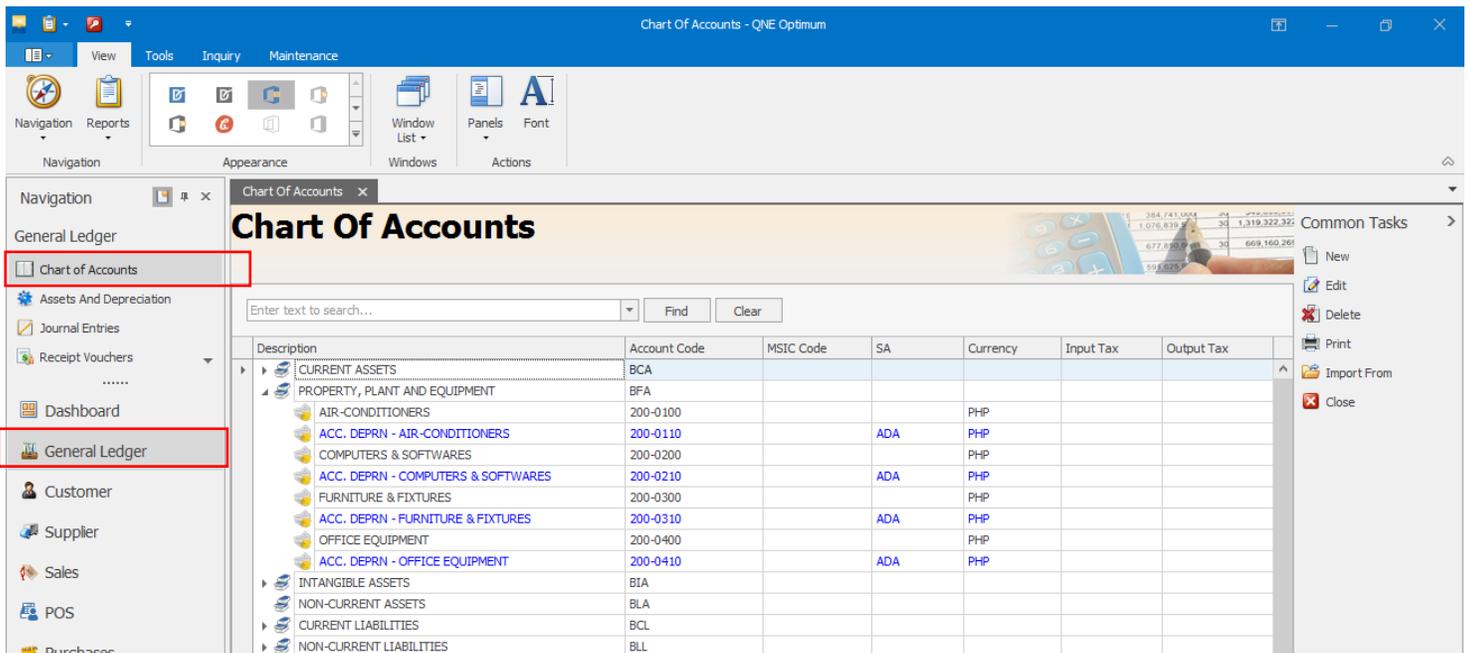




HOW TO RECORD DEPRECIATION OF FIXED ASSETS

Acquired items such as Computers, Machineries, Leaseholds, Equipment and the likes are usually being considered as a part of the company's fixed assets and the each will depreciate their value over the period of time. Recording of depreciation will let us know the current book value of the fixed assets.

Using the Navigation Panel, go to the General Ledger and select Chart of Accounts.



