MYOB EXO FIXED ASSETS

User Guide

EXO
BUSINESS

MYOB ENTERPRISE SOLUTIONS

Important Notices

This material is copyright. It is intended only for MYOB Enterprise Solutions Business Partners and their customers. No part of it may be reproduced in any way without the prior permission of MYOB.

MYOB has carefully prepared this material but excludes (to the extent allowed by legislation) any direct or indirect liability arising from errors or omissions or from its use. Any case studies (including the application of particular accounting standards or legislation) are representative examples only, and will not directly apply to the user's own circumstances. They are not a substitute for professional advice. Users must check that third party materials, for example from the IRD and the ATO, are current at the time they are used.

Trademark Rights

MYOB is an internationally registered trademark of MYOB Technology Pty Ltd. The use of this trademark and MYOB's other trademarks is prohibited without prior consent. Other products mentioned may be service marks, trademarks or registered trademarks of their respective owners.

Table of Contents

MYOB EXO Fixed Assets

MYOB EXO Fixed Assets is an add-on module to the MYOB EXO Business system. It is an asset management system that is linked to EXO Business and can access the required information from the EXO Business database.

Fixed Assets provides for depreciation with automatic postings to the EXO Business General Ledger. It also posts journal entries to the General Ledger whenever assets are revalued or sold. You can also print asset and depreciation reports.

Features

The major features of the Fixed Assets module include:

- Maintains details on each asset. This includes name, description, period depreciation, depreciation rates, asset locations, asset custodian, purchase invoice number, supplier details, date for next maintenance and maintenance supplier.

- Creates General Ledger journals for asset transactions (depreciation, revaluation, sale/disposal). These journals are posted directly to the EXO Business General Ledger.

- Prompt for assets that have been purchased (recorded on the EXO Business General Ledger), but not yet added to Fixed Assets.

- Allows relocation of assets.

- Tracks book and tax values for seven years.

- Provides two separate and independent depreciation records: one for taxation, the other for accounting.

- Allows the user to prompt maintenance requirements for assets by selecting the next service date.

- Projects depreciation for the next financial year.

- Allows one asset to be assigned to another asset. The main asset is considered the parent.

- Allows the grouping of assets by types and the setting of default depreciation rates, depreciation codes and asset codes in the General Ledger.

- Provides reports related to Asset Groups, Depreciation, Revaluation and Maintenance.

Requirements

The General Ledger setup in EXO Business should contain the following:

- Account Groups for:
  - Fixed Assets
  - Depreciation Expense
- General Ledger accounts for each Asset Group for:
  - Asset Cost
  - Accumulated Depreciation
  - Capital Reserve
  - Depreciation Expense
  - Loss on Sale
  - Write Down

Setting up Fixed Assets

Asset Groups

Before using the Fixed Assets module, Asset Groups must be set up using the EXO Business Config application. Asset Groups are the way you divide up the various types of assets in your business. Associated with each of these groups are different default depreciation rates and different General Ledger accounts for cost, accumulated depreciation etc.

> **Note:** The EXO Business Config application requires a separate license to run. Asset Groups are not available in the EXO Business Configuration Assistant (which does not require a license).

To set up an Asset Group:

1. Open the EXO Business Config application and select the Admin tab.

2. Select Asset Groups under EXO Fixed Assets.

3. Click the **New** button.

4. The Details tab is displayed. Complete all fields on this tab:

Field	Description
Group Name	A name for this group of assets. This name is user-defined.
Book Depreciation Rate (%)	The book/accounting rate that is applicable. This is your default rate when setting up new assets.
Tax Depreciation Rate (%)	The tax rate that is applicable. This is your default rate when setting up new assets.
Straight line	A click against this option, if this is the straight-line depreciation method is to be used.
Diminishing value	A click against this option, if this is the Diminishing Value method is to be used.
Default Accounts	
GL Account	The balance sheet account where asset cost is held.
Depreciation Account	The Profit & Loss account that you want the depreciation posted to.
Depreciation Recovered Account	The Profit & Loss account that you want the depreciation recovered posted to.
Accumulated Depreciation	The balance sheet account where accumulated depreciation is held.
Capital Reserve Account	The balance sheet account that holds revaluation credits.
Loss on Sale Account	The Profit & Loss account that loss on sale is posted to.
Write Down Account	The Profit & Loss account that write-downs are posted to.

5. Click **Save**. The new group is added to the Asset Groups list.

If you need to modify settings on an Asset Group that has already been created, select the asset group from the displayed list and double-click. The details page of the group is displayed. You can make changes to any of the fields here.

> **Note:** Any changes that you need to make to the General Ledger Account Groups should be made before setting up Asset Groups. If the Account Groups are changed after Asset Groups have been set up, you will need to change the General Ledger accounts specified for the Asset Groups.

