

# EQUIPMENT

## DEPRECIATION – ASSET DEPRECIATION PROCESSING

BPO computes and processes the **depreciation** on the trading assets managed within the system.

The system enables the user to now compute the depreciation due for the trading assets at any point in time and posts this amount into **Pastel Evolution** based on the driver configuration.

The system now uses the depreciation method set on the underlying part definition and the depreciation start date on the actual asset to set the initial parameters for the depreciation of a machine.

Subsequent revaluations however will set the useful life of the machine and its relevant depreciation start date, which the system uses to determine the rate and from when an item will be depreciated.

Monthly asset depreciation posts as a sum instead of by individual machine.

### **AUTO APPROVE ASSET DISPOSAL**

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If an asset is converted to stock, the system will 'Auto Approve the Asset Disposal' and close off the accumulated depreciation. The ['Auto Approve the Asset Disposal' flag](#) must be set to **Yes** in the configuration settings.

### **REALISE ASSETS AT CARRYING VALUES**

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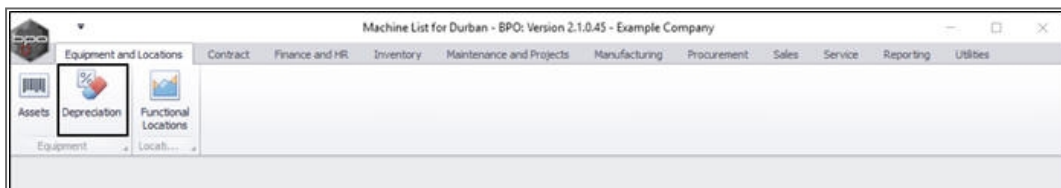
The second flag is '**Realise Assets at Carrying Values**'. If this flag and the 'Auto Approve Assets Disposal' flag is set, then the stock item will be reval-

ued to the net of cost and accumulated depreciation. The '[Realise Assets at Carrying Values](#)' flag must be set to **Yes** in the configuration settings.

To use **Asset Depreciation** in BPO2, the following is required:

- **Depreciation Processing** must be select in the [Company Configuration](#).
- **Disposals** must be done manually, before running the Depreciation Processing, unless configured to [Auto Approve](#) in the Company Configuration.
- [Depreciation Method\(s\)](#) must be configured.
- A **Depreciation Method** must be linked to the [Inventory Definition](#) for Assets that must be depreciated.
- **Depreciation** must be run every month before closing the [financial period](#).

**Ribbon Access:** *Equipment and Locations* > *Depreciation*



## PERIODIC DEPRECIATION PROCESSING SCREEN

The **Periodic Depreciation Processing** screen will be displayed.

- Depreciation **Periods** will be marked as follows:
  - **Green** - financial months that have been processed.
  - **Orange** - available financial month to process.
  - **Red** - unprocessed financial months that cannot be processed yet.

Periodic Depreciation Processing - BPC: Version 2.1.0.45 - Example Company

Home Equipment and Locations Contract Finance and HR Inventory Maintenance and Projects Manufacturing Procurement Sales Service Reporting Utilities

Back Save Layout

Proc... Format

Drag a column header here to group by that column

Period	Month	Year	Processed
	1 March	2016	Yes
	2 April	2016	Yes
	3 May	2016	Yes
	4 June	2016	Yes
	5 July	2016	Yes
	6 August	2016	Yes
	7 September	2016	Yes
	8 October	2016	Yes
	9 November	2016	Yes
	10 December	2016	Yes
	11 January	2017	No
	12 February	2017	No

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## **RUN PERIOD DEPRECIATION**

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- Double click on the available processing period in the depreciation period **Processed** column (i.e. the orange **No** text box).

Periodic Depreciation Processing - BPO: Version 2.1.0.45 - Example Company

Home | Equipment and Locations | Contract | Finance and HR | Inventory | Maintenance and Projects | Manufacturing | Procurement | Sales | Service | Reporting | Utilities

Back | Save Layout

Proc... | Format

Drag a column header here to group by that column

Period	Month	Year	Processed
1	March	2016	Yes
2	April	2016	Yes
3	May	2016	Yes
4	June	2016	Yes
5	July	2016	Yes
6	August	2016	Yes
7	September	2016	Yes
8	October	2016	Yes
9	November	2016	Yes
10	December	2016	Yes
11	January	2017	No
12	February	2017	No

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- The ***Period Depreciation*** screen will be displayed.
- Click on ***Save***.