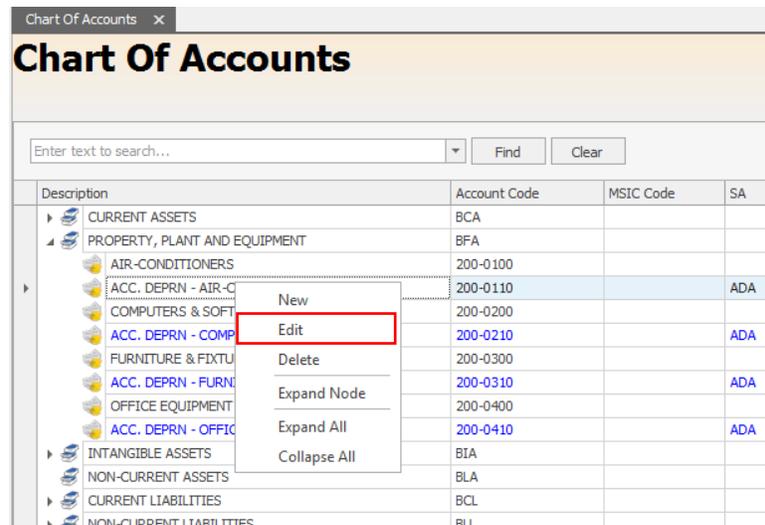
The screenshot shows the 'Chart Of Accounts - QNE Optimum' window. The 'General Ledger' menu item in the left navigation panel is highlighted with a red box. The main area displays a tree view of accounts under 'PROPERTY, PLANT AND EQUIPMENT'. The following table represents the data shown in the screenshot:

Description	Account Code	MSIC Code	SA	Currency	Input Tax	Output Tax
▶ CURRENT ASSETS	BCA					
▶ PROPERTY, PLANT AND EQUIPMENT	BFA					
▶ AIR-CONDITIONERS	200-0100			PHP		
▶ ACC. DEPRN - AIR-CONDITIONERS	200-0110		ADA	PHP		
▶ COMPUTERS & SOFTWARES	200-0200			PHP		
▶ ACC. DEPRN - COMPUTERS & SOFTWARES	200-0210		ADA	PHP		
▶ FURNITURE & FIXTURES	200-0300			PHP		
▶ ACC. DEPRN - FURNITURE & FIXTURES	200-0310		ADA	PHP		
▶ OFFICE EQUIPMENT	200-0400			PHP		
▶ ACC. DEPRN - OFFICE EQUIPMENT	200-0410		ADA	PHP		
▶ INTANGIBLE ASSETS	BIA					
▶ NON-CURRENT ASSETS	BLA					
▶ CURRENT LIABILITIES	BCL					
▶ NON-CURRENT LIABILITIES	BLL					

Under the Property, Plant and Equipment Accounts, create a fixed asset accounts and accumulated depreciation accounts.