Asset Locations

When you create a new asset, you need to specify a location for it. Before using the Fixed Assets module, Asset Locations must be set up using the EXO Business Config application.

> **Note:** The EXO Business Config application requires a separate license to run. Asset Locations are not available in the EXO Business Configuration Assistant (which does not require a license).

To set up an Asset Location:

1. Open the EXO Business Config application and select the Admin tab.

2. Select Asset Locations under EXO Fixed Assets.

3. Click the **New** button.

4. Enter the location's name in the **Location** field.

5. Make sure that the Active box is checked.

6. Click **Save**. The new location is added to the Asset Locations list.

Asset Defaults

In the day-to-day operation of Fixed Assets, every time it's started up, it will present a screen showing a list of newly acquired assets that are on the General Ledger but not yet in Fixed Assets. To support this feature it is necessary to tell Fixed Assets which General Ledger accounts it should be looking at. This is done by setting up Asset Defaults using the EXO Business Config application.

> **Note:** The EXO Business Config application requires a separate license to run. Asset Defaults are not available in the EXO Business Configuration Assistant (which does not require a license).

To set up Asset Defaults:

1. Open the EXO Business Config application and select the Admin tab.

2. Select Asset Defaults under EXO Fixed Assets.

3. Select accounts for the following fields:

   o **Fixed Asset** - specify the account that is defined in the EXO Business system as the "Fixed Assets" General Ledger Account Group.
   o **Primary Depreciation** - specify the account for depreciation. The selection that you make is based on your company's Profit and Loss GL code.

4. Click **Save**.

Asset Masters

Locating an Asset

When Fixed Assets starts up, it opens two windows:

- The main Fixed Assets window
- The General Ledger Assets window

Fixed Assets

The main Fixed Assets window displays a Search tab used to locate an existing asset for enquiry or maintenance:

Click the **Search** button to list all assets.

Alternatively, you can filter the list of assets by entering part of an Asset Name of Asset Number and/or selecting an Asset Group before clicking **Search**.

By default, the search only returns active assets. If you want to see assets that have been sold, select the **Include Sold Assets** option before searching.

By default, the program searches on Asset name and Description. Selecting the **Extensive Search** option means the program will search on Serial No. as well.

Double-clicking on an asset in the list displays the asset's details (see page 6).

General Ledger Assets

The General Ledger Assets window prompts you to add newly acquired assets that are on the General Ledger but not yet in Fixed Assets:
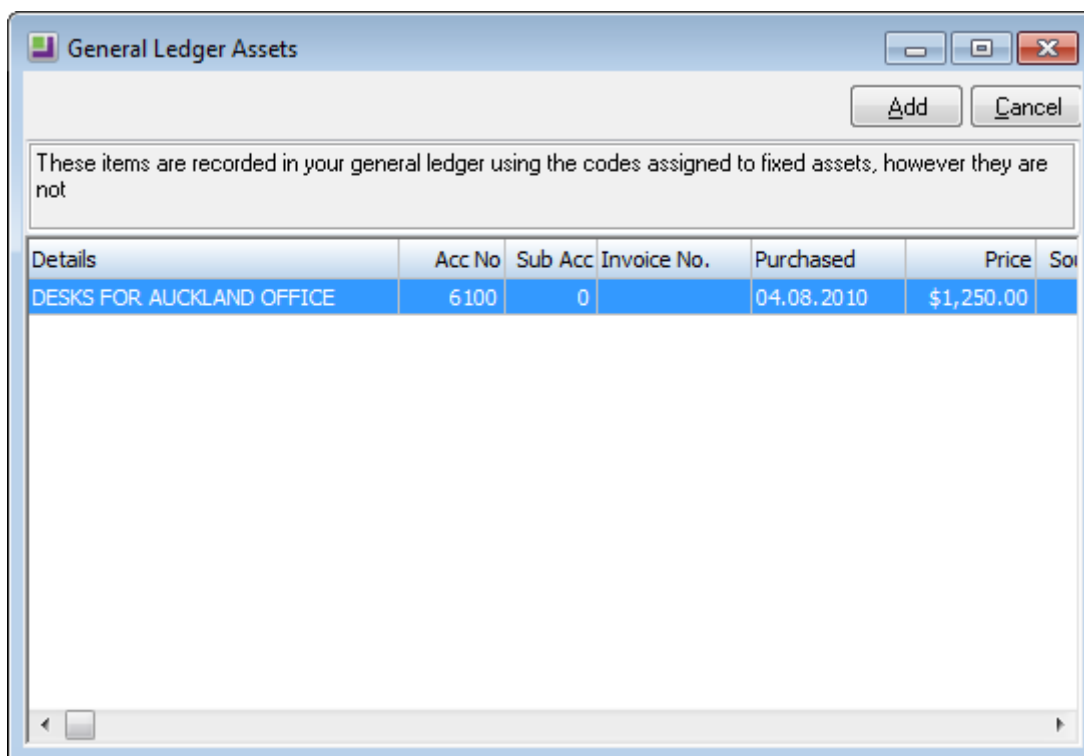
Some of the items listed as a General Ledger Asset may either be part of an existing asset or may need to be split and recorded as multiple assets in Fixed Assets. You can delete items from this list by right-clicking the asset and selecting **Do not tell me about this asset again**. If you click this option, the item is deleted from the list; however, to see the updated list, you need to close Fixed Assets and restart it.

