CHAPTER 1: FIXED ASSETS SETUP

Objectives

The objectives are:

- Describe the fields on the Fixed Assets Setup page.
- Describe Fixed Assets Posting Groups.
- Explain Depreciations Books for Fixed Assets.
- Explain Depreciation Tables.
- Set up FA Journals Templates.
- Set up Fixed Asset Card.
- Set up Main Assets with Asset Components.
- Explain recording for opening transactions.
- Explain duplicate entries to the Depreciations Books.
- Explain copying for fixed assets and FA ledger entries.

Introduction

Microsoft Dynamics® NAV 2009 Fixed Assets provides a fully integrated Fixed Asset management functionality. This functionality helps a company effectively and efficiently manage its assets.

Microsoft Dynamics NAV 2009 Fixed Assets helps a company to keep track of all information relevant to Fixed Assets, such as maintenance costs and schedules, acquisition costs, and related insurance information.

Fixed Asset has unlimited depreciation books that track the depreciation expense reliably. In addition, all the ordinary methods of depreciation are available, plus the ability to create custom depreciation methods. With the flexibility and real-time nature of a fixed assets, this means the periodic income and expense figures are always accurate and up-to-date.

Before processing with Fixed Assets, in Microsoft Dynamics NAV 2009, the following areas must be set up:

- Fixed Assets Card
- Fixed Assets Posting Group
- Depreciations Books
- Depreciation Tables
- Fixed Assets Journals
Other features are possible in Fixed Assets:

- Main Assets with Asset Components
- Recording opening transactions
- Duplicate entries to the Depreciations Books
- Copying for fixed assets and Fixed Assets ledger entries

**Fixed Assets Setup**

Use the **Fixed Assets Setup** page to specify the default settings for the Fixed Assets.

The page has two FastTabs:

- General
- Numbering

To access the **Fixed Assets Setup** page, on the Navigation Pane, click **Departments**, click **Administration**, click **Application Setup**, click **Financial Management**, click **Fixed Assets**, and then select **FA Setup**.

![Fixed Asset Setup](image)

**FIGURE 1.1 FIXED ASSET SETUP**

**General FastTab**

The **General** FastTab contains the basic setup fields for Fixed Assets.

The **Default Depr. Book** field contains the default depreciation book. Notice that having a default does not prevent the existence of multiple depreciation books.

If the asset is split into main assets and components, you can keep track of the components by posting directly to a main asset. Select the **Allow Posting to Main Assets** option to post to a main asset.
In this field, you can enter one of the depreciation book codes. If you use the , you must enter a code in order to be able to post insurance coverage ledger entries. The program uses the code in this field when it automatically disconnects sold fixed assets from insurance policies.

Click the AssistButton in the field, and then select a code. To ensure full disconnection of sold assets, select a depreciation book code that has been assigned to all fixed assets.

If the configuration includes insurance facilities, enter a code in the Insurance Depr. Book field to enable the posting of insurance coverage ledger entries. This code is the default depreciation book. The Default Depreciation Book must be set up before the Insurance Depreciation Book. The code in this field is also used when a fixed asset is sold and the values from insurance policies changes.

If the Automatic Insurance Posting field is selected, the program allows for the acquisition costs posted to fixed assets to automatically post to the insurance coverage ledger.

**Numbering FastTab**

The Numbering FastTab has two fields:

- Fixed Assets Nos.
- Insurance Nos.

Both fields is used to assign a number series for the fixed assets and the insurance policies that cover them.

To see the number series that are set up in the field click the drop-down list.

**Fixed Assets Posting Groups**

Fixed Assets Posting Groups must be set up to relate transactions to the fixed assets.

The Fixed Assets Posting Groups is set up in the FA Posting Group page.
To open the **FA Posting Groups** page, in the Navigation Pane, click **Departments**, click **Administration**, click **Application Setup**, click **Financial Management**, click **Posting Groups**, and then select **FA Posting Groups**.

![FA Posting Groups](image)

**FIGURE 1.2 FA POSTING GROUPS**

Enter a code for each group of assets and specify the following G/L accounts for different types of expenses and costs:

- Acquisition costs
- Accumulated depreciation amounts
- Acquisition costs on disposal
- Accumulated depreciation on disposal
- Gains on disposal
- Losses on disposal
- Maintenance expenses
- Depreciation expenses

**Allocation**

The **Allocation** option shows an overview of the allocated percentage on the different types of expenses and costs with an asset.

To set up allocation keys, select **Related Information**, point to **Posting Gr.**, click **Allocations**, and select the type of expense to allocate to.

Select an allocation type to open the **FA Allocations** page.

Use the **FA Allocations** page to specify the account number in the general ledger to post to and allocate the percentage for that particular asset.