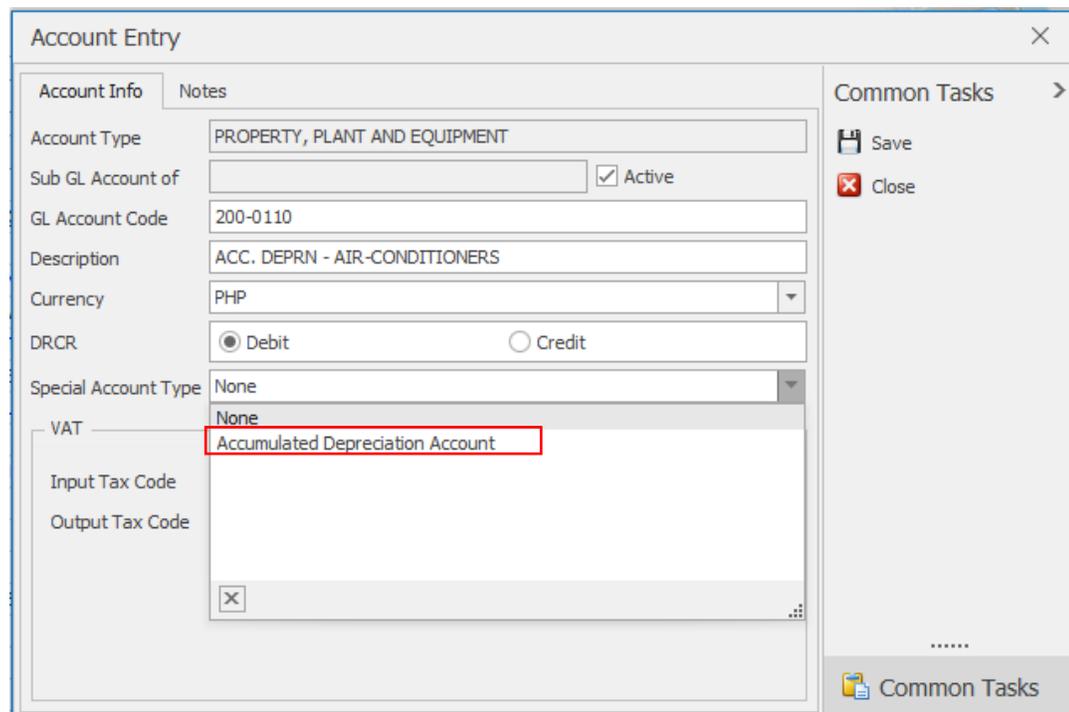
Accumulated Depreciation Accounts per each fixed asset accounts should be tagged as ADA in the Special Account.

To tagged, right-click to the corresponding accumulated depreciation account and select edit.



Description	Account Code	MSIC Code	SA
▶ CURRENT ASSETS	BCA		
▶ PROPERTY, PLANT AND EQUIPMENT	BFA		
▶ AIR-CONDITIONERS	200-0100		
▶ ACC. DEPRN - AIR-CONDITIONERS	200-0110		ADA
▶ COMPUTERS & SOFTWARE	200-0200		
▶ ACC. DEPRN - COMPUTERS & SOFTWARE	200-0210		ADA
▶ FURNITURE & FIXTURES	200-0300		
▶ ACC. DEPRN - FURNITURE & FIXTURES	200-0310		ADA
▶ OFFICE EQUIPMENT	200-0400		
▶ ACC. DEPRN - OFFICE EQUIPMENT	200-0410		ADA
▶ INTANGIBLE ASSETS	BIA		
▶ NON-CURRENT ASSETS	BLA		
▶ CURRENT LIABILITIES	BCL		
▶ NON-CURRENT LIABILITIES	BIL		

On the Account Entry pop-up window, select Accumulated Depreciation Account under Special Account Type. Once done, save the window.



