS (Accelerated Cost Recovery System)
- MACRS (Modified Accelerated Cost Recovery System)
- CCA (Capital Cost Allowance)
- Regulated Group
- ADR (Asset Depreciation Range)

See Regulation for more information.

Depreciable Status

The depreciable status defines the depreciable characteristics of assets. This status is required for each book if you add book information when you add an asset.

Select one of the following depreciable statuses for each book:

- Depreciable - Life Based
- Depreciable - Value Based
- Depreciable - Uncapped
- Fully Depreciated
- Inventory
- Nondepreciable
- Out-of-Service
- Reference

See Depreciable Status for more information.

Depreciation Method

If the assets are depreciable, select one of the following methods of calculating depreciation for each book for all assets:

- Declining Balance Percentage
- Table Percentage - Cost
- Net Table Percentage
- Straight-Line Unrecovered
- Straight-Line Gross
- Sum-of-the-Years-Digits Unrecovered

- Sum-of-the-Years-Digits Gross
- UOP - Individual Table
- UOP - Common Table

See Depreciation Method for more information.

Proration Methods

Proration methods determine how much depreciation is recognized in the year of acquisition and retirement. The proration is a portion of a full year of depreciation. Asset Management validates that correct proration methods were selected based on the regulation code, depreciation method, and, in some cases, the tax class, when you add an asset.

Select from the following proration methods:

- Actual Days
- Actual Half*
- Actual Periods
- Actual Quarters
- Full Year*
- Half After*
- Half Year*
- ADR Modified Half Year*
- Midperiod
- Midquarter
- Modified Actual Days
- Modified Actual Periods
- Modified Midperiod
- None

- Number of Periods After
- Quarter After

***Note:** This proration code is not valid for out-of-service assets due to how elapsed life is tracked and depreciation expense calculated.

For more information, see

- Acquisition Proration
- Retirement Proration

Asset Book Amounts

Asset book amounts include year-to-date depreciation, life-to-date depreciation, annual depreciation, current depreciation, and other amounts. Amounts for additional depreciation are also included with the book amounts. This section explains the impact of entering or overriding calculated book information.

For More Information

For detailed information about how Asset Management calculates values, see Asset Management Calculations.

Depreciation Amounts

Asset Management calculates several depreciation amounts for an asset's book. You can change some amounts if you recognized depreciation for an asset before you added it to Asset Management.

Asset Management uses the following depreciation amounts:

- Cost
- Basis Adjustment Amount
- Salvage Amount
- Life-to-Date Depreciation
- Year-to-Date Depreciation
- Transfer Year-to-Date Depreciation
- Annual Depreciation
- Current Depreciation

See the topics in online Help for each depreciation amount field for more information.

Additional Depreciation Amounts

For additional depreciation amounts, Asset Management calculates only the amount of depreciation that is additional to the regular depreciation amount. If Asset Management does not calculate any additional depreciation, these additional depreciation fields remain blank.

Asset Management uses the following additional depreciation amounts:

- Year-to-Date Additional Depreciation
- Life-to-Date Additional Depreciation
- Transfer Year-to-Date Additional Depreciation
- Annual Additional Depreciation
- Current Additional Depreciation

See the topics in online Help for each additional depreciation amount field for more information.

Overriding Depreciation

You can override the annual depreciation amount by entering depreciation for the current year, then entering it again for future years after new-year processing.

Switching Depreciation Method

Sometimes you switch depreciation methods for an asset when it becomes more advantageous to use straight-line depreciation than an accelerated method. Asset Management can keep historical data, such as the fiscal year you switched depreciation and the method you switched from, for those assets when you add them.

Asset Retirement Information

Asset Management uses the projected retirement date to help calculate projected depreciation amounts. If you enter a projected retirement date, Asset Management stops depreciation on that date when you run depreciation projection. For more information, see Processing Periodic Transactions.

Adjusting Depreciation in the Current Period

You can adjust depreciation in the current period, or catch up depreciation, from an asset's in-service date to the current date. This is a policy option you can select for all assets in a book. For example, you can adjust depreciation in the current period for all assets using book 1, but not for all assets using book 2.

You might need to adjust depreciation if you:

- Add an asset to Asset Management that has an in-service date since the previous period. This can happen if you acquire the asset in the previous period and put the asset in use before you add it to Asset Management.
- Change any depreciation information that affects how Asset Management calculates depreciation. In this case, Asset Management calculates depreciation for the asset with the new information from the beginning of the year.

Example

You acquire an asset in March, but do not add the asset to Asset Management until July. You can adjust depreciation to calculate depreciation from March through July. The following list shows the depreciation information for the asset:

- Booked-through date: July 31
- Cost: 12000
- Estimated life: 10 years
- Monthly depreciation: 100
- Proration method: Actual Periods
- Annual depreciation: 1000

If Asset Entity Policy is set up to adjust depreciation in the current period, Asset Management automatically calculates year-to-date depreciation through the five months the asset is booked. The new year-to-date depreciation is 500.

If Asset Entity Policy is not set up to adjust depreciation in the current period, Asset Management does not recalculate year-to-date depreciation, but instead spreads the annual depreciation amounts over the remaining periods in the year. The new monthly depreciation is 200.

Asset Entity Policy

If Asset Entity Policy is set up to adjust depreciation in the current period, Asset Management automatically adjusts depreciation when you add or change the asset. For more information see Adjusting Depreciation.

Recalculating Life-to-Date Depreciation

You can also recalculate life-to-date depreciation on a transaction-by-transaction basis for an asset from the beginning of the asset's life to the beginning of the current year. For example, you can recalculate life-to-date depreciation for an asset in book 1, but not for all assets using book 1.

You might need to recalculate life-to-date depreciation if you:

- Add an asset to Asset Management that has an in-service date from the previous year. This can happen if you acquired the asset in the previous year and put the asset in use before you added it to Asset Management.
- Change any depreciation information that affects how depreciation is calculated. In this case, Asset Management calculates depreciation for the asset with the new information from the beginning of the asset's life.

Example

You acquire an asset in December, but do not add the asset to Asset Management until July. The following list shows the depreciation information for the asset:

- Booked-through date: July 31
- Cost: 12000
- Estimated life: 10 years
- Monthly depreciation: 100
- Proration method: Actual periods
- Annual depreciation: 1200

If you recalculate life-to-date depreciation for an asset and Asset Entity Policy is set up to adjust depreciation in the current period, Asset Management automatically calculates life-to-date depreciation for the month of December and through the seven months of the current year the asset is booked. The new life-to-date depreciation amount is 800.

If you select to recalculate life-to-date depreciation for an asset, but Asset Entity Policy is not set up to adjust depreciation in the current period, Asset Management calculates life-to-date depreciation for the month of December only and does not calculate year-to-date depreciation. The new monthly depreciation amount is 240.

Recalculate Life-to-Date Option

To recalculate life-to-date depreciation, select the Recalculate Life-to-Date (LTD) option on the Asset Book Amounts window when you add the asset or change the depreciation information.

Purchase Tax Information

You can track the tax information for an asset when you purchase the asset. Sales tax, goods and services tax (GST), and value added tax (VAT) are examples of purchase taxes you can track.

Asset Management uses the following purchase tax information:

- Tax Amount
- Input Tax Credit
- Tax Rule
- Fair Market Value
- Tax Rate
- Current Usage Percentage
- Original Usage Percentage
- Previous Usage Percentage
- Date Percentage Changed
- Current Usage Percentage Date
- Number of Adjustment Years

See the topics in online Help for each purchase tax field for more information.

Unit of Production Information

Asset Management can calculate depreciation and depletion using the unit-of-production (UOP) depreciation method. When you add an asset using a UOP depreciation method, you must reference a UOP table. You can reference either a common table established for a group of assets producing the same number of units each period, or a specific table for an individual asset or property account.

Asset Management does not calculate annual depreciation for UOP assets and accounts. Instead, it uses period units to calculate the depreciation amount for each period.

Calculating Depreciation

Asset Management calculates depreciation for UOP assets each time current depreciation is calculated by multiplying the units from the table by a unit cost.

You must enter one of the following types of information:

- Unit cost for each asset's book
- Estimated total units from the table
- Estimated total units from the asset
- Estimated remaining units from the table

System-Maintained Information

Asset Management maintains the following UOP information:

- Current Units
- Year-to-Date Units
- Life-to-Date Units
- Unit Cost

See the topics in online Help for each UOP field for more information.

4 Complying with Multinational Regulations

Chapter Contents

About Multinational Regulations

Asset Management must comply with some tax and regulatory practices in a multinational environment. The following topics contain various guidelines for doing that.

Australian Accounting Considerations

Use the guidelines in this section when you set up your asset policies for Australian companies.

Depreciating Assets

Use the Facts and Circumstances regulation code. Identify depreciation for assets according to the following rules:

Prime Cost Method Use table percentage – cost depreciation. Specify rates for each classification of assets in depreciation percentage tables, rather than using the straight-line–gross or the straight-line–unrecovered depreciation method.

Diminishing Value Method Use net table percentage depreciation. Specify rates for each classification of assets in depreciation percentage tables, rather than using the 100 through 999 depreciation methods.

Remaining Value To depreciate remaining value, assign the Depreciable–Value Based status to the asset.

Balancing Charges

When adding assets for Australian companies, specify the balancing charge for assets in the basis adjustment amount. This amount reduces the cost basis of assets for all depreciation methods.

Automobile Limits

To maintain statutory limits on depreciable cost, split assets into components. You can then record the depreciable cost in a depreciable component and the excess cost in a nondepreciable component. You can also maintain statutory limits by recording the depreciable cost as the book's cost and recording any excess in a user amount field.

Canadian Accounting Considerations

Use the guidelines in this section when setting up your asset policies for Canadian companies.

Canadian Financial Accounting

Use the Facts and Circumstances regulation code for Canadian financial books. If you want to reduce the cost of the asset by the amount of tax credits reported on the tax book, you can identify the reduction in one of the following ways:

- Referencing the tax credit table on the financial book and indicating a basis adjustment percentage of 100%.
- Entering the tax credit amount in the Basis Adjustment Amount (BAA) field when you add the asset.

Ledger Entries

Asset Management generates ledger entries for Canadian companies from a financial book only.

Ledger entries are created for the amount you enter or calculated for the BAA according to the general BAA entries for additions, transfers, retirements, deletions, and adjustments.

Canadian Tax Accounting

Asset Management calculates Capital Cost Allowance (CCA) for assets and property accounts as prescribed by Revenue Canada. Identify property accounts and assets in Asset Management with a regulation code of CCA. For more information about these accounts, see Property Accounts.

CCA Classes

You set up depreciation information for CCA assets based on the CCA class they are in. You must enter a tax classification for all depreciable CCA assets and property accounts.

See Canadian Capital Cost Allowance Tax Classes for a list and descriptions of CCA tax classes.

Usually, you add each CCA class as a separate property account. Add all items for the CCA class as reference assets that reference the appropriate property account. You can specify the applicable depreciation rate for the class by using a declining-balance method of 001 through 099 or by entering the rate in a depreciation percentage table and using a net tabled percentage depreciation method.

You can specify either Half Year or Full Year proration methods for CCA assets, depending on the rules that apply to the class of asset. Generally, you select None for the retirement year proration method.

CCA Processing Considerations

The tax classification indicates special processing for certain classes. The following classes have special considerations you should keep in mind when you add these types of assets:

Class 10.1 - Luxury Automobiles. Add each automobile as an individual CCA asset with a depreciable status of Depreciable–Uncapped. Enter the statutory depreciable cost limit as the asset's cost and select Half Year proration method for the acquisition year. You can track the full cost paid for the automobile in a user amount. If you usually replace automobiles when they are retired, select a retirement year proration method of Half Year. If you do not usually replace automobiles in the year they are retired, select a retirement year proration method of None.

Class 13 - Leasehold Improvements. Add each leasehold improvement as individual CCA assets with a depreciable status of Depreciable–Uncapped. Enter the lease term as the estimated life and select a depreciation method of straight-line–gross and Acquisition Year proration method of Half Year.

Class 14 - Patents, Franchises, and Licenses. Add each patent, franchise, and license as individual CCA assets with a depreciable status of Depreciable–Uncapped. Enter the legal life as the estimated life and select a depreciation method of straight-line – gross and acquisition and retirement year proration method of Actual Days.

Class 15 - Wood Assets. Associate each asset in a tract of land with a CCA property account for the tract. Select a depreciation method of unit-of-production and acquisition and retirement year methods of Actual Periods for the property account.

Class 24, 27, 29, and 34. Associate each asset with a CCA property account for the specific class. Select a declining balance percentage of 50 for the depreciation method for the property account. Select an acquisition year proration method of Full Year and a retirement year proration method of None. For these classes, Asset Management calculates depreciation using accelerated rules.

Class 31 and 32 - Rental Property. If the cost of the property is less than 50,000, associate each property with a CCA property account. Otherwise, add each property as an individual CCA asset.

Other classes. Add other CCA classes as a separate property account. Add all items for the CCA class as reference assets referencing the appropriate property account. You can specify the applicable depreciation rate for the class by using the declining-balance method of 001 through 099 or by entering the rate in a depreciation

percentage table and using a net tabled percentage depreciation method.

CCA Amounts

Asset Management maintains the following amounts for CCA depreciable assets and property accounts and uses them to calculate CCA depreciation:

- Beginning Undepreciated Capital Cost
- Current Year Cost
- Current Year Addition Adjustment
- Current Year Undepreciated Capital Cost Adjustment
- Current Year Proceeds
- Previous Year Net Additions
- Current Year Tax Credit
- Total Cost Retired

Goods and Services Tax Information

You can track the goods and services tax (GST) information for an asset when you purchase the asset.

Asset Management uses the following GST information:

- Tax Amount
- Input Tax Credit
- Tax Rule
- Fair Market Value
- Tax Rate
- Current Usage Percentage
- Previous Usage Percentage
- Date Percentage Changed

Significant Change

Asset Management determines if a change in taxable usage percentage is significant and adjusts the input tax credit for the significant change according to the Canadian goods and services tax regulations. You indicate that you want Asset Management to do this processing by selecting the Adjust for Canadian Significant Change option for the applicable tax rule.

French Accounting Considerations

Use the following guidelines when setting up your asset policies for French companies.

Ledger Entries

Asset Management generates ledger entries for French companies from either a financial book or a tax book.

Depreciating Assets

Use the Facts and Circumstances regulation code. French business practices allow you to choose either straight-line or declining balance percentage depreciation.

Straight-Line Depreciation

Use an acquisition year proration method of modified actual days. This proration method assumes a 360-day year and 30-day month calendar. When using this proration method, be sure that your book references a 12-period calendar and that the depreciation allocation is based on periods, not days.

Use actual periods as the retirement year proration method.

Declining Balance Depreciation

Asset Management provides a proration method of modified actual periods for the acquisition year.

Use actual periods as the retirement year proration method.

Exceptional Depreciation

Exceptional depreciation is a form of additional depreciation. You can set up an additional depreciation table to comply with the exceptional depreciation options in France.

Tax Depreciation

Each year French companies elect, for tax purposes, to take the minimum or maximum depreciation amount or an amount in between. Asset Management can calculate minimum or maximum depreciation according to French tax accounting.

Calculating Minimum or Maximum Depreciation

Specify whether to calculate minimum or maximum depreciation for each asset within the French tax book. You must also specify the acquisition year proration method to use for calculating minimum depreciation. Depending on the tax regulations for the asset, use the appropriate accelerated depreciation method and prorations such as declining balance percentage.

The following table explains what Asset Management does when you select minimum or maximum depreciation:

When you select…	Asset Management calculates depreciation for the asset using the…
Minimum depreciation	Straight-line method and the minimum depreciation proration.
Maximum depreciation	Depreciation method and acquisition year proration entered for the book. Any deferred depreciation for the asset is added to the current year's depreciation.

Note: You can change the minimum or maximum depreciation code for your assets each year when your entity's profitability indicates which to choose for the year. Ordinarily, you would choose maximum depreciation when your company is showing a profit and minimum depreciation when it is showing a loss.

Deferred Depreciation

Deferred depreciation is the difference between the maximum amount of depreciation that French tax laws allow

and the amount actually recognized. Asset Management determines the amount of LTD deferred depreciation for each asset using minimum depreciation when you choose to calculate deferred depreciation during the current depreciation process.

In addition to LTD deferred depreciation for the current year, Asset Management also calculates the LTD deferred depreciation for the previous year and uses this amount to determine minimum or maximum depreciation.

Projecting Depreciation

Because minimum or maximum depreciation is a choice you make each year based on your company's profitability, Asset Management provides "what if" capabilities when using the depreciation projection reports. You can specify your minimum or maximum choice for each category of assets when defining a depreciation projection report. Asset Management projects depreciation using the choice you make for the report instead of the choice indicated for the asset.

Minimum or Maximum Depreciation Amounts

Asset Management maintains the following amounts used in calculating minimum or maximum depreciation. You can enter the following amounts if necessary:

- LTD straight-line depreciation for the previous year
- LTD deferred depreciation for the current year
- LTD deferred depreciation for the previous year

For more information on the minimum and maximum calculations Asset Management performs, see Asset Management Calculations.

Previous Year Straight-Line LTD

Previous year straight-line life-to-date is the LTD depreciation for the asset through the previous year using the straight-line unrecovered depreciation method. Asset Management calculates this amount and uses it to determine minimum or maximum depreciation.

Recalculating Depreciation

When you recalculate life-to-date depreciation, Asset Management recalculates straight-line life-to-date depreciation for the previous year.

Derogatory Depreciation

You can determine the amount of derogatory depreciation by using the reconciliation depreciation reports. Before completing your tax numbers for a year, you can project tax depreciation and reconciliation depreciation using the Two Book Reconciliation Projection report.

Once the tax depreciation numbers are completed, you can use the Two Book Reconciliation report to determine the reconciliation amounts.

Regulated Industries Accounting Considerations

Asset Management provides accounting for fixed assets following regulated industry rules for both financial and tax books. Use the guidelines in this section when setting up your asset policies for regulated industries such as the Federal Energy Regulatory Commission.

Adding Assets

You must assign a regulation code of Regulated Group to the property accounts if you want Asset Management to apply the depreciation, retirements, and transfer processing necessary to comply with regulated industry regulations.

To set up a regulated group property account, you can either add the detail assets for each property account and reference the assets to the account or add the property account directly without tracking the detail assets within Asset Management. For more information about these accounts, see Property Accounts.

Depreciating Assets

You can use the following depreciation methods with regulated group property accounts:

- Straight-line–gross
- Declining balance
- Unit-of-production
- Tabled percentage–cost
- Net tabled percentage

You must use a depreciable status of Depreciable – Value Based with regulated group property accounts.

The most common method of depreciation for assets of regulated industries is the tabled percentage–cost method, with the appropriate annual rate defined in a percentage table. You can enter a default year to use for the rate.

You can also use the unit-of-production depreciation method for regulated group accounts. You can enter a per unit cost for the group, or Asset Management can calculate the per unit cost using the existing account balances.

Proration Methods for Regulated Group

Asset Management does not calculate annual depreciation for regulated group property accounts because the balances on the accounts usually change every period. Instead, it uses the proration code to determine how to calculate periodic depreciation for the account. Regulated group property accounts use the following proration methods:

- Actual Periods
- Half Year
- Midperiod
- Number of Periods After

Beginning Amounts

Asset Management maintains special amounts for calculating group accounting depreciation. These amounts include beginning cost, beginning life-to-date depreciation, and beginning additional life-to-date depreciation. Asset Management uses these amounts for calculating depreciation when the proration method is number of periods after, half year, or midperiod. The balance stored also depends on the proration method used.

- Half Year proration: Account balance as of the beginning of the year
- Midperiod proration or Number of Periods After proration: Account balance after the last time depreciation was booked

Other Regulated Group Amounts

Asset Management maintains the following amounts for assets that reference a regulated group property account and uses them in calculations:

- Current Year Proceeds
- Total Proceeds
- Total Cost Retired

United Kingdom Accounting Considerations

Use the guidelines in this section when setting up your asset policies for companies in the United Kingdom.

Ledger Entries

Asset Management generates ledger entries for companies in the U.K. from either a financial book or a tax book.

Financial and Tax Accounting

Asset Management accommodates all regulations for the U.K. Assets can be depreciated for the U.K. in financial and tax books.

Depreciating Assets

Usually, you assign the Facts and Circumstances regulation code to assets depreciated in the U.K. You can use any of the depreciation methods Asset Management provides.

Proration Methods

Asset Management provides the following proration methods for U.K. accounting:

- Actual Quarter
- Quarter After
- Half After
- For more information on the depreciation and proration methods, see Asset Concepts.

United States Accounting Considerations

Use the guidelines in this section when you set up your asset policies for companies in the United States.

Ledger Entries

Asset Management generates ledger entries for companies in the U.S. from a financial book.

Financial Accounting

To add assets to the financial books, use these depreciation options for the indicated regulations.

Depreciating Assets

Usually, you assign the Facts and Circumstances regulation code to assets depreciated for U.S. financial purposes. Asset Management provides the following depreciation methods to comply with U.S. financial accounting rules:

- Straight-line–gross
- Straight-line–unrecovered
- Sum-of-the-years-digits–gross
- Sum-of-the-years-digits–unrecovered
- Declining balance percentage
- Unit-of-production

Proration Methods

Asset Management provides the following proration methods for U.S. financial accounting:

- Actual Periods
- Half Year
- Full Year

- None
- Periods After
- Daily

If needed, you can also use other depreciation methods and proration methods supplied for U.S. tax accounting and other countries.

Trading In Assets

You can indicate that you traded in an asset for another asset by retiring the asset using a Trade-In retirement type. Ledger removes assets that have a Trade-In retirement type from the appropriate accounts and makes an entry to the acquisition clearing account for the net book value of the asset you traded in. You can then add the new asset using the appropriate basis.

Reporting

Asset Management provides the following reports for U.S. financial accounting:

- Schedule 10K Cost Summary
- Schedule 10K Reserve Summary

In addition, Asset Management provides the Two Book Reconciliation Depreciation report to assist you in computing deferred income taxes according to the Financial Accounting Standard 109.

Tax Accounting

You can depreciate assets according to U.S. tax regulations in a U.S. tax book. To add assets to the tax books, use the following depreciation options for the indicated regulations.

Depreciating MACRS Assets

Modified Accelerated Cost Recovery System (MACRS) is a U.S. tax regulation that applies to assets placed in service from January 31, 1986, to the present. Use a regulation code of Modified Accelerated Cost Recovery System to identify MACRS assets in Asset Management.

