

Wasp

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MobileAsset: Depreciation methods and process

Scott Leonard - 2019-12-13 - in [FAQs](#)

The Standard edition of MobileAsset only supports straight-line depreciation, where the asset depreciates a set amount each year, based on the price and useful life.

The Professional and Enterprise editions additionally support more complex depreciation methods, as discussed in the on-screen Help (see [Related Pages](#) below for a downloadable manual):

- 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 Depreciation Methods Definitions" (linked below).

Process:

1. Create your depreciation method(s).
2. Set the depreciation method in each asset type that you want to depreciate.
3. In the asset(s) you want to depreciate: On the General tab, set the asset type; and on the Depreciation tab, check the box for Depreciate Asset.
4. Depreciation does not calculate automatically. You must manually calculate depreciation to get up-to-date depreciation values. On the left, click Asset Management; on the right click Calculate Depreciation, specify the Through Date, and click OK. When that process completes, you can click OK to view the depreciation report. If you close the report and need to see it again, do Reports, Asset Depreciation Reports, Asset Depreciation by Department Report.

Further Explanation:

In the Calculate Depreciation dialog, specify the Through Date for depreciation. MobileAsset 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 MobileAsset 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:

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.

Note that the date shown on the report at the lower left corner is the date when the report was run, not the specified Through Date.

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](#)
- [MobileAsset: Why do I have to enter more than 100% for the Custom Depreciation?](#)
- [MobileAsset v7: User Manual and Quick Start Guide](#)