# MobileAsset: Why do I have to enter more than 100% for the Custom Depreciation?

Jason - 2017-09-12 - Version 7

The Declining Balance Custom depreciation method does not allow you to specify the percentage of depreciation directly. Rather, it works like the Double Declining Balance and 150% Declining Balance methods, but allows you to specify the amount of acceleration to apply.

With Straight Line depreciation, you specify the life span of the asset, and it will take off an even amount of value each month to decrease from the purchase cost to the salvage value over that life span.

For the Declining Balance methods, more value is removed each month for the beginning of the asset's life, with the amount of the value removed each month gradually dropping. The way this is calculated is by multiplying the straight line amount by the amount you are accelerating. E.g., Double Declining Balance removes twice as much value as straight line, or 200% of the value that would be removed by Straight Line. The 150% Declining balance would remove 150% of the value that Straight Line would remove. Declining Balance Custom is expecting the percentage of the Straight Line value. To decrease the value by an additional 25% above the Straight Line value, you would enter 125 as the custom rate.

Within Mobile Asset's Help documentation, you can go to Definitions, then look at Depreciation Methods for a longer explanation and examples of how this applies. There is also a good explanation of Double Declining Balance at this third-party website:
http://accountingexplained.com/financial/non-current-assets/declining-balance-depreciation

## Related Content

- MobileAsset v7 and AssetCloud Depreciation Methods Definitions
- MobileAsset: Depreciation methods and process