



## *Fixed Asset: Setup, Entering Amounts, Adjusting Direct Purchase*

### 1. Setup:

- Add a new #1 asset account under *Manage Accounts>Accounts>Assets*, if one does not already exist.
- Add a new #3 Offsetting Fund balance account usually called Net Fixed Asset Fund under *Manage Accounts>Accounts>Fund*, if one does not already exist. This fund keeps the Balance Sheet in balance when you are showing fixed assets on your Balance Sheet.
- Add a new #4 income account called Net Gain/Loss linked to the Net Fixed Asset Fund, if you will be posting adjustments to reflect a change of value.

### 2. Entering Amounts:

- If adding this account during the initial setup of the Chart of Accounts, enter the amount of value in the beginning balance fields of both the Fixed Asset and the Net Fixed Asset Fund balance.
- If the church acquires additional property during the year or has not had fixed assets entered as accounts before, *Post a Journal Entry* to debit the asset account and credit the Fund balance account.

### 3. Adjusting:

- Once the fixed assets are established and you need to show a change of value, use *Adjust Asset* under *Transactions>Other*. Select the fixed asset account, under balance click to increase or decrease, enter the amount of the adjustment, date, comments if any, then click under account and select the Net Gain/Loss Income account and *Post*.

### 4. Direct Purchase of an Asset posting (Capitalizing an Asset):

- Add the amount to the fixed asset: Use *Transfer to Post* the amount of the new item: FROM the asset account paying for the new item - TO the fixed asset account. This transaction is reporting the purchase of the item.

Note: A check can be generated out of *Transfer*. If a computer prepared check needs to be printed be sure the correct bank name has been entered in the Bank Name Field found under *Manage Accounts>View>Detail* tab. That is the payee name that will print out on the check. To print the check, *click* the *Print Checks* icon in the middle of the opening Accounting screen.

- Add the amount to the Fixed Asset Fund balance: Use *Transfer to Post* the amount of the new item: FROM the Fund balance account that would be paying for the item – TO the Offsetting (Net Fixed Asset) Fund balance. This will adjust the fund side of the Balance Sheet.