If you add an asset as a MACRS asset, you must enter a tax classification code and an ADR midpoint life for the asset. Asset Management uses the tax classification code to determine the appropriate processing for U.S. tax reports and to validate that appropriate depreciable characteristics are assigned to the asset. Asset Management uses the ADR midpoint life to calculate the alternative minimum tax depreciation amounts.

Depreciation Methods

You can enter any of the following depreciation methods for a MACRS asset:

- Tabled percentage–cost
- Declining-balance
- Straight-line–unrecovered

You can enter any of the other depreciation methods, except unit-of-production, for a MACRS asset. Although if you do, Asset Management displays a message to warn you that the depreciation method you entered is not appropriate for a MACRS asset.

Depreciating MACRS Assets Using Tabled Percentage–Cost

Use the tabled percentage–cost depreciation method if you choose to depreciate MACRS assets using the optional percentages that the Internal Revenue Service (IRS) supplies. Be sure to check the following conditions when using this depreciation method:

- The applicable percentages are already specified in the reference depreciation table.
- The percentages are prorated.

- The Switch Depreciation option is selected unless the depreciation table referenced is defined using straight-line percentage.

Depreciating MACRS Assets Using Straight-Line or Declining-Balance

Use the straight-line–unrecovered or declining-balance depreciation method or use a depreciation percentage table if you choose to depreciate MACRS assets using the alternative straight-line method. You can depreciate assets over a longer life using the straight-line method.

Acquisition Year and Retirement Year Proration Methods for MACRS Assets

The following table shows the tax classifications and acquisition year and retirement year proration methods to use for MACRS assets:

Tax Classification	Acquisition Year Proration Method	Retirement Year Proration Method
03	Half year or midquarter	Half year or midquarter
05	Half year or midquarter	Half year or midquarter
07	Half year or midquarter	Half year or midquarter
10	Half year or midquarter	Half year or midquarter
15	Half year or midquarter	Half year or midquarter

(continued)

Tax Classification	Acquisition Year Proration Method	Retirement Year Proration Method
20	Half Year Or Midquarter	Half Year or Midquarter
27	Midperiod	Midperiod
31	Midperiod	Midperiod
39	Midperiod	Midperiod

Use the Midquarter proration method for classes 03, 05, 07, 10, 15, and 20 for assets acquired in a fiscal year when 40% or more of all assets acquired for the year were acquired in the last quarter of the year.

Enter the life you selected for the MACRS class (either the class life or the alternative life) as the asset's estimated useful life.

Entering MACRS Mass Accounts

You can depreciate MACRS assets using the Mass Asset Vintage Account rules by associating a property account with assets

- Placed in service in the same year
- Of the same MACRS tax classification.

The property accounts must have the appropriate depreciable characteristics for the MACRS tax classification.

Optional Percentages

For assets that you depreciate according to the optional percentages the IRS issues, use a tabled percentage–cost depreciation method. Use the prorations shown in the following table for the corresponding property classes:

Property Class	Proration
Personal Property Classes (03, 05, 07, 10, 15, and 20)	Full Year for the acquisition year. Half Year in the retirement year, if you use Half Year proration. Use Midquarter proration for both the acquisition and retirement years, if applicable.
Real Property Classes (27.5, 31.5, and 39)	Midperiod for both acquisition and retirement years.

Midquarter Proration

If you determine at the end of the year that the midquarter proration is mandatory, you can change all assets for the current year by selecting all current year assets and changing the acquisition and retirement year proration methods to the midquarter proration. If you use tables, you need to change the depreciation methods for each class of assets.

Mass Asset Accounting

You can combine MACRS assets into a property account for mass asset rule accounting. Asset Management calculates depreciation for the property account and can allocate it to the reference assets if asset entity policy is set up to do so.

Retiring MACRS Assets and Property Accounts

Asset Management retires MACRS assets and property accounts using either an Ordinary or Extraordinary retirement type.

MACRS Assets

For MACRS assets depreciated as individual assets Asset Management uses an Ordinary retirement type. Comparing the net proceeds received to the net book value of the asset determines the gain or loss for this type of retirement.

MACRS Property Accounts

For MACRS assets referencing property accounts Asset Management uses either an Ordinary or Extraordinary retirement type. You can also apply partial or complete retirements directly to a MACRS property account using either an Ordinary or Extraordinary retirement type.

Asset Management applies the mass MACRS account rules for ordinary retirements by recognizing all net proceeds as gain and not reducing the depreciable basis of the property account. Asset Management applies individual asset rules for extraordinary retirements. Comparing the net proceeds to an allocated net book value for the asset determines the gain or loss for this type of retirement. Asset Management reduces the cost and life-to-date depreciation of the property account by the amounts related to the retirement.

Depreciating ACRS Assets

Accelerated Cost Recovery System (ACRS) is a U.S. tax regulation that applies to assets placed in service from January 1, 1981, through December 31, 1986. Use a regulation code of Accelerated Cost Recovery System to identify ACRS assets within Asset Management.

If you add an asset as an ACRS asset, you must enter a tax classification code and an ADR midpoint life for the asset. Asset Management uses the tax classification code to determine the appropriate processing for U.S. tax reports and to validate that appropriate depreciable characteristics are assigned to the asset. Asset Management uses the ADR midpoint life to calculate the alternative minimum tax depreciation amounts.

You can enter any of the following depreciation methods for an ACRS asset:

- Tabled percentage–cost
- Straight-line–gross

- Straight-line–unrecovered

You can enter any of the other depreciation methods, except unit-of-production, for an ACRS asset. Although if you do, Asset Management displays a message to warn you that the depreciation method you entered is not appropriate for an ACRS asset.

Depreciating ACRS Assets Using Tabled Percentage–Cost

Use the tabled percentage–cost depreciation method if you elect to depreciate ACRS assets using the statutory accelerated percentages that the Internal Revenue Service (IRS) supplies. Be sure to check the following conditions when using this depreciation method:

- The applicable percentages are already specified in the referenced depreciation table.
- The percentages are prorated.
- The Switch Depreciation option is not selected.
- The class life is entered as the estimated life.

The following table shows the tax classifications and acquisition year and retirement year proration methods to use for ACRS assets with the tabled percentage–cost depreciation method:

Tax Classification	Acquisition Year Proration Method	Retirement Year Proration Method
03	Full Year	None
05	Full Year	None

(continued)

Tax Classification	Acquisition Year Proration Method	Retirement Year Proration Method
10	Full Year	None
15 Personal	Full Year	None
15 Real	Actual Period	Actual Period
18	Actual Period or Midperiod	Actual Period or Midperiod
19	Midperiod	Midperiod

Depreciating ACRS Assets Using Straight-Line

Use the straight-line–gross or straight-line–unrecovered depreciation methods if you depreciate ACRS assets using the alternative straight-line method. You can depreciate assets over a longer life using the straight-line method.

The following table shows the tax classifications and acquisition year and retirement year proration methods to use for ACRS assets with the straight-line–gross or straight-line–unrecovered depreciation methods:

Tax Classification	Acquisition Year Proration Method	Retirement Year Proration Method
03	Half Year	None
05	Half Year	None
10	Half Year	None
15 Personal	Half Year	None
15 Real	Actual Period	Actual Period
18	Actual Period or Midperiod	Actual Period or Midperiod
19	Midperiod	Midperiod

Enter the life you selected for the ACRS class (either the class life or the alternative life) as the asset's estimated useful life.

Entering ACRS Mass Accounts

You can depreciate ACRS assets using the Mass Asset Vintage Account rules by associating a property account with assets

- Placed in service in the same year
- Of the same ACRS tax classification.

The property accounts must have the appropriate depreciable characteristics for the ACRS tax classification.

Retiring ACRS Assets and Property Accounts

Asset Management retires ACRS assets and property accounts using an Ordinary or Extraordinary retirement type.

ACRS Assets

For ACRS assets depreciated as individual assets, Asset Management uses a Ordinary retirement type. Comparing the net proceeds received to the net book value of the asset determines the gain or loss for this type of retirement.

ACRS Property Accounts

For ACRS assets referencing property accounts Asset Management uses either an Ordinary or Extraordinary retirement type. You can also apply partial or complete retirements directly to an ACRS property account using either an Ordinary or Extraordinary retirement type.

Asset Management applies the mass ACRS account rules for ordinary retirements by recognizing all net proceeds as gain and not reducing the depreciable basis of the property account. Asset Management applies individual asset rules for extraordinary retirements. Comparing the net proceeds

to an allocated net book value for the asset determines the gain or loss for this type of retirement. Asset Management reduces the cost and life-to-date depreciation of the property account by the amounts related to the retirement.

Luxury Automobiles

For ACRS and MACRS assets subject to the luxury automobile rules, use the following guidelines to calculate the correct amount of depreciation for each year of the asset's life:

- Set up annual limit tables for each limitation classification that the IRS issues. Annual limits are issued for each year of the asset's life based on the date the asset is placed in service.
- Add assets using regular depreciation methods for the class of assets and specify the appropriate annual limit table for the asset.

In each year of the asset's life, Asset Management takes the lesser amount of either the annual limit specified in the annual limit table or the depreciation calculated by the regular depreciation method.

For more information on annual limit tables, see Setting Up Tables.

Capital Gains and Losses

Asset Management automatically calculates capital gains and losses for the Form 4797 reports. Also, it calculates depreciation recapture amounts as a part of retirement processing according to the capital gains classification code. For more information on calculations performed, see Asset Management Calculations.

Use the following capital gains classifications for U.S. tax books:

- 1245
- 1250

- 1245 Elevators

These amounts are reported in Part III of the Form 4797 report.

ADR Accounting

ADR is a regulation code for a U.S. tax law applicable to assets acquired between 1970 and 1980. You choose ADR accounting on a yearly basis. According to the regulation, Asset Management calculates depreciation for assets belonging to vintage accounts.

You can use the ADR regulation only for reference assets and property accounts with an accounting function of U.S. Tax.

Depreciation Methods

You can enter any of the following depreciation methods for an ADR asset or property account:

- Sum-of-the-years-digits unrecovered
- Straight-line unrecovered
- Sum-of-the-years-digits gross
- Straight-line gross
- Declining balance percentage

When you add a property account or asset that has not switched depreciation from an accelerated method use a declining balance percentage method.

When you add a property account or asset that has switched depreciation from an accelerated method, use a depreciation method of straight-line unrecovered or sum-of-the-years-digits unrecovered. You can also enter the straight-line gross and sum-of-the-years-digits gross depreciation methods in this situation. Enter the following information:

- Prior depreciation method
- Remaining life at switch
- Depreciable basis at switch

Proration Methods

Use either Half Year or ADR Modified Half Year as the acquisition and retirement year proration methods for ADR assets and property accounts.

Retiring ADR Assets and Property Accounts

Asset Management retires ADR assets and property accounts based on a retirement type of Ordinary or Extraordinary.

ADR Assets

For ordinary retirement of an ADR asset, Asset Management recognizes no gain or loss for the individual asset if the depreciation reserve after adjustment for proceeds received does not exceed the unadjusted basis of the ADR account. The retired asset's cost remains in the vintage account and continues to depreciate.

For extraordinary retirement of an ADR asset, Asset Management recognizes gain or loss on the asset as if it was never a part of the account. Asset Management recalculates depreciation for the asset using the life and method of the property account, and calculates gain or loss for the asset as the difference between net tax value and proceeds received. The asset's cost, salvage, and recalculated LTD depreciation are removed from the vintage account.

ADR Property Accounts

For ordinary retirements of an ADR property account, Asset Management recognizes gain or loss on the account as a whole. Proceeds from the sale of the asset are added into the LTD depreciation until cost equals LTD depreciation and the account is fully depreciated. Any excess proceeds are recognized as gain.

By adding proceeds into LTD depreciation, the depreciable basis of the account is reduced if the depreciation method is declining balance percentage 150 or 200. Asset Management records as expenses less depreciation over the remaining life of the account in the current year if the depreciation reserve after adjustment for proceeds received does not exceed the unadjusted basis of the ADR account.

When determining when the account is fully depreciated, if the asset has any salvage value, Asset Management reduces it to zero to allow more of the proceeds to be added into LTD depreciation, deferring the recognition of gain.

When you retire the last asset in a property account, Asset Management terminates the account and recognizes any excess cost over the LTD depreciation, including proceeds, as a loss.

For extraordinary retirement of an ADR property account, Asset Management removes the asset's cost and LTD depreciation from the vintage account, causing the account's remaining LTD depreciation to exceed the cost of the account. Asset Management recognizes this excess as a gain and reduces the LTD depreciation so that it equals the cost.

Alternative Tax Information

Asset Management uses alternative tax information to calculate alternative minimum tax for U.S. tax accounting.

You need to provide only the ADR midpoint life for MACRS and ACRS assets for Asset Management to calculate the following amounts:

- Alternative minimum tax (AMT) depreciation adjustment amount
- Tax preference on real property

- Adjusted current earnings (ACE) depreciation
- AMT adjustment for gain or loss
- ACE gain or loss amount

Asset Management uses the asset's depreciable characteristics to determine whether to use the AMT, ACE, or both AMT and ACE calculations. Based on the calculation, Asset Management determines which depreciation methods and proration methods to use.

Alternative Minimum Tax Reports

Asset Management produces several reports to use in calculating alternative minimum tax:

- Alternative Minimum Tax Depreciation Adjustments
- Alternative Minimum Tax Depreciation Projection
- Alternative Minimum Tax Retirements Adjustments

Salvage Exclusion

You can exclude salvage for the applicable assets by selecting U.S. – Reduce by 10% for the Reduce Salvage option in asset entity policy or on the category table. This reduces the salvage by 10% of cost.

Additional First Year Depreciation

To indicate additional first year depreciation for an asset, perform one of the following tasks:

- Set up an additional depreciation table with the correct amount or percentage of cost.
- Add the asset, minus the additional depreciation, by either reducing cost for the additional depreciation amount or by increasing the life-to-date depreciation for the additional amount. You can enter the additional amount in a user field to track it.

For more information on setting up additional depreciation tables, see Setting Up Tables.

Facts and Circumstances

Assets acquired before the Accelerated Cost Recovery System (ACRS) and the Modified Accelerated Cost Recovery System (MACRS) tax laws went into effect are depreciated according to the facts and circumstances of the assets. Certain assets, such as unit-of-production assets, acquired after ACRS and MACRS tax laws went into effect can also follow facts and circumstances rules.

Depreciation Methods

Asset Management provides the following depreciation methods for assets following the facts and circumstances regulations:

- Straight-line–gross
- Straight-line–unrecovered
- Sum-of-the-years digits–gross
- Sum-of-the-years digits–unrecovered
- Declining balance percentage
- Unit-of-production

Proration Methods

Asset Management provides the following proration methods for assets following the facts and circumstances regulations:

- Half Year
- Actual Months
- Full Year
- None
- Periods After
- Daily

Depreciation and proration methods for other rules and countries are also available for your use, if needed.

Reporting

Asset Management provides a number of reports to assist you in completing various tax schedules. The following table contains a list of reports you can use to complete the corresponding tax schedule:

Report	Tax Schedule
Expense Ledger	Form 4562 – Depreciation and Amortization
Form 4797, Parts I, II, and III	Form 4797 – Sales and Disposals of Property
Alternative Minimum Tax Adjustments	Form 4626 – Alternative Minimum Tax
Alternative Minimum Tax Retirements	Form 4626 – Alternative Minimum Tax

Property Accounts

Several regulations require property accounts for depreciating assets. This includes group or composite accounting for U.S. regulated industries, Canadian tax CCA accounts, and U.S. tax ACRS and MACRS mass accounts.

Regulation Methods

The following regulation methods can use property accounts:

- Regulated group
- CCA
- ACRS
- MACRS
- Fact and circumstances
- ADR

Reference Assets

You can depreciate all office furniture as a property account rather than depreciating each piece of furniture individually. The group of furniture is the property account. Each individual piece of furniture is a reference asset.

Adding Property Accounts

When adding property accounts, you usually set up the account, then convert any reference assets and verify the

balances. To set up the property account, you add the first reference asset and assign a property account identifier to indicate that the reference asset is part of a property account. Asset Management builds the property account from the information for the first reference asset. You can then add the remaining reference assets in the property account.

Maintaining Reference Assets

If you do not know the reference assets for a property account, you can add the property account directly without adding any reference assets. Keeping information for reference assets is optional.

Transferring and Retiring from a Property Account

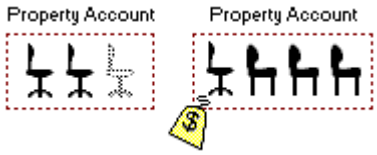
When you transfer a reference asset from one property account to another, Asset Management updates the receiving property account with the reference asset's information.

If you do not keep reference assets, you need to make a partial transfer directly to the property account.

When you retire a reference asset, Asset Management updates the property account with the retirement amounts for the reference asset.

If you do not keep reference assets, you need to make a partial retirement directly to the property account.

The following diagram shows the partial transfer of an asset from one property account to another. In this case, reference assets are not kept, so a cost is transferred.



Tax Credit Information

You can use tax credit information to record tax incentives to purchase assets that many countries provide. Some countries that provide these incentives or provided them in the past are Australia, Canada, Germany, and the U.S. These countries usually use incentives to offset income tax liability by a percentage of cost paid for new assets.

Asset Management provides up to three tax credits for each book of an asset. You can record the tax credits on any appropriate tax or financial book.

For each type of tax credit you use, you must define the calculations in a tax credit table. Asset Management then uses that tax credit table to calculate the tax credit amount for the asset book.

Default tax credit information comes from a category table, but you can override these values as necessary. See Setting Up Tables in this guide for more information.

Tax Credit Amount

The tax credit amount is the amount of the tax credit for the asset's book. If you change the tax credit amount and a basis adjustment percentage is associated with the tax credit, Asset Management recalculates the basis adjustment amount for the asset's book.

You can add three tax credits for each asset, but the sum of all three tax credit amounts for an asset's book must be less than the cost of the asset. For example, for an asset with a cost of 2500, the sum of all three tax credit amounts must be less than 2500.

Calculating the Tax Credit Amount

Asset Management calculates the tax credit amount as:

Cost x Tax credit qualifying percentage x Tax credit percentage

For example, for an asset that costs 2500, if the tax credit qualifying percentage is 100% and the tax credit percentage is 10%, Asset Management calculates the tax credit amount as:

2500 x 100% x 10% = 250

Calculating the Basis Adjustment Amount

The basis adjustment amount is the amount by which to reduce the depreciable basis of the asset or property account. Asset Management calculates the basis adjustment as:

Tax credit amount x Basis adjustment percentage = Basis adjustment amount

For example, for an asset with a basis adjustment percentage of 50% and a tax credit amount of 100, Asset Management calculates the basis adjustment amount as:

100 x 50% = 50

Value Added Tax Information

In most European countries, you sometimes need to track value added tax (VAT) associated with the purchase of an asset to report changes in the asset's use.

Asset Management uses the following value added tax information:

- Tax Amount
- Input Tax Credit
- Tax Rule
- Tax Rate
- Current Usage Percentage
- Current Usage Percentage Date
- Number of Adjustment Years
- Original Usage Percentage

See the topics in online Help for each valued added tax field for more information.

5 Setting Up Tables

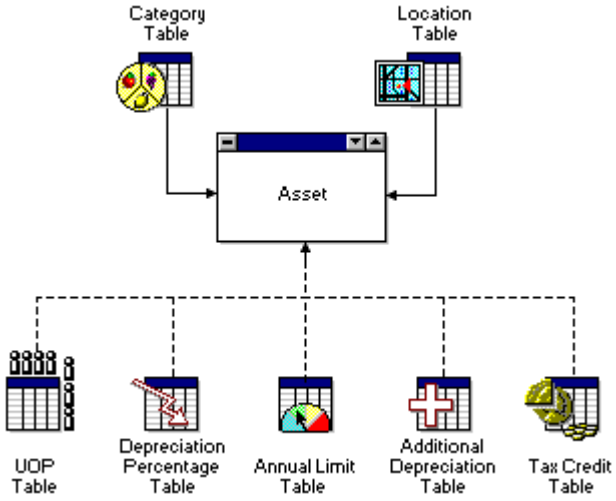
Chapter Contents

What Are Tables?

Tables hold common information about assets: physical descriptions and locations, groups of assets, depreciation schedules, and tax credit information.

How Asset Management Uses Tables

Instead of entering physical descriptions and location, depreciation schedules, and tax credit information for each asset, select the appropriate table for the type of information you need to enter. SmartStream Asset Management copies information from the table to the asset record, or refers to the table when performing a calculation.



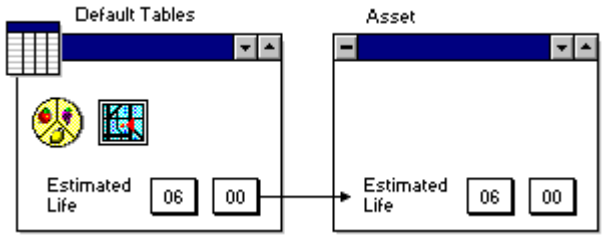
Types of Tables

You can set up several kinds of tables, depending on the asset information you need to record, the method you use to depreciate the asset, and the tax credits that apply.

Default Tables

Default tables store information about locations, descriptions, and books. Asset Management provides category and location tables for entering common types of information. Using these tables, you can copy default

information such as depreciation method, estimated life, and tax location into asset records and substantially reduce the amount of information you have to enter for individual assets.



Category Tables

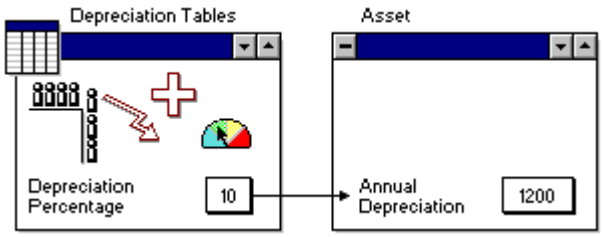
Use category tables to define defaults for descriptive, depreciation, and tax information for a group of similar assets.

Location Tables

Use location tables to track the physical location of property, such as city, province, building, or employee.

Depreciation Tables

Asset Management uses additional depreciation, depreciation percentage, annual limit, and unit-of-production tables to calculate depreciation. It can retrieve percentages, amounts, or units from the tables and apply them to the depreciable basis of the asset to determine the appropriate amount of depreciation expense. Asset Management can calculate depreciation using these methods only after you set up these tables.



Depreciation Percentage Table

Use depreciation percentage tables to specify annual or period depreciation percentages for each year of an asset's estimated life. You build depreciation percentage tables to calculate depreciation for U.S. tax ACRS assets.

Annual Limit Depreciation Table

Use annual limit tables to specify limits on annual depreciation. Regulatory agencies or the asset entity's internal policy can prescribe these limits on depreciation. For example, you can use annual limit tables to comply with the Luxury Automobile limitations that the U.S. Internal Revenue Service issues.