To use global dimensions, select **Related Information**, point to **Line** and then select **Dimensions**. Set up the **Dimension Code** in the fields in the lines.
**NOTE:** When you use the allocation of posting types in posting groups, the program produces one G/L ledger entry for each allocation and for each asset. This depends on how many assets that you have linked to it.

All types of asset transactions are listed with the total allocation percentage amount.

To view the detailed allocations for each transaction type, click each type to view its capability in the FA Allocations page.

**Demonstration – Set up a new FA Posting Group**

Set up a new posting group, IT-EQUIP, for IT-equipment.

- Use the same G/L accounts as the MACHINERY posting group.
- Do not allocate depreciation expenses or other FA posting types.

**Steps - Set up a new FA Posting Group**

In the Navigation Pane, click Departments, click Administration, click Application Setup, click Financial Management, click Posting Groups and then select FA Posting Groups.

- In the Code field enter IT-EQUIP.
- In the Acquisition Cost Account enter 1220.
- In the Accum. Depreciation Account enter 1240.
- In the Acq. Cost Acc. on Disposal enter 1230.
- In the Accum. Depr. Acc. on Disposal enter 1240.
- In the Gains Acc. on Disposal enter 8840.
- In the Losses Acc. on Disposal enter 8840.
- In the Maintenance Expense Account enter 8640.
- In the Depreciation Expense Acc. enter 8820.
- Click OK.

**Depreciations Books**

The Fixed Assets must have a Depreciation Book, to record depreciations to the fixed assets.

The depreciations books must be set up on the Depreciation Book Card.
To open the **Depreciation Book Card**, in the Navigation Pane, click **Departments**, click **Administration**, click **Application Setup**, click **Financial Management**, click **Fixed Assets**, and then select **Depreciation Books**.

![Figure 1.4 Depreciation Book Card](image)

**FIGURE 1.4 DEPRECIATION BOOK CARD**

Microsoft Dynamics NAV 2009 allows for multiple depreciation books and to set up to additional books on the card.

After the **Depreciation Book** is set up, one or more depreciation books are attached to an asset, to define how depreciation will be handled for the assets.

**General FastTab**

The **General** FastTab contains the basic setup fields for the depreciations books:

- **Default Final Rounding Amount** - makes sure that the fixed asset is fully depreciated over the depreciable lifetime.
- **Default Ending Book Value** - prevents the asset from being fully depreciated.
- **Disposal Calculation Method** - specifies Net or Gross as the method.
- **Subtract Disc. In Purch. Inv.** - displays the line and invoice discount that will post to the account contained in the **Purch. FA Disc. Account** field in the General Posting Setup window.
- **Allow Changes in Depr.** - indicates that the depreciation fields in the FA Depreciation Books are changeable after you have posted entries.
**Allow Depr. Below Zero** - indicates that the system will continue calculating periodic depreciation when the Calculate Depreciation batch job continues, even if the book value of the fixed asset is zero or negative.

**Allow Correction of Disposal** - corrects fixed ledger entries of the type Disposal.

**Allow Indexation** - adjusts the asset values for general price-level changes. Use this option to calculate the value of fixed assets at replacement costs. Do not finish indexation with FA ledger entries that are posted to the general ledger.

**Use FA Ledger Check** - requires a confirmation that:

- Acquisition cost is the first cost booked as a debit and that the disposal cost is the last cost booked.
- Depreciable basis has a debit balance, and that the book value is a debit.
- Accumulated depreciation, salvage value, and accumulated sales price are all credit balances.

**Use Rounding in Periodic Depr.** - indicates that the system will round depreciations to whole numbers.

**Use Same FA and G/L Posting Dates** - indicates that both dates must differ if these options are cleared. Enter both dates separately.

**Allow more than 360 Depr.** - gives the possibility for the fiscal year to consist of more than 360 depreciations days.
Integration FastTab

The **Integration** FastTab specifies entries to integrate with the general ledger. Enter only one depreciation book to the general ledger so that it does not post two times.

![Depreciation Book Card - Integration FastTab](image.png)

**FIGURE 1.5 DEPRECIATION BOOK CARD - INTEGRATION FASTTAB**

Select the fields of the relevant posting type or types of FA transactions that must integrate with the general ledger.

If a company wants to use the general ledger integration, use the **FA G/L Journal** to record the information. If a company do not want to use the general ledger integration, use the FA Journal.
**Duplication FastTab**

Use the **Duplication** FastTab to indicate duplicate entries in other depreciation books. Duplication is useful when a company use multiple depreciation books. When duplication is set up, Microsoft Dynamics NAV 2009 creates the same entries for all the books. This reduces data entry time.

![Duplication FastTab](image)

**FIGURE 1.6 DEPRECIATION BOOK CARD - DUPLICATION FASTTAB**

The **Duplication** FastTab contains the following fields.