Account Entry

Account Info | Notes

Account Type: PROPERTY, PLANT AND EQUIPMENT

Sub GL Account of: [] Active

GL Account Code: 200-0110

Description: ACC. DEPRN - AIR-CONDITIONERS

Currency: PHP

DRCR: Debit Credit

Special Account Type: None

VAT: None

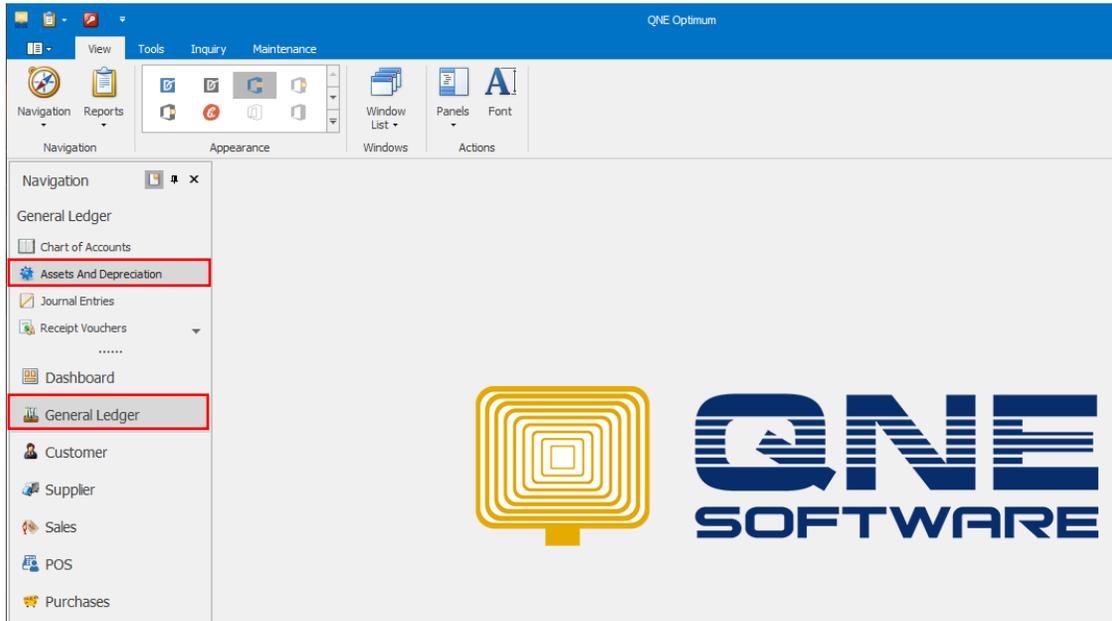
Input Tax Code: []

Output Tax Code: []

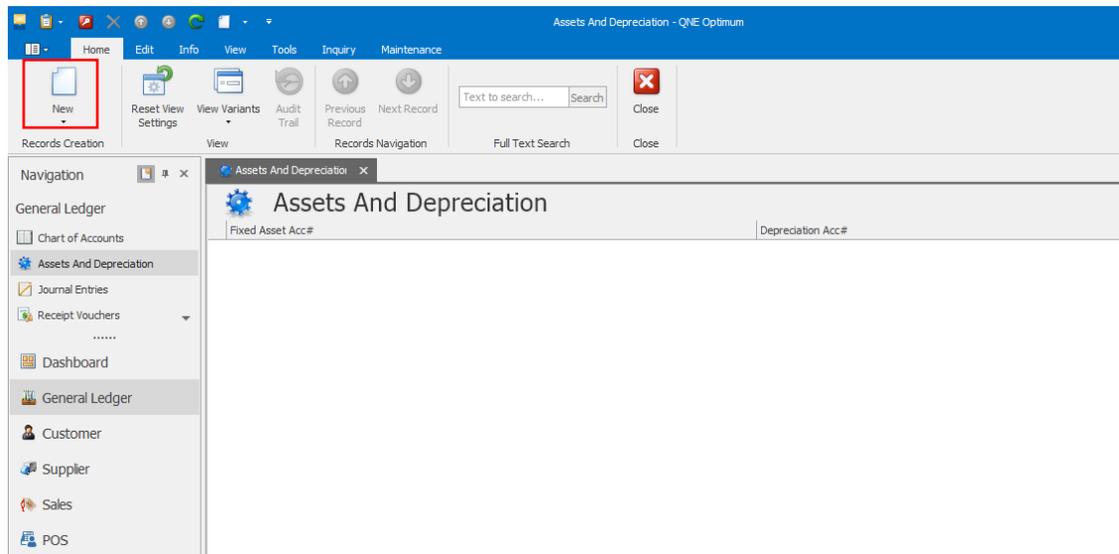
Common Tasks: Save, Close

Common Tasks

If all of the accumulated depreciation accounts are being tagged, we can now match them to its corresponding fixed asset accounts using Assets and Depreciation Maintenance.