Adding an Asset

Newly acquired fixed assets are normally recorded in the General Ledger first. Typically, a creditor's invoice for the purchase of a fixed asset is charged to a GL Fixed Asset cost account, then the asset is added to the Fixed Assets register.

There are two ways of adding a new asset to Fixed Assets:

- Double-click on an asset in the General Ledger Assets window (see page 5) (or select the asset and click **Add**).
- Click **New** on the main Fixed Assets window.

MYOB EXO Business Fixed Assets

In either case, the main Fixed Assets window shows the Details tab for the new asset:

Enter values for all fields, then click **Save** to add the asset.

> **Note:** Adding an asset to Fixed Assets does not produce General Ledger accounting entries. The update to the General Ledger Asset Cost accounts is done independently. It is important to reconcile the GL Asset Cost accounts (and accumulated depreciation) to relevant totals from Fixed Assets.

Asset Details

The following details must be completed for all assets. These details can be edited after the asset is created.

Field	Description
Asset Number	A unique identifier for the asset. This number is generated by the system and cannot be changed.
Asset Code	A code to help you identify the asset. If you already have an existing system, you can transfer the number to this system.
Name	The name assigned to the asset.
Description	Description of the asset as listed in the General Ledger and the invoice.
Has parent	Select this option if the asset is a part of a larger asset.
Is parent	Select this option if the asset is the main asset and has other subsidiary assets.

Purch this year	Select this option if the asset was purchased this year.
Parent Asset	If the **Has parent** option is selected, specify the asset's parent asset.
Asset Group	Select the Asset Group that the asset belongs to. This determines default values for General Ledger accounts and depreciation rates/methods.
Serial No.	The serial number of the asset (if applicable).
Invoice No.	The Creditor Invoice number.
Branch No.	The branch that the asset is located in.
Location	The Asset Location that the asset belongs in.
Custodian	The name of the staff member responsible for the asset.
Supplier	The name of the supplier who sold the asset to you.
Serviced by	The name of the person who will service the asset (if applicable).
GL Account	The Balance Sheet Asset Cost account number.
Depreciation A/C	The Profit & Loss Depreciation expense account.
Accum Depreciation A/C	The Balance Sheet Accumulated Depreciation account.
Next Service Date	The date you want the service to take place (if applicable).
Purchase Date	The date the asset was purchased.
Commission Date	The date you want to start depreciating the asset.
Purchase Value	The price paid for the asset (excluding GST).
Status	Select whether the asset is **Active** (i.e. with you and being depreciated), has been **Sold** or has been **Disposed of**.
Depreciation Rates	
Book [%]	The book/accounting depreciation rate.
Tax [%]	The tax depreciation rate.
Straight	Select this option if the Straight Line depreciation method (see page 18) is to be used for this asset.
Dim Value	Select this option if the Diminishing Value depreciation method (see page 19) to be used for this asset.

Depreciated Values (all read-only)	
Opening Value	The opening Net Book Value for the current year.
Current Year	The amount that the asset has depreciated by this year.
Depreciated Value	The current Net Book Value of the asset (equal to Opening Val - Current Year).
Last Depreciation Date	The date when depreciation was last calculated on the asset.

Depreciated Values (all read-only)

Asset Transactions

Calculating Depreciation

The main object of depreciation is to spread the original cost of the asset over its expected life. Depreciation is calculated based on the cost price, and debited to expenditure for the applicable accounting period. It is a non-cash transaction.

To calculate asset depreciation:

1. Select **Calculate Depreciation** from the Utilities menu.

2. The Depreciation tab is displayed. Set the **Depreciation Date** by selecting the date from the attached calendar.

3. Click the **Calculate** button.

4. The Depreciation schedule is displayed:

Only those assets that whose **Last Depreciation Date** is less than the Depreciation Date specified appear. Specify the Accounting Period that you want depreciation expense posted into in the General Ledger. You can also enter your initials as a reference for this depreciation run.

5. Click the **Post** button to post to the depreciation entry to the General Ledger, and perform the updates in the asset database.

Asset depreciation is calculated automatically, based on the depreciation rates and values that you specify while adding the asset to the register.

Year-End Rollover

The Fixed Assets year-end rollover should be performed at the end of the financial year. This process is associated with the depreciation run. You would have depreciated your assets up to the year-end date and posted this to the General Ledger. The year-end rollover is then run using the same year-end date. This process does not post anything to the GL, but performs updates to the database.