Period Depreciation - BPO: Version 2.1.0.45 - Example Company

Home | Equipment and Locations | Contract | Finance and HR | Inventory | Maintenance and Projects | Manufacturing | Procurement | Sales | Service | Reporting | Utilities

Save | Back | Save Layout | Workspaces | Save Filter | Export

Process | Format | Print

Current Period: 11 | Depreciation Date: 31 Jan 2017

Drag a column header here to group by that column

SerialNo	AssetRegNo	Description	CategoryDesc	Depreciation_Method	Depreciation_Basis	Cost	NetValue	PriorYears	FinancialYearStart	StartDate	CurrentYear
998-987...		Staple Unit	Accessories		NONE	3 500.00	3 500.00	0.00	2016/03/01	08 Jan 2015	0
2020-10...		SP2020 Sprint Colour M...	Hardware	5 Year Straight Line	SL	15 000.00	8 750.00	3 500.00	2016/03/01	21 Jan 2015	2 750
20-12345	123	SP2020 Sprint Colour M...	Hardware	5 Year Straight Line	SL	500.00	500.00	0.00	2016/03/01	12 Feb 2015	0
tm40201		Test Machine	Hardware	5 Year Straight Line	SL	1 910.60	1 146.36	413.96	2016/03/01	12 Feb 2015	350
19-90200		SP1919 Sprint Colour MFC	Hardware	5 Year Straight Line	SL	0.00	0.00	0.00	2016/03/01	14 May 2015	0
SN2374		Kruger ZN Fax Machine	Hardware	5 Year Straight Line	SL	1 000.00	650.00	166.67	2016/03/01	14 May 2015	183
0019121...		SP2020 Sprint Colour M...	Hardware	5 Year Straight Line	SL	4 000.00	2 666.67	600.00	2016/03/01	05 Jun 2015	733
2020-10...		SP2020 Sprint Colour M...	Hardware	5 Year Straight Line	SL	15 000.00	10 250.00	2 000.00	2016/03/01	28 Jul 2015	2 750
2020-10...		SP2020 Sprint Colour M...	Hardware	5 Year Straight Line	SL	15 000.00	11 000.00	1 250.00	2016/03/01	30 Oct 2015	2 750
2020-10...		SP2020 Sprint Colour M...	Hardware	5 Year Straight Line	SL	15 000.00	12 250.00	0.00	2016/03/01	16 Mar 2016	2 750
test1234	AREG000...	SP2020 Sprint Colour M...	Hardware	5 Year Straight Line	SL	15 500.00	12 658.33	0.00	2016/03/01	16 Mar 2016	2 841
1912-10...		SP19-12 Colour Copier	Hardware	5 Year Straight Line	SL	13 533.33	10 875.00	0.00	2016/03/01	22 Mar 2016	2 658
1912-10...		SP19-12 Colour Copier	Hardware	5 Year Straight Line	SL	14 500.00	12 083.33	0.00	2016/03/01	22 Apr 2016	2 416
1912-10...		SP19-12 Colour Copier	Hardware	5 Year Straight Line	SL	14 500.00	12 083.33	0.00	2016/03/01	22 Apr 2016	2 416
T123		Test Machine	Hardware	5 Year Straight Line	SL	1 910.60	1 592.17	0.00	2016/03/01	22 Apr 2016	318
test987...		Test Machine	Hardware	5 Year Straight Line	SL	1 815.07	1 496.64	0.00	2016/03/01	22 Apr 2016	318
2020-10...		SP2020 Sprint Colour M...	Hardware	5 Year Straight Line	SL	15 000.00	12 750.00	0.00	2016/03/01	27 May 2016	2 250
1020-10...	AREG000...	Copier	Hardware		NONE	7 500.00	7 500.00	0.00	2016/03/01	15 Jun 2016	0
test121...	AREG000...	SP2020 Sprint Colour M...	Hardware	5 Year Straight Line	SL	14 500.00	12 500.00	0.00	2016/03/01	20 Jun 2016	2 000
19-369		SP1919 Sprint Colour MFC	Hardware	5 Year Straight Line	SL	0.00	0.00	0.00	2016/03/01	23 Jun 2016	0
SN1351...		K147 Kyocera Colour C...	Kyocera M...	5 Year Straight Line	SL	0.00	0.00	0.00	2016/03/01	23 Jun 2016	0

Count: 31 | 234 66... | 191 927... | 7 930.63 | 34 811.70

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- A ***Run Period Depreciation*** message box will appear with the following prompt:
  - *Are you sure you want to run the period depreciation?*
- Click on **Yes**.