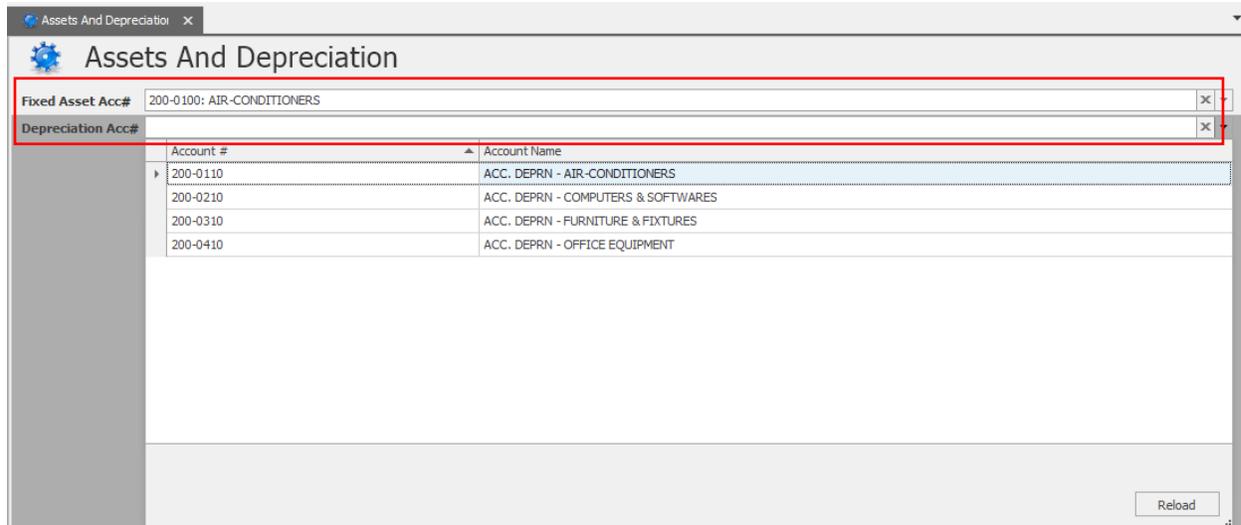


To match, click New under Record Creation.



Select the Fixed Asset account and its corresponding Accumulated Depreciation account using the drop-down button.

Continue to do matching until all fixed assets have been matched.

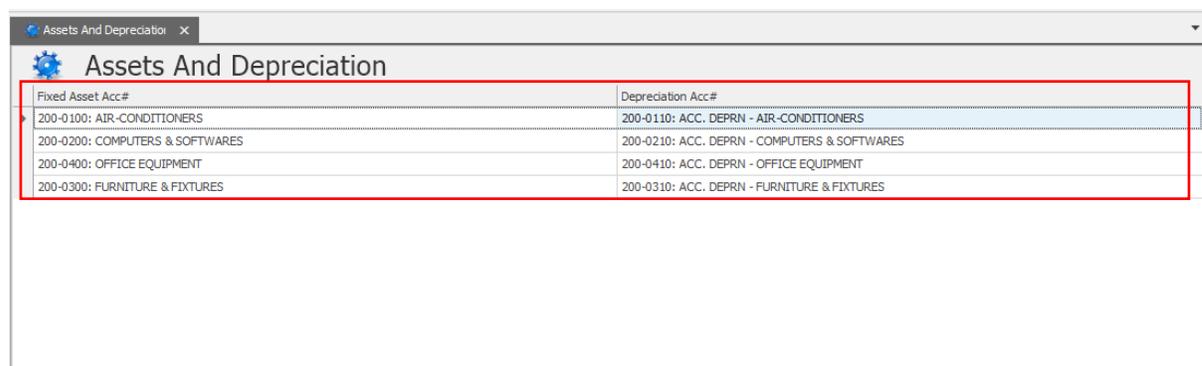


The screenshot shows the 'Assets And Depreciation' window. The 'Fixed Asset Acc#' field is set to '200-0100: AIR-CONDITIONERS'. The 'Depreciation Acc#' field is empty. Below these fields is a table with the following data:

Account #	Account Name
200-0110	ACC. DEPRN - AIR-CONDITIONERS
200-0210	ACC. DEPRN - COMPUTERS & SOFTWARES
200-0310	ACC. DEPRN - FURNITURE & FIXTURES
200-0410	ACC. DEPRN - OFFICE EQUIPMENT

A 'Reload' button is visible at the bottom right of the window.