To perform a year-end rollover:

1. Select **Year End Rollover** from the Utilities menu.

2. The Year End screen is displayed.

3. Select the Rollover Date. This should be the end of the current financial year and should be the same as the Last Depreciation Date. The system will warn you if this is not the case.

4. Click the **Calculate** button.

5. Click the **Post** button.

Revaluing an Asset

An asset may need to be revalued to meet current market values.

To revalue an asset:

1. Highlight the asset on the Search tab, then select the Revalue Asset option from the Utilities menu.

2. The Revalue asset tab is displayed:

3. Enter values for each field:

Field	Description
New Value	The value of the item based on revaluation.
Revaluation Date	The date the revaluation is carried out.
Initials	The initials of the staff member handling the revaluation. This can be useful if any clarifications are required at a later stage.
GL Period	The General Ledger period that revaluation transactions should be posted to.
Comment	Any relevant information such as the source providing the revaluation figures.

4. Click the **Calculate** button. The fields in the Posting Summary panel are automatically completed.

5. Click the **Post** button. The results are added to the General Ledger as journal entries.

Note: Following a revaluation it is normal to re-assess the remaining useful life of an asset. This may require a change to be made by the user to the Depreciation Rate (e.g. if there are only two more years of useful life, then the Straight Line Depreciation Rate should be changed to 50%). Subsequent Depreciation will then be calculated on the New Asset Value times the New Rate for the number of days from the last revaluation date up until the new depreciation date.

Selling or Disposing of an Asset

When a fixed asset is at the end of its useful economic life, you may decide to dispose of it either by selling it, trading it in on a new model or throwing it away.

To sell or dispose of an asset:

1. Double-click on the asset on the main Search screen to show the Details tab for that asset.

2. Select "Sold" or "Disposed of" for the **Status** field. Extra fields appear at the bottom right of the tab:

Enter values for each field:

Field	Description
Date Sold	The date the asset was sold or disposed of.
GL Period	The General Ledger period that sale/disposal transactions should be posted to.
Selling Price	The selling price of the asset (excluding GST). This field only applies when the asset is being sold.
Invoice number	The invoice number of the asset.

Depreciate book value in year of sale	Select this option if you want book/accounting depreciation in the year of sale.
Depreciate tax value in year of sale	Select this option if you want tax depreciation in the year of sale.

3. Click **Save**.

Reports

Fixed Assets Reports

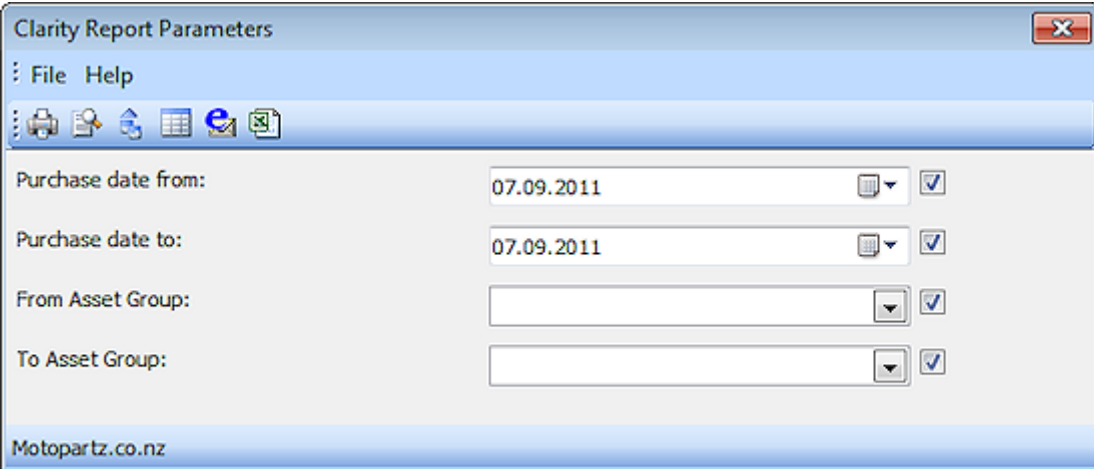The Fixed Assets module includes the following reports:

Report	Description
Asset Purchases	Lists assets, showing their purchase date and purchase value.
Asset Sales	Lists all sold assets (see page 11), showing their sale date and sale price.
Book Values	Displays the Book Values of all assets.
Tax Values	Displays the Tax Values of all assets.
All Groups	Lists all assets, sorted by asset group.
Revaluations	Displays details of all revaluations (see page 10) performed on assets.
Book Depreciation	Displays Book Depreciation values for all assets, sorted by Asset Group.
Tax Depreciation	Displays Tax Depreciation values for all assets, sorted by Asset Group.
Maintenance	Displays a schedule of upcoming service appointments.
Transactions by Asset	Lists all asset transactions (e.g. revaluations, sales) performed during the specified time period. Transactions are grouped by asset.