- **Part of Duplication List** - indicates that the depreciation book will be a part of the duplication list.
- **Use FA Exch. Rate in Duplic** - indicates whether to use exchange rates when you duplicate entries from one journal to another.
- **Default Exchange Rate** - specifies the default exchange rate.
Reporting FastTab

On the Reporting FastTab a additional foreign currency rate can be allowed for the posted transactions.

![FIGURE 1.7 DEPRECIATION BOOK CARD - REPORTING FASTTAB](image)

**NOTE:** You do not have to type an additional reporting currency or select these options if you are already using an additional reporting currency in the general ledger that has a fixed exchange rate, such as EUR. All entries from the FA module calculate in the correct additional currency in the associated general ledger entries. You only need this additional reporting currency if the additional currency is variable (with a changing exchange rate). If it is variable, there is a risk that the FA book values will never balance if the additional currency was adjusted. This is the reason to fix the exchange rate of the additional variable currency in the FA module for each fixed asset.

FA Posting Type Setup

Use the FA Posting Type to define how the Microsoft Dynamics NAV 2009 manages posting types as **Write-Downs** and **Appreciation**, and then posts to fixed assets.
To open the **FA Posting Type Setup** page in the **Depreciation Book Card**, click **Related Information**, point to **Depr. Book** and then **FA Posting Type Setup**.

**FIGURE 1.8 FA POSTING TYPE SETUP**

Microsoft Dynamics NAV 2009 contains a default setup. It is not possible to add or delete lines in this page. However, the existing lines can be changed.

**FA Journal Setup**

The **FA Journal Setup** page specifies the default setup of templates and batches that the Microsoft Dynamics NAV 2009 uses to duplicates lines from one journal to another, when the **Calculate Depreciation** or **Index Fixed Assets** batch jobs create journal lines, or when acquisition costs duplicate in the **Insurance Journal**.
To open the FA Journal Setup page in the Depreciation Book Card, click Related Information, point to Depr. Book and then select FA Journal Setup.

**FIGURE 1.9 FA JOURNAL SETUP**

### Depreciation Book Card batch jobs

The **Depreciation Book Card** have four available batch jobs:

- **Create FA Depreciation Books** - automatically creates the necessary depreciation for one or more fixed assets.
- **Copy Depreciation Book** - copies entries as a batch job from one Depreciation Book to another.
- **Cancel FA Ledger Entries** - cancels an incorrect depreciation entry. Afterward, you can post the correct amount of depreciation by running the Calculate Depreciation batch job again. You can also find this batch job in the FA Ledger Entry and the FA Register windows.
- **Copy FA Entries to G/L Budget** - copies entries as a batch job from the Fixed Assets to a budget.

To access the batch jobs from the **Depreciation Book Card**, click **Actions**, point to **Functions** and select the relevant batch job.

### Demonstration – Create a Depreciation Book

Set up a new depreciation book and name it TAX. This book has the following features:

No general ledger integration is necessary. Select the **Part of Duplication List** field, and ignore the Reporting FastTab for now.
Select the related FA journals in the **FA Journal Setup** page, and then you can use the new depreciation book.

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Default Final Rounding Amount</td>
<td>5</td>
</tr>
<tr>
<td>Default Ending Book Value</td>
<td>0</td>
</tr>
<tr>
<td>Disposal Calculation Method</td>
<td>Gross</td>
</tr>
<tr>
<td>Subtract Disc. in Purchase Invoice</td>
<td>No</td>
</tr>
<tr>
<td>Allow Changes in Depreciation Book</td>
<td>No</td>
</tr>
<tr>
<td>Allow Depreciation below Zero</td>
<td>No</td>
</tr>
<tr>
<td>Allow Indexation</td>
<td>No</td>
</tr>
<tr>
<td>Use FA Ledger Check</td>
<td>Yes</td>
</tr>
<tr>
<td>Use Rounding in Periodic Depreciation</td>
<td>Yes</td>
</tr>
<tr>
<td>Use Same FA + GL Posting Dates</td>
<td>Yes</td>
</tr>
</tbody>
</table>

### Depreciation Tables

The Depreciation Tables is used to set up user-defined depreciation methods.

To open the **Depreciation Table** card, click **Departments**, click **Administration**, click **Application Setup**, click **Financial Management**, click **Fixed Assets**, and then select **Depreciation Tables**.

![FIGURE 1.10 DEPRECIATION TABLE CARD](image)
User defined depreciation methods is for example used when a machine with an established lifetime capacity have a depreciation method to depreciate the machine based on the number of units it produces for each period.

You can set up the table to the period length and the total number of units that it can produce.

Then the Microsoft Dynamics NAV 2009 will build a table for each period and be able to predict the depreciation expense.

Use either a percentage for allocation or specify the number of units. When using the Percentage field, the number of units will automatically be entered.