Once done, all matched accounts will be displayed in the Assets and Depreciation Maintenance.

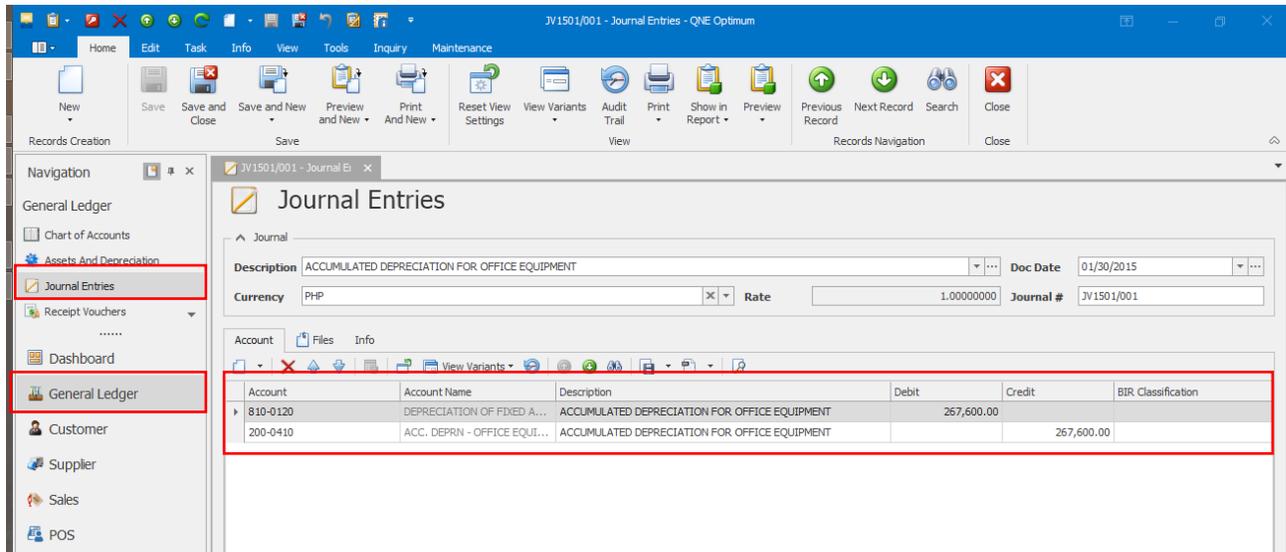


The screenshot shows the 'Assets And Depreciation' window with the 'Fixed Asset Acc#' and 'Depreciation Acc#' fields populated with the following data:

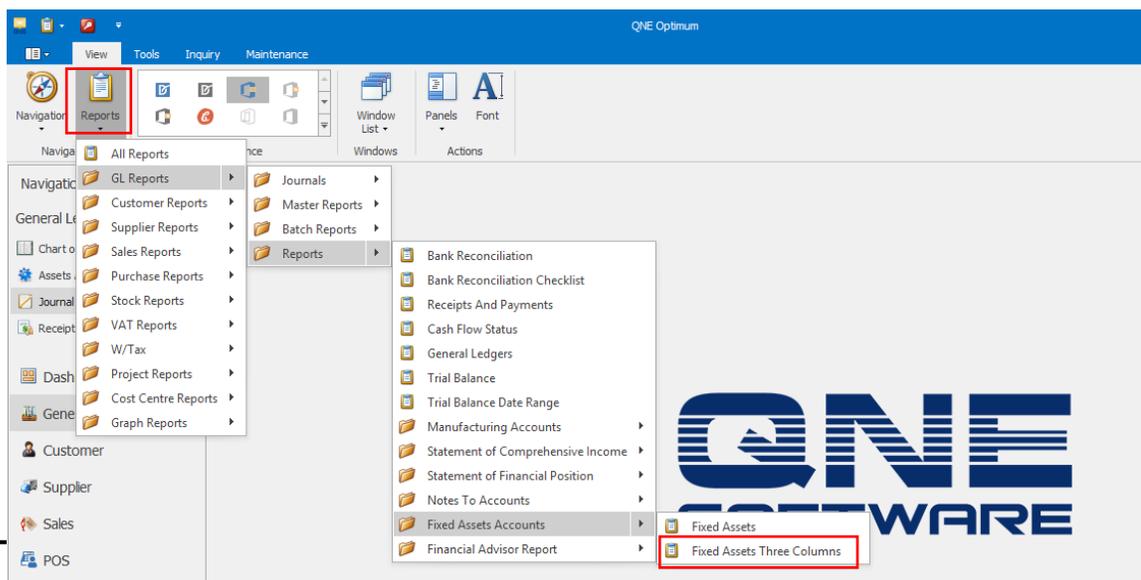
Fixed Asset Acc#	Depreciation Acc#
200-0100: AIR-CONDITIONERS	200-0110: ACC. DEPRN - AIR-CONDITIONERS
200-0200: COMPUTERS & SOFTWARES	200-0210: ACC. DEPRN - COMPUTERS & SOFTWARES
200-0400: OFFICE EQUIPMENT	200-0410: ACC. DEPRN - OFFICE EQUIPMENT
200-0300: FURNITURE & FIXTURES	200-0310: ACC. DEPRN - FURNITURE & FIXTURES

Now go to Journal Entries in the General Ledger Module using Navigation Panel.
Create a depreciation of fixed asset by debiting the Depreciation Expense account and credit the Accumulated Depreciation account.

Note: Provide a description for reference in report.



Then to check the current book value of the fixed accounts. Go to View then Reports > GL Reports > Reports > Fixed Assets Accounts > Fixed Assets Three Columns report.



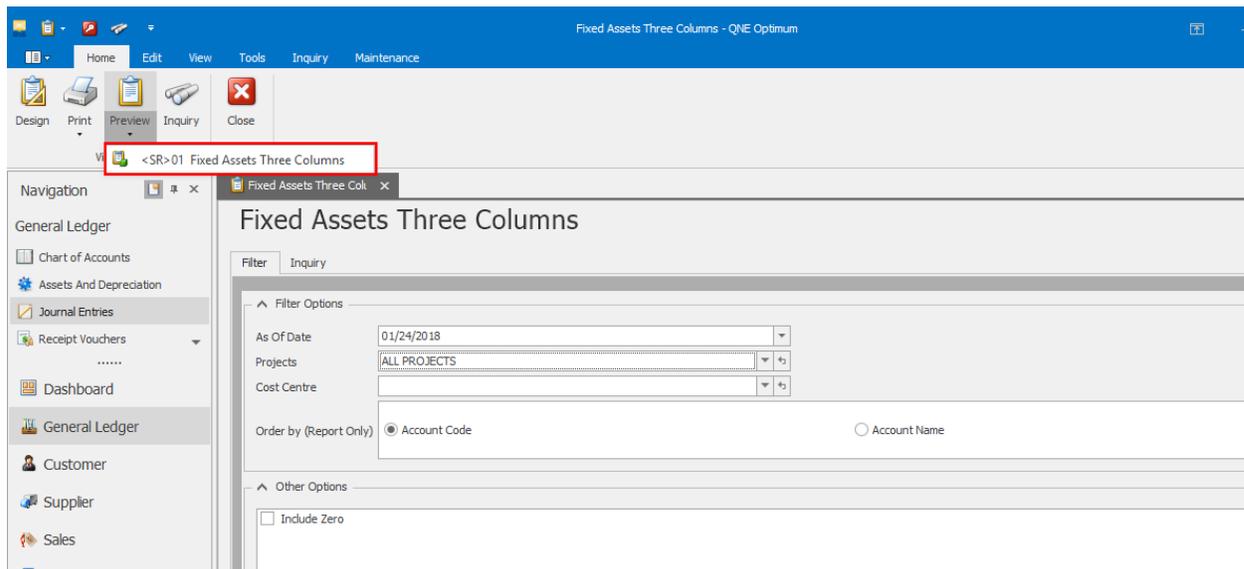
Tel. No.: +63 2 567-4248, +63 2 567-4253 Fax No.: +63 2 567-4250

