



Financial Business Setup

Fixed Assets

Financial Management

Fixed Asset Management

Fixed Asset Removal

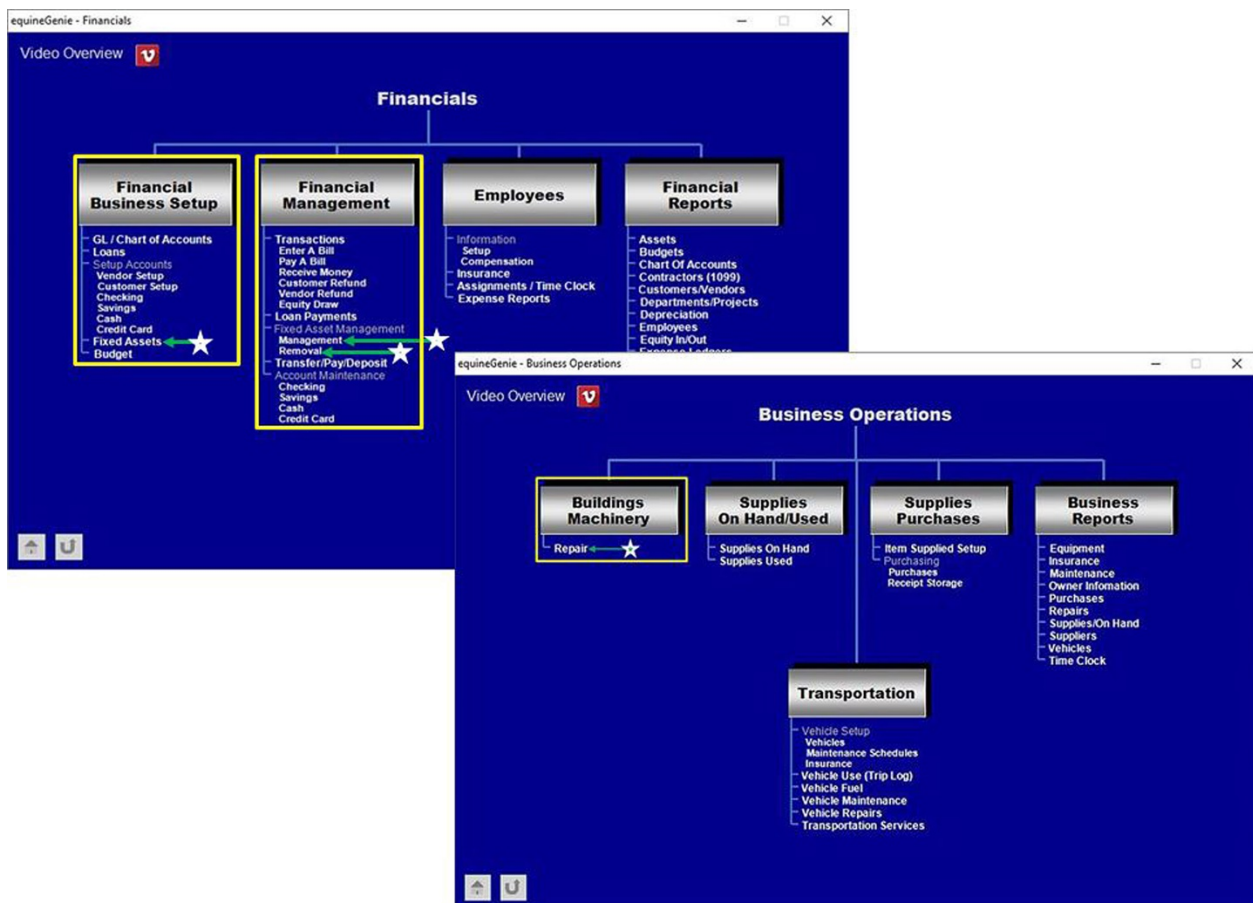
Fixed Asset Repair

Financial Set Up and Management – Fixed Assets

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Fixed Assets Introduction

Assets are resources owned by a company that have future economic value and can be measured, and expressed in a country's currency in equineGenie. Examples include cash, investments, accounts receivable, inventory, supplies, land, buildings, equipment, and vehicles. Assets are used in a business's operations and are reported on the balance sheet usually at cost or lower. Assets are also part of the accounting equation: $\text{Assets} = \text{Liabilities} + \text{Owner's (Stockholders') Equity}$. *Fixed Asset* indicates that these assets will not be used up, consumed, or sold in the current accounting year.