The report menu also contains a link to the Clarity Report Designer. The Clarity Report Designer is a utility for creating and editing reports and forms in MYOB EXO Business. It features a wide range of options for drawing in data from EXO Business database tables, then sorting and presenting the information on a report whose appearance can be completely customised.

Note: See the Clarity Help for full details on the use of the Clarity Report Designer.

To run a report:

1. Select the report from the Reports menu.

2. Some reports allow you to filter the results by entering various selection parameters. For these reports, a window opens so you can enter the parameters:

3. Click the **Print** button to generate the report and send it to the default printer. Click the **Preview** button to display the report onscreen before printing it.

Technical Information

Depreciation - Worked Example

The following example illustrates how the relevant field values are used in the depreciation calculation and how they are updated as the asset is depreciated.

An asset is added to Asset Register with a Purchase Value of $1000, and Commission Date of 01-01-2010. The following fields are set and do not change through the life of the asset:

- Acquisition value (START_VALUE) = $1000

- Commission date (COM_DATE) = 01/01/2010

Most of the key fields used in the depreciation calculation can be seen on the Asset Details screen. The following screenshot is of our sample asset, taken at the end of all depreciation processing:

Property	Field	Contents	Notes
Commission Date	COM_DATE	01/01/2010	Date that EXO Business will start to depreciate from.
Purchase Value	START_VALUE	1,000.00	Acquisition value. Basis of straight-line depreciation.
Opening Val (Book)	YR1_BOOKVAL or START_VALUE, if you haven't done Year End Rollover.	700.82	Opening Net Book Value (NBV) for current year.

Current Year (Book)	Opening Val – Dep Value. Not from a field.	50.41	Current year's movement (mainly depreciation).
Dep Value (Book)	DEPVALUE	650.41	Current Net Book Value.
Last Dep Date	DEP_DATE	30/09/2011	Date that the asset is depreciated-to. i.e. Current NBV is current to this date.

Notes

- Also needed, but not seen on this screen is CURRENT_YR_DEP_START_BOOK. This holds the commission date if the asset has not yet gone through a year-end roll, otherwise it holds the date of the last year-end rollover.
- All field values are held in the ASSET_REG table.
- The term Net Book Value (NBV) is defined as the Asset's Cost (Acquisition Value) less Accumulated Depreciation.
- The example is only dealing with Book/Accounting Depreciation.
- In this example we depreciate every quarter, and year-end is 30th June.

The following table shows how the relevant fields are modified after each depreciation run and year-end roll. To understand how the system calculates these values, refer to the Depreciation Algorithms (see page 18) topic, which includes an example showing how the "Depreciate to 31/03/2011" line (highlighted) is calculated.

Event	DEPVALUE	DEP_DATE	YR1_BOOKVAL	YR2_BOOKVAL	CURRENT_YR _DEP_START _BOOK	Depreciation charged to GL
After the asset addition	1000.00				01/01/2010	
Depreciate to 31/03/2010	950.68	31/03/2010			01/01/2010	**49.32**
Depreciate to 30/06/2010	900.82	30/06/2010			01/01/2010	**49.86**
Year-End Rollover 30/06/2010	900.82	30/06/2010	900.82		30/06/2010	
Depreciate to 30/09/2010	850.41	30/09/2010	900.82		30/06/2010	**50.41**
Depreciate to 30/12/2010	800.00	30/12/2010	900.82		30/06/2010	**50.41**
Depreciate to 31/03/2011	750.68	31/03/2011	900.82		30/06/2010	**49.32**
Depreciate to 30/06/2011	700.82	30/06/2011	900.82		30/06/2010	**49.86**
Year-End Rollover 30/06/2011	700.82	30/06/2011	700.82	900.82	30/06/2011	
Depreciate to 30/09/2011	650.41	30/09/2011	700.82	900.82	30/06/2011	**50.41**

MYOB EXO Business Fixed Assets

Depreciation charged to GL values are charged to the General Ledger as follows:

- DR: Depreciation Expense (P&L)
- CR: Accumulated Depreciation (BS)

Depreciation Algorithms

Fixed Assets calculates depreciation using two different methods:

- Straight Line
- Diminishing Value

The properties on the Details tab (see page 6) under **Depreciation Rate** specify which method is used for each asset.

Straight Line Method

The following steps show the logic the system works through to calculate depreciation and reset relevant field values on ASSET_REG. This assumes the Straight Line method is being used for book/accounting depreciation. Similar fields are available for tax depreciation.

A. Determine the date to depreciate from. This is the earliest of either the start of the current financial year (CURRENT_YR_DEP_START_BOOK) or commission date (COM_DATE).