Unit-of-Production Table

Use unit-of-production tables to depreciate an asset in proportion to its use. Define the number of units the asset actually produces for a period or estimate its yearly units of production. Asset Management calculates period depreciation for the asset.

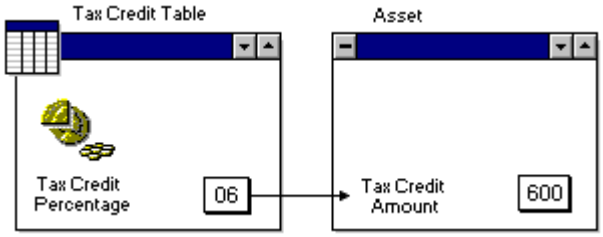
Additional Depreciation Table

Use additional depreciation tables to take an additional percentage of cost or depreciation above an asset's normal depreciation. Set up an additional depreciation table for international tax laws, the U.S. additional first year

depreciation rule, or U.S. Federal Energy Regulatory Commission (FERC) negative salvage requirements.

Calculation Tables

Many countries allow tax credits to encourage the expansion and modernization of plant and equipment. To calculate tax credit amounts, Asset Management applies a tax credit percentage, a qualifying percentage, and a recapture percentage to the cost of the asset. Asset Management can copy this information into an asset record using a tax credit table.



Tax Credit Table

Use tax credit tables to maintain tax credit percentages for certain assets and tax credit recapture rates for assets you retire early. You can define up to three tax credits for an asset.

Deciding Which Tables You Need

The types of tables you choose to build can vary for each asset entity. Your choice can depend on the way the asset entity is structured or the amount of detail you want to maintain for the asset entity. Use the conditions in the following table to decide which tables you need to build:

Type of Table	Condition
Category	You can group assets by common characteristics. For example, do you have categories of assets that have the same depreciation method, estimated life, tax class, or asset class?
Location	You can group assets by locational information. For example, will you maintain user fields such as tax location, region, cost center, or building number? Can you use this information as default information based on the location of the asset?
Depreciation Percentage	You depreciate assets using percentages that are not rounded to a whole percentage or require a different percentage based on the year in the asset's life. For example, do you have ACRS assets that have annual depreciation percentages for each year of the assets' lives?
Annual Limit	Tax laws set a specific limit for on the amount of depreciation for each year. For example, do you have any luxury automobiles that have the annual depreciation amount set by U.S. tax laws?
Unit-of-Production	You can depreciate assets in proportion to the assets' use. For example, do you have assets that you depreciate based on the number of units produced each period or year?
Additional Depreciation	You can depreciate assets by taking an additional percentage or amount above normal depreciation. For example, do you have assets that are subject to Japanese special depreciation, French exceptional depreciation tax laws, the U.S. additional first-year depreciation rule, or the U.S. FERC requirement for accumulation of negative salvage?
Tax Credit	Can take a tax credit. For example, do you want to track tax credits you claimed on assets in previous years?

How To Set Up Tables

When you set up Asset Entity Policy, you made decisions about which tables to use and whether entities have their own tables or access tables on the corporate level. Now you need to build the tables.

The Process

Setting up tables is a part of the implementation process that the implementation team schedules, manages, and executes. The following table describes a suggested order for setting up default, depreciation, and calculation tables:

Stage	Description
1	Decide what groups of similar assets to track, and what descriptive, depreciation, and tax information to record for each group.
2	Decide what locational information to record for each asset.
3	Decide which assets, or groups of assets, to depreciate with annual or period depreciation percentages.
4	Decide which assets to set an annual depreciation limit for, or which assets must comply with the Luxury Automobile limitations that the U.S. Internal Revenue Service issues.
5	Decide which assets to depreciate with the unit-of-production depreciation method, and record units that similar assets produce.

(continued)

Stage	Description
6	Decide which assets to depreciate under international tax laws or the U.S. additional first year depreciation rule. Then, record the additional depreciation amount to take for the assets.
7	Decide on which assets you can take tax credits and the amount of tax credits.
8	Enter table policy decisions into Asset Management. Enter the information in the order described in phases 1 through 7.

Setting Up Category Tables

A category is a group of assets that have common characteristics, such as the same depreciation method, estimated life, or tax class for each book. A category table is a convenient way to supply standard values for these groups of assets by providing default information for each book of an asset. Rather than entering the same information for each asset, you can enter a category table identifier when you add the asset, and Asset Management copies the category table information from the table to the asset.

If you change the category table of the asset on the Asset Basic Information window you can copy the values from the new table to the asset. If you do not copy the values after making changes to the category table, the current values in the asset record do not change.

Policy Decisions

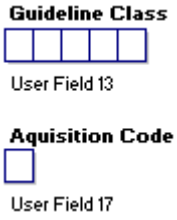
Consider the following information when planning the types of information to include in category tables.

Entity

The entity's policy determines whether it uses its own tables or those of its associated entity. By using an associated entity's category table, you can maintain the same asset information for several asset entities.

User Fields

Each asset entity can define up to 30 user fields in its policy. These fields can track various types of information about assets. If the asset entity you assign to this table has structured some of its user fields to store descriptive and control information, you can set up default values in the category table. The following example displays user fields you might use in a category table:



Basic Book Information

You can establish basic book defaults for your books—for a single book or for as many books as are defined for the asset entity. For brief descriptions of the kinds of default information you can enter for each book, see Asset Concepts.

Accounting Distributions

You can set up default accounting key information on category tables. The book must be assigned a ledger entity before you can set up accounting distributions. For more information on ledger options by book and accounting distributions, see Setting Up Ledger Integration..

Setting Up Location Tables

Location tables reduce the amount of information you have to enter when you are adding many assets that share common locational information. Rather than entering the same information for each asset, you can enter a location table identifier when you add the asset, and Asset Management copies the location table information from the table to the asset.

If you change the location table of the asset on the Asset Basic Information window, you can choose to copy the values from the new table into the asset. If you do not copy the values, the current values in the asset record will not change.

Policy Decisions

Consider the following information when planning the types of information to include in location tables.

Entity

The entity's policy determines whether it uses its own tables or those of its associated entity. By using an associated entity's location table, several asset entities can maintain the same locational information.

User Fields

Each asset entity can define up to 30 user fields in its policy. You can use these fields to track various types of information about assets. If the asset entity you identify for this table has structured some of its user fields to store locational information, you can set up default values in the location table. The following example displays user fields that you might use in a location table:

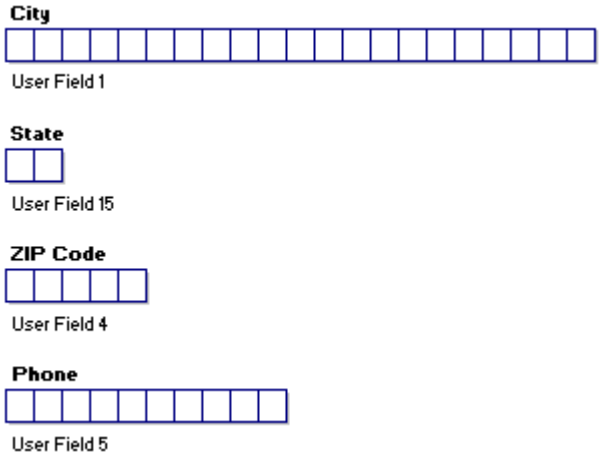


Table Organization

If you have separate location tables for assets held at your offices in different cities or countries, you might have the following location tables:

Table ID	Description
ATLA	Atlanta, SE U.S.A.
CHGO	Chicago, Midwest U.S.A.
ROME	Italian headquarters
PARI	French headquarters

Accounting Distributions

You can set up default accounting key information on location tables. The book must be assigned a ledger entity before you can set up accounting distributions. For more information on ledger options by book and accounting distributions, see Setting Up Ledger Integration.

Setting Up Depreciation Percentage Tables

Use depreciation percentage tables to establish annual depreciation percentages for each year of an asset's estimated life.

Asset Management uses depreciation percentages to calculate annual depreciation. It takes a percentage from the table and calculates depreciation based on the depreciation method, the year in the asset's life, and the period the asset's depreciation begins.

Set up a depreciation percentage table to:

- Depreciate ACRS assets.
- Record depreciation rates for a regulated industry.
- Perform depreciation calculations that Asset Management does not provide.
- Enter annual depreciation percentages to use with an additional depreciation table.

Policy Decisions

Consider the following information when planning depreciation percentage tables.

Entity

The entity's policy determines whether it uses its own tables or those of an associated entity. By using an associated entity's depreciation percentage table, you can maintain the same depreciation percentage information for several asset entities.

Table Organization

If you have assets that use different depreciation percentages or depreciation methods, set up separate depreciation percentage tables for each of these depreciation percentages or depreciation methods.

If you depreciation an asset differently for financial and tax purposes, set up different depreciation percentage tables for tax depreciation and financial depreciation for the asset.

Percentages Proration If the depreciation percentages entered in this table are prorated, select the Percentages Prorated option to indicate that the percentages were prorated. If you do not select this option, Asset Management prorates the percentages automatically.

Default Year If several years use the same depreciation percentages, specify a default year, and leave the duplicate percentage years blank. Asset Management uses the default year's percentages for years that have no specific depreciation percentages defined. For example, 19-year real property has the same depreciation percentages for years 10-19. Instead of entering the percentages for these years, define a default year.

Setting Up Annual Limit Tables

Annual limit tables specify annual depreciation amounts for assets that are limited to a specific amount of depreciation each year. The annual limit tables are intended to accommodate laws for depreciating luxury automobiles, but you also can use the tables for any assets that are limited to a specific amount of depreciation.

Policy Decisions

Consider the following questions when planning the types of information to include in annual limit tables:

Entity

The entity's policy determines whether it uses its own tables or those of its associated entity. By using an associated entity's location table, several asset entities can maintain the same annual limit information.

Table Organization

If you need different depreciation limit amounts based on the regulations in effect when the assets were placed in service, set up different annual limits for each regulation.

Default Year

If several years use the same amounts, you can enter a default year. Asset Management uses the default amounts for years that have no specific annual limit defined. For example, automobiles in the U.S. placed in service in 1997 have an annual limit of 1775 USD in the fourth and all subsequent years. You can set up 1775 USD as the annual limit amount for the default year.

Setting Up Unit-of-Production Tables

Set up a unit-of-production (UOP) table if you want to depreciate an asset based on the number of units it produces. You can enter an asset's actual units produced for a period or project its annual units of production.

Asset Management uses unit-of-production tables to calculate depreciation. It determines an asset's unit cost and multiplies it by the period units in the unit-of-production table.

UOP Depreciation Methods

Asset Management provides two unit-of-production methods for depreciating assets:

UOP–Individual Table Set up a UOP–individual table to maintain depreciation information for one asset or assets in a property account. When you add the UOP table, enter the asset identifier or property account identifier as the table identifier.

UOP–Common Table Set up a UOP–common table to maintain depreciation information for assets or property accounts with the same output level, for example, machines on the same production line. When you add the UOP table, enter a unique identifier for the table that complies with the edit format.

Policy Decisions

Consider the following questions when planning unit-of-production tables:

Entity The entity's policy determines whether it uses its own tables or those of an associated entity. By using an associated entity's unit-of-production table, you can maintain the same production information for several asset entities.

Table Organization

If you use this unit-of-production table for one asset, enter the asset identifier as the table identifier when you add the UOP table.

If you use this unit-of-production table for assets within a production line, set up a UOP–common table.

Updating Units

You can update the period units of production using scheduled processing. For details on performing this function, see UOP Table Maintenance Transaction Layouts.

Setting Up Additional Depreciation Tables

Some countries' tax regulations allow depreciation of assets above the normal depreciation. Asset Management groups these regulations as additional depreciation. Additional depreciation tables specify the method for calculating the additional depreciation amount, the number of years you can take the additional depreciation, and the method for calculating the additional depreciation percentage.

Types of Additional Depreciation

You can add additional depreciation tables for assets following these tax regulations:

- Federal Energy Regulatory Commission (FERC) Negative Salvage
- U.S. Additional First-Year Depreciation
- French Exceptional Depreciation

Calculation Methods

Asset Management uses three methods to calculate additional depreciation. The calculation method depends on the additional depreciation regulation.

Percentage of Cost Asset Management calculates additional depreciation as part of the asset's cost. Use Percentage of Cost for French exceptional regulations.

Percentage of Depreciation Asset Management calculates additional depreciation as part of the asset's depreciation.

Standard Amount Select Standard Amount to indicate that the additional depreciation amount was entered in the asset record. Use Standard Amount for U.S. additional first-year depreciation.

Policy Decisions

Consider the following questions when planning additional depreciation tables:

Entity

The entity's policy determines whether it uses its own tables or those of an associated entity. By using an associated entity's additional depreciation table, you can maintain the same depreciation information for several asset entities.

Additional Depreciation Regulations

The calculation method and other values you enter in the table depend on the type of additional depreciation you are recording. Use the following information to set up additional depreciation tables for particular tax regulations.

Note: Asset Management does not allow you to set up negative depreciation tables.

FERC Negative Salvage

Use the following values when adding an additional depreciation table to accumulate negative salvage according to FERC requirements:

For this field…	Take this action…
Calculation Method	Select Percentage of Cost (for accounts with the actual periods proration method). Select Percentage of Depreciation (for accounts with any other proration method).
Percentage Calculation Method	Enter the correct percentage in the Standard Percentage field.

(continued)

For this field…	Take this action…
Number of Applicable Years	Enter **99**.
Reduce Depreciable Basis	Select this option according to your requirements for calculating net book value and fully reserving the account.
Reduce Current Year Depreciation	Do not select this option.

French Exceptional Depreciation

Use the following values when adding an additional depreciation table for French exceptional depreciation.

For this field…	Take this action…
Calculation Method	Select or enter Percentage of Cost.
Percentage Calculation Method	Enter the correct percentage in Standard Percentage.
Number of Applicable Years	Enter **1**.
Reduce Depreciable Basis	Select this option.
Reduce Current Year Depreciation	Select this option.

Additional First-Year Depreciation

Use the following values when adding an additional depreciation table for U.S. additional first-year depreciation:

For this field…	Take this action…
Calculation Method	Select Standard Amount.
Number of Applicable Years	Enter **1**.
Reduce Depreciable Basis	Select this option.
Reduce Current Year Depreciation	Do not select this option.

Table Organization

If the tax regulation includes several years of different additional depreciation percentages, add a depreciation percentage table to maintain these percentages, then include its table identifier when you add the additional depreciation table for this tax regulation.

Setting Up Tax Credit Tables

Use tax credit tables to select a particular type of tax credit for an asset, and enter the percentages needed to calculate the tax credit. You can assign up to three different tax credits (on three different tax credit tables) for each book of an asset.

Asset Management refers to the tax credit table and calculates a tax credit amount when you add an asset or calculates the tax credit recapture when you retire the asset early.

Types of Tax Credits

Although you can set up tax credit tables for any type of tax credit, Asset Management provides for the following types of tax credits:

- Assistance
- Basic
- Commuter vehicle
- Employee stock option plan (ESOP)
- Energy
- Historic Rehabilitation
- Rehabilitation

Recapturing Tax Credits

In the United States, if you take a tax credit for an asset, then retire the asset early, you must recapture a portion of the tax credit. You can enter tax credit recapture percentages for up to 10 years held (year 0 is the year you purchased the asset).

When you retire an asset early, Asset Management gets the recapture percentage for the year and multiplies it by the tax credit amount to determine how much of the tax credit to return.

Recording Basis Adjustment

You define the tax credit percentage, recapture percentages, and qualifying percentage on the tax credit table. If any basis adjustment is required, define it in the asset record or category table.

Basis Adjustment Amount

The basis adjustment amount is the amount by which to reduce the depreciation basis of the asset or property account. When Asset Management calculates depreciation, it subtracts the basis adjustment amount from the depreciable basis of the asset.

You can use the basis adjustment amount with a tax credit. If you do not enter the basis adjustment amount but you do enter a basis adjustment percentage for a tax credit on the asset's book, Asset Management calculates the basis adjustment amount.

Policy Decisions

Consider the following questions when planning tax credit tables:

Entity

The entity's policy determines whether it uses its own tables or those of an associated entity. By using an associated entity's tax credit table, you can use the same tax credit percentage information for several entities.

Table Organization

If your assets qualify for different types of tax credits, set up individual tax credit tables for each of these tax credits.

6 Setting Up Ledger Integration

Chapter Contents

What Is Ledger Integration?

One of the primary functions of SmartStream Asset Management is to provide financial information to SmartStream Ledger. Asset Management can generate journal entries for asset addition, asset maintenance activities, and depreciation according to the ledger options you select in asset entity ledger policy.

After you select the ledger generation options, you define accounting distributions. You define distributions that apply to all assets of an entity or to categories of assets. You can also enter distributions for the asset itself for locational accounting information or accounting information that applies only to specific assets.

Integration with Payables

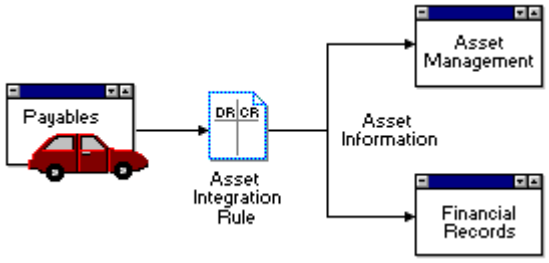
Your SmartStream Payables product can send information about expenditures for assets to both Asset Management and Ledger. If you want to generate journal entries for addition of assets from Payables, you set up asset accounting distributions in asset integration rules. An asset integration rule is a list of accounting distributions for asset accounts.

When payment requests are entered, journal entries are posted according to the distribution defined in the integration rule. Typically, journal entries from Payables are posted to an asset clearing account.

See the Payables Guide for more information.

Asset Integration Workflow

When a payment request for an asset is entered, information about that asset appears in your To Do List. You can then add other information as necessary.



How To Set Up Ledger Integration

When you set up ledger integration, you make decisions about which Asset Management activities generate journal entries and then set up accounting distributions.

The Process

Setting up ledger integration is part of the implementation process that the implementation team schedules, manages, and runs. The following table describes a suggested order for setting up ledger options and accounting distributions:

Phase	Task
1	Decide on ledger options, including which activities generate entries, whether to generate voucher numbers, and what the first ledger effective date is.
2	Define accounting distributions that apply to all assets of the entity.
3	Define accounting distributions that apply to categories of assets.
4	Set up any distributions that apply to individual assets on the Location Table and the Category Table windows.

Setting Up Default Distributions

You can set up distributions to serve as default for the asset on the location table and the category table.

Setting Up Asset Entity Ledger Options

In Asset Entity Policy you determine the journal entries to generate for Ledger for Asset Management activities. You define a ledger entity and a ledger effective date for each asset entity financial book. You also specify how to handle voucher numbers.

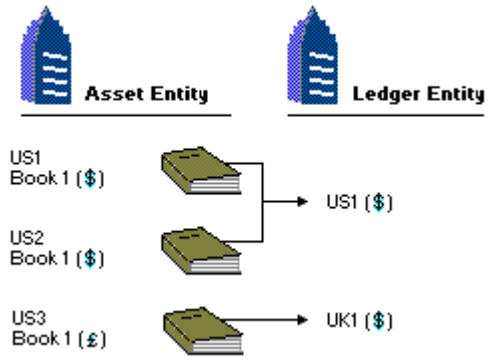
Ledger Entity

A ledger entity is a group in Ledger that has its own accounting, reporting, and control requirements or policies. It can be a legal entity such as a company or a department, division, or region of a company.

For each asset entity financial book, you specify the ledger entity to post journal entries to. Each asset entity book can post to only one ledger entity, although multiple asset entities can post to the same ledger entity. The ledger entity must have the same primary currency as the asset book.

Example

The following diagram shows a possible asset entity-ledger entity relationship:



Ledger entities must be specified in Asset Entity Policy before you can enter accounting distributions in Asset Management.

Ledger Effective Date

The ledger effective date determines the accounting period journal entries are posted to. You set this date when you establish entity policy. Asset Management updates it when you run period depreciation. When you run depreciation or perform asset maintenance, you can override this date.

Depreciation

The journal entries generated when you run depreciation use the ledger effective date that is in entity policy at the beginning of the process.

When you run depreciation, you can specify the ledger effective date to use for the next period's activity. If you do not specify a next ledger effective date, Asset Management updates the date automatically in entity ledger policy. It uses the next period's end date from the calendar specified for the book. You can override the date on the depreciation controller window. See Processing Periodic Transactions for more information on depreciation controllers.

Asset Activity

When you add, transfer, retire, adjust, or delete an asset, Asset Management also uses the ledger effective date it finds in Asset Entity Policy. You can override that date when you add, transfer, or retire an asset.

Example

Assume that you operate on a calendar year and have booked depreciation through the seventh period (7/31) for a book that you use to generate journal entries. You have generated all journal entries for the book, and you are now applying activity for the eighth period. The ledger effective date in entity policy is in the eighth period (8/30). When you run depreciation for the eighth period, Asset Management uses this effective date (8/30).

Asset Management changes the booked-through date to the end of the eighth period (8/30). It also automatically changes the ledger effective date in entity policy to the last day of the ninth period (9/31). You are now ready to enter activity for the ninth period.

Voucher Numbers

The voucher number is a means of associating an asset with all the entries generated for that asset. All transactions generated for an asset, such as additions, adjustments, transfers, depreciation, and retirement, use the same voucher number. The voucher number is stored on the asset's book. You can select an option to require voucher numbers for all assets when you add assets. You can direct Asset Management to generate voucher numbers automatically when you add an asset. If you indicate that overrides are possible, you can change the generated voucher number. Generated voucher numbers begin with 1.

Some voucher options can also be set up in enterprise policy. You can accept these enterprise policy defaults when you set up asset entity policy or override them.

Entry Generation Options

In asset entity ledger policy, you can select for your financial book the types of asset activity that generate journal entries.

Asset Addition Options

You can choose to generate journal entries for all asset additions or only those assets added through asset windows or through scheduled processing. If you generate journal entries for asset additions from Payables payment request processing, you can select not to generate any entries from Asset Management. The options you have are to generate journal entries for

- All additions
- Manual additions

- None.

For the journal entries that are generated, see Asset Management Journal Entries.

All Additions

If you select all additions, Asset Management generates entries for all asset additions regardless of whether you add them using Asset Management windows or scheduled processing.

With this option, when Payables posts the invoice line to a clearing account, Asset Management generates an entry to credit the clearing account and debit the appropriate asset account for the cost of the asset.