In equineGenie, a company's *Fixed Assets* are reported in the asset section of the balance sheet and in the asset reports in equineGenie's financial section. All *Fixed Assets*, except for land, are depreciated. *Fixed Asset* accumulated depreciation is reported on the balance sheet. *Fixed Asset* depreciation expense is reported in the non-operating expense section on the income statement. To display the selection of *Fixed Asset Account Categories* in equineGenie, select the 1500 – 1899 *Fixed Assets* account category on the GL / Chart of Accounts Setup screen and display the *Select An Account* dropdown.

Some valuable assets that cannot be measured and expressed in a currency include the company's outstanding reputation, its customer base, the value of successful consumer brands, and its management team. Unfortunately, these items are not reported among the assets appearing on the balance sheet, but are extremely important to a business's success.

Depreciation

There are two types of depreciation. The two types are *Accumulated Depreciation* and *Depreciation Expense*. They are related and offsetting. *Accumulated Depreciation* is the total amount of an asset's cost that is *allocated* to Depreciation Expense since the asset was put into service. *Accumulated Depreciation* and *Depreciation Expense* are associated with *Fixed Assets* such as buildings, machinery, office equipment, furniture, fixtures, vehicles, farm equipment, etc.

Depreciation Expense is the portion of a Fixed Asset's cost that is being used up during an accounting period and accounted for as non-operating expense on the income statement. The income statement account *Depreciation Expense* is a temporary account. Therefore, at the end of each year, its balance is closed and the account *Depreciation Expense* will begin the next year with a zero balance.

Depreciation Expense is a noncash expense because the recurring monthly depreciation does not involve a cash payment - the cash was spent when acquiring the *Fixed Asset*. Methods for computing depreciation expense, other than straight-line, include double-declining balance, sum-of-the-years digits, and units of production or activity.

For example, if a horse business purchases a \$60,000 tractor that is expected to be used for 5 years, the business will have a straight-line depreciation expense of \$12,000 in each of the five years. The depreciation amounts can vary depending on the depreciation method and other business assumptions. The monthly depreciation entered on the *Fixed Asset* screen in

equineGenie can be adjusted to accommodate many depreciation methods or business assumptions.

In our tractor example, each year there will be an adjusting entry with a debit to *Depreciation Expense* for \$12,000 and a credit to *Accumulated Depreciation* for \$12,000. Since the adjusting entries do not involve cash, *Depreciation Expense is a noncash expense* as explained above. That is why it is a non-operating expense on the Income Statement,

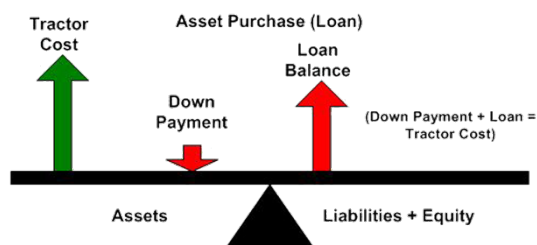
A Fixed Asset's Accumulated Depreciation is the amount of depreciation that has been accumulated from the time an asset was acquired, or put in service, until the date it is reported. The cost of a *Fixed Asset* minus its *Accumulated Depreciation* is the asset's book or net value. The account *Accumulated Depreciation* is a balance sheet account and therefore its balance is *not* closed at the end of the year. *Accumulated Depreciation* is a contra asset account whose credit balance will get larger every year. However, its credit balance cannot exceed the cost of the asset being depreciated.