B. Calculate the number of days between the date to depreciate from (A) and the date to depreciate to. The date to depreciate to is the date specified on the Depreciation tab.

C. Determine the opening Net Book Value (NBV). This can be the NBV at the start of the current financial year (YR1_BOOKVAL). However, if this is not set, (i.e. the asset has not yet gone thought a year-end roll-over) use the asset's cost (START_VALUE).

D. Calculate the Year-to-Date depreciation charge

= Depn Days (B) / 365 × Depn Rate (DEPRATEACC) × Asset Cost (START_VALUE)

E. Calculate the new NBV (new DEPVALUE)

= Opening NBV (C) - The Year-to-Date Depreciation charge (D)

F. Calculate the current period depreciation charge

= New NBV (new DEPVALUE, refer to (E)) - current NBV (DEPVALUE)

Updates:

- The depreciation charge (F) is charged to the General Ledger Depreciation expense account.
- The system overwrites the DEPVALUE field with the new Net Book Value (E).
- The system overwrites the Last Depreciated Date (DEP_DATE) with the date specified on the Depreciation tab.

Example

This example uses the asset from the Depreciation - Worked Example (see page 16) and shows how that asset's 31/03/2009 depreciation run is calculated.

On the Calculate Depreciation screen we specify 31/03/2009 as the **Depreciation Date**.

- A. Determine the date to depreciate from. This is the earliest of either the start of the current financial year (CURRENT_YR_DEP_START_BOOK) or commission date (COM_DATE) = **30/06/2008**

- B. Calculate the number of days between the date to depreciate from (A) and the date to depreciate to. The date to depreciate to is the date specified on the Depreciation tab = **274** Days between 31.03.2009 and 30.06.2008

- C. Determine the opening Net Book Value (NBV) = YR1_BOOKVAL = **$900.82**

- D. Calculate the Year-to-Date depreciation charge

  = **274** Depn Days / 365 × **20%** Depn Rate (DEPRATEACC) × **$1000** Asset Cost (START_VALUE)

  = **$150.14**

- E. Calculate the new NBV (new DEPVALUE)

  = **$900.82** Opening NBV - **$150.14** The Year-to-Date Depreciation charge

  = **$750.68**

- F. Calculate the current period depreciation charge

  = **$750.68** New NBV - **$800.00** current NBV (DEPVALUE)

- G. = **$49.32**

Updates:

- The depreciation charge (**$49.32**) is charged to the General Ledger Depreciation expense account.
- The system overwrites the DEPVALUE field with the new Net Book Value (**$750.68**).
- The system overwrites the Last Depreciated Date (DEP_DATE) with the date specified on the Depreciation tab (**31/03/2009**).

Diminishing Value Method

Diminishing Value is usually used for tax depreciation, so some of the fields that are being used/updated are different from the Straight Line Method. However, if Diminishing Value was used for book/accounting depreciation, the fields would be the same.

Apart from that, the only difference between Straight Line and Diminishing Value is with step D. The year-to-date depreciation charge is based on the Asset Cost (START_VALUE) if a year-end has not been performed. Otherwise, if a year-end roll has been performed, it will be based on the Net Book Value at the start of the current financial year (YR1_TAXVAL).

Using the Diminishing Value method, step D therefore becomes:

- D. Calculate the Year-to-Date depreciation charge =

  Depn Days (B) / 365 × Depn Rate (DEPRATETAX) × Asset Cost (START_VALUE) or NBV at start of year (YR1_TAXVAL)

Asset Sale - Worked Examples

Scenario 1

An Asset is purchased on 1 Feb 2010 for $5000, set up with book depreciation of 33% SL. The company's balance date is 31 March, so it is depreciated for each year and year-ends are performed. The asset is finally sold for $3000 on 30 Jun 2011.

The following schedule shows each event that affects the asset, and the impact that the event has on the Asset Values, as shown on the Details tab (see page 6), and the General Ledger Accounting that is initiated by that event.

	Add Asset 01/02/2010	Depreciate to 31/03/2010	Year-End Roll to 31/03/2010	Depreciate to 31/03/2011	Year-End Roll to 31/03/2011	Depreciate to 31/05/2011
ASSET VALUES						
Opening value (NBV at start of year)	5,000.00	5,000.00	4,733.29	4,733.29	3,083.29	3,083.29
Current Year Depreciation	0.00	266.71	0.00	1,650.00	0.00	275.75
Depreciation Value (current NBV)	5,000.00	4,733.29	4,733.29	3,083.29	3,083.29	2,807.54
Last Dep Date (NBV as at this date)	01/02/2010	31/03/2010	31/03/2010	31/03/2011	31/03/2011	31/05/2011
GL ACCOUNTING						
Depreciation Expense		266.71		1,650.00		275.75
Depreciation Recovered						
Accumulated Depreciation		-266.71		-1,650.00		-275.75
Asset Cost	5,000.00					
Debtors or Bank						
Depreciation Calculation (33% Straight Line)		$5000 × 33% × 59 days/365		$5000 × 33% × 365 days/365		$5000 × 33% × 61 days/365