Period Depreciation - BPO: Version 2.1.0.45 - Example Company

Home | Equipment and Locations | Contract | Finance and HR | Inventory | Maintenance and Projects | Manufacturing | Procurement | Sales | Service | Reporting | Utilities

Save | Back | Save Layout | Workspaces | Save Filter | Export

Process | Format | Print

Current Period: 11 | Depreciation Date: 31 Jan 2017

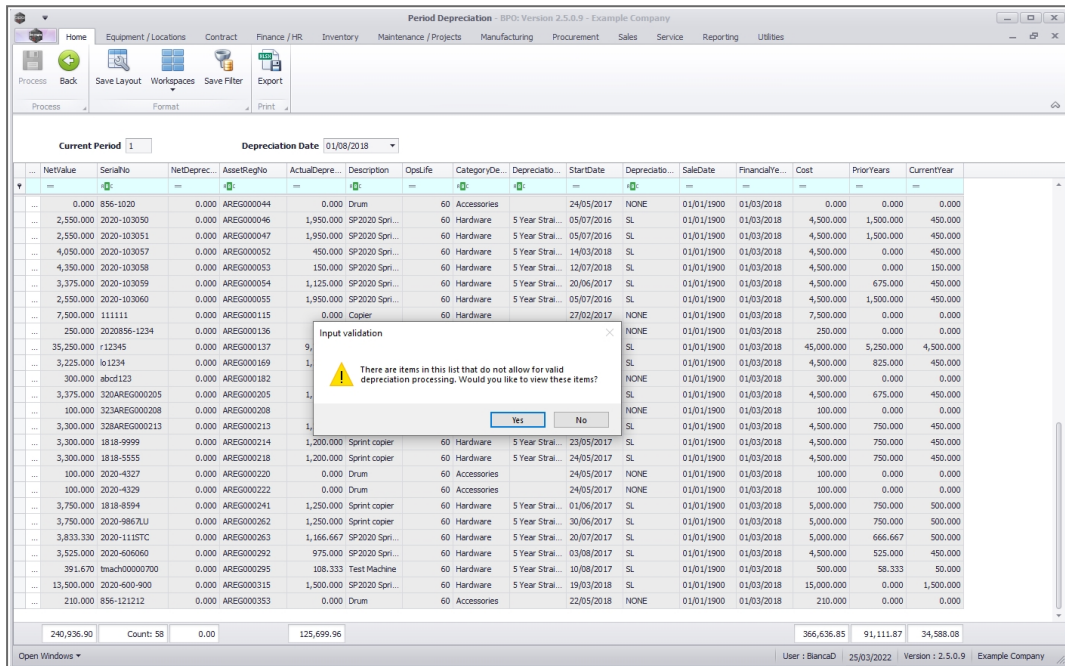
Drag a column header here to group by that column

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2020-10...		SP2020 Sprint Colour M...	Hardware	5 Year Straight Line	SL	15 000.00	12 750.00	0.00	2016/03/01	27 May 2016	2 250
1020-10...	AREG000...	Copier	Hardware		NONE	7 500.00	7 500.00	0.00	2016/03/01	15 Jun 2016	0
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SN1351...		K147 Kyocera Colour C...	Kyocera Mul...	5 Year Straight Line	SL	0.00	0.00	0.00	2016/03/01	23 Jun 2016	0