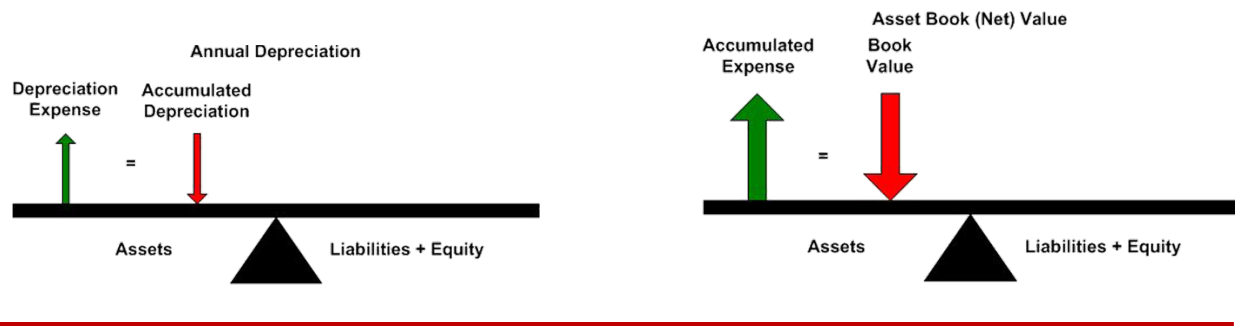
Since depreciation is an *allocation* of a *Fixed Asset's* cost based on its estimated useful life, you should not assume that the depreciation is an indicator of what's occurring to the asset's market value. For example, a depreciated horse that wins multiple championships may be increasing in value even though it is being depreciation. The present market value might be many times the original cost and yet, when an asset is fully depreciated, the *Accumulated Depreciation* will equal the asset's cost—meaning its book (net) value is \$0.

The purpose of depreciation is to match the cost of a productive *Fixed Asset* that has a useful life of more than a year to the revenues earned from using the *Fixed Asset*. Since it is hard to see a direct link to revenues, the asset's cost is usually spread over the years in which the asset is used. Depreciation systematically allocates or moves the *Fixed Asset's* cost from the balance sheet to non-operating expense on the income statement over the *Fixed Asset's* useful life. In other words, depreciation is an allocation process in order to achieve the matching principle; it is *not* a technique for determining the fair market value of the asset.

The Accounting Equation Fixed Asset Depreciation Illustrations

$$\text{Assets} = \text{Liabilities} + \text{Equity}$$





Fixed Assets Management

Fixed asset management is the process of tracking and maintaining a horse business's physical assets and equipment. Types of assets in a horse business include horses, vehicles, equipment, buildings, computers, and furniture, etc. A business needs to:

- Track and monitor fixed assets
- Oversee equipment and machinery in multiple locations
- Lower maintenance costs
- Improve operational efficiency
- Maintain a record of retired, sold, removed or exchanged assets

equineGenie's fixed asset management enables a horse business to monitor fixed assets, assess their condition, and keep them in good working order. In this way, they minimize, equipment failures and downtime — and improve an asset's lifetime value.

Many fixed assets in a horse business require a large capital investment. They also may comprise a large portion of a company's net worth. In some horse businesses, as much as 50+ percent of investment goes to buying horses, equipment and vehicles.

The better and more effectively a horse business manages its assets, the greater the prospect of maximizing value from these investments. Without good fixed asset management, a horse business may experience:

- Loss revenue
- Equipment failures
- Increased expenses
- Lost opportunity

For horse businesses with large fixed asset investment, the results may convert into thousands of dollars in lost productivity, repairs, replacement or lost opportunity. Beyond immediate costs, substandard fixed assets can impact the quality of a horse business's services or products — in turn, affecting customer satisfaction and business reputation. Ideally, fixed asset management improves the quality and useful life of fixed assets and ensures the best return on investment.

Horse businesses may use spreadsheets or enterprise resource planning (ERP) tools for asset tracking. However, manual data entry is prone to error. It can also be a slow method for staying on top of your fixed assets. To put it into perspective, consider a scenario where your horse business owns multiple vehicles. Maybe you have a notebook where you keep track of when each needs an oil change, new wiper blades or a new set of tires. As the number of vehicles

increase you begin to see the issues that start to arise. If only you had all this data centralized you could easily track this information with no risk of it getting lost or misplaced. This is the purpose equineGenie's asset management serves.

equineGenie's asset tracking, management and reporting offers a reliable way to oversee fixed assets. Included are features like location tracking, asset status, asset pictures, vehicles and equipment maintenance and asset repair. Asset management for the multiple kinds of assets employed in your horse business can be managed on the following equineGenie screens.