Website: www.qne.com.ph

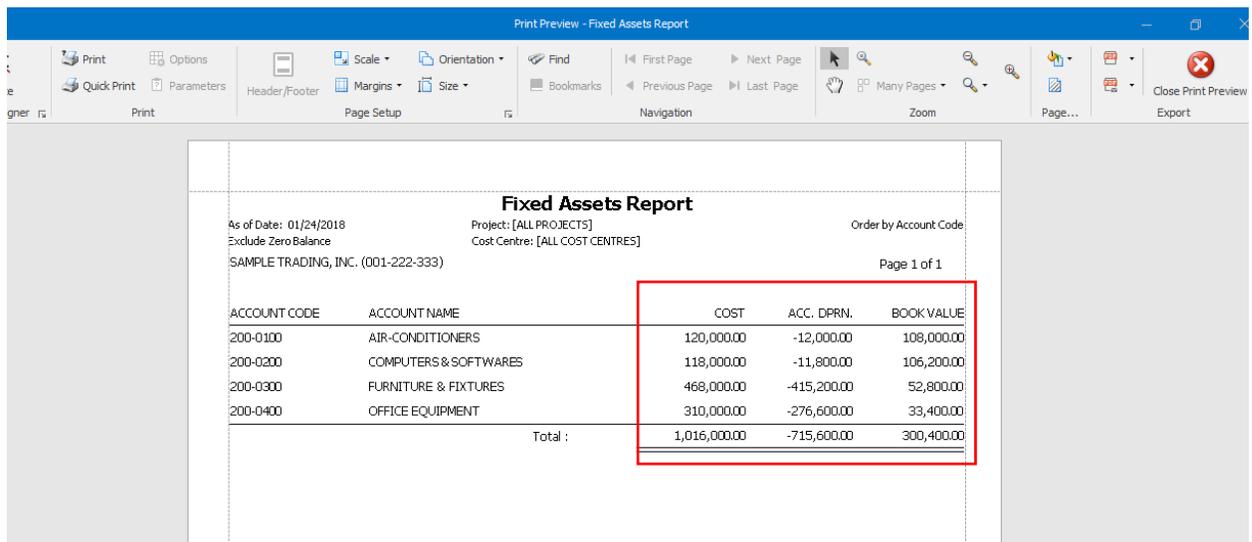
Facebook: <https://www.facebook.com/QnEPH>

Follow our Twitter and Instagram account: @qnesoftwareph

Now generate a report, click the preview and select the available format. (you may select and filter date based on preference).



Upon checking on the report, Book Value of each fixed assets have been shown by deducting the accumulated depreciation amount to its corresponding cost upon acquired.



ACCOUNT CODE	ACCOUNT NAME	COST	ACC. DPRN.	BOOK VALUE
200-0100	AIR-CONDITIONERS	120,000.00	-12,000.00	108,000.00
200-0200	COMPUTERS & SOFTWARES	118,000.00	-11,800.00	106,200.00
200-0300	FURNITURE & FIXTURES	468,000.00	-415,200.00	52,800.00
200-0400	OFFICE EQUIPMENT	310,000.00	-276,600.00	33,400.00
Total :		1,016,000.00	-715,600.00	300,400.00