



## *How to post a Direct Purchase of an Asset (Capitalizing an Asset)*

*(Rev 4/19)*

### **1. Add a new Asset account (#1) for Fixed Assets**

Go to *Manage Accounts>Accounts>Assets*, enter *Account Name* and *Account Number* and click *Add*. If you already have an appropriate Asset go to #2.

### **2. Add an offsetting Fund Balance account (#3) usually called Net Fixed Asset Fund**

Go to *Manage Accounts>Accounts>Fund*, enter the *Fund Name*, *Fund Balance Name*, *Account Number* and click *Add*. This Fund keeps the Balance Sheet in balance when you are showing Fixed Assets on your Balance Sheet. If you already have an appropriate Fund balance account go to #3.

### **3. Post a transfer**

Go to *Transactions>Transfer*, choose the Asset account (#1) paying for the new item for the *From Account* and the new Fixed Asset (#1) or the existing Fixed Asset for the *To Account*. This check is to pay for the item being purchased.

Note: You can generate a check out of *Enter Transfers*. If you need to print a computer prepared check you will need to have the correct payee name entered under *Manage Accounts>View>Detail Tab*, in the *Bank Name* field. That is what will print out on the check. To print the check, click the *Print Checks* icon in the middle of the opening Accounting screen.

### **4. Post a transfer**

Go to *Transactions>Transfer*, choose the Fund account (#3) that holds the money for the Asset paying for the new item, usually a General or Operating Fund balance for the *From Account* and the offsetting Fund Balance account (#3) is usually the Net Fixed Asset Fund (#3) for the *To Account*.