The formula for calculating the depreciation in the user-defined methods is:

Depreciation Amount = Depreciation % * Number of Depreciation Days * Depr. Basis

**FA Journals Templates**

There are four journal templates for Fixed Assets:

- FA G/L Journal
- FA Journal
- FA Reclass. Journal
- Insurance Journal
To open the FA Journals Templates, select Departments, click Administration, click Application Setup, click Financial Management, click Fixed Assets, and then select FA Journal Templates.

![FA Journal Templates](image)

**FIGURE 1.11 FA JOURNAL TEMPLATES**

The journal templates are similar to other journal templates in the Microsoft Dynamics NAV 2009. And it is also possible to set up recurring journals for fixed assets.

It is possible to define particular batches for a journal by clicking Related Information, point to Template and then click Batches.

**Fixed Asset Card**

A fixed asset card, contains all the information about the asset. There is a fixed asset card for each fixed asset.

To open the fixed asset card, click Departments, click Financial Management, click Fixed Assets and then select Fixed Assets.
The list of all the existing Fixed Assets appears. Click New to set up a new fixed asset.

![Fixed Asset Card](image)

**FIGURE 1.12 FIXED ASSET CARD**

**General FastTab**

The General FastTab contains the basic setup fields for the Fixed Asset Card.

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>No.</td>
<td>This is a code field. You can enter the number manually or link to the No. Series and the system will automatically update the number.</td>
</tr>
<tr>
<td>Description</td>
<td>Enter the name of the asset.</td>
</tr>
<tr>
<td>Serial No.</td>
<td>Enter the serial number in this field if the asset already has a serial number.</td>
</tr>
<tr>
<td>Main Asset/Component</td>
<td>Select to indicate whether this asset is a main asset or a component.</td>
</tr>
<tr>
<td>Component of Main Asset</td>
<td>Select this field if the asset is the main asset or a component.</td>
</tr>
<tr>
<td>Search Description</td>
<td>Enter a search name for the asset.</td>
</tr>
</tbody>
</table>
Chapter 1: Fixed Assets Setup

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsible Employee</td>
<td>Enter the code of the person responsible for the asset.</td>
</tr>
<tr>
<td>Inactive</td>
<td>Select to block the asset against postings. Selecting will also block against inclusion in reports and batch job functions.</td>
</tr>
<tr>
<td>Last Date Modified</td>
<td>The system automatically enters the system date in this field when you change the fixed asset card., this will help the user know when the last entry was posted.</td>
</tr>
</tbody>
</table>

**Lines FastTab**

On the Lines FastTab specify the information for:

- Depreciation Book Code
- FA Posting Group
- Depreciation Methods
- Depreciation Starting Date
- Depreciation Ending Date
- No. of Depreciation Years
- Disposed Of
- Book Value

**Posting FastTab**

The Posting FastTab classifies the assets as Financial, Intangible, and Tangible assets, and then classifies them into subclasses.

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>FA Class Code</td>
<td>Categorize the fixed asset class codes.</td>
</tr>
<tr>
<td>FA Subclass Code</td>
<td>Create subclass codes to group the fixed assets in more detail.</td>
</tr>
<tr>
<td>FA Location Code</td>
<td>Set the location for each asset.</td>
</tr>
<tr>
<td>Budgeted Asset</td>
<td>Select to use the asset as a budgeted asset. Select this field before you post the first entry.</td>
</tr>
</tbody>
</table>
Maintenance FastTab

Use the Maintenance FastTab to keep information on the maintenance of the asset.

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vendor No.</td>
<td>Review the number of the vendor who sold the asset.</td>
</tr>
<tr>
<td>Maintenance Vendor No.</td>
<td>Verify the accuracy of the number of the vendor who is maintaining the asset.</td>
</tr>
<tr>
<td>Under Maintenance</td>
<td>Select if the asset is under maintenance.</td>
</tr>
<tr>
<td>Next Service Date</td>
<td>Enter the next scheduled service date.</td>
</tr>
<tr>
<td>Warranty Date</td>
<td>Use to record maintenance charges and other maintenance information.</td>
</tr>
<tr>
<td>Insured</td>
<td>Select if insurance posts to the asset.</td>
</tr>
</tbody>
</table>

Additional Details to the Fixed Asset Card

In addition to the four FatsTabs the following information can be added to the Fixed Asset Card by clicking Related Information, point to Fixed Asset and select to the relevant option:

- **Comment** - enter additional FA information in the Comment Sheet.
- **Picture** - if it is necessary, attach a picture of the asset

FA Depreciation Books

From the Action Pane of the Fixed Asset Card page, the FA Depreciation Book page can be accessed. Here information on the depreciation for the asset are entered.

Before setting up the depreciation method for an asset, make sure that the necessary depreciation books and FA posting groups are set up.