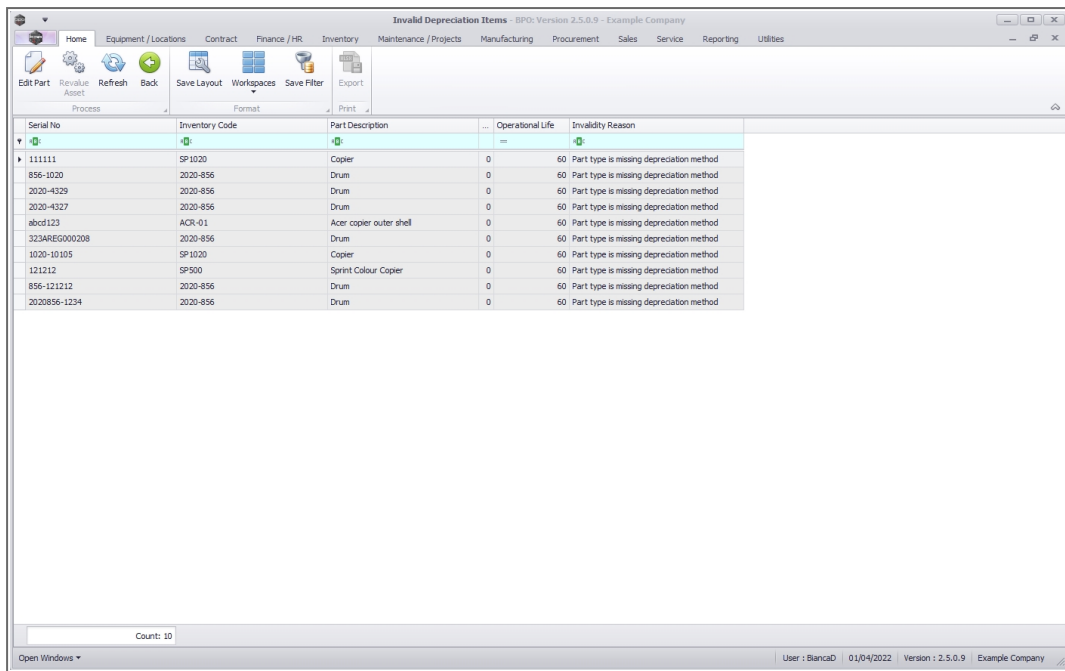
Count: 31 | 234 66... | 191 927... | 7 930.63 | 34 811.70

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- An input validation message box will come up, asking:
  - "There are items in this list that do not allow for valid depreciation processing. Would you like to view these items?"
  - Select Yes to view these items, as the depreciation processing cannot be run unless all items are valid.



- The **Invalid Depreciation Items** screen will be displayed, including the invalidity reason.
- You have the option to correct these items by using:
  - **Edit Part:** to link a depreciation method to the serial number's part code
  - **Revalue Asset:** to set the operational life



The screenshot shows a software window titled 'Invalid Depreciation Items - BPO: Version 2.5.0.9 - Example Company'. The window contains a table with the following columns: Serial No, Inventory Code, Part Description, Operational Life, and Invalidity Reason. The table lists 10 items, all of which have an 'Invalidity Reason' of 'Part type is missing depreciation method'.

Serial No	Inventory Code	Part Description	Operational Life	Invalidity Reason
111111	SP1020	Copier	60	Part type is missing depreciation method
856-1020	2020-856	Drum	60	Part type is missing depreciation method
2020-4329	2020-856	Drum	60	Part type is missing depreciation method
2020-4327	2020-856	Drum	60	Part type is missing depreciation method
abcd123	ACR-01	Acer copier outer shell	60	Part type is missing depreciation method
323AREG000208	2020-856	Drum	60	Part type is missing depreciation method
1020-10105	SP1020	Copier	60	Part type is missing depreciation method
121212	SP500	Sprint Colour Copier	60	Part type is missing depreciation method
856-121212	2020-856	Drum	60	Part type is missing depreciation method
2020856-1234	2020-856	Drum	60	Part type is missing depreciation method

At the bottom of the window, there is a status bar showing 'Count: 10', 'User: BlancaD', '01/04/2022', 'Version: 2.5.0.9', and 'Example Company'.

- Once you have corrected all items, run the depreciation again.
- You may have to wait a while, depending on the number of records to process.
- When done, the ***Periodic Depreciation Processing*** screen will be displayed again with the relevant month updated as Processed **Yes**.

Periodic Depreciation Processing - BPO: Version 2.1.0.45 - Example Company

Home Equipment and Locations Contract Finance and HR Inventory Maintenance and Projects Manufacturing Procurement Sales Service Reporting Utilities

Back Save Layout

Process... Format

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7	September	2016	Yes
8	October	2016	Yes
9	November	2016	Yes
10	December	2016	Yes
11	January	2017	Yes
12	February	2017	No

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- **Close** the Depreciation Period Processing screen when you are finished.

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Back Save Layout

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7	September	2016	Yes
8	October	2016	Yes
9	November	2016	Yes
10	December	2016	Yes
11	January	2017	Yes
12	February	2017	No

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