The asset is sold on 30/06/2011 for $3000.00

Sale 30/06/2011					
ASSET VALUES					
Opening value (NBV at start of year)	3,083.29				
Current Year Depreciation	411.37				
Depreciation Value (current NBV)	2,671.92				
Last Dep Date (NBV as at this date)	30/06/2011				
GL ACCOUNTING	**Sale Journal A**	**Sale Journal B**	**Sale Journal C**	**Sale Journal D**	**Account Totals**
Depreciation Expense	135.62				**2,328.08**
Depreciation Recovered			-328.00		**-328.00**
Accumulated Depreciation	-135.62	2,000.00	328.00		**0.00**
Asset Cost		-2,000.00		-3,000.00	**0.00**
Debtors or Bank				3,000.00	**3,000.00**
Depreciation Calculation (33% Straight Line)	$5000 × 33% × 30 days/365				

Sales Journals

A - Additional Depreciation from 31/05/09 to 30/06/09 (the sale date).

B - Offset Cost and Accumulated Depreciation with Cost less Proceeds ($5000 - $3000). The expectation is that the Sale proceeds will be accounted for separately (see Journal D).

C - Take whatever the system considers to be Accum Depn (Cost - NBV : $5,000 - $2,671), then subtract the amount that has already been debited to Accumulated Depreciation ($2000). This is either depreciation recovered or additional depreciation.

D - Journal to handle proceeds (not automatic from Fixed Assets).

Exceptions

In this example the asset was sold for more than its Book Value and less than its original Cost.

If it was sold for less than its book value, the system would account for the difference between NBV and the sale value as additional depreciation. The Depreciation Recovered account would not be affected.

If the asset is sold for more than its original cost, the entries would be as above except that Depreciation Recovered is only credited up to the total of Accumulated Depreciation; the remaining credit (the difference between sale proceeds and original cost) is credited to the Capital Reserve account, as it represents a capital gain. This is dealt with in Scenario 2 below.

MYOB EXO Business Fixed Assets

After the sale the asset looks like this:

Scenario 2

This is exactly the same as Scenario 1, except that the asset is sold for $6,000, giving rise to capital gains.

Note that all columns are the same as the previous example, except for the GL journal entries that account for the sale.

	Add Asset 01/02/2010	Depreciate to 31/03/2010	Year-End Roll to 31/03/2010	Depreciate to 31/03/2011	Year-End Roll to 31/03/2011	Depreciate to 31/05/2011
ASSET VALUES						
Opening value (NBV at start of year)	5,000.00	5,000.00	4,733.29	4,733.29	3,083.29	3,083.29
Current Year Depreciation	0.00	266.71	0.00	1,650.00	0.00	275.75
Depreciation Value (current NBV)	5,000.00	4,733.29	4,733.29	3,083.29	3,083.29	2,807.54
Last Dep Date (NBV as at this date)	01/02/2010	31/03/2010	31/03/2010	31/03/2011	31/03/2011	31/05/2011
GL ACCOUNTING						
Depreciation Expense		266.71		1,650.00		275.75
Depreciation Recovered						
Accumulated Depreciation		-266.71		-1,650.00		-275.75
Asset Cost	5,000.00					
Capital Gains						
Debtors or Bank						
Depreciation Calculation (33% Straight Line)		$5000 × 33% × 59 days/365		$5000 × 33% × 365 days/365		$5000 × 33% × 61 days/365

MYOB EXO Business Fixed Assets

The asset is sold on 30/06/2011 for $6000.00

Sale 30/06/2011					
ASSET VALUES					
Opening value (NBV at start of year)	3,083.29				
Current Year Depreciation	411.37				
Depreciation Value (current NBV)	2,671.92				
Last Dep Date (NBV as at this date)	30/06/2011				
GL ACCOUNTING	**Sale Journal A**	**Sale Journal B**	**Sale Journal C**	**Sale Journal D**	**Account Totals**
Depreciation Expense	135.62				**2,328.08**
Depreciation Recovered			-2,328.00		**-2,328.00**
Accumulated Depreciation	-135.62	-1,000.00	3,328.00		**0.00**
Asset Cost		1,000.00		-6,000.00	**0.00**
Capital Gains			-1,000.00		**-1,000.00**
Debtors or Bank				6,000.00	**6,000.00**
Depreciation Calculation (33% Straight Line)	$5000 × 33% × 30 days/365				

Sales Journals

A - Additional Depreciation from 31/05/09 to 30/06/09 (the sale date).

B - Offset Cost and Accumulated Depreciation with Cost less Proceeds (-$1,000 = $5000 - $6000). The expectation is that the Sale proceeds will be accounted for separately (see Journal D).