**NOTE:** You can use different depreciation methods for the fixed assets and several depreciation methods for each asset. To have more than one depreciation method for a specific asset, you must set up multiple FA Depreciation Books for that asset. If you depreciate assets, each asset must have at least one depreciation book assigned to it.
Multiple Depreciation Books for a Single Asset

A common reason to set up multiple depreciation books is to accommodate different methods of depreciation for the fixed assets. Frequently, businesses find that the way that they depreciate assets is not always best from a tax perspective.

To allow for depreciation in different ways, more than one depreciation book can be used in Microsoft Dynamics NAV 2009, for example one for internal financial statement preparation and another for income tax calculations.

On the Lines FastTab you can specify the depreciation book:

- In the Depreciation Book Code field the depreciation book is assigned to the asset.
- In the FA Posting Group field the posting group is assigned to the asset.
- Click the drop-down list in the Depreciation Method field to view the seven methods of depreciation:
  - Straight Line
  - Declining Balance 1
  - Declining Balance 2
  - DB1/SL
  - DB2/SL
  - User-Defined

Depreciation Methods – Straight–Line

In the straight line depreciation method, the fixed asset depreciates the same amount each year. The following have to be specified:

- A depreciation period (years or months) or a depreciation ending date. The system uses this formula to calculate the depreciation amount:

\[
\text{Depreciation Amount} = \frac{(\text{Book value} - \text{Salvage Value}) \times \text{Number of Depreciation Days}}{\text{Remaining Depreciation Day}}
\]

- A fixed yearly percentage. The system uses this formula to calculate the depreciation amount:

\[
\text{Depreciation Amount} = \frac{(\text{Straight line\%} \times \text{Depreciable Basis} \times \text{Number of Depreciation Days})}{(100 \times 360)}
\]

- A fixed yearly amount. The system uses this formula to calculate the depreciation amount:
Depreciation Amount = \((\text{Fixed Depreciation Amount} \times \text{Number of Depreciation Days}) / 360\)

### Depreciation Methods – Declining Balance 1

The Declining Balance 1 method of depreciation is an accelerated method that allocates the largest part of the cost of an asset to the early years of its useful lifetime. To use this method, specify a fixed yearly percentage.

### Depreciation Methods – Declining Balance 2

The Declining Balance 2 method of depreciation calculates the same total depreciation amount for each year as Declining Balance 1. However, if the Calculate Depreciation batch job is one or more times a year, the DB1 method will result in equal depreciation amounts for each period. The DB2 method, on the other hand, will result in amounts that decline for each period.

### Depreciation Methods – DB1/SL

The DB1/SL method is a combination of Declining Balance 1 and Straight-Line methods of depreciation. The program calculates both a declining balance and a straight-line amount, and then uses the larger of the two amounts. When you select this method, enter data into both the Number of Depreciation Years field and the Declining Balance % field. The depreciation starts with the Declining Balance 1 method and ends with the Straight-Line method.

### Depreciation Methods – DB2/SL

The DB2/SL depreciation method works in the same way as the previous method except that it calculates according to the rules in Declining Balance 2 instead of Declining Balance 1.

### Depreciation Methods – User-Defined

The User-Defined depreciation method gives users the option to create a customized depreciation method by using the depreciation tables.

### Depreciation Methods – Manual Method

The Manual Method of depreciation requires the user to manually enter the depreciation expense in either the FA G/L Journal or the FA Journal. The Calculate Depreciation batch job eliminates any assets that have the depreciation method that is defined as Manual.
FA Depreciation Book Table

In the Fixed Assets Depreciation Book table, you will find the following fields:

- **Depreciation Starting Date** - enter the date when the depreciation must start.
- **Straight-Line %** - enter the percentage in this field to depreciate the fixed asset by the straight-line method but also with a fixed yearly percentage.
- **Fixed Depr. Amount** - enter the amount to depreciate the fixed asset by a fixed yearly amount.
- **Declining-Balance %** - enter the percentage to depreciate the fixed asset by the declining-balance method.
- **Use Half-Year Convention** - select to use six months of depreciation in the first fiscal year of the life of the asset, regardless of the asset's depreciation start date. Notice that the half-year convention is available only with the Straight Line, DB1, and DB1/SL depreciation methods.
- **Use DB% First Fiscal Year** - select to indicate that the depreciation methods DB1/SL and DB2/SL use the declining balance depreciation amount in the first fiscal year.

Demonstration – Create a Fixed Asset

An employee purchased a new car for the business on January 13, 2010. The Accounting Manager has decided to start the depreciation of the asset on January 01, 2010. Create a new fixed asset that contains the following information:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>VW Speedster 1302</td>
</tr>
<tr>
<td>Serial No</td>
<td>VW123</td>
</tr>
<tr>
<td>FA Class code</td>
<td>Tangible</td>
</tr>
<tr>
<td>FA Subclass code</td>
<td>CAR</td>
</tr>
<tr>
<td>FA Location code</td>
<td>PROD</td>
</tr>
</tbody>
</table>

The employee bought the car from vendor number 30000. This vendor is also in charge of maintenance.