Manual Additions

When you select manual additions, Asset Management generates journal entries only for assets added using Asset Management windows or scheduled processing. It does not generate entries for assets added from Payables. That is, with this option, entries are not generated for assets that you add from a To Do task resulting from invoice processing.

Select this option if Payables posts the asset cost to the appropriate fixed asset account.

None

If all additions come from other products through interfaces that post them to the correct fixed asset account, you can choose not to generate entries for asset additions.

Example At your enterprise, Payables and all other products feeding Asset Management post amounts to the appropriate fixed asset accounts, so you decide not to generate entries from Asset Management.

Other Asset Activities

When you define ledger options, you can also determine whether these other types of asset activity generate journal entries.

- Adjustments
- Deletions
- Retirements
- Transfers
- Depreciation

Defining Accounting Distributions

After you select your ledger options, you need to establish accounting distributions to indicate where to post journal entries. The accounting distribution refers to an account that resides on the chart of accounts in Ledger.

You establish accounting distributions by:

- Selecting the distribution types you want to use.
- Defining accounting distributions for each type.

Accounting Keys and Distributions

Asset Management generates journal entries according to the accounting distributions you define. The number and type of values you can define for an accounting distribution depend on the format of the accounting key you designed when you implemented SmartStream.

Parts of the Accounting Key

When you set up accounting information for your enterprise, you defined an accounting key. An accounting key is made up of a ledger entity and up to 12 elements. An element is a segment of the accounting key for which you want to maintain detailed accounting balances. A typical accounting key, with five elements, is shown in the table below:

Entity	Division	Account	Department	Product	Project

When you set up the key, you chose the number of elements as well as the length and content of each.

You define accounting distributions for Asset Management in terms of the accounting key you defined for your enterprise.

Selecting Distribution Types

Asset Management posts journal entries to various types of standard asset accounts, such as a fixed asset account or a depreciation expense account. When you define your accounting distributions, you begin by selecting a standard asset accounting distribution type. This choice determines how the entry is processed. The available distribution types depend on the accounting function of the book.

Asset Management uses the following accounting distribution types. The type codes associated with each distribution type are stored in database tables and appear in queries.

- Asset (100)
- Acquisition Clearing (102)
- Basis Adjustment (104)
- Depreciation Expense (106)
- Accumulated Depreciation (108)
- Additional Depreciation Expense (110)
- Accumulated Additional Depreciation (112)
- Prior Year Additional Depreciation Expense (114)
- Prior Year Depreciation Expense (116)
- Asset Gain (118)
- Asset Loss (120)
- Asset Proceeds Clearing (122)
- Payment Clearing (124)
- Proceeds Income (126)
- Retired Net Book Value (128)

- Exceptional Retire Depreciation (130)
- Self-Assessed Tax Liability (310)

Defining Distributions

After you determine which distribution types you want to set up, define the distributions. Where you set up the distribution depends on the following criteria:

- The entity to which the asset belongs
- The category of asset
- The location of the asset
- Whether you want accounting element information on the asset record.

Identify those which apply to all assets within the entity and those that apply only to assets of a certain category. Set these distributions up in Asset Entity Policy and on the category table.

If you need distributions that do not apply to an entire entity or category, set them up to apply to individual assets. You can either set up a distribution on a location or category table, from where it will be defaulted into the asset just as user fields information is, or you can enter it manually when you add the asset.

Asset-specific accounting element values often contain locational information. Set up locational accounting information on the location table.

Validating and Reporting

Accounting element values that you enter on a category or location table default to the asset record, where they are available for other processing, such as validation and reporting. Validation compares accounting element values in the asset record to values in Structures. Values must match to be valid. Asset Management delivered reports can report off accounting element values and consolidate data

based on accounting element values. If you want to validate accounting element values to Structures or generate reports based on accounting elements, set up distribution information on the category table or the location table.

Using an Alias

An alias is a short name that represents a full or partial accounting distribution. The purpose of the alias is to save you from entering the entire distribution.

When you define an accounting distribution, you can give it an alias. After you associate an alias with an accounting distribution, you can enter the alias on any window with an alias field, and the associated accounting distribution information appears in the appropriate fields.

Use the Ledger Alias window to define an alias.

Journal Entry Processing

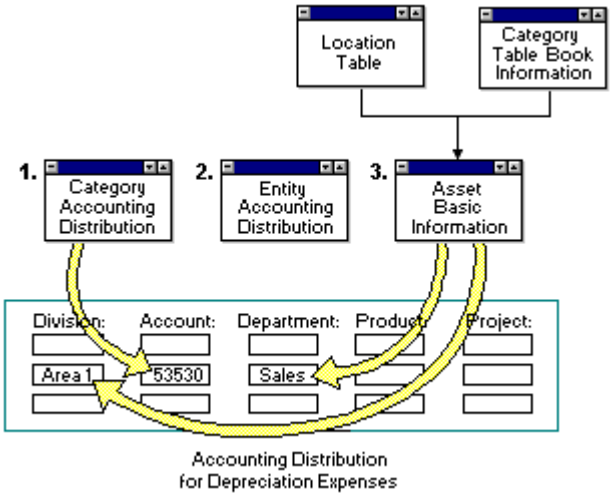
When asset activity occurs, Asset Management generates journal entries based on the ledger options you chose. It builds distributions based on the distribution information you entered for category accounting distribution, entity accounting distribution, and assets.

Build Sequence

Asset Management builds distributions in the following order:

Stage	Description
1	Accounting distribution information you defined for categories is used first.
2	If any elements of the distribution are left blank, accounting distribution information you defined for an entity is used next.
3	If any elements of the distribution are left blank, accounting distribution information for a specific asset is used next. Keep in mind that default distribution information for the asset can come from either a location table or a category table.

The following illustration shows how Asset Management builds a distribution from the sources of distribution information. See the building a distribution example for more information on how Asset Management builds distributions.



Blocking an Element

You can prevent Asset Management from using accounting distribution elements in building an accounting distribution for any account by entering the blocking character, #, in an element of an accounting distribution.

You typically use the blocking character for descriptive and locational information that you do not maintain for balance sheet accounts.

Example

You want to maintain product information for depreciation expense accounts, but not for asset accounts. In this case, you put a blocking character in the product element on the asset account so this element remains blank.

Example: Building a Distribution

This example shows how Asset Management builds a distribution for posting journal entries for adding an asset. First, Asset Management checks the category accounting

distribution for information about the activity of adding assets. It finds the following values for division, account, and department and begins to build the distribution:

Type	Division	Account	Dept.
Acq. Clearing			
Asset	Admin	15140	#
Depr. Exp.		53530	
Acc. Depr.	Admin	15240	#

Because the distribution has unfilled elements, Asset Management next checks the entity accounting distribution and finds the following information to add to the distribution. Previously acquired information is in bold.

Type	Division	Account	Dept.
Acq. Clearing	Admin	15420	#
Asset	Admin	15140	#
Depr. Exp.		53530	
Acc. Depr.	Admin	15240	#

Because the distribution still has unfilled elements, Asset Management looks at the asset record for more distribution information. It finds the following values, which are defaults from a location table:

Type	Division	Account	Dept.
Acq. Clearing	Admin	15420	#
Asset	Admin	15140	#
Depr. Exp.	Area 1	53530	Sales
Acc. Depr.	Admin	15240	#

Note that Asset Management does not try to fill the elements containing blocking characters. These remain blank when the distribution is built.

Validating Accounting Distributions

Asset Management validates the accounting distributions using the chart of accounts in Ledger depending on options you set in Ledger. It validates all accounting distributions when you add, adjust (change an amount that generates an entry), transfer, or retire an asset.

Period Depreciation Processing

Asset Management does not validate the accounting distributions for period depreciation. Invalid accounting distributions do not cause depreciation processing to stop. Instead, the journal entries generated during period depreciation are validated during ledger posting. Any error encountered in ledger is handled by the error policies set up in your Ledger policy.

For more information on Ledger validation policy, see Define Validation Policies.

Asset Management Journal Entries

Asset Management generates journal entries for the following types of asset activity:

- Additions
- Adjustments
- Deletions
- Retirements
- Transfers
- Depreciation

Levels of Journal Inquiry

When you inquire into an account's balance, you can see summarized journals, the journal entry lines, or the asset that generated the journal itself. In an inquiry, you begin by looking at the journal summary. From there, you can drill down to the individual journal lines that make up the summary. Then, you can drill down further to the asset that generated the journal. At this level of inquiry, the information appears on the asset windows. Note that not all assets are available for inquiry after posting. A retired asset, for example, is not in the asset database.

You determine in Ledger whether to summarize. In Asset Management, you choose whether to retain journal entries generated by depreciation processing. Depreciation processing can generate many journal entries, so you can delete them after posting. Whether you retain or delete these entries, you can still see the summary, provided that you choose to summarize in Ledger. Use the Asset Period Depreciation Controller activity to make the choice to retain or delete depreciation entries. See Processing Periodic Transactions for more information. Journal entries are retained for all other asset activities.

Display posted journal entries on the Ledger account balance windows. For more information, see the online Help topic Account Balance Overview.

Note: When Asset Management makes entries for asset activities with negative amounts, the journal entries are reversed (and the amounts are multiplied by negative one to reverse the sign). However, for gain and loss amounts, positive amounts are posted to the gain account and negative amounts are posted to the loss account.

Additional Information

See Asset Management Calculations for information about the amounts used in the journal entries.

Generating Journal Entries

Adding an Asset

When you add an asset, Asset Management uses the following amounts to determine the posting amounts for the journal entries:

- Asset cost amount
- Basis adjustment amount

If you choose to generate addition entries, the following journal entries are posted:

Debit	Credit
Asset account with the asset cost	**Acquisition Clearing** account with the asset cost minus the basis adjustment amount (If the asset was added from a project in SmartStream Projects, the **Project Clearing** account is credited instead of the **Acquisition Clearing** account.) **Basis Adjustment** account with the basis adjustment amount

Adding Assets with Depreciation

If the asset you are adding has already started to depreciate, Asset Management uses the following amounts to generate journal entries:

- Year-to-date (YTD) depreciation amount
- Life-to-date (LTD) depreciation amount

If you choose to generate addition entries and select the Generate Depreciation Entries option, the following additional journal entries are posted:

Debit	Credit
Depreciation Expense account with the YTD depreciation amount	**Accumulated Depreciation** account with the LTD depreciation amount
Prior Year Depreciation account with the LTD Depreciation minus YTD depreciation amount	

Adding Assets with Additional Depreciation

If the asset has additional depreciation, Asset Management uses the following amounts to generate journal entries:

- Year-to-date additional depreciation amount
- Life-to-date additional depreciation amount

If the asset has LTD additional depreciation and you choose to generate addition entries and select the Generate Depreciation Entries option, the following journal entries are posted for additional depreciation:

Debit	Credit
Additional Depreciation Expense account with the YTD additional depreciation amount	**Accumulated Additional Depreciation** account with the LTD additional depreciation amount
Prior Year Additional Depreciation account with the LTD additional depreciation minus YTD additional depreciation amount	

Asset Adjustments

The activity information for asset adjustment contains the following amounts:

- Activity cost
- Activity basis adjustment
- Activity depreciation
- Activity LTD depreciation
- Activity additional depreciation
- Activity LTD additional depreciation
- Activity GST paid
- Activity GST tax credit

Asset Management uses these amounts to determine the entries that are posted to Ledger. If you selected the Generate Ledger Adjustments option, the following journal entries are posted:

Adjustments to Cost

Debit	Credit
Asset account with the activity cost amount	**Acquisition Clearing** account with the activity cost amount (If the asset was added from a project in SmartStream Projects, the **Project Clearing** account is credited instead of the **Acquisition Clearing** account.)

Adjustments to Basis Adjustment Amounts

Debit	Credit
Acquisitions Clearing account with the activity basis adjustment amount	**Basis Adjustment** account with the activity basis adjustment amount

Adjustments to YTD and LTD Depreciation

Debit	Credit
Depreciation Expense account with the activity depreciation amount	**Accumulated Depreciation** account with the activity LTD depreciation amount
Prior Year Depreciation account with the activity LTD depreciation amount minus activity depreciation amount	

Adjustments to Additional Depreciation

Debit	Credit
Additional Depreciation Expense account with the activity additional depreciation amount	**Accumulated Additional Depreciation** account with the activity LTD additional depreciation amount
Prior Year Additional Depreciation account with the activity LTD additional depreciation amount minus activity additional depreciation	

Adjustments to GST Amounts

Debit	Credit
Acquisition Clearing account with the activity GST paid amount minus activity GST tax credit amount	**Self-Assessed Tax Liability** account with the activity GST paid amount minus activity GST tax credit

Deleting an Asset

When you delete an asset, Asset Management reverses all activity that has occurred for that asset. The asset deletion activity information contains the following amounts:

- Asset cost amount
- Basis adjustment amount

If you selected the Generate Deletion Entries option, the following journal entries are posted for asset deletions :

Debit	Credit
Acquisition Clearing account with the asset cost minus the basis adjustment amount	**Asset** account with the asset cost amount
Basis Adjustment account with the basis adjustment amount	

Deleting Assets with Depreciation

If the asset you are deleting has already started to depreciate, Asset Management uses the following amounts:

- YTD depreciation amount
- LTD depreciation amount

If the asset has life-to-date depreciation and if you selected the Generate Deletion Entries and the Generate Depreciation Entries options, the following additional journal entries are posted:

Debit	Credit
Accumulated Depreciation account with the LTD depreciation amount	**Depreciation Expense** account with the YTD depreciation amount
	Prior Year Depreciation account with the LTD depreciation minus YTD depreciation

Deleting Assets with Additional Depreciation

If the asset has additional depreciation, Asset Management uses the following amounts:

- YTD additional depreciation amount
- LTD additional depreciation amount

If the asset has life-to-date additional depreciation, it means the asset has started depreciating. If you selected the Generate Deletion Entries and Generate Depreciation Entries options, the following additional entries are posted:

Debit	Credit
Accumulated Additional Depreciation account with the LTD additional depreciation amount	**Additional Depreciation Expense** account with the YTD additional depreciation amount
	Prior Year Additional Depreciation account with the LTD additional depreciation minus the YTD additional depreciation

Retiring an Asset

The activity information for asset retirement contains the following amounts:

- Asset cost amount
- Basis adjustment amount
- Proceeds amount
- Selling expense amount
- Cost of removal amount
- LTD depreciation amount
- Activity depreciation amount
- Gain or loss amount
- Additional LTD depreciation amount
- Additional activity depreciation amount

If you selected the Generate Retirement Entries option, the following journal entries are posted:

Debit	Credit
Proceeds Clearing account with the asset proceeds	**Asset** account with the asset cost amount
Accumulated Depreciation account with LTD depreciation	**Payment Clearing** account with selling expense plus the cost of removal amount (If the asset was retired by a project in SmartStream Projects, the **Project Clearing** account is credited instead of the **Payment Clearing** account.)
Depreciation Expense account with the activity depreciation amount	**Accumulated Depreciation** account with the activity depreciation amount
Basis Adjustment account with the basis adjustment amount	

If the gain or loss amount is positive, the following additional entry is posted:

Debit	Credit
	Gain account with the asset gain/loss amount

If the gain or loss amount is negative, Asset Management multiplies the amount by negative one (-1), and the following additional entry is posted:

Debit	Credit
Loss account with the asset gain/loss amount	

Retiring Assets with Additional Depreciation

If the asset retired has additional depreciation, Asset Management uses the following amounts:

- Additional LTD depreciation amount
- Activity additional depreciation amount

If the asset has additional depreciation, the following journal entries are posted:

Debit	Credit
Accumulated Additional Depreciation account with the additional LTD depreciation amount	**Accumulated Additional Deprecation** account with the activity additional depreciation amount
Additional Depreciation Expense account with the activity additional depreciation amount	

Retiring Assets with Goods and Services Tax

If you are generating goods and services tax (GST) retirements, Asset Management uses the following amounts:

- GST tax credit amount
- GST paid amount

If you are generating GST retirements, the following additional entry is posted:

Debit	Credit
Self-Assessed Tax Liability account with the GST tax credit amount	**Acquisition clearing** account with the GST tax credit amount

Retiring Assets from a French Financial Book

For ordinary retirements or trade-in retirements of assets from a French financial book, the following journal entries are posted:

Debit	Credit
Accumulated Depreciation account with the LTD depreciation amount	**Payment Clearing** account with selling expense plus the cost of removal amount (If the asset was retired by a project in SmartStream Projects, the **Project Clearing** account is credited instead of the **Payment Clearing** account.)
Net Book Value account (an expense account) with the cost minus the LTD depreciation amount	
Depreciation Expense account with the activity depreciation amount	**Accumulated Depreciation** account with the activity depreciation amount
Proceeds Clearing account with the proceeds amount	**Proceeds Income** account with the proceeds amount

Extraordinary Retirements from a French Financial Book

For extraordinary retirements of assets from a French financial book, the following entries are posted:

Debit	Credit
Accumulated Depreciation account with the LTD depreciation amount	**Asset** account with the cost amount
Exceptional Retirement Depreciation account (an expense account) with the cost minus the LTD depreciation amount	
Depreciation Expense account with the activity depreciation amount	**Accumulated Depreciation** account with the activity depreciation amount
Proceeds Clearing account with the proceeds amount	**Proceeds Income** account with the proceeds amount

Retiring an Asset by Trading In

The following entries are posted for assets that you retired by trading them in. Note that for French trade-in retirements, the ordinary French retirement journal entries are generated.

Debit	Credit
Proceeds Clearing account with the asset proceeds amount	**Asset** account with the asset cost
Accumulated Depreciation account with the LTD depreciation amount	**Payment Clearing** account with the selling expense plus the cost of removal
Acquisition Clearing account with the asset cost minus ▪ LTD depreciation ▪ asset proceeds – selling expense – cost of removal ▪ basis adjustment ▪ additional LTD depreciation	
Depreciation Expense account with the activity depreciation amount	**Accumulated Depreciation** account with the activity depreciation amount
Basis Adjustment account with the basis adjustment amount	

Trading In Assets with Additional Depreciation

If the asset retired has additional depreciation, the following entries are posted:

Debit	Credit
Accumulated Additional Depreciation account with the additional LTD depreciation amount	**Accumulated Additional Deprecation** account with the activity additional depreciation amount
Additional Depreciation Expense account with the activity additional depreciation amount	

Trading In Assets with Goods and Services Tax

If you are generating goods and services tax retirements, the following additional entry is posted:

Debit	Credit
Self-Assessed Tax Liability account with the GST tax credit amount	**Acquisition clearing** account with the GST tax credit amount

Retiring an Asset from a Regulated Group Account

For an asset with an ordinary retirement and a regulation code of Regulated Group, the following journal entries entries are posted. For an extraordinary retirement and a regulation code of Regulated Group, the standard retirement entries are posted.

Debit	Credit
Proceeds Clearing account with the asset proceeds amount	**Asset** account with the asset cost amount
Accumulated Depreciation account with the retirement cost minus basis adjustment amount minus net proceeds amount	**Payment Clearing** account with the selling expense plus the cost of removal (If the asset was retired by a project in SmartStream Projects, the **Project Clearing** account is credited instead of the **Payment Clearing** account.)
Basis Adjustment account with the basis adjustment amount	

Retiring Group Account Assets with Goods and Services Tax

If you are generating goods and services tax retirements, the following additional entry is posted:

Debit	Credit
Self-Assessed Tax Liability account with the GST tax credit amount	**Acquisition clearing** account with the GST tax credit amount

Reversing Asset Retirements

The asset retirement reversal activity information contains the following amounts:

- Asset cost amount
- Basis adjustment amount
- Proceeds amount
- Selling expense amount
- Cost of removal
- LTD depreciation amount
- Activity depreciation amount
- Gain/loss amount
- Additional LTD depreciation amount
- Activity additional depreciation amount

If you selected the Generate Retirement Entries option on the Entity Policy Book Ledger Options window, the following journal entries are posted:

Debit	Credit
Assets account with the asset cost amount	**Proceeds Clearing** account with the asset proceeds
Payment Clearing account with selling expense plus the cost of removal amount	**Accumulated Depreciation** account with LTD depreciation
Accumulated Depreciation account with the activity depreciation amount	**Depreciation Expense** account with the activity depreciation amount
	Basis Adjustment account with the basis adjustment amount

If the gain or loss amount is positive, the following additional entry is posted:

Debit	Credit
Gain account with the asset gain or loss amount	

If the gain or loss amount is negative, Asset Managment multiplies the amount by negative one (-1), and the following additional entry is posted:

Debit	Credit
	Loss account with the asset gain or loss amount

Retirement Reversals for Assets with Additional Depreciation

If you are reversing a retirement for an asset that has additional depreciation, Asset Management uses the following amounts:

- Additional LTD depreciation amount
- Activity additional depreciation amount

If the asset has additional depreciation, the following entries are posted:

Debit	Credit
Accumulated Additional Deprecation account with the activity additional depreciation amount	**Accumulated Additional Depreciation** account with the additional LTD depreciation amount
	Additional Depreciation Expense account with the activity additional depreciation amount

Retirement Reversals for Assets with Goods and Services Tax

If you are reversing retirements for assets that have goods and services tax (GST), the following additional entry is posted:

Debit	Credit
Acquisition Clearing account with the GST tax credit amount	**Self-Assessed Tax Liability** account with the GST tax credit amount

Retirement Reversals for Assets from a French Financial Book

For reversals of retirements or trade-in retirements of assets from a French financial book, the following entries are posted:

Debit	Credit
Asset account with the cost amount	**Accumulated Depreciation** account with the LTD depreciation amount
	Net Book Value account (an expense account) with the cost minus LTD depreciation amount
Proceeds Income account with the proceeds amount	**Proceeds Clearing** account with the proceeds amount

Extraordinary Retirement Reversals for Assets from a French Financial Book

For reversals of extraordinary retirements of assets from a French financial book, the following entries are posted:

Debit	Credit
Asset account with the cost amount	**Accumulated Depreciation** account with the LTD depreciation amount
	Exceptional Retirement Depreciation account with the cost minus LTD depreciation amount
Proceeds Income account with the proceeds amount	**Proceeds Clearing** account with the proceeds amount

Retirement Reversals for Traded-In Assets

For reversals of retirements for traded-in assets, the following entries are posted:

Debit	Credit
Asset account with the cost amount	**Proceeds Clearing** account with the asset proceeds
Payment Clearing account with the selling expense plus the cost of removal amount	**Accumulated Depreciation** account with the LTD depreciation amount
	Acquisition Clearing account with the asset cost minus ▪ LTD depreciation ▪ asset proceeds – selling expense – cost of removal ▪ basis adjustment ▪ additional LTD depreciation
Accumulated Depreciation account with the activity depreciation amount	**Depreciation Expense** account with the activity depreciation amount
	Basis Adjustment account with the basis adjustment amount

Reversing Traded-In Assets with Additional Depreciation

If you are reversing an asset that has additional depreciation, the following entries are posted:

Debit	Credit
Accumulated Additional Deprecation account with the activity additional depreciation amount	**Accumulated Additional Depreciation** account with the additional LTD depreciation amount
	Additional Depreciation Expense account with the activity additional depreciation amount

Reversing Traded-In Assets with Goods and Services Tax

If the retired asset you are reversing has goods and services tax (GST), the following additional entry is posted:

Debit	Credit
Acquisition Clearing account with the GST tax credit amount	**Self-Assessed Tax Liability** account with the GST tax credit amount

Reversing Retirements of Regulated Group Account Assets

To reverse the retirement of an asset with an ordinary retirement and a regulation code of Regulated Group, the following entries are posted:

Debit	Credit
Assets account with the asset cost amount	**Proceeds Clearing** account with the asset proceeds amount
Payment Clearing account with the selling expense + the cost of removal	**Accumulated Depreciation** account with the retirement cost minus the following amounts: ■ Basis adjustment ■ Net proceeds
	Basis Adjustment account with the basis adjustment amount

Reversing Retirements of Group Account Assets with Goods and Services Tax

If you are reversing retirements for assets that have goods and services tax (GST), the following additional entry is posted:

Debit	Credit
Acquisition clearing account with the GST tax credit amount	**Self-Assessed Tax Liability** account with the GST tax credit amount

Transferring an Asset

When you transfer an asset, entries are posted for both the transferring asset and the receiving asset.

