Calculating Depreciation Overview

Depreciation calculation process calculates the value of an asset as the asset reduces in value during its useful life.

<table>
<thead>
<tr>
<th>Process Frequency</th>
<th>Setup changes are incorporated on an as-needed basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dependencies</td>
<td>None</td>
</tr>
<tr>
<td>Assumptions</td>
<td>None</td>
</tr>
<tr>
<td>Responsible Parties</td>
<td>Users at the individual institutions are generally responsible for this business process. However, the UWSA Problem Solvers may assist in troubleshooting.</td>
</tr>
<tr>
<td>Alternate Scenarios</td>
<td>None</td>
</tr>
</tbody>
</table>

Process Detail

I. Asset Depreciation

Run the depreciation calculation process to calculate depreciation for every transaction you perform against an asset. SFA uses straight line depreciation method which calculates depreciation uniformly over the asset’s useful life. The depreciation process determines the expense amount of an asset for that period there by reducing the asset value by the depreciation amount. This process can be run as often as needed.

Run Calculate Depreciation
The Depreciation Calculation Process (AM_DEPR_CALC) populates depreciation table, the process does not create accounting entries.

*Navigation: Asset Management > Depreciation > Processing > Calculate*

1. **Select** an existing Run Control, or **Create** a new Run Control. The following page will display after adding Run Control ID: RUN_DEPR_CALC

2. **Change** the *Process Frequency* to ‘Always’.
3. **Enter** the *Unit* (business unit).
4. **Enter** the *Book Name*
   a. Note: We only use ‘CAPITAL’ for assets with depreciation.
5. **Enter** the range of *Asset ID* numbers to process only those assets, or **Leave** the *From Asset ID* and *To Asset ID* fields blank to calculate depreciation on all valid assets.
6. **Click**  
   a. Note: Remember to run the Depreciation Calculation process before creating accounting entries for an asset.

7. **Click** to start the process, and the following page will display.

   ![Process Scheduler Request](image)

8. **Select** ‘PSUNX’ as the **Server Name**.

9. **Click**

10. **Click** the **Process Monitor** link

11. The process is complete when the **Run Status** is ‘Success’ and the **Distribution Status** is ‘Posted’.

**II. Review Depreciation Summary**

This is the page where you can check depreciation related information for assets

**Asset tab**

*Navigation: Asset Management > Depreciation > Review Depreciation Info > Asset Depreciation*

1. **Select** an asset to review depreciation entries. The following screenshot shows the **Asset** tab.
   
   a. The page shows the book to which the asset is linked, along with depreciation method and convention used to calculate depreciation.
2. **Click** the *Audit Logs* hyperlink. This page shows the depreciation audit changes for an asset.

**Depreciation tab**

The **Depreciation** tab displays the total depreciation by year with depreciation amounts for each year.

Net Book Value shows the remaining worth of an asset as of a specific date.
3. Click the Year hyperlink to select a year to review detailed period depreciation amounts. 
   a. If any adjustments are made on this page, the Depreciation Calculation process must be run again.
## Revision History

<table>
<thead>
<tr>
<th>Author</th>
<th>Version</th>
<th>Date</th>
<th>Description of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surya Gannavarapu</td>
<td>1.0</td>
<td>05/16/2013</td>
<td>Final</td>
</tr>
<tr>
<td>Susan Kincanon</td>
<td>1.1</td>
<td>05/02/2013</td>
<td>Final review and publish to website</td>
</tr>
<tr>
<td>Susan Kincanon</td>
<td>1.2</td>
<td>05/17/2013</td>
<td>Fixed formatting issue in TOC</td>
</tr>
<tr>
<td>Jon Ahola</td>
<td>1.3</td>
<td>06/13/2013</td>
<td>Final review</td>
</tr>
</tbody>
</table>