Create the depreciation book as follows:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation book code</td>
<td>COMPANY</td>
</tr>
<tr>
<td>FA Posting Group</td>
<td>CAR</td>
</tr>
<tr>
<td>Depreciation Method</td>
<td>Straight-Line</td>
</tr>
</tbody>
</table>
### Fixed Assets in Microsoft Dynamics® NAV 2009

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation Starting Date</td>
<td>01/01/10</td>
</tr>
<tr>
<td>No. of Depreciation Years</td>
<td>5</td>
</tr>
</tbody>
</table>

The COMPANY book integrates with the General Ledger. This is why a FA Posting Group is used with this. You enter the depreciation base by posting the acquisition costs.

**Main Assets and Asset Components**

A main asset consists of other assets called components. For example, a conveyor is a main asset because it consists of other assets that include the conveyor belt, the computer, and the lift.

**Main Asset – Fixed Asset Card**

To see an example of a main asset on a Fixed Asset Card, click **Departments**, click **Financial Management**, click **Fixed Assets**, and then click **Fixed Assets**. Select the Fixed Asset Card for the main asset FA000040.

![FIGURE 1.13 MAIN ASSET - FIXED ASSET CARD](image)

**Microsoft Official Training Materials for Microsoft Dynamics® NAV 2009**

Your use of this content is subject to your current services agreement.
Main Asset Components Card

To see the components of a main asset, click **Related Information**, point to **Fixed Asset**, and then click **Main Asset Components**. The **Main Asset Components** page appears and contains a list of the components that make up the asset.

![Main Asset Components Card](image)

**FIGURE 1.14 MAIN ASSET COMPONENTS**

If an asset is a component of another asset, the program enters information into the fields on the Fixed Asset card (for the component asset) with the following:

- The **Main Asset/Component** field contains the component.
- The **Component of Main Asset** field contains the number of the main fixed asset.

Main Asset Statistic

Use the **Main Asset Statistics** page to obtain an overview of the number of fixed asset components for a main asset and the total acquisition cost, depreciation, and book value for the main asset.
To open **Main Assets Statistics** page from the **Fixed Asset Card** for a Main Asset, click **Related Information**, point to **Fixed Asset** and then select **Main Asset Statistics**.

**FIGURE 1.15 MAIN ASSET STATISTICS CARD**

The **Main Assets Statistics** page shows the combined total acquisition cost, depreciation, and book value of all the components of the main asset. It also shows the total number of components that are included in the asset and whether any components are disposed.

If any components are disposed, the combined gain or loss and book value on disposal is displayed. The **Acquisition Date** field shows the earliest date of acquisition for a component. Similarly, the **Disposal Date** field shows the date of the disposal of a component.

**Demonstration – Add a Component Asset to a Main Asset**

The user of the VW Speedster has decided to add a component to the existing asset. The user purchased a new stereo system on. Use the following information for the depreciation book to set up a new Fixed Asset card for the stereo exactly like the previous demonstration:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation book code</td>
<td>COMPANY</td>
</tr>
<tr>
<td>FA posting group</td>
<td>CAR</td>
</tr>
<tr>
<td>Depreciation Method</td>
<td>Straight-Line</td>
</tr>
<tr>
<td>Depreciation Starting Date</td>
<td>01/01/10</td>
</tr>
<tr>
<td>No. of Depreciation Years</td>
<td>5</td>
</tr>
</tbody>
</table>
Chapter 1: Fixed Assets Setup

Now change the **Fixed Asset Card** of the VW Speedster and add the stereo as a component, exactly like the previous demonstrations.

**Record Open Transactions**

In Microsoft Dynamics NAV 2009 it is possible to use the posting of open transactions to enter information from an old system.

**Post Fixed Asset Transactions to G/L**

When a company install the Microsoft Dynamics NAV 2009 for the first time, set up the General Ledger area. Make sure that all the basic setup procedures for the fixed assets is completed.

Follow these steps to post fixed asset transactions to the General Ledger and record them as opening entries.

1. Create a **Fixed Asset Card** for each existing asset.
2. Set up **Depreciation Books** for the fixed assets.
3. On the **Depreciation Book Card**, open the **Integration** FastTab.
4. Remove check marks from all the fields to deactivate G/L integration.

![Figure 1.16 Depreciation Book Card - Integration FastTab](image)

Repeat this procedure for each Depreciation Book. Because these assets are already accounted for in the General Ledger, you must temporarily turn off integration. If Fixed Assets does not integrate with the General Ledger, omit this step.
Fixed Asset Journal

In the Fixed Asset Journal page, enter two lines for each asset:

- The acquisition cost
- The accumulated depreciation

If other opening balances exist, such as write-down, appreciation, or salvage value, enter lines for them.