Note that Asset Management does not generate interentity payable and receivable entries for transfers. It generates

entries for transfers between ledger entities and sends them to ledger unbalanced for a ledger entity. A common process for interentity balancing is defined in Ledger. You can use it to generate the interentity receivable and payable entries. For more information on this process, see Interentity Balancing.

Entries for the Transferring Asset

The activity information for transferring assets contains the following amounts:

- Transferring asset activity cost amount
- Transferring asset activity basis adjustment amount
- Transferring asset activity LTD depreciation amount
- Transferring asset activity depreciation amount

If the asset has additional depreciation, Asset Management uses the following amounts:

- Transferring asset activity additional LTD depreciation amount
- Transferring asset activity additional depreciation amount

If you select the Generate Transfer Entries option, the following journal entries are posted:

Debit	Credit
Accumulated Depreciation account with the activity LTD depreciation amount multiplied by –1	**Asset** account with the asset cost amount multiplied by –1
Depreciation Expense account with the activity depreciation amount	**Accumulated Depreciation** account with the activity depreciation amount
Basis Adjustment account with the activity basis adjustment amount	**Accumulated Additional Depreciation** account with the activity additional depreciation amount
Additional Depreciation Expense account with the activity additional depreciation amount	
Accumulated Additional Depreciation account with the activity additional LTD depreciation amount	

Entries for the Receiving Asset

The activity information for the receiving asset contains the following amounts:

- Receiving asset activity cost amount
- Receiving asset activity basis adjustment amount
- Receiving asset activity LTD depreciation amount
- Receiving asset activity depreciation amount

If the asset has additional depreciation, Asset Management uses the following amounts:

- Receiving asset activity additional LTD depreciation amount
- Receiving asset activity additional depreciation amount

The following journal entries are posted to reflect an asset transfer:

Debit	Credit
Asset account with the asset cost amount	**Accumulated Depreciation** account with the activity LTD depreciation amount
Depreciation Expense account with the activity depreciation amount	**Accumulated Depreciation** account with the activity depreciation amount
Additional Depreciation Expense account with the activity additional depreciation amount	**Basis Adjustment** account with the activity basis adjustment amount
	Accumulated Additional Depreciation account with the activity additional depreciation amount
	Accumulated Additional Depreciation account with the activity additional LTD depreciation amount

Depreciation

When you run period depreciation, the following journal entries are posted:

Debit	Credit
Depreciation Expense account with the current depreciation amount	**Accumulated Depreciation** account with the current depreciation amount
Additional Depreciation Expense with the current additional depreciation amount	**Accumulated Additional Depreciation** account with the current additional depreciation amount

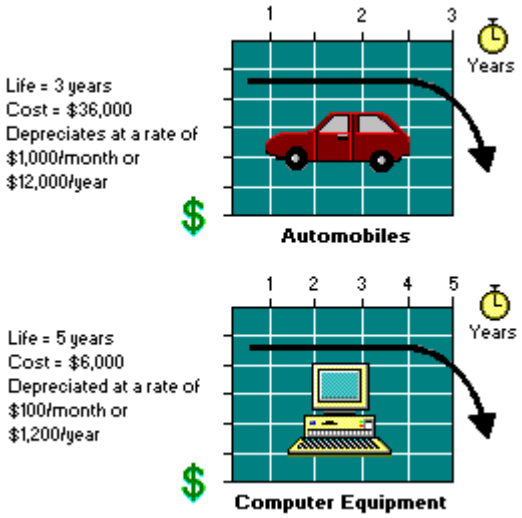
7 Adding Assets

Chapter Contents

About Adding Assets

Asset information is a record of property that you can use for management, accounting, tax, and regulatory purposes. When you acquire an asset, you add it to SmartStream Asset Management. You can add assets using default values from the location and category tables set up in implementation, or you can enter the asset information as needed. You can transfer an asset to show a change in location or account ledger distribution for the asset or retire the asset when you sell or dispose of it.

When you depreciate an asset, you distribute the asset's cost over the useful life of the asset. You can calculate depreciation differently for each book. Asset Management updates depreciable assets for a book with current depreciation each time it calculates depreciation.



Asset Information

The following table contains brief descriptions of the information you maintain for an asset:

Information Type	Contains
Basic	The identifier and description for the asset, the entity the asset belongs to, and other descriptive information such as acquisition date, serial number, quantity, manufacturer, model or part number, and vendor. If you use default information from a category table or location table, you also maintain the identifiers for those tables with the basic information.
User Field	Headings from asset policy and default values from a category or location table if applicable. You can also enter user amounts and dates.
Book	The identifier, description, cost, and depreciation amounts. You can also maintain additional depreciation amounts.
Depreciation	The depreciation method, depreciable status, regulation code, and proration codes for the acquisition and retirement years for each of the asset's books.
Income Tax	The tax classification, capital gains code, property tax class, and other related tax credit information such as tax credit amount, basis adjustment percentage, and tax credit type for each of the asset's books.

(continued)

Information Type	Contains
Purchase Tax	Purchase tax information for any taxes incurred upon purchase of the asset, such as goods and services tax (GST) and value added tax (VAT).
Default Location Table	User fields and general ledger information that Asset Management copies into the asset from a location table. You select a location table when you enter an asset.
Default Category Table	Descriptive, depreciation, and tax information that Asset Management copies into the asset from a category table.

Default Category Table Information

You can use default descriptive, depreciation, and tax information in an asset.

Descriptive Information

Asset Management includes the following default descriptive information:

- User fields
- Property type
- Condition
- Unit of measure
- Accounting key

Depreciation Information

Asset Management includes the following default depreciation information:

- Regulation code
- Depreciation method
- Depreciable status

- Depreciation table identifier
- Proration codes for the acquisition and retirement years
- Estimated life
- Annual limit table identifier
- Property account code
- Switch depreciation method indicator
- Salvage percentage
- Unit-of-production (UOP) table
- Tax amount
- Input tax credit
- Tax rule
- Asset fair market value
- Tax rate
- Current usage percentage
- Original usage percentage
- Previous usage percentage
- Date percentage changed
- Current percentage date
- Number of adjustment years
- Estimated total units

Tax Information

Asset Management includes the following default tax information:

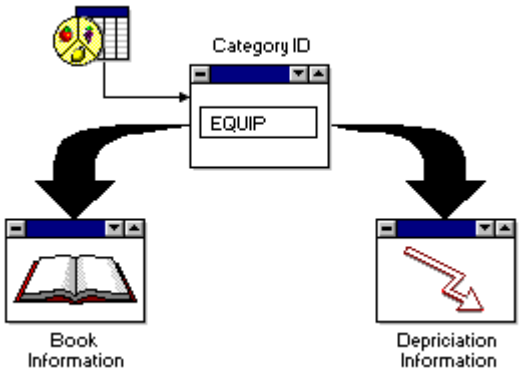
- Tax classification
- Property tax class
- Property tax exemption percentage

- Capital gains code
- Capital gains index table identifier
- Reduce salvage code
- Basis adjustment percentage
- Tax credit table identifier
- ADR midpoint life

Entering and Changing Default Information

Although Asset Management can copy most asset information from category and location tables, you can change this information on a field-by-field basis as needed. If you enter a category or location table after you enter a value in a field, Asset Management keeps the value you entered rather than overriding it with the default value. However, if you change the category or location table ID and redefault the tables after entering a value in field, Asset Management overrides the value you entered with the value from the redefaulted table.

Some of the defaulted information comes from a category table if you enter a category table identifier for the asset. Asset Management calculates the remaining information. You can add your own depreciation information or override the default or calculated values on a book-by-book basis for each asset as needed.



How to Add Assets

You can add assets to Asset Management in any of the following ways:

- Copying default category and location information into the asset
- Replacing or overriding the defaults and entering asset information as needed
- Implementing the invoice to Asset Management workflow
- Running a series of scheduled processes to generate, copy, and process asset transactions from SmartStream Projects to Asset Management. For more information, see Projects to Asset Management Integration.

If you choose to use category and location table defaults, you need to know only the basic asset information that the invoice or internal forms provide. If you choose not to accept the defaults and to enter the asset information instead, you need to understand how Asset Management uses those values in the depreciation calculations and why you are overriding the default values.

For More Information

While this chapter discusses some of the basic calculated values, see the Asset Management Calculations Guide for a detailed discussion of Asset Management calculations. For more information on fields in category or location tables, see Setting Up Tables.

Invoice to Asset Management Workflow

You can define accounting distributions in the invoice activity for asset integration rules. An asset integration rule

is a list of the accounting distributions for accounts in ledger that are asset accounts.

When you enter a payment request line in the invoice activity, the application verifies whether the expenditure for the line is defined as a fixed asset distribution. If so, SmartStream sends a task to Asset Management's To Do List to add or change an asset.

SmartStream sends a task to Asset Management's To Do List each time a payment request line with an asset distribution is entered in the Invoice application.

Workflow Processing

The following table explains how SmartStream Payables and Asset Management process assets from an invoice line item into Asset Management:

Stage	Where	What Happens
1	Invoice process	Adds invoice line.
2	Invoice process	Sends a task to the To Do List in Asset Management.
3	Asset Management	Selects task to add asset.
4	Asset Basic Information window	Asset appears complete with information from the invoice.
5	Asset Basic Information window	Adds additional asset information, such as identifiers for the asset, category table, and location table.
6	Invoice process	Changes asset information on the invoice.

(continued)

Stage	Where	What Happens
7	Invoice process	Sends task to the Asset Management To Do List indicating a change.
8	Asset Basic Information window	Selects asset and manually updates with changes from the invoice.

Validation

When you define an accounting key for an assets account, you must enter the entire key. The application validates the accounting key against your ledger when you enter the key.

The accounting key is revalidated during ledger posting.

Asset Information

When Asset Management receives a task that indicates an asset needs to be added or changed, the Asset Basic Information window opens and displays the following information about the asset which was obtained from the payment request:

- Vendor identifier and location
- Asset entity, if entered on the payment request
- Asset identifier, if entered on the payment request
- Serial number, if entered on the payment request
- Model or part number, if entered on the payment request
- Manufacturer's name, if entered on the payment request
- Quantity
- Cost (expenditure for the payment request line)
- Accounting distribution
- Acquisition date

Changes to the Accounting Distribution

If the payment request line containing an expenditure for an asset is changed, the assets department receives a notice saying the payment request or a recurring payment was changed.

If you change an asset accounting distribution, the assets user receives a task with instructions for the asset as shown below:

If you change	Assets receives a task to
An asset account to another asset account	Update assets.
An asset account to a nonasset account	Delete the asset.
A nonasset account to an asset account	Add the asset.

Projects to Asset Management Integration

You can define assets in SmartStream Projects and transfer costs to the assets from a component. The following table explains how Projects and Asset Management manage asset information:

Stage	Where	What Happens
1	Capitalization scheduled process in Projects	Calculates capitalization or retirement amounts and generates the appropriate asset addition, asset adjustment, or asset retirement transactions.
2	Copy Projects Asset Transactions scheduled process in Projects	Copies asset transactions generated during the Capitalization scheduled process from the Projects Asset Maintenance table to the Asset Maintenance Transaction table.
3	Asset Maintenance scheduled process in Asset Management	Updates Asset Management tables with asset capitalization and retirement information.

Using Default Information

You can add assets by entering minimal asset information and accepting default information from the category and location tables.

When to Use

Use defaults from category and location tables when you know the basic asset information and want to use the default book information.

Minimum Information Required

You must provide the following information when you add an asset and accept defaults:

- Asset entity
- Asset identifier, if Asset Management does not automatically generate it
- Acquisition date
- Category table identifier
- Location table identifier, if specified as required in asset entity policy
- Cost for the first book
- User field information, if specified as required in asset entity policy

Asset Entity

The entity is the company, corporation, group, or organization that the asset belongs to.

The entity does not have to be a legal entity. It is simply the group that is financially responsible for the asset.

You must enter an entity that was defined in asset policy during implementation. See Setting Up Asset Entity Policy for more information on entity.

Asset Identifier

The asset identifier uniquely identifies the asset within the entity the asset belongs to. If you choose to automatically generate asset numbers in asset policy, Asset Management automatically provides this information for you. Otherwise, you must enter an asset identifier for each asset you add in Asset Management. The asset identifier must conform to the asset identifier edit format defined in asset policy. See Setting Up Asset Entity Policy.

Tracking Asset Components

You can assign an asset identifier to each component of an asset if you want to track the components as a group. If you identify each component, the asset identifier consists of a 10-character base and a two-character component number. For example, in the asset identifier 235389308301, 2353893083 is the base and 01 is the component number.

Acquisition Date

The acquisition date is the date upon which the entity acquired the asset. This date can be the invoice date, the date received, or the date put into production for constructed property.

If you do not enter an in-service date on the first book of an asset, the acquisition date serves as the default for the in-service date for all books. The in-service date controls when depreciation begins. See Changing the Service Status of an Asset for more information.

Category Table Identifier

The category table identifier uniquely identifies from which category table to get default information for assets. Asset

Management displays the category table identifier in the field according to the alignment specified in asset policy.

Category tables group similar assets. You can set up similar depreciation and tax rules for assets that fall into a specific category. At implementation time, category tables are set up for the various types of property. For example, you can have category tables set up for computer equipment, furniture, and fixtures.

Category Table Books You can define up to 99 books in a category table. When you copy default information from a category table into a new asset, Asset Management adds all books set up in the category table to the asset. For example, if the category table has books one and two, Asset Management adds books one and two to the asset.

Location Table Identifier

A location table identifier uniquely identifies this location table. Asset Management displays the location table identifier in the field according to the alignment specified in asset policy. In addition to basic location information for the asset, the location table also contains the default account element values.

The way you identify locations within your company can depend on how much detail your company wants to maintain. You can specify locations on a certain floor of a building, or specify the building or city.

Location Table Books You can define up to 99 books in a location table. When you copy default information from a location table into a new asset, Asset Management adds to the asset all books that are set up in the location table.

Cost

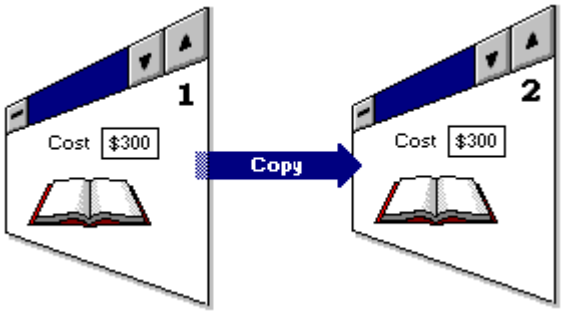
The *cost* is the cost of the asset for the book Asset Management is referencing. You can enter cost for assets such as land, buildings, or furniture. You must enter a cost for all books.

Copying Cost

If you associate books in asset policy, you can enter several books by entering only the cost, accepting the default books from a category table, and saving the asset. The cost will be spread automatically to all books for the asset.

If you want to see what the cost would be before you save the asset, as you might when doing currency conversion, you can enter the cost and select Spread Cost on the asset windows. Asset Management spreads the cost for all books.

When you change a book's cost, Asset Management automatically makes the change for all the associated books.



Adjusting Cost

If you want to adjust cost, you can enter an adjustment amount and let Asset Management calculate the new cost for you rather than calculating and entering the new cost yourself. Selecting the Adjust Cost action allows you to enter an adjustment amount.

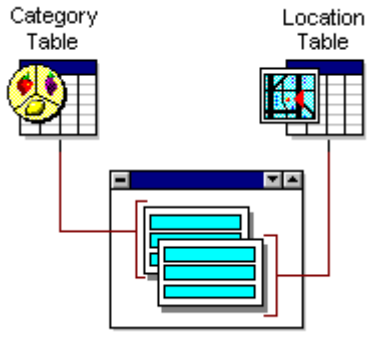
Cost Elements

You can enter elements of the asset is cost using cost element fields you defined in Asset Entity Policy. Based on policy decisions, the asset cost can default to the first cost element field and the cost elements may be required to equal the asset cost.

User Fields

User fields are fields you can define to keep track of locational and descriptive asset information, such as county, state, or acquisition method. You can also enter user amounts and dates when adding an asset. During implementation, these user fields are defined in asset policy along with their formats and limits. You must enter user fields only if they are set up as required in asset policy.

If you enter user fields in the category table and the location table, the table you enter first takes precedence. For example, if you enter a location table identifier, then a category table identifier, Asset Management copies default values for the location table user fields into the asset.



Adding Other Asset Information

If you accept defaults from the category and location tables, but need additional asset information, you can access the window and enter the information you need to add.

Changing Asset Service Status

When you assign a depreciable status of Out of Service to an asset, you suspend depreciation of the asset.

You can take an asset out of service if you do not plan on using the asset for a while and do not want to maintain overhead for an asset that you are not using.

You cannot assign an asset the status of Out of Service if you are using any of the following proration methods:

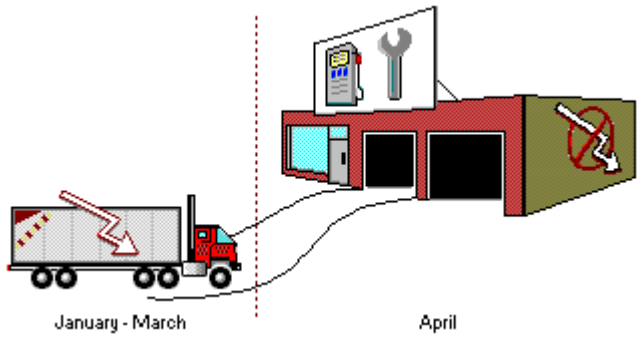
- Actual Half
- ADR Modified Half Year
- Full Year
- Half After
- Half Year
- Modified Half Year

Out of Service Dates

Asset Management records the book's current fiscal year and period as the out-of-service date, or the date you suspended depreciation.

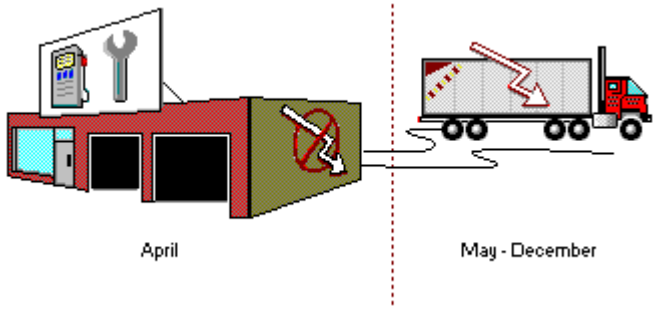
Example

You can take an asset out of service during repair or routine maintenance. For example, if you inspect and repair all trucks on a yearly basis and the repair work usually takes about a month, you can take a truck out of service for the month and continue depreciating it after you return it to service.



Returning an Asset to Service

To return an asset to service, change the depreciable status from Out of Service to any other depreciable status and Asset Management resumes depreciating the asset. The booked-through date serves as the default for the return-to-service date, or you can enter the date when you want the asset to return to service and start depreciating the asset again.



8 Transferring Assets

Chapter Contents

About Asset Transfers

Transfer assets when you move an asset from one location to another and you want to:

- Allocate depreciation between the locations
- Create ledger entries to transfer the cost and depreciation to the new responsibility center

When you depreciate an asset in one department, you depreciate the expense of the asset in that department. When you transfer an asset to another department, you stop depreciating the asset in the transferring location and start depreciating the asset in the receiving location.

Example

You depreciate a group of ten chairs in your department where you are booked through the third period. You transfer two chairs to another location by the beginning of the fourth

period. SmartStream Asset Management expenses the depreciation for the first three periods at the first location, or the transferring location. Asset Management starts depreciating expenses for the two transferred chairs at the receiving location starting at the beginning of the fourth period. Asset Management passes the following information to the receiving location:

- New asset identifier
- New location identifier
- Year-to-date depreciation in new location
- Transfer year-to-date depreciation

The year-to-date depreciation in the receiving location at this time is zero because no depreciation is recognized yet at the receiving location. The transfer year-to-date depreciation is the amount of the three periods of depreciation recognized at the original location.

Preparing for Asset Transfers

In preparing for asset transfers, consider the following questions:

- Is the new location identified by a user field, ledger key value, location table, asset entity, or a combination of all?
- Will you completely or partially transfer the asset?
- Will you transfer the asset to a new asset?
- Do you want to allocate depreciation for financial or for tax purposes, or for both?
- Do you want to transfer all asset components associated with this asset?

Back Dated Transfers

You can transfer assets using a back date, or a date before the booked-through date within the same fiscal year. You would do this if a transfer was not entered in a timely fashion. In this circumstance, Asset Management will split the year-to-date depreciation between the two locations based on the date.

Example

You depreciate a group of 10 chairs in your department where you are booked through the third period. You transfer two chairs to another location as of the end of the second period. The chairs depreciate at a rate of 100 USD per month. Asset Management calculates one month's depreciation at the transferring location, so the year-to-date depreciation at that location is -100 USD for this transaction. When you transfer the chairs, Asset Management subtracts 100 USD, one month's depreciation, from the year-to-date depreciation and adds it to the transfer year-to-date depreciation. Therefore, on the active asset at the new location, the year-to-date depreciation is 100 USD.