[Path – Home: Financials: Financial Business Setup: Fixed Assets](#)

[Path – Home: Financials: Financial Management: Fixed Asset Management: Management and Removal](#)

[Path – Home: Business Operations: Buildings Machinery: Repair](#)

[Path – Home: Business Operations: Transportation: Vehicle Maintenance and Vehicle Repair](#)

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Financial Setup – Fixed Assets

Path: Home: Financials: Financial Business Setup: Fixed Assets

There is a prerequisite setup required before a fixed asset can be entered. The fixed asset accounts and any subaccounts (optional) need to be identified on your chart of accounts before a fixed asset can be entered. (Path – Home: Financial Business Setup: GL / Chart of Accounts)

Think/Plan before entering a fixed asset! The fixed Asset screen is used to enter the business's fixed assets. For example: fixed assets are horse purchases, business vehicles and equipment purchased, business buildings and building improvements, etc.

***Important:** The fixed asset screen can be display two ways. It can be displayed by selecting the fixed asset menu item from the financial business setup section, or it is display when a fixed asset purchase is made and the 'Go To Add The Fixed Asset' button is selected on the purchases screen. If the button is selected on the purchases screen, the fixed asset item's name, the purchase cost and the purchase date are transferred to the fixed asset screen. (Path – Home: Business Operations: Supplies Purchases: Purchases)

equineGenie Financial Setup - Fixed Assets

Fixed Assets Setup

Asset Account

Enter Fixed Asset ①

Select Fixed Asset Account ②

Select Subaccount ③

Asset Information

Enter Asset ID # ④ Asset Cost

In Service Date ④ Monthly Depreciation

Asset Location ⑤

Asset Picture ⑥ Locate View Clear

An asset picture or video is good to have for insurance purposes.

Remove Selected Fixed Asset Entry ⑦

Fixed Asset Setup Comments

Enter ⑧ Video Tutorial

Popup And Red Flag equineGenie Notes

① Fixed Asset
② All Fixed Assets

- ① If a fixed asset is entered on the fixed asset screen, select [New Asset] from the Enter Fixed Asset dropdown and enter the name of the fixed asset. If you are recalling a previously entered fixed asset, select the fixed asset from the Enter Fixed Asset dropdown.

Important: If the fixed asset screen is display from selecting the 'Go To Add The Fixed Asset' button on the purchases screen, the name of the fixed asset, will be automatically transferred

from the purchases screen to the *Enter Fixed Asset* dropdown. *Path: Home: Business Operations: Supplies Purchases: Purchases*

- ② **Select the fixed asset account** from the *Select Fixed Asset Account* dropdown.

Important: A (1500 – 1899 Fixed Assets) account needs to be identified on your chart of accounts before a fixed asset can be setup. *Path: Home: Financials: Financial Business setup: GL / Chart Of Accounts*

- ③ **Select a subaccount**, if a subaccount has been setup, from the *Select Subaccount* dropdown. *Path: Home: Financials: Financial Business setup: GL / Chart Of Accounts (General Ledger Subaccount Setup)*

Note 1: a subaccount is a good way to add detail or clarify the difference between similar fixed assets.

- ④ **Enter the fixed asset's capitalization and depreciation information:**

Enter the assets identification identifier in the *Enter Asset ID #* box.

Note 2: an assets identifier is helpful in identifying and keeping track of a fixed asset that is located in a different location or similar to other fixed assets.

Enter the fixed asset's cost in the *Asset Cost* box.

Important: If the fixed asset screen is display from selecting the 'Go To Add The Fixed Asset' button on the purchases screen, the fixed asset purchased cost will be automatically transferred from the purchases screen to the *Asset Cost* box. *Path: Home: Business Operations: Supplies Purchases: Purchases*

Enter when the fixed asset was put into service in the *In Service Date* dropdown. The in service date can be entered by selecting the date from the calendar icon, or by 'clicking' in the *In Service Date* dropdown and entering the date in the format set in your windows operating system. (mm/dd/yyyy or dd/mm/yyyy).

Important: If the fixed asset screen is display from selecting the 'Go To Add The Fixed Asset' button on the purchases screen, the fixed asset purchased date will be automatically transferred from the purchases screen to the *In Service Date* dropdown. *Path: Home: Business Operations: Supplies Purchases: Purchases*. If you need to change the transferred in service date, you can mouse over the transferred date and enter the new in service date in the format set in your windows operating system. (mm/dd/yyyy or dd/mm/yyyy).

Calculate and enter the fixed assets monthly depreciation in the *Monthly Depreciation* box.

Important: The monthly depreciation is calculated by dividing the fixed asset's cost by the IRS depreciation scheduled for the kind of fixed asset being capitalized and depreciated (Fixed Asset Cost / Months of useful life); Months of useful life is determined by the IRS (Google it).