**NOTE:** If you use the Declining Balance depreciation method and post the opening entries for assets acquired in a previous fiscal year, you must enter three lines for each asset to make sure the correct depreciable basis for the assets:

Line 1 - must contain the acquisition cost and a posting date of the last date of the previous fiscal year.

Line 2 - must contain the accumulated depreciation to the end of the previous fiscal year and a posting date of the last date of the previous fiscal year.

Line 3 - must contain the accumulated depreciation to the last depreciation date in the current fiscal year and a posting date of the last depreciation date in the current fiscal year.

After you enter and post all journal lines for all the assets, start General Ledger integration again. If Fixed Assets does not integrate with General Ledger, omit this step.

Making Duplicate Entries

When journal lines must post to a depreciation book, the system can duplicate the lines in a separate journal from which they can then post to a different Depreciation Book.

Use the Depreciation Book Card page by specifying that the Depreciation Book or Books to duplicate are part of a Duplication List, and then click the Use Duplication List field on the journal lines.

Another way to duplicate an entry in a separate book is to enter a Depreciation Book Code in the Duplicate in Depreciation Book field in a journal line.

Setting Up a Duplication List

Follow these steps to include a Depreciation Book in the duplication list.

1. Open Financial Management then click Fixed Assets, select Setup and then select Depreciation Books.
2. In the Depreciation Book Card page, select the relevant book and select the **Duplication** FastTab.
3. Select the **Part of Duplication List** field.

![FIGURE 1.17 DEPRECIATION BOOK CARD - DUPLICATION FASTTAB](image)

**Demonstration – Duplication**

To see how duplication works, try the following example. The principle is the same whether you use the FA G/L journal or the FA journal.

1. In an earlier demonstration, you set up the TAX depreciation book without G/L integration. Specify that it is part of the duplication list.
2. Make sure that the FA Journal Setup page is set up correctly.
3. Create an FA depreciation book for the fixed asset FA000030 by using the TAX depreciation book. FA000030 should already be using the COMPANY depreciation book.
4. In the Navigation Pane, click **Departments**, click **Financial Management**, select **Fixed Assets** and the select **FA G/L Journals**.
5. Right click the general ledger and select the Choose **Column** feature.
6. Add the **Use Duplication List** field.
7. Enter the following information on the journal line:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Posting Date</td>
<td>1/25/10</td>
</tr>
<tr>
<td>Document Type</td>
<td>Invoice</td>
</tr>
<tr>
<td>Document No.</td>
<td>*Automatically generates</td>
</tr>
<tr>
<td>Account Type</td>
<td>Fixed Asset</td>
</tr>
<tr>
<td>Account No.</td>
<td>FA000030</td>
</tr>
<tr>
<td>Depreciation Book Code</td>
<td>COMPANY</td>
</tr>
<tr>
<td>FA Posting Type</td>
<td>Acquisition Cost</td>
</tr>
<tr>
<td>Description</td>
<td>Additional equipment</td>
</tr>
</tbody>
</table>
### Field | Value
--- | ---
Gen. Posting Type | Purchase
Group | MISC
Gen. Prod. Posting | 800
Group | G/L Account
Amount | 2910
Bal. Account Type | Yes
Bal. Account No. | Use Duplication List

8. **Post the line.**

9. **Because G/L integration is not started for the TAX depreciation book, click Departments, click Financial Management, click Fixed Assets, and then select FA Journals.**

---

When you enter the general posting groups for the journal, default VAT posting groups are used to calculate the VAT and subtract it from the Amount (800). Therefore, the Amount in the FA Journal is now 640.

Because the document number copies from the FA G/L journal, you cannot use automatic document numbering in this journal batch. If you have set up automatic numbering in the journal, click the drop-down list in the **Batch Name** field and delete the contents of the **No. Series** field.

---

10. **Post the line.**

11. **To see the posted entries, click Departments, click Financial Management, select Fixed Assets, and then select the Fixed Asset card for FA000030.**

12. **Select the TAX depreciation book and then click the drop-down list to the right side of the Book Value field to see the FA ledger entry for the acquisition.**

---

**Copying Fixed Assets and FA Ledger Entries**

### Creating Fixed Assets by Copying Existing Assets

To create several fixed assets that resemble an existing fixed asset, use the **Copy Fixed Asset** batch job. For example, a company has bought 30 chairs that are the same make and model and have the same depreciation terms. Instead of entering the same information 30 times, create the first asset and use the batch job to create 29 new assets, and then copy the information to them. Follow these steps to copy an existing fixed asset.