Future-Dated Transfers

You can transfer assets using a future date, or a date after the booked-through date that is within the same fiscal year. This may be done if depreciation has not been booked, but you are ready to enter transactions for the next period. In this circumstance, Asset Management calculates the amount of depreciation that should be taken at the transferring location and subtracts it from the year-to-date depreciation, leaving a negative amount at the receiving location.

Example

You depreciate a group of 10 chairs in your department where you are booked through the third period. You transfer two chairs to another location by the end of the fourth period. The chairs are depreciating at a rate of 100 USD per month. Asset Management calculates 300 USD of depreciation for the booked-through period, plus 100 USD of depreciation for the fourth period, so the year-to-date depreciation is 400USD at the transferring location. The depreciation at the receiving location is -100 USD, which is the year-to-date depreciation on the asset less the depreciation recognized at the transferring location (400 USD). The transfer year-to-date depreciation at the receiving location is the year-to-date depreciation at the transferring location, or 400 USD.

Transfer Information

You need the following information to transfer an asset:

- The identifier of the asset to be transferred
- The identifier of the asset at the new location if it is different from that at the transferring location
- Location table identifier for the new location of the asset
- User field values used to keep locational information
- Accounting key information for the new location

If you partially transfer the asset, enter a quantity, percentage of cost, or cost to transfer.

Basic Asset Transfer

In many asset transfers, you completely transfer the asset and all its books and accept system-calculated depreciation amounts. In these situations, the following information is sufficient to transfer the asset:

- New location
- Transfer date

New Location

The new location is the receiving location within the receiving asset entity for the asset you are transferring. You should enter this location only if it is different from the transferring location. When you enter a new location, Asset Management automatically inserts the user fields and accounting key values for that location.

New Category

The new category is the receiving category within the receiving asset entity for the asset you are transferring. The depreciation methods do not change if you enter a new category identifier. When you enter a new category, Asset Management automatically defaults the user fields and accounting key values for that category.

Transfer Date

The transfer date is the calendar date on which the asset was transferred. If you do not enter a date, Asset Management inserts the date of the end of the current accounting period for book 1 (booked-through date plus one period). When you enter the transfer date, be sure it is **not** before the in-service date of the asset and **is** within the current fiscal year.

Selecting Books to Transfer

When you transfer all books, Asset Management separates all the tax records by book. For tax purposes, you may not

want to see all the tax records split by book, so do not transfer all books.

If two books for an asset are not in the same year, you may not be able to transfer both books. For example, if book 2 is in a previous year and you enter a transfer date that is within the current year for book 1, it will not be in the current fiscal year for book 2, so you would not be able to transfer book 2 until after the book has been through new-year processing.

Partial Transfers

In some circumstances you will transfer only part of an asset. You would enter a partial transfer if you are tracking several assets using the same identifier, but only some of the assets are transferred to a new location.

For example, you can have a quantity of three assets and transfer only one of the assets, including all the books for the asset. You must give the asset a new asset identifier, and possibly a new entity identifier. If the asset already exists at the receiving location, Asset Management adds it to the existing asset. If the asset does not already exist at the receiving location, Asset Management creates a new asset with all the same characteristics that the asset had at the transferring location unless otherwise specified.

Partial Transfer Methods

You can indicate what portion of an asset to transfer by entering any of the following information:

- Cost – Enter the cost to transfer from all books or from an individual book.
- Percentage of cost – Enter a percentage of the cost to transfer from all books or from an individual book.
- Quantity – Enter a quantity to transfer, which Asset Management converts into a percentage to transfer from each book.

Asset Management reduces quantity on active assets only if you enter the quantity. You may enter quantity along with cost or percentage of cost.

You can enter a quantity and percentage of cost, or a quantity and cost to transfer, but you cannot enter cost and percentage of cost.

The first book is the controlling book when you partially transfer an asset. Some of the actions you take on the first book spreads to the other books for the actions. For example, if you enter a cost for book 1 and do not enter anything for books 2 and 3, Asset Management calculates a percentage of a cost for book 1 and applies it to books 2 and 3. If you enter a cost or percentage of cost for book 3, you can still enter a quantity to be applied to books 1 and 2. If you do not enter a quantity, cost, or percentage of cost on books 1 and 2, but enter a cost on book 3, Asset Management completely transfers books 1 and 2, but partially transfers book 3.

Cost Elements

If you enter cost elements for the asset, Asset Management adjusts the cost elements accordingly when you partially transfer the asset. For example, if you transfer only twenty percent of the asset cost, Asset Management transfers twenty percent of each cost element.

ADR Accounts

If you partially transfer an ADR asset and apply the transfer directly to the property account, you can indicate whether to apply the transfer cost to the ADR first half or ADR last half cost. The default is the ADR first half cost. The transfer cost must be less than or equal to the ADR first or last half cost minus the ADR first or last half cost retired. Otherwise, you might have to transfer the asset in two transfer transactions.

Transferring Asset Components

If you choose to transfer asset components, Asset Management transfers all assets with the same 10-character base asset identifier. All transfer information is the same for all the transferred asset components. You cannot partially transfer asset components.

Transferring a Book to a New Property Account

When you transfer an asset to a new property account, Asset Management subtracts the cost from the transferring property account and adds it to the receiving property account. You can transfer the cost, or the cost and depreciation.

If you did not enter a life-to-date depreciation, Asset Management subtracts the depreciation from the reference asset at the transferring location and adds it to the receiving location.

For Canadian cost allowance property accounts, Asset Management transfers the cost directly to the property account rather than to the reference asset.

Overriding Depreciation Amounts

You can enter the amount of year-to-date depreciation to be recognized in the transferring location for both regular and additional depreciation.

Ledger Entries

As part of the transfer process, Asset Management passes transfer information to the ledger. See Setting Up Ledger Integration for the ledger entries generated when you transfer an asset. The amount information passed to ledger is also on the activity record.

Transfer Reference Information

When you transfer an asset, you can add reference information to it. A three-character reason field and four ten-character reference fields allow you to enter any information within these space constraints. Use this feature to define reasons for, or circumstances surrounding, the transfer. This information is saved on the activity record only and not to the active asset.

You can print reference information on reports.

How to Transfer Assets

Asset Management provides a workflow that allows the various departments to send you a request to transfer an asset. The information contained in the request is the basic information you need to transfer the asset. You might want to add some information to the request, and you have the option to change information and transfer only some books of the asset.

Transfer Workflow

The following table shows the stages in the asset transfer workflow:

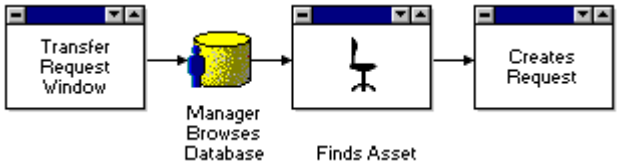
Stage	Where	What Happens
1	Transferring location	Creates a request to transfer an asset.
2	SmartStream	Sends a task to the receiving location's To Do List to transfer the asset.
3	Receiving location	Selects the task to transfer the asset, and displays the Transfer Asset window
4	Receiving location	Adds and changes information as necessary and accepts asset into new location.
5	SmartStream	Sends confirmation to the transferring location that asset transfer is complete.

Example

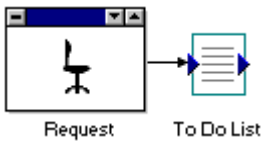
With the transfer workflow, the process of transferring an asset begins with a transfer request. Property management, the warehouse personnel, or an individual in a department that has responsibility might initiate the transfer. For

example, the Human Resources department might request the transfer of three chairs to the marketing department.

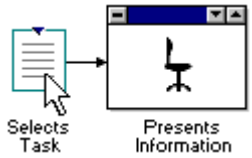
Using the Transfer Request window, the manager of the Human Resources department can browse through the database to find the asset and then create a request that includes the new entity and location and the transfer date. If the chairs are part of an asset that contains several other chairs, the Human Resources department manager would enter information about a partial transfer also. If he does not know the asset identifier or other information, he can attach a comment describing the assets to help identify it.



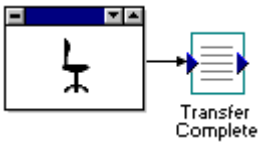
The request results in a task to the assets accounting group to transfer the asset. The task appears in the accounting group's workgroup To Do list.



When a member of the assets group selects the task, Asset Management presents the information that was entered into the request along with other information about the asset. The assets staff can add or change information or override values as necessary to transfer the asset.



When the assets group completes the transfer, a notice that the asset was transferred returns to the Human Resources department manager confirming that the chairs were transferred.



Transfers Without a Request

In some cases, you have all the information needed to transfer an asset and no approval is required. In these cases, you can transfer an asset without an asset transfer request. To do this, select Transfer Assets from your Activity List.

9 Retiring Assets

Chapter Contents

Preparing for Asset Retirement

You retire assets in SmartStream Asset Management when you sell or otherwise dispose of them. Or you might have a policy of retiring assets when they become fully reserved.

In preparing for asset retirement, consider the following questions:

- Are proceeds or expenses involved in the retirement?
- Will the asset be completely retired or partially retired?
- Do you need to back-date or future-date the retirement?
- Is the retirement due to ordinary or unusual circumstances?
- Are you retiring the asset for tax or for financial purposes or both?

- Do you have to change system-calculated depreciation or currency conversion amounts?
- Do you want to retire all asset components associated with this asset?

Retirement Information

You can retire an asset with no more information than entity and asset identifiers. This would be the case if no proceeds or expenses are associated with the retirement and if the information supplied from system calculations or defaults is appropriate.

In many cases, however, you have to enter proceeds, expenses, retirement date, and perhaps retirement type. If the retirement is partial, you will have to indicate what portion of the asset to retire. In some cases, you will retire only some of an asset's books if tax or financial reasons so indicate. If necessary, you can also override retirement depreciation and currency conversion amounts.

Basic Asset Retirement

In many asset retirements, you completely retire an asset and all its books and accept system-calculated depreciation amounts. In these situations, the following information is sufficient to retire the asset:

- Retirement amounts
- Retirement type
- Retirement date

Retirement Amounts

Retirement amounts are:

- Gross proceeds from the sale or disposition of the asset
- Selling expense
- Cost of removal of the asset

Asset Management subtracts selling expense and cost of removal from gross proceeds to determine gain or loss on retirement.

If you associated books in asset policy, it is not necessary to enter these amounts for each book you retire. Asset Management copies the amounts from the first book to the others.

Sometimes, you need to calculate gain or loss differently for different books. For example, you might be required by regulation to include sales tax in proceeds for a tax book. In these cases, you can enter amounts or override copied amounts by book.

Retirement Type

The retirement type indicates whether the retirement was due to normal or unusual circumstances. Retirement types are as follows:

- Extraordinary, if used to retire an asset because of unusual circumstances, such as disposal of a operating unit or casualty.
- Trade in, if used to exchange this asset for another. You can enter proceeds if you use this retirement type, but Asset Management does not calculate the gain or loss.
- Ordinary, if used in all other cases. Ordinary is the default retirement type.

The retirement type as well as the financial or tax regulation the asset complies with determine:

- Financial entries generated
- Formulas used to calculate gain or loss
- Updates to property accounts (if applicable)

The extraordinary retirement type is used only with ACRS, MACRS, ADR, CCA, and Regulated Group regulation codes.

With these regulation codes…	You can use Extraordinary retirement type for…
ACRS, MACRS, ADR, and Regulated Group	Property accounts and reference assets.
CCA	Property accounts, reference assets, and depreciable assets.

Retirement Date

You can specify a retirement effective date within the current fiscal year, either before or after the booked-through date. Or you can accept the system-defaulted date, which is the booked-through date plus one period. You might change the retirement date because you removed the asset from service in a previous period or plan to in a future period.

You also can indicate whether the retirement takes effect at the beginning or the end of the accounting period. This information is used to calculate retirement depreciation for the following proration methods:

- Actual period
- Actual half year
- Actual quarter

End of period is the default. For asset retirement, end of period provides a tax advantage in most circumstances.

Retirement Reference Information

When you retire an asset, you can add reference information to the retirement record. One three-character reason field and four 10-character reference fields allow you to enter any

information within these space constraints. Use these fields to define the circumstances of the retirement. This information is saved on the activity record only and not on the active asset record.

You can print reference information on reports.

Selecting Books to Retire

When processing a retirement, Asset Management assumes that you want to retire all books of the asset. You can retire only selected books if an accounting or tax policy requires that some books be retained, in which case you select the books to retire.

Examples

You might select books if you have a policy to retire assets from your financial book when they become fully reserved but keep them on your tax book until you dispose of them.

Or you might retire only the financial books if the tax books have not been closed for the year. Then you would retire the tax books after they have been through new year processing.

Partial Retirements

In some circumstances you will retire only a part of an asset. For example, you might have an asset that consists of 10 desks and want to retire one of the desks.

You partially retire an asset by stating a cost, a percentage of cost, or a quantity to retire. In retiring one desk of an asset of 10 desks, you can enter either the cost of the desk, 10 percent, or the quantity 1.

For partial retirements, if you enter a percentage of cost or a quantity but not the cost, Asset Management calculates the cost to retire. If the cost of the asset is 8,000 USD and you enter 1 (desk), 800 USD is retired.

Asset Management reduces quantity on active assets only if you enter the quantity. You may enter quantity along with cost or percentage of cost.

Partially Retiring Books

If you are partially retiring multiple books for an asset, you can specify the retirement cost, quantity, or percentage for one book and Asset Management will spread this information to the other books. This is not dependent on book association and happens whether books are associated or not. You have the option, however, of indicating by book how much of the asset is to be retired by entering either cost or percentage of cost by book.

Cost Elements

If you enter cost elements for the asset, Asset Management adjusts the cost elements accordingly when you partially retire the asset. For example, if you retire only twenty percent of the asset cost, Asset Management retires twenty percent of each cost element.

Retiring Asset Components

If you choose to retire asset components, Asset Management retires all assets with the same 10-character base asset identifier. All retirement information is the same for all the retired asset components. You cannot partially retire asset components.

Currency and Retirement Amounts

If books of the asset are in different currencies and you elected to convert currency in asset policy, asset retirement will include currency information. The information that is converted for retirement is:

- Proceeds
- Selling expense
- Cost of removal

See Setting Up Asset Entity Policy for more information about converting currency.

Currency information comes from enterprise and asset policy. You can change the following fields if necessary. If you do, proceeds, selling expense, and cost of removal will be converted again and copied to all associated books.

- Rate entity
- Rate type
- Rate of exchange
- Currency rate date

You might need to change a rate of exchange if, for example, a contract for selling a retired asset requires a specific rate.

Overriding Depreciation Amounts

Asset Management calculates retirement year and LTD depreciation and retirement year additional and LTD additional depreciation amounts. You can enter amounts by book to override the amounts calculated by Asset Management.

If you override these depreciation amounts, enter only retirement year amounts or LTD amounts. Asset Management calculates one amount based on the other, so you cannot enter both. The exception to this involves regulated groups.

If an asset has additional depreciation amounts, and you override the regular depreciation amount, you must also override the additional amount. That is, enter retirement year regular and additional amounts or LTD regular and additional amounts.

Overriding Regulated Group Amounts

Retiring reference assets: If your policy is to allocate depreciation to reference assets, Asset Management uses the YTD and LTD amounts of the reference assets as the retirement year and retirement LTD depreciation when you retire regulated group assets. If you do not allocate depreciation to reference assets, you must enter both depreciation amounts as well as any additional amounts.

Retiring the property account directly: When you partially retire regulated group property accounts directly instead of retiring the reference assets, you must also enter both retirement year and LTD depreciation amounts as well as any additional amounts. When you completely retire a property account, you need not enter depreciation amounts.

Retiring ADR property accounts directly: When you partially retire an ADR asset and apply the retirement directly to the property account, you can indicate whether to apply the retirement cost to the ADR first half cost or ADR last half cost. The default is the ADR first half cost. The retirement cost must be less than or equal to the ADR first or last half cost minus the ADR first or last half cost retired. Otherwise, you might have to retire the asset in two retirement transactions.

How to Retire Assets

The Asset Management workflow lets various departments send you a request to retire an asset. The information contained in the request is the basic information you need to retire the asset. You can add information, change information, and retire only some books of the asset.

Retirement Workflow

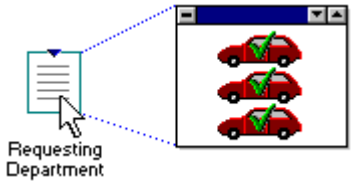
The following table shows the stages in the asset retirement workflow:

Stage	Where	What Happens
1	Asset owner	Creates retirement request.
2	SmartStream	Sends a task to asset accounting's To Do List to retire asset.
3	Asset accounting	Selects the task to retire asset and displays the Asset Retirement window.
4	Asset accounting	Verifies information; adds and changes as necessary. Retires asset.
5	SmartStream	Sends confirmation to original retirement request.

Example

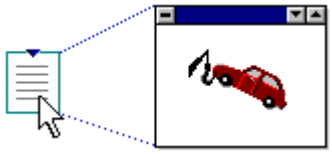
With the retirement workflow, the process of retiring an asset begins with a retirement request. The request might be initiated by property management, warehouse, or an individual department that has responsibility for the asset. For example, the motor pool might request the retirement of an automobile.

Using the Retirement Request window, the manager of the motor pool can browse through the database to find the asset and then create a request that includes retirement date, proceeds, and selling expenses. If the automobile was a part of an asset that consisted of several autos, the motor pool manager would enter information about partial retirement also. If he does not know asset identification or other information, he can attach a comment describing the asset to help identify it.



The request results in a task to the assets accounting group to retire the asset. The task appears in the accounting group's workgroup To Do list.

When a member of the assets group selects the task, Asset Management presents the information that was entered into the request along with other information about the asset. The assets staff can add or change information or override values as necessary to retire the asset.



When the assets group completes the retirement, a notice that the asset was retired returns to the motor pool manager confirming that the auto was retired.

Retirements Without a Request

In some cases, you have all the information needed to retire an asset and no approval is required. In these cases, you can retire an asset without an asset request. To do this, select Retire Assets from your Activity List.

Retirement Processing

When you retire an asset, Asset Management determines gain or loss from retirement for each book, removes all or some of the asset's books, removes its locational information (when completely retired), and creates an activity record of the retirement.

Updating the Database

If you completely retire a book, it is removed from the asset database. If you completely retire all books for an asset, all information about that asset is removed from the database. If you partially retire a book, the asset record is updated to show the remaining portion only.

Retirement Activity Records

In addition to updating the asset database, Asset Management retains retirement information for activity history. These activity records are used to support ledger entries, to reverse retirements, and to generate reports. They are also available for ad hoc reporting and queries.

Ledger Entries

As part of the retirement process, retirement information is passed to the ledger. See Setting Up Ledger Integration for the ledger entries generated when you retire an asset. The amount information passed to the ledger is also on the activity record.

Gain or Loss on Retirement

When you retire an asset, Asset Management calculates gain or loss according to the regulations for gain or loss as determined by the regulation code of the book. See the Asset Management Calculations for formulas for calculating gain or loss.

Tax Credit Recapture

Tax credit recapture is the portion of a tax credit for an asset that must be repaid when the asset is retired before earning the entire tax credit. Assets can be added with up to three tax credit amounts. Asset Management calculates tax credit recapture when you retire an asset that has one or more tax credit amounts and has been held for 10 years or less.

To calculate tax credit recapture for each of the three amounts, the system uses the recapture percentages from the tax credit table referenced by the asset for each book retired. See the Asset Management Calculations for detailed tax credit recapture calculations.

Depreciation Recapture

Depreciation recapture is the amount of gain that is taxed as ordinary income for U.S. tax accounting. Asset Management calculates depreciation recapture when you retire a U.S. tax book of an asset. The amounts calculated are based on the capital gains classification established for the asset book.

When the capital gains classification is either Section 1245 or 1245 Elevators and Escalators, Asset Management calculates the Section 1245 depreciation allowed amount.

When the capital gains classification is Section 1250 Asset Management calculates the following depreciation allowed amounts:

- 1970-1975 additional depreciation
- Post 1975 additional depreciation
- Section 291 recapture

Use these amounts to determine recapture for the U.S. tax form 4797.

See the Asset Management Calculations for detailed depreciation recapture calculations.

Retirement Reversal

You can reverse an asset retirement to restore the asset record to its state before the retirement. Reverse a retirement when assets or books of assets were retired in error or when amounts were entered incorrectly. You can also reverse retirements from the previous year.

How to Reverse a Retirement

To reverse a retirement, you identify the retired asset by the asset and entity identifiers and the date and time that the retirement was entered. If you do not have all the identifying information, use open browse to select the correct retired asset.

You can use the following selection criteria to help you identify the retired asset:

- Asset entity
- Asset identifier
- Activity date
- Activity time
- Retirement date
- Asset description
- Location table identifier
- Category table identifier
- Serial number

When you select a retired asset, you review the retirement information that appears on the reversal window to confirm that you selected the right asset. When you save the information, Asset Management reverses the retirement. The reversal date is the booked-through date for the book

plus one period. If the reversal date is in the last period of the fiscal year, then the reversal date is the booked-through date.

When you reverse a retirement, all books that were retired are reversed. If you intended to retire certain books only, enter a retirement for those books after completing the reversal.

Reversal Reference Information

When you reverse an asset retirement, you can add reference information to the reversal record. One three-character reason field and four 10-character reference fields allow you to enter any information within these space constraints. Use these fields to describe the reason for the reversal. This information is saved on the activity record only, not on the active asset record.

You can print reference information on reports.

Reversal Processing

When you reverse an asset retirement, Asset Management restores the asset record in the asset database. For completely retired assets, Asset Management recreates the record; for partial retirements, it updates the record to its condition before the retirement . For calculations used in reversing retirements, see Retirement Calculations.

In addition to restoring the asset record, a reversal creates activity records and generates reversing journal entries. See Setting Up Ledger Integration for the ledger entries generated when you reverse a retirement.

If the asset is a reference asset, the property account is also updated.

Depreciation Adjustment

Depreciation is adjusted according to the policy choice you made in entity policy book information. If you elected to adjust depreciation in the current period, the next time depreciation is taken, Asset Management books all the depreciation that was missed because the asset was retired. If you elected not to adjust depreciation in the current period, Asset Management spreads the missed depreciation amount over the remainder of the year. For more information on adjusting depreciation, see Setting Up Asset Entity Policy.

10 Processing Periodic Transactions

Chapter Contents

Preparing for Periodic Processing

Period depreciation and new year processing are SmartStream Asset Management activities that are performed through scheduled processing. You can also perform asset addition and maintenance and run depreciation projections through scheduled processing.