For Example: The IRS schedule for the useful life of a vehicle is 60 months.

- ⑤ **Enter or select the fixed asset's location** in the *Asset Location* dropdown. Enter a new location by 'clicking' in the *Asset Location* dropdown and entering the location. equineGenie will remember the asset location entered for future selection.

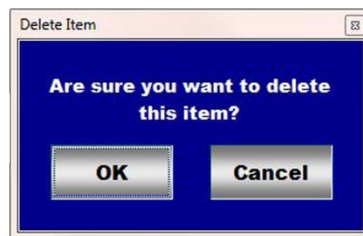
- ⑥ **A picture of the fixed asset can be added** to equineGenie by selecting the *Locate* button to locate the fixed asset's picture file. Opening the fixed asset's picture file will automatically add it to equineGenie. Selecting the *View* button allows you to view the

fixed asset's picture. Selecting the Clear button will remove the fixed asset's picture. The fixed asset's picture will appear on the selected fixed asset's reports.

Note 2: A fixed asset's picture needs to have a 3:2 aspect ratio. This means the picture needs to be a 3 x 2, 6 x 4 or any other size as long as the aspect ratio is 3:2.

Suggestion: A picture of a fixed asset is always good for tracking, locating and insurance purposes.

- ⑦ **If you need to remove a fixed asset entry**, it can be removed by displaying the fixed asset's information and selecting the *Remove Selected Fixed Asset Entry* **Red** button. When the button is selected a **Delete Item** popup will be displayed to make sure you want to remove the fixed asset entry.



After selecting **OK** on the **Delete Item** popup you need to select the **Enter** button ⑧.

Note: Read the '**RED**' Genie Note beside the *Remove Selected Fixed Asset Entry* button. The '**RED**' Genie Note will explain what conditions must be met to remove the selected fixed asset entry. Selecting remove will completely remove the selected fixed asset entry from equineGenie.

- ⑧ **Enter** any comments or notes associated with the selected fixed asset's entry information.
- ⑨ **Select** enter before leaving the *Financial Setup – Fixed Assets* screen.
- ① **Selection** of the '*Fixed Asset*' button will enable the selected fixed asset's capitalization and depreciation information to be viewed, exported and/or printed.
- ② **Selection** of the '*All Fixed Assets*' button will enable all fixed asset's capitalization and depreciation information to be viewed, exported and/or printed.

Information: Additional asset reports are available in the *Financial Reports – Assets* screen.
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Financial Management – Fixed Asset Management

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There is a prerequisite setup required before a fixed asset can be managed. The fixed asset to be managed must have been previously set up on the fixed asset setup screen. (Financial Setup – Fixed Assets)

Think/Plan before managing a fixed asset! The fixed Asset management screen is used to manage the business's fixed assets. For example: fixed assets that are retired, sold, removed or exchanged.

① Select the fixed asset to be managed from the *Select Fixed Asset* dropdown.

Important: A fixed asset must have been previously setup on the *Financial Setup – Fixed Assets* screen (**Financial Setup – Fixed Assets**) to be displayed in the *Select Fixed Asset* dropdown.

- ② Enter the date the fixed asset is either retired, sold, removed or exchanged by selecting the date from the calendar icon or 'clicking' in the *Date* box and entering the date format set in your windows operating system. (mm/dd/yyyy or dd/mm/yyyy).
- ③ Enter or select the reason why the asset is being taken out of service in the *Out Of Service Reason or Purchaser* dropdown. If the reason or purchaser is not in the *Out Of Service Reason or Purchaser* dropdown, 'click' in the dropdown and enter the reason or purchaser. equineGenie will remember the entry for future selection.
- ④ Select the reason the fixed is being taken out of service:
Select the *Retired* button if the fixed asset is being retired.

Select the *Sold* button if the fixed asset is being sold.

Select the *Removed* button if the fixed asset is being removed.

Select the *Exchanged* button if the fixed asset is being exchanged for another fixed asset.

Note 1: If a button is selected, the button will be displayed **Green** in color with a **Red** dot in its center.

- ⑤ If the fixed asset was sold and the *Sold* button selected, enter the sale price in the *Sale Price (\$)* box.

If a portion of the fixed asset sold is retained, enter the retained amount in the *Retained Amount (\$