1. **In the Navigation Pane, click Departments, click Financial Management, and then select Fixed Assets.**
2. Browse to the **Fixed Asset Card** of the asset to copy from, click **Related Information**, point to **Fixed Asset**, and then click **Copy Fixed Asset**. The Copy Fixed Asset page appears.

![Copy Fixed Asset](image)

**FIGURE 1.18 COPY FIXED ASSET**

The **Option** FastTab on the copy fixed asset card contains the following fields.

- **Copy from FA No.** - select the number of the fixed asset to copy.
- **No. of Copies** - enter the number of new fixed assets that you want to create.
- **First FA No.** - enter the number of the first fixed asset. If **No. of Copies** is greater than one, the **First FA No.** field must include a number, for example FA045.
- **Use FA No. Series** - click to insert a check mark if the new fixed asset(s) must have a number from the number series specified in **Fixed Asset Nos.** field in the Fixed Asset Setup window. When you use a value in the **First FA No.** field, a check mark in the **Use FA No. Series** field cannot be used.

When you run the batch job, the program creates the new fixed asset cards and copies the depreciation book information from the existing asset. The batch job does not copy the entries that are posted on the existing asset.

**Copying FA Ledger Entries from Existing Depreciation Books to New Depreciation Books**

You can copy entries from one depreciation book to another with the **Copy Depreciation Book** batch job. The batch job creates journal lines in the journal batch specified in the **FA Journal Setup** page for the depreciation book to copy to. This function is useful when you start FA accounting with the standard depreciation book first and then create an additional tax depreciation book and copy the acquisition costs to the new depreciation book.

**NOTE**: do not integrate this depreciation book to the general ledger. Follow these steps to run the batch job.
1. In the Navigation Pane, click **Departments**, click **Administration**, click **Application Setup**, click **Financial Management**, click **Fixed Assets**, and then select **Depreciation Books** and browse to the relevant card.

2. On the **Depreciation Book Card**, click **Actions**, click **Functions**, and select **Copy Depreciation Book**. The Copy Depreciation Book batch job appears.

3. On the **Fixed Asset** FastTab, set a filter to select the assets from which to copy entries from. If you do not set a filter, entries for all assets will copy.

4. On the **Options** FastTab, enter information into the fields according to these guidelines.

   ![Copy Depreciation Book](image)

   **FIGURE 1.19 COPY DEPRECIATION BOOK**

   - **Copy from Book** - enter the name of the depreciation book from which the entries copies.
   - **Copy to Book** - enter the name of the depreciation book to which the entries have to be copied.
   - **Starting Date** - enter the first day to copy FA postings. Only entries with an FA posting date on or after this date will copy.
Chapter 1: Fixed Assets Setup

- **Ending Date** - enter the last day to copy FA Postings. Only entries with an FA posting date on or before this date will copy.
- **Document No.** - enter a document number or leave this field blank. If the field is blank, you must leave the journal batch to copy empty and set up a number series for the journal batch.
- **Posting Description** - enter the text to appear in the ledger.
- **Insert Bal. Account** - only use this field if you copy to a depreciation book that has G/L integration. A check mark in the field indicates that the program will enter balancing accounts on the copied lines in the FA G/L journal automatically.
- **Copy** - select the posting type or types to copy.

5. Click **OK** to start the batch job.

Microsoft Dynamics NAV 2009 creates the copied lines in either the G/L journal or the FA journal, depending on whether you have activated G/L integration for the depreciation book you are copying to. You must post the journal to copy entries.

**Demonstration – Copying Depreciation Books**

After you have set up a TAX depreciation book for FA00030 and made one duplication entry, copy all the other posted acquisition cost entries for the asset from the COMPANY depreciation book. Then the correct acquisition of the asset will display in the TAX depreciation book.

Use the Copy Depreciation Book batch job to copy the acquisition costs for FA000030 until January 24, 2010. Copy from the COMPANY book to the TAX book. Open the **Fixed Asset Journal** page and post the journal line.

See the result by opening the FA Card and looking for the book value of the TAX FA depreciation book. The book value in the TAX book will be greater than the COMPANY book because you have not copied the depreciation entries. In the TAX depreciation book, click the drop-down list the **FA Ledger Entries** page. The two acquisition entries will display.

**Summary**

Microsoft Dynamics NAV 2009 Fixed Assets Setup discuss the basis of the Fixed Assets application area setup.

Fixed Assets Setup define the process of using the Fixed Assets in Microsoft NAV 2009. This course perform the process of setting up the Fixed Asset functionality and define of all the features, fields and options available.

Microsoft Dynamics NAV 2009 Fixed Assets Setup helps a company manage all information relevant to Fixed Assets, on the Fixed Asset Card, in the Depreciation Book, the Posting Groups and the different methods of depreciation.
Quick Interaction: Lessons Learned

Take a moment and write down three key points you have learned from this chapter

1. 

2. 

3. 