To prepare for periodic processing, you select books by entity that you want to process and identify them with a set identifier.

For period depreciation processing, you might identify financial books as one set and tax books as another. You will probably want to schedule these sets to run automatically on a regular basis. On the other hand, you will most likely create sets for depreciation projections to run on an ad hoc basis.

Use the following windows to select the books to be processed:

Use this window...	To select books for…
Period Depreciation Controller	Period depreciation.
New Year Processing Controller	New year processing.
Depreciation Projection Controller	Depreciation projection.

When period depreciation, new year processing, or depreciation projection runs, the books you specified are processed. You indicate when to run the jobs on the Job Scheduler window.

Depreciation Processing Options

The basic function of the Period Depreciation Controller is to define processing sets of books to schedule for taking periodic depreciation. When you establish processing sets, you select from among several processing options.

Number of Periods

All the books in a processing set are depreciated the same number of periods. Enter the number of periods you want to depreciate. For example, for tax processing sets that you want to depreciate once a year, enter the number of periods in the year. If you want to depreciate a processing set of books quarterly, you would enter the number of periods in the fiscal quarter. Financial books would typically be depreciated every period, so the correct entry is 1.

Next Effective Date

You set a ledger next effective date when you establish policy. The date is updated to be the next period's end date whenever you run depreciation. To change the effective date when journal entries should post, you have the option to specify a next effective date for a particular processing set to override the policy date.

Deferred Depreciation If you keep French tax books, you have the option to calculate deferred depreciation when you create a processing set for these books. Calculate deferred depreciation after you have final depreciation amounts for the year.

Journal Entries You can choose to summarize journal entries in Ledger (on the Ledger Posting Request window). You have the option to retain the journal lines in addition to the summarized journal. If you retain journal lines, you can drill down from the summary to the more detailed information. If you decide not to keep the detail, be sure to select summarization in Ledger.

New-Year Processing Option

The function of the New Year Processing Controller is to select books to schedule for new-year processing. New-year processing rolls the depreciation amounts for assets and property accounts into the life-to-date total accumulators and clears year-to-date totals.

Activity Records New-year processing sets all YTD amounts to zero and recalculates annual depreciation for the new fiscal year. You can select to create year-end depreciation activity records of the depreciation amounts for all assets and property accounts as of the end of the year.

Depreciation Projection Controller Options

The function of the Depreciation Projection Controller is to select books for depreciation projection reports. The purpose of these reports is to allow you to run future projections of depreciation as well as hypothetical or what if depreciation.

You can, for example, run depreciation for your assets through the rest of the year to get an estimate of depreciation amounts. You can select different depreciation

methods or acquisition year proration codes for a set to compare the results of depreciating assets into the future under different calculations. You can go back in time and use a different method to compare results for assets already depreciated.

The Depreciation Projection Process

Projecting depreciation has three stages:

Stage	Description
1	Create the processing set that will be depreciated. Use the Depreciation Projection Controller window.
2	Run the projected depreciation job using the Job Scheduler. For more information, see Depreciation Projection.
3	Generate the projected depreciation report. See Report Processing for more information.

Note that stage 1, creating the processing set, does not need to be done every time you want a projection report. You can reuse existing processing sets.

Time Period

Cycle information on the Asset Depreciation Projection Controller activity defines the time period of the depreciation projection for the processing set you are creating. You can define up to 54 cycles. Begin Date, Periods per Cycle, and Number of Cycles are the fields you use to set the projection time period. Choose a begin date and then indicate the length of time depreciation is to be modeled by entering a number of cycles and a number of periods per cycle. For example, assuming a twelve period calendar, 5 cycles with 12 periods per cycle will cause the job to run depreciation for a 5-year span. Totalling is by cycle, so the above example generates yearly totals.

The following tables show more examples of how to define a particular projection period:

With a 12 period calendar and monthly totals

Desired projection	Periods per Cycle	Number of Cycles
1 year	1	12
1/2 year	1	6

With a 12 period calendar and yearly totals

Desired projection	Periods per Cycle	Number of Cycles
1 year	12	1
5 years	12	5

With a quarterly calendar and yearly totals

Desired projection	Periods per Cycle	Number of Cycles
1 year	4	1
5 years	4	5

Changing Asset Characteristics

Override information on the Asset Depreciation Projection Controller activity allows you to select a different depreciation method, acquisition year proration code, or life. You can also choose to override your settings for switching depreciation from an accelerated to a straight-line method. If you keep French tax books, you can select minimum or maximum depreciation. You can run jobs with different combinations of these features to see the effect on depreciation.

Including Retirements

You have the option to include retirements applied in the current or in past years as well as projected retirements. This gives you the opportunity to run depreciation using different methods and codes to determine the most advantageous retirement.

Scheduling Jobs

You schedule processing through the Job Scheduler to run at regular predetermined times. You can, for example, determine that financial book depreciation set is depreciated the last day of every month (assuming a 12-period calendar). On those days, Asset Management automatically books depreciation for one period.

You can also initiate processing manually at any time of your choosing. The Job Scheduler also has other options that you can set up, such as determining who should receive notification that a job has run.

You cannot perform any Asset Management activities, including online activities, while period depreciation, new-year processing, or depreciation projection jobs are running.

See Scheduling Asset Management Processes for instructions on scheduling and running Asset Management jobs.

Correcting Scheduled Processing Transactions

The Online Correction Facility allows you to correct errors found in scheduled processing transactions. You can also add a sequence to a transaction if one does not exist or delete transactions using the Online Correction Facility.

What Happens Next

After you correct transactions using the Online Correction Facility you run the transactions through scheduled processing again. If any errors remain, SmartStream sends a message to your To Do List to be corrected using the Online Correction Facility again.

11 Report Processing

Chapter Contents

What Is Asset Reporting?

SmartStream Asset Management provides predefined reports to help you analyze and monitor your assets. You can modify these delivered reports in a number of ways. For example, you can define multiple sets of selection criteria, sort and total by different criteria, report on assets, accounts, or both, and specify the time range on which to report.

You can also develop your own custom reports to meet the specific needs of your enterprise.

You can either run the reports on demand using the Asset Management Reporting activity, or schedule the reports using the Job Scheduler.

Before You Begin

Before running the delivered reports, you must perform some setup tasks. For more information, refer to Setting Up for Reporting.

Modifying the Online Help

When setting up for Asset Management reporting, you must also modify the online Help. Follow this procedure:

Step	Action
1	Pressing and holding the Shift key, open the ffasrpt32.mdb through Access. The Database form appears.
2	Select Macro. A list of available macros for Asset Management appears.
3	Select FFA Modify Form Help. If prompted, select Yes to save changes to each form.
4	Close the ffasrpt32.mdb and use as needed from within SmartStream.

Reporting Process

The following table describes the process you use to produce the delivered reports:

Stage	Task	Window
1	Define report scope, format, time range, totalling and sorting criteria.	Maintain Report Process Controllers
2	Define selection criteria for assets that you want to include in the report.	Maintain Selection Criteria
3	Create and print the report using the controller and associated selection criteria that you defined.	Run Report. You can also schedule reports. For more information, see Scheduling Asset Management Reports.

Defining Report Process Controllers

You can control the information included in your reports by defining report process controllers. Report process controllers are selections you can make to tailor reports to the needs of your enterprise. For example, one of your departments needs reports sorted and totaled by division, while other departments need the report sorted by division and totaled by employee. By defining different report process controllers, you can automatically vary the data that appears on the reports.

Example

Your enterprise uses the division report process controller described in the previous example when it runs both the Cost Summary report and the Expense Ledger report.

Using Report Process Controllers

To begin Asset Management reporting, you need to define report process controllers for your organization. You can define an unlimited number of controllers for your Asset Management reporting needs.

Using report process controllers you can:

- Specify the set of selection criteria to use.
- Indicate the book for which to produce the report.
- Indicate whether to include assets, property accounts, or both.
- Indicate the period or date range for which to produce the report.
- Indicate the group and total levels to use for up to five levels.
- Specify an additional report title.
- Select detail or summary information for the asset.

Selecting Information to Include

You have several choices for controlling the information included in the report.

Reporting by Book

Except when running book comparison reports, all asset reports show information for a single book of an asset entity. Therefore, you define each report for a book of an asset entity.

The above paragraph does not apply to the Depreciation Projection report which is run for any number of books you choose.

Comparison Book Reporting

You can compare two books in reports. You enter a comparison book for the book to which you want to compare data.

Controlling Entity

A report controlling entity is the entity whose policy information you want to use in your report. Policy information used in reporting includes booked-through date, calendar identifier, and user field descriptions. It is recommended that all entities included in a report have the same policy options as the controlling entity.

For example, if you produce a year-to-date report, all entities reported on should have the same booked-through date as the controlling entity.

Including Assets and Property Accounts

You can indicate whether your reports include only assets or property accounts. You can also select to include both assets and property accounts in your report. If you select both, Asset Management excludes reference assets from the report.

Information is for Current Booked-Through Date

Asset Management delivered reports contain information up to the current booked-through date only. Transactions that you enter after depreciation is run appear in the next period's transactions for reporting purposes.

For example, the booked through date is 10/31/94 after you run depreciation for the tenth period. Transactions you enter after that date will not appear in reports until you run depreciation for the eleventh period.

Reporting Period

For most Asset Management reports, you can specify asset activity to include on your reports by defining the date range, or period, for the report. You can select from the following ranges:

Select…	To report on asset activity…
Current depreciation cycle	During the current fiscal period.
Quarter-to-date	From the beginning of the current fiscal quarter.
Year-to-date	From the beginning of the year.
User-defined	During a specific range of dates that you supply.

If you want to see activity that has not been depreciated you can run the report with user-defined dates. However, remember that if you include non-posted activity the report numbers will be different the numbers for posted activity.

Also, if the user-defined period end date is earlier than the booked-through date, the reports may show unexpected results because the ending balance shows assets that are active for the booked-through date.

Sorting Reports

You can indicate up to six groups and totalling levels for a report, one at the report level and the remaining five at the report detail level. The levels you select control the sorting and totalling of the extracted report information. You can select from over 75 fields for each group.

Example

You request that Asset Management produce the Cost Summary report by report level entity, then group and total

the detail by category, depreciation method, or a user field. For a list of the sorting levels delivered with Asset Management, see the online Help topic, Reporting Levels.

Additional Title Information

You can define an additional report title for each report option. This title appears along with the standard title for a report. In your title you can include some detail about how or why this report was produced. For example, if this controller is defined to sort by a user field named Division, you can include the words *Division Report* in your additional title. When you use this controller to produce an expense ledger, the name you give the report prints beside Expense Ledger.

Selecting Detail or Summary Information

For each report option, you can select asset detail or summary information. If you select to show detail, a line is produced on your report for every asset or property account, in addition to total lines for every level.

If you do not select to show detail, only a summary total for each level is produced on the report.

Defining Selection Criteria

You use selection criteria to select the assets or property accounts for which you want to create mass transactions or print on reports.

Operators

You use operators to define selection criteria for almost any field on an asset or property account in Asset Management. An operator is a constraint used to define parameters for selection criteria. The operators you define generate SQL code to find all the assets that meet your selection criteria. Asset Management uses the following operators:

Operator	Meaning
=	Equal to
>	Greater than
<	Less than
≥	Greater than or equal to
≤	Less than or equal to
Between	Inclusive comparison
And	Inclusive comparison, used as a secondary operator only with between
Like	Matching pattern using a percentage sign (%) as the wildcard before, after, or before and after the value. A wildcard instructs Asset Management to ignore any values in the placement of the wildcard.

Operators **Between**, **And**, and **Like** apply to alphanumeric fields only. The remaining operators apply to numeric, alphanumeric, and date type fields.

Using Operators

You can enter two operators for a row of selection criteria. If you enter both operators, Asset Management assumes you want to select on the first and second operators.

Example

You enter the following row of selection criteria for the Quantity field.

Operator	Value	Operator	Value
>	3	<	7

Assuming values 1 through 10 exist, Asset Management extracts values 4, 5, and 6.

If you enter only one operator for a row, than another operator on another row, Asset Management assumes you want to select on the first row *or* the second row operators.

Example

You enter the following rows of selection criteria for the Quantity field.

Operator	Value	Operator	Value
>	3		
<	7		

Assuming values 1 through 10 exist, Asset Management extracts values 4 through 10 or 1 through 6, in effect extracting values 1 through 10.

Case Sensitivity

The following fields are case sensitive when specifying selection criteria:

- All user fields
- Description
- Tax class

- Tax rule

To ensure desired results, enter a separate row for each form of the field.

Example

You enter the following selection criteria for a user field defined as City.

Operator	Value	Operator	Value
=	PARIS		
=	Paris		
=	paris		

Asset Management extracts all assets matching any of the rows of selection criteria.

Aligning Values

If you enter an alignment preference for a field in Asset Entity Policy, you must enter that field in the selection criteria with the same alignment if you want to extract it. To ensure desired results, use the Like operator with the % wildcard.

Example

You define a 12-digit right-aligned asset identifier in Asset Entity Policy. You enter the following selection criteria for the Asset ID field.

Operator	Value	Operator	Value
Like	%10ATL%		

Asset Management extracts all assets containing **10ATL** as part of the asset identifier. If you entered a value of

%10ATL, the only assets Asset Management extracts would be those ending with 10ATL.

Entering Blank as a Value

Use an asterisk (*) to enter blank as a value. The asterisk is valid for all alphanumeric fields.

Example

If you want to find all assets that do not use an annual limit table, enter the following operator and value:

Operator	Value	Operator	Value
=	*		

If you want to find all assets that use an annual limit table, enter the following operator and value:

Operator	Value	Operator	Value
>	*		

Because alphanumeric values are greater than blank in the database management system, Asset Management finds all assets where the annual limit table is not blank.

Using Sets of Selection Criteria

Once you create a set of selection criteria, you can use it with any controller to run reports or to create mass transactions. When you save the selection criteria with the reporting process controller or mass transaction process controller, it remains with the controller. You can select or create another set of selection critieria to use with the controller, but a controller can have only one selection criteria ID assigned to it at a time. You can use the same selection criteria with multiple controllers, or you can set up multiple sets of selection criteria to use with the same controller.

When you run reports or create mass transactions, Asset Management gathers data according to the selection criteria you defined and prints the data on the report or uses it to create the mass transactions.

For more information, see the online Help topic Adding or Changing Selection Criteria.

Running Reports

You run reports based on the report process controller. You can also choose to run the report using the existing data. If you do this, Asset Management assumes that you do not want to re-extract any new data, but use the data that already exists from the previous extract process.

You can preview your completed reports online, or you can print the reports on a local printer.

Printing

Before printing the report you can change any controller or selection criteria parameters directly from the Run Report window. If you change the controller or selection criteria you also need to re-extract the report information so it will reflect your changes. To do this, clear the Run Against Existing Data checkbox before printing or previewing the report.

Note: The extract does not effect the additional title information or asset details shown on the report. You do not need to re-extract data if you change this information.

After you determine the parameters to use for printing the report, you can select to print the report or display it online.

Report Descriptions

Cost Summary Report

Use this report to reconcile all activity affecting cost for an asset or property account during the current reporting period. You also use this report to compile information for the Securities and Exchange Commission (SEC) Schedule 10K.

Content

This report shows the effect on cost for each type of activity for each asset or property account. It includes the cost at the beginning of the reporting period, asset or property account activity that affected the cost, and the ending cost.

Format

You can produce this report in the standard format, which shows the total effect on cost for each type of asset activity. If you produce the report in detail, information for each asset shows all activity summarized for that asset. If you produce the report in the summary format, the report includes only total lines for each group total level specified.

Scope

This report contains information for all active assets and property accounts all types of activity recorded for that asset or property account during the reporting period. It cannot be used to reconcile activity for Capital Cost Allowance (CCA) property accounts and assets.

Totals

This report shows totals for each of the following activity amounts affecting cost items:

- Beginning balance
- Prior activity
- Additions
- Deletions
- Retirements

- Retirement reversals
- Transfers
- Adjustments
- Ending balance

Calculations

The beginning balance is calculated by subtracting all activity from the ending balance.

Recommended Frequency

You can produce this report for current, quarter-to-date, and year-to-date reporting periods and for user date ranges through the current book-through date or later. You can run the report for the same time period for which depreciation is booked or any date past that date.

Expense Ledger Report

Use the Expense Ledger report to verify depreciation expense calculated during the reporting period for active assets and asset activity. You can also use this report to compile information for U.S. Tax Form 4562.

Use this report to reconcile depreciation financial entries and verify the detailed depreciation expense information in the Reserve Summary report.

Content

The Expense Ledger report includes depreciation information such as estimated life, depreciation method, proration codes, and asset information such as in-service date, regulation code, and the following amounts:

- Cost
- Salvage
- Current depreciation activity
- Basis adjustment
- Year-to-date (YTD) depreciation

- Life-to-date (LTD) depreciation
- Net book value
- Additional current depreciation activity
- Additional YTD depreciation
- Additional LTD depreciation

Format

This report contains detail lines for each asset and activity. Detail lines for the active asset prints first. Any activity lines print in the order the activity occurred.

Activity types appear on this report as shown in the following table:

Activity Type	Description
ADD	Addition activity
GADD	Generated addition activity from a reference asset
DEL	Deletion activity
RET	Retirement activity (except for those retirements reversed)
REV	Retirement reversals activity
TRN	Transferring asset or property account activity
REC	Receiving asset or property account activity
CHG	Change activity
GCHG	Generated adjustment activity from a reference asset

Scope

This report contains information about all active assets and property accounts for an asset entity and all types of activity

for that asset or property account during the current fiscal year.

Excluded from this report are:

- Partial retirements of property accounts with a regulation code of ACRS, MACRS, German Group, or Regulated Group and a retirement type of O (ordinary), because Asset Management does not calculate depreciation expense adjustments for these retirements
- Partial retirements of a property account or asset with a regulation code of CCA and a retirement type of O (ordinary) because Asset Management does not calculate depreciation expense adjustments for these retirements.

Totals

The Expense Ledger report calculates the following totals for each group and total level specified in the report option:

- Cost
- Salvage
- Current depreciation activity
- Basis adjustment
- YTD depreciation
- LTD depreciation
- Net book value

Calculations

The following calculation is used to produce this report:

Net Book Value = Cost - Basis Adjustment Amount - LTD Depreciation

Recommended Frequency

You should produce this report periodically to help you reconcile activity.

You can produce this report only on a year-to-date basis.

Reserve Summary Report

Use this report to reconcile all activity for life-to-date depreciation (or reserve) for an asset entity during the current reporting period. You can also use this report to compile information for the SEC Schedule 10K.

Content

This report shows the effect on life-to-date depreciation of each type of asset activity for each asset or property account.

Format

You can produce this report in the standard format, which shows the effect on cost for each type of asset. If you produce the report in detail, information for each asset shows with all activity summarized for that asset. If you produce the report in the summary format, the report includes only total lines for each group total level specified.

Scope

This report contains information for all active assets and all types of activity recorded for that asset or property account during the reporting period. It cannot be used to reconcile activity for Capital Cost Allowance (CCA) property accounts and assets.

Totals

This report displays the following totals for each total item defined in the report option:

- Beginning balance
- Prior activity
- Depreciation expense
- Deletions
- Retirements
- Transfers

- Adjustments
- Ending balance

Calculations

The beginning balance is calculated by subtracting all activity from the ending balance.

Recommended Frequency

You can produce this report for current, quarter-to-date, and year-to-date reporting periods and for user date ranges that are through the current book-through date or later. You can run the report for the same time period for which depreciation is booked or any date past that date.

Depreciation Projection Reports

Use this report and Additional Depreciation Projection report to estimate future depreciation under varying conditions and to examine how applying different methods and conditions affects depreciation. The report allows you to generate projections and comparisons.

You can use the report to estimate quarterly tax depreciation expense to provide information for filing estimated tax payments. You can also use it to estimate depreciation expenses for budgeting.

Content

This report shows depreciation projections for a defined set of books, either within or across entities. It contains assets or property accounts, or both.

This report can report on up to 13 extracted cycles. You can define your own custom report to include up to 54 cycles, but you need to customize the views for the Depreciation Projection report (ffa_depr_pjtn_view) and the Additional Depreciation Projection report (ffa_addl_depr_pjtn_view) to include the additional cycles.

Format

The Depreciation Projection report has two versions, the Depreciation Projection report and the Additional Depreciation Projection report. Both show depreciation by

projection cycle (year and period) for the asset activities and categories you choose. They include totals and net book values. In this chapter, discussion of the Depreciation Projection report applies to the Additional Depreciation Projection Report as well unless otherwise noted.

Scope

This report contains information about:

- Active depreciable assets and property accounts
- Fully depreciated assets if a fully depreciated period is later than the projection beginning date
- Retired assets if the retirement date is later than the projection beginning date and excluding all retirements that have been reversed

Totals

This report displays the following totals for each total item defined in the report option:

- Depreciation amount for each projection cycle
- Total projected depreciation amount
- Net book value

The Additional Depreciation Projection report displays the following totals for each totaling option defined in the report option:

- Additional depreciation for each projection cycle
- Total projected additional depreciation amount
- Net book value

Calculations

Asset Management determines the projected depreciation amounts by calculating annual depreciation for each asset for each fiscal year being projected. It allocates annual amounts to the projection periods defined on the Depreciation Projection Controller window. For annual

depreciation calculations, see Asset Management Calculations.

Frequency Run the Depreciation Projection report at any time.

Producing the Depreciation Projection Reports

Unlike other Asset Management reports, the Depreciation Projection reports do not use the extract process. The data in these reports comes from running the scheduled depreciation projection process. You must enter the book set identifier to indicate which books to process. You can use an existing book set or add one for your report. For more information on asset books, see Asset Concepts.

As with other reports, you set up reporting options for the Depreciation Projection reports. When you want to produce the report, you use the Asset Management Reporting Activity.

The Process The following table summarizes the major stages in producing the Depreciation Projection reports:

Stage	Description
1	Define a book set to determine data to use in report. Use the Depreciation Projection Controller.
2	Run Depreciation Projection job to generate the appropriate dataset. Use the Job Scheduler. For more information, see Depreciation Projection.
3	Set up report options and generate the report. Use the Asset Management Reporting activity.

Two Book Gain/Loss Difference Report

Use this report to compare the difference in gain or loss on retirements processed for any two books during the reporting

period. The difference can be the result of different proceeds, selling expenses, retirement types, or costs on asset records. The primary difference is reflected in a different life-to-date (LTD) depreciation amount. For reference asset retirements, on which no gain or loss is calculated, the gain or loss amount on the report is zero.

U.S. tax accountants use the information on this report to prepare the Schedule M report, which shows the reconciling information for financial and tax books.

