

Wasp

BARCODE TECHNOLOGIES

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AssetCloud: Depreciation methods and process

Scott Leonard - 2019-12-13 - in AssetCloud

AssetCloud (all editions) supports these depreciation methods:

Straight-line depreciation

Double Declining Balance

150% Declining Balance

Declining Balance Custom

Sum of the Year's Digits

All the depreciation methods are specified by United States GAAP Codification of Accounting Standards. Discussions of these methods:

- 3rd-party site: <http://accountinginfo.com/study/dep/depreciation-01.htm>
- Wasp's article "MobileAsset v7 and AssetCloud Depreciation Methods Definitions"

(linked below).

Process:

1. Create your depreciation method(s) in Lookups.
2. Set the depreciation method in each asset type that you want to depreciate.
3. Create or edit the asset(s) you want to depreciate:
 - a. On the General tab, set an asset type with a depreciation method.
 - b. On the Purchase Details tab, specify the Purchase Price. Or you can specify the "Depreciation Begin Date" on the Depreciation tab.
 - c. On the Depreciation tab, check the box for "Yes, this Asset depreciates over time and has a salvage value", and set a Salvage Value (can be 0).
4. Depreciation does not calculate automatically. You must manually calculate depreciation to get up-to-date depreciation values. On the left, click to expand Asset (if necessary), then click Calculate Depreciation below. Specify the Depreciation through date, and click the Calculate Depreciation button. The green progress bar tracks the progress. When done, click the date after "Last calculated on" to view the depreciation report.

Further Explanation:

In the Calculate Depreciation dialog, specify the Through Date for depreciation. AssetCloud takes this into account along with the asset's purchase date and its Depreciation Class timeframe. The subsequent Asset Depreciation by Department Report shows assets that have depreciation values in their timeframes, or are no longer depreciating. Note that while AssetCloud shows the day of the month, depreciation timeframes are calculated by month (i.e., the particular day of the month is irrelevant).

Terms in the report's column heading:

Date: When the report was run.

Total depreciation: How much the asset's value has declined since purchase.

Book Value: Purchase cost minus Total Depreciation.

Current depreciation: How much the asset has depreciated in the entire single month of the specified Through Date.

Last Depreciation Date: Through Date as entered by the user. Or, if the Through Date is later than the asset's depreciation timeframe, this is the final month when the asset had any value remaining to depreciate.

I calculated depreciation, but an asset's depreciation value shows as zero!

Possible causes:

1. The asset's Salvage Value is set to the same as the Purchase Cost.

As mentioned in the Help, current depreciation = (purchase price of asset - approximate salvage value) / estimated useful life of asset = 0. For example, an asset's purchase price and salvage value are both \$100:

$(100 - 100) / 5 \text{ years}$

$0 / 5 \text{ years}$

0

2. The asset's Purchase Date is later than the Through Date specified when calculating depreciation, so no depreciation could occur for asset that hasn't been purchased yet. For example, purchase date is 10/8/2019, but the Through Date was specified as 9/30/2019, so this asset has not even been purchased as of that Through Date.

Related Pages

- [MobileAsset v7 and AssetCloud Depreciation Methods Definitions](#)