C - Take whatever the system considers to be Accumulated Depreciation (Cost - NBV : $5,000 - $2,671), then subtract the amount that has already been debited to Accumulated Depreciation ($1000).

$3,328.08 = (5,000.00 - 2,671.92) -1,000

This amount is debited to Accumulated Depreciation in order to clear out its balance for this asset.

An amount equivalent to the total depreciation written-off over time ($2,328.08) is credited to depreciation recovered. The remaining amount ($1000) is equivalent to the sale proceeds ($6000) less the original cost ($5000), is credited to Capital Gains.

D - Journal to handle proceeds (not automatic from Fixed Assets).

Initial Data Upload of Depreciated Assets

This topic contains advice on the initial data upload of assets that are already partially depreciated. This would normally be a one-off process to transfer legacy data to MYOB EXO Business. Loaded data should be sufficiently tested to ensure you get the correct results.

> **Note:** The topic **Adding an Asset (see page 5)** contains field information on non-financial data (e.g. Name, Description, Asset Group).

If you are unsure how to populate this data, you should add an asset manually, and then look at the field values in the database. In this way you can find out how the data is held on the database. Data can then be loaded using a similar format.

The key fields for loading a depreciated asset are detailed in the table below. The right-hand column gives an example of an asset purchased on 1/1/2008 for $1000. It has been depreciated to 30/09/2009 at 20% straight-line. The company has a 30 June year-end.

ASSET_REG Field	Comment	Example
START_DATE	Date asset was acquired – does not affect depreciation calculation	01/01/2008
COM_DATE	Date that you started to depreciate the asset. Normally this would be the acquisition date.	01/01/2008
START_VALUE	Acquisition cost.	1000
DEPRATEACC	The book/accounting depreciation rate (20 represents 20%)	20
DEPTYPE	Type of depreciation (0 = Straight Line, 1 = Diminishing Value).	0
YR1_BOOKVAL	Null, if asset was purchased in the current financial year. Otherwise, it should hold the Net Book Value as at the end of the last financial year.	700.82
CURRENT_YR_DEP_START_BOOK	The COM_DATE if the asset was purchased in the current financial year. Otherwise it should hold the date of the last financial year-end.	30/06/2009
DEPVALUE	The current Net Book Value for book/accounting purposes.	650.41
DEP_DATE	The date of the current book/accounting Net Book Value, i.e. The date the asset has been depreciated to.	30/09/2009
TAXDEPTYPE	Type of depreciation (0 = Straight Line, 1 = Diminishing Value) to be used for tax.	0
YR1_TAXVAL	Null, if asset was purchased in the current financial year. Otherwise, it should hold the NBV as at the end of the last financial year.	
CURRENT_YR_DEP_START_TAX	The COM_DATE if the asset was purchased in the current financial year. Otherwise it should hold the date of the last financial year-end.	
DEPTAXVALUE	The current NBV for book/accounting purposes.	

> **Note:** Net Book Value (NBV) = Cost less Accumulated Depreciation. On the first depreciation run after the assets have been loaded, EXO Business will recalculate the current NBV (DEPVALUE). If the loaded NBV does not make sense in terms of the all the other field values that are used in the depreciation calculation, then the results could be unexpected. For instance, if the loaded NBV (DEPVALUE) is understated, EXO Business will generate a negative depreciation value in order to correct the current NBV (DEPVALUE).

Year-End Rollover - Technical Process

The Fixed Assets Year-End Rollover (see page 10) should be performed at the end of the financial year. This process is associated with the Depreciation run. You would have depreciated your assets up to the year-end date and posted this to the General Ledger.

The Year-End Rollover is then run using the same year-end date. The system will not allow you to proceed if the Last Depreciation Date on each asset is not the same as the Year End Date. This process does not post anything to the GL, but performs the following updates to the database:

- YR6_BOOKVAL is moved to YR7_BOOKVAL
- YR5_BOOKVAL is moved to YR6_BOOKVAL
- YR4_BOOKVAL is moved to YR5_BOOKVAL
- YR3_BOOKVAL is moved to YR4_BOOKVAL
- YR2_BOOKVAL is moved to YR3_BOOKVAL
- DEPVALUE is moved to YR1_BOOKVAL
- CURRENT_YR_DEP_START_BOOK is set to the year-end date (same as DEP_DATE)
- YR6_TAXVAL is moved to YR7_TAXVAL
- YR5_TAXVAL is moved to YR6_TAXVAL
- YR4_TAXVAL is moved to YR5_TAXVAL
- YR3_TAXVAL is moved to YR4_TAXVAL
- YR2_TAXVAL is moved to YR3_TAXVAL
- DEPTAXVALUE is moved to YR1_TAXVAL
- CURRENT_YR_DEP_START_TAX is set to the year-end date (same as DEP_DATE)

Index