Content

This report contains the following information:

- Asset cost as entered in the first book
- Asset cost as entered in the second book
- Gain or loss for the first book
- Gain or loss for the second book
- Difference in the amount gained or lost for the two book

Format

You can produce this report in the standard format. If you produce the report in detail, information for each asset shows with all activity summarized for that asset. If you produce the report in the summary format, the report prints only total lines for each group total level specified.

Scope

This report selects retirements recorded for both books during the reporting period.

Totals

The Two Book Gain/Loss Difference report totals the following amounts for each book:

- Net proceeds
- Cost
- Net book value
- Gain or loss

- Gain or loss difference

Calculations

The following calculations are used to produce this report:

Net Proceeds = Proceeds - Selling Expense - Cost of Removal

Net Book Value (if include/exclude LTD additional depreciation code is I) = Cost – Basis Adjustment Amount – LTD Depreciation – LTD Additional Depreciation

Net Book Value (if include/exclude code is other than I) = Cost – Basis Adjustment Amount – LTD Depreciation

Recommended Frequency

You can run the Two Book Gain/Loss Difference report any time during the year and at any frequency.

Comparing Assets

To compare two assets on this report sort by fields from the Asset Basic Information window such as Category Table ID or Location Table ID. If you sort by a field that is not on both books, the assets appear on different parts of the report and are more difficult to compare.

Two Book Reconciliation Report

Use this report to compare depreciation information for two books for all asset entities. This report is commonly used to compare the financial book with the tax book.

Content

This report lists asset depreciation information and amounts for the requested two books of all asset entities. The report compares the following values:

- Cost
- Year-to-date depreciation
- Life-to-date depreciation

Format

This report contains detail lines for each asset and each asset activity. Detail lines for the active assets print first.

Any detail activity lines print in the order that the activity occurred.

Activity types appear on this report as shown in the following table:

Activity Type	Description
ADD	Addition activity
GADD	Generated addition activity from a reference asset
DEL	Deletion activity
RET	Retirement activity (except for those retirements reversed)
TRN	Transferring asset or property account activity
REC	Receiving asset or property account activity
CHG	Change activity
GCHG	Generated adjustment activity from a reference asset

Scope

This report contains information about all active assets and property accounts for an asset entity and all types of activity for that asset or property account during the current fiscal year.

Excluded from this report are:

- Partial retirements of property accounts with a regulation code of ACRS, MACRS, or Regulated Group and a retirement type of O (ordinary)
- Partial retirements of a property account or asset with a regulation code of CCA and a retirement type of O

Totals

This report shows the following totals for each item:

- Cost
- YTD depreciation
- LTD depreciation
- Difference cost
- Difference YTD depreciation
- Difference LTD depreciation

Calculations

The following calculation is used in this report to calculate the difference in Cost, YTD, and LTD depreciation:

Comparison Book Amounts – Primary Book Amounts

Recommended Frequency

You can produce this report any time during the year and at any frequency. This report produces only year-to-date amounts.

Comparing Assets

To compare two assets on this report sort by fields from the Asset Basic Information window such as Category Table ID or Location Table ID. If you sort by a field that is not on both books, the assets appear on different parts of the report and are more difficult to compare.

Also, to get a logical comparison of the year-to-date and life-to-date depreciation amounts, the books should be booked-through the same period. The books can be in different periods if the primary book is at the end of the year and the comparison book is in the new year. In this case, Asset Management shows the previous year year-to-date, previous year transfer year-to-date, and previous year life-to-date amounts for the comparison book.

Alternative Minimum Tax Report

Use this report to obtain the additional depreciation expense amounts used in determining alternative minimum tax.

Content

The report prints depreciation amounts for each type of depreciation used in the alternative minimum tax computation. The report provides the following amounts used on the U.S. Tax Form 4626:

- Alternative minimum tax (AMT) depreciation adjustment
- Accelerated depreciation preference amount for real property placed in service before 1987
- Adjusted current earnings (ACE) depreciation amount

Format

The report includes detail lines for each asset and each asset activity. Detail lines for the active assets print first. Any activity lines print in the order the activity occurred.

The report contains current asset activity and retirement activity.

Scope

The report contains all active assets and accounts and all retirement activity records that have a fiscal date recorded within the booked-through year.

Excluded from this report are partial retirement activity records for property accounts with regulation codes of Group, MACRS, or ACRS and a retirement type of ordinary, because depreciation is not calculated for these retirements. Also excluded are retirements that have been reversed.

Totals

The report shows the following totals:

- Cost
- Actual year-to-date (YTD) depreciation
- Actual life-to-date (LTD) depreciation

- Alternative minimum tax (AMT) YTD depreciation
- AMT LTD depreciation
- Adjusted current earnings (ACE) YTD depreciation
- ACE LTD depreciation
- Tax preference depreciation
- Tax preference amount
- AMT YTD adjustment
- AMT LTD adjustment
- ACE YTD adjustment
- ACE LTD adjustment

Calculations

The following formulas are used to produce this report.

The ACE YTD and LTD adjustments are calculated as follows for each total break:

ACE YTD Adjustment = AMT YTD Depreciation – ACE YTD Depreciation

ACE LTD Adjustment = AMT LTD Depreciation – ACE LTD Depreciation

The AMT YTD and LTD adjustments are calculated as follows for each total break:

AMT YTD Adjustment = Actual YTD Depreciation – AMT YTD Depreciation

AMT LTD Adjustment = Actual LTD Depreciation – AMT LTD Depreciation

The tax preference amount is totaled from each detail line when tax preference YTD depreciation is less than actual

depreciation. The adjustment is calculated for these lines as follows:

Tax Preference Amount = Actual YTD Depreciation – Tax Preference YTD Depreciation

Recommended Frequency

You can produce the report upon request. It is most commonly produced at year end, but can be run for quarterly tax projections or at any other time in the year. This report can be run only for U.S. tax books, and can be run only on an as-of basis.

Alternative Minimum Tax Retirements Report

Use this report to determine the alternative minimum tax gain or loss adjustment necessary for determining alternative minimum tax for U.S. Tax Form 4626.

Content

The report restates the basis adjustments in determining gain or loss from sales or exchanges of property for depreciation amounts taken for alternative minimum tax and adjusted current earnings.

Format

The report includes detail lines for each asset retirement.

Scope

The report includes all retirement activity records for assets with a regulation code of MACRS or ACRS and a fiscal date applied within the booked-through year. Excluded from this report are partial retirement activity records for property accounts with a retirement type of O (ordinary), because they have no difference in gain or loss. Also excluded are retirements that have been reversed.

Totals

The report shows the following totals:

- Proceeds
- Selling expense
- Cost of removal

- Cost
- Actual life-to-date depreciation
- Actual gain or loss
- Alternative minimum tax (AMT) YTD depreciation
- AMT LTD depreciation
- AMT gain or loss
- Adjusted current earnings (ACE) YTD depreciation
- ACE LTD depreciation
- ACE gain or loss
- AMT gain or loss adjustment
- ACE gain or loss adjustment

Calculations

The following formulas are used to produce this report:

Gain/Loss = Proceeds – (Selling Expense + Cost of Removal) – (Cost – Net Basis Adjustment Amount – LTD Depreciation)

AMT Adjustment = AMT Gain/Loss – Actual Gain/Loss

ACE Adjustment = ACE Gain/Loss – AMT Gain/Loss

Recommended Frequency

You can produce the Alternative Minimum Tax Retirements report upon request. It is most commonly produced at year end, but can be run for quarterly tax projections or at any other time during the year. This report can be run only for U.S. tax books.

Form 4797 Report

Use this report to obtain retirement information for the U.S. Tax Form 4797.

Content

The report has three parts that together make up the Form 4797:

- Part I contains retirement information for long-term nondepreciable assets (held more than one year) and depreciable assets held long term and retired at a loss.
- Part II contains retirement information for all short-term assets (held less than one year).
- Part III contains summary retirement information for all long-term depreciable assets sold at a gain. For detailed information about Part III, see Form 4797 Part III Detail Report.

Part I and Part II of this report show general asset information in addition to:

- Gross sales price
- Cost
- Net selling expense
- Depreciation allowed
- Net basis adjustment amount
- Gain
- Loss

Format

The format of parts I and II of the Form 4797 report is based on the format of the U.S. Tax Form 4797. Part III contains summary information for the Form 4797 Part III Detail report.

Scope

Asset Management selects retirement activity that is recorded during the reporting period for this report. Only retirement activity with an effective date before the booked-through date is selected. The part of the retirement that is reported is based on the following criteria:

Section	Criteria
Part I	All long-term depreciable assets retired at a loss. All long-term nondepreciable assets
Part II	All assets held short term
Part III	All long-term depreciable assets retired at a gain

Excluded from this report are retirements that have been reversed.

Totals

The Form 4797 report prints totals for the following categories:

- Gross sales price
- Cost
- Net selling expense
- Depreciation allowed
- Net basis adjustment
- Loss
- Gain

To total on 1245 or 1250 property, sort this report using the capital gains classification in the Report Group and Total Levels on the Form 4797 Report window.

Calculations

The following formulas are used to produce this report:

For capital gains classifications of 1245 or 1245 Elevators:

Section 1231 Gain = Gain – Total Ordinary Gain (where Ordinary Gain = Lesser of Gain and 1245 Depreciation Allowed)

For a capital gains classifications of 1250:

Section 1231 Gain = Gain – Section 291 Depreciation Recapture Amount – (1975 Additional Depreciation Allowed + Line 26E)

Recommended Frequency

You can produce the Form 4797 report upon request. It is most commonly produced at year end, but can be run for quarterly tax projections or at any other time during the year. This report can be run only for U.S. tax books, and can be run only on an as-of basis.

Form 4797 Part III Detail Report

Use this report to obtain a detailed analysis of gains reported on the disposition of long-term assets for U.S. Tax Form 4797 Part III.

Content

This report includes the amount of depreciation recapture for Internal Revenue Code (IRC) Section 1245 and 1250, recapture for IRC Section 291, and gain for IRC section.

Part III shows date acquired and date sold in addition to the following data:

- Gross sales price
- Cost
- Expense of sale
- Depreciation allowed - life-to-date (LTD) depreciation
- Depreciation allowed - net basis adjustment
- Adjusted basis
- Total gain

Format

The format of this report is based on the format of U.S. Tax Form 4797.

Scope

This report includes retirement activity records for all long-term depreciable assets or accounts (held more than a year) and retired with a gain with an effective date before the booked-through date. It also includes retirement activity records that have a fiscal date applied within the reporting period.

Totals

The report displays totals for the following categories:

- Gross sales price
- Net selling expense
- Cost
- Net basis adjustment
- Depreciation allowed
- Total ordinary gain
- Section 1231 gain

The following categories are totaled in the Section 1245 property portion of this report:

- Gross sales price
- Cost or other basis
- Expense of sale
- Depreciation allowed - life-to-date depreciation
- Depreciation allowed - net basis adjustment
- Adjusted basis
- Total gain
- Depreciation allowed
- Section 1231 gain

The following categories are totaled in the Section 1250 property portion of this report:

- Gross sales price
- Cost or other basis
- Expense of sale
- Depreciation allowed - life-to-date depreciation
- Depreciation allowed - net basis adjustment
- Adjusted basis
- Total gain
- Additional depreciation after 1975
- Total gain - additional depreciation after 1975
- Additional depreciation 1970 - 1975
- Section 291 amount
- Section 1231 gain

Calculations

The following formulas are used to produce this report:

For capital gains classifications of 1245 or 1245 Elevators:	Section 1231 Gain = Gain – Total Ordinary Gain (where Ordinary Gain = Lesser of Gain and 1245 Depreciation Allowed and Section 1231 Gain = Gain – Total Ordinary Gain))
For a capital gains classifications of 1250:	Section 1231 Gain = Gain – Section 291 Depreciation Recapture Amount – (1975 Additional Depreciation Allowed + Line 26E)

Recommended Frequency

You can produce this report upon request. It is most commonly produced at year end, but can be run for quarterly tax projections or at any other time during the year.

This report can be run only for U.S. tax books, and can be run only on an as-of basis.

Asset Base Activity Purge Preview

Use the Asset Base Activity Purge Preview to display information from Asset Base Activity records you chose to purge.

For more information on purging Asset Management activity records, see Purging Assets.

Content

The Asset Base Activity Purge Preview contains the following information:

- Request information
- Selection criteria
- Asset entity
- Asset ID
- Activity type code
- Date and time of activity

Format

The Asset Base Activity Purge Preview includes detail lines for each asset to be purged.

Scope

The Asset Base Activity Purge Preview includes all assets that meet the selection criteria for the assets that you want to purge.

Totals

The Asset Base Activity Purge Preview contains a total for the number of rows of assets selected to be purged.

Calculations

There are no calculations on this report.

Recommended Frequency

You can produce the Asset Base Activity Purge Preview upon request. It is produced after you run the purge preview. Keep a backup of the year-end database for reporting purposes. When the year is closed and you no longer need the activity records for inquiry purposes you can purge the prior year.

Asset Book Activity Purge Preview

Use the Asset Book Activity Purge Preview to display information from Asset Book Activity records that you chose to purge.

For more information on purging Asset Management activity records, see Purging Assets.

Content

The Asset Book Activity Purge Preview contains the following information:

- Request information
- Selection criteria
- Asset entity
- Asset ID
- Book number
- Activity type code
- Date and time of activity

Format

The Asset Book Activity Purge Preview includes detail lines for each asset book to be purged.

Scope

The Asset Book Activity Purge Preview includes all asset books that meet the selection criteria for the assets that you want to purge.

Totals

The Asset Book Activity Purge Preview contains a total for the number of rows of asset books selected to be purged.

Calculations

There are no calculations on this report.

Recommended Frequency

You can produce the Asset Book Activity Purge Preview upon request. It is produced after you run the purge preview. Keep a backup of the year-end database for reporting purposes. When the year is closed and you no longer need the activity records for inquiry purposes you can purge the prior year.

Property Account Base Activity Purge Preview

Use the Property Account Base Activity Purge Preview to display information from Property Account Base Activity records that you chose to purge.

For more information on purging Asset Management activity records, see Purging Assets.

Content

The Property Account Base Activity Purge Preview contains the following information:

- Request information
- Selection criteria
- Asset entity
- Property account ID
- Activity type code
- Date and time of activity

Format

The Property Account Base Activity Purge Preview includes detail lines for each property account to be purged.

Scope The Property Account Base Activity Purge Preview includes all property accounts that meet the selection criteria for the property accounts that you want to purge.

Totals The Property Account Base Activity Purge Preview contains a total for the number of rows of property accounts selected to be purged.

Calculations There are no calculations on this report.

Recommended Frequency You can produce the Property Account Base Activity Purge Preview upon request. It is produced after you run the purge preview. Keep a backup of the year-end database for reporting purposes. When the year is closed and you no longer need the activity records for inquiry purposes you can purge the prior year.

Property Account Book Activity Purge Preview

Use the Property Account Book Activity Purge Preview to display information from Property Account Book Activity records that you chose to purge.

For more information on purging Asset Management activity records, see Purging Assets.

Content The Property Account Book Activity Purge Preview contains the following information:

- Request information
- Selection criteria
- Asset entity
- Property account ID
- Book number
- Activity type code

- Date and time of activity

Format

The Property Account Book Activity Purge Preview includes detail lines for each property account book to be purged.

Scope

The Property Account Book Activity Purge Preview includes all property account books that meet the selection criteria for the property account books that you want to purge.

Totals

The Property Account Book Activity Purge Preview contains a total for the number of rows of property account books selected to be purged.

Calculations

There are no calculations on this report.

Recommended Frequency

You can produce the Property Account Book Activity Purge Preview upon request. It is produced after you run the purge preview. Keep a backup of the year-end database for reporting purposes. When the year is closed and you no longer need the activity records for inquiry purposes you can purge the year.

Creating Custom Reports

In addition to applying Asset Management's predefined reports to serve your reporting needs, you can create your own Access reports using Asset Management extract, views, tables, and queries.

Extract Tables

Data in reports is extracted and stored in extract tables located in DBSfwrk. Each extract table contains the user ID of the user who runs the extract, asset entity ID, asset ID, book number, all relevant numeric fields and the grouping level fields. You will not find non-key fields in the extract unless you chose them as group level fields.

The following table shows the extract and extract view for each report:

Report	Extract and View
Cost Summary	ffa_cost_summary_extract
	ffa_cost_summary_ext_view
Reserve Summary	ffa_reserve_summary_extract
	ffa_reserve_summary_ext_view
Expense Ledger	ffa_expense_ledger_extract
	ffa_expense_ledger_ext_view
Gain/Loss	ffa_gain_loss_extract
	ffa_gain_loss_ext_view

(continued)

Report	Extract and View
Reconciliation	ffa_reconciliation_extract ffa_reconciliation_ext_view
Alternative Minimum Tax	ffa_alt_min_tax_extract ffa_alt_min_tax_ext_view
Alternative Minimum Tax Retirement	ffa_alt_min_tax_retmt_ext ffa_alt_min_tax_retmt_ext_view
4797	ffa_4797_extract ffa_4797_ext_view

The depreciation projection tables are located in DBSfast. The following table shows the extract view for each report.

Report	Extract View
Depreciation Projection	ffa_depr_pjtn_view
Additional Depreciation Projection	ffa_addl_depr_pjtn_view

Queries

Each extract table in FFASRPT.MDB contains a query used to build the report. You can change these queries to customize your reports. Do not change the extract views or extract tables.

The following table shows which queries to change for each report.

Report	Query
4797 Part III Detail 4245	FFA 4797 Part III Detail 4245
4797 Part III Detail 4250	FFA 4797 Part III Detail 2450
4797 Section I	FFA 4797 Section I Query
4797 Section II	FFA 4797 Section 2 Query
4797 Section III	FFA 4797 Section 3 Query
Additional Depreciation Projection	FFA Additional Depreciation Projection Query
Alternative Minimum Tax	FFA Alternative Minimum Tax Query
Alternative Minimum Tax Retirements	FFA Alternative Minimum Tax Retirements Query
Cost Summary	FFA Cost Summary Query
Depreciation Projection	FFA Depreciation Projection Query
Expense Ledger	FFA Expense Ledger Query
Gain/Loss	FFA Gain/Loss Query
Reconciliation	FFA Reconciliation Query
Reserve Summary	FFA Reserve Summary Query

Changing Reports

You can change a report two ways:

- Change the query for the report to select the information you want.
- Change the report layout in Access.

This section contains information about which queries within the appropriate extract views to change, but changing a report may require additional Access knowledge.

12 Creating Mass Transactions

Chapter Contents

About Mass Transactions

The SmartStream Asset Management Mass Transactions feature uses Microsoft Access forms and routines to let you create mass transactions from existing assets and property accounts. This feature may be useful when a segment of your business physically changes location, changes its form of legal entity, retires all of its assets in a single transaction, or needs to revalue all assets.

Types of Transactions

You can create the following types of mass transactions:

- Mass changes
- Mass transfers
- Mass retirements

Example

The Human Resources department of your entity moves from the Rollins building to the Plaza on your entity campus. You need to change the user field that references the building for assets belonging to the Human Resources department. To make this change quickly, you can create a mass change transaction.

Mass Transactions Process

The following table describes the process to create mass transactions:

Stage	Description
1	Specify selection criteria to use when determining which assets or property accounts to generate mass transactions for (optional). Use the Maintain Selection Criteria window.
2	Enter a controller with information specific to the type of transaction to create (changes, transfers, or retirements). Use the Mass Transfer Process Controller window.
3	Provide an output text file to hold the transactions to run through scheduled processing. If you create mass transactions using scheduled processing, you can enter ast_maint_trans as the output text file to write transactions directly into the DBMS table.
4	Either create mass transactions online or save the controller to use to create mass transactions in a scheduled process.
5	Bulk copy the output text file and run the offline mass transactions job using the Job Scheduler. If you write transactions directly into the DBMS table, skip this step.
6	Run asset maintenance for the newly created transactions.

Defining Selection Criteria

You can define selection criteria when creating mass transactions to specify for which assets you want to create mass transactions. You can define selection criteria for

almost every asset field. For a full description of selection criteria, see Defining Selection Criteria. Also, see the online Help topic Adding or Changing Selection Criteria.

Setting Up Controllers

Mass transactions controllers contain information specific to the type of transactions you are creating. You can optionally attach selection criteria to a controller to select only the assets or property accounts that meet the criteria and generate mass transactions only for those assets or property accounts. If you do not use selection criteria, Asset Management generates mass transactions for all assets or property accounts on the database.

Asset Management requires you to set up controllers for all types of mass transactions. For all controllers, you can define selection criteria, an output text file to which Asset Management saves mass transactions for scheduled processing, and a date format.

Mass Change Controllers

You can create mass change transactions for both the asset base and book information, and contain all the information for both the base and book change on the same controller.

For mass change controllers, you must specify if you want to adjust amounts by an amount or percentage, or replace amounts completely. You can also indicate if you want to redefault location and category table information on the asset base and if you want to convert currency and recalculate life-to-date depreciation on the asset book.

Example

If your entity acquires another entity, you might need to revalue your assets to report on the purchase price of the acquired entity's assets. You can create a mass change transaction to adjust all amounts by a percentage to the purchase price.

Mass Transfer and Retirement Controllers

The controllers for mass transfers and mass retirements contain similar information. For these controllers, you must specify the following information:

- The book for which you want to create mass transactions
- The transfer or retirement date
- Whether the transfer or retirement is effective at the beginning or end of the accounting period containing the transfer or retirement date

Selecting All Books

You can enter specific book numbers on the controller or you can select all books. If you select all books, Asset Management uses general information that you enter to be used on all books that are generated and refers to this information as book 0. For example, if the selection criteria indicates to generate books 1 and 2 for an entity, Asset Management generates the books using the information you enter for book 0.

Creating Mass Transactions

After defining selection criteria and setting up a controller, you create the mass transactions according to the information in the selection criteria and controller. You can create mass transactions either online or offline using a scheduled process. Because creating them online monopolizes your workstation for the duration of the process, many users find it advantageous to create mass transactions using the Job Scheduler.

Output Text File

To create mass transactions offline you must provide an output text file in which to hold the transactions that you want to run through the Job Scheduler. You must enter the full path name for the output text file.

Note: To create mass transactions using the UNIX scheduled processing job, do not enter a file extension.

You can also enter the DBMS table name (ast_maint_trans) to hold the transactions.

The final steps in creating mass transactions offline are to bulk copy the output text file, run the mass transactions job (ffacmtxn) to create the transactions, and then run the asset maintenance job (ffacamnt) to update the assets. If you enter transactions directly into the DBMS table, you do not need to perform the bulk copy. For more information on creating mass transactions offline, see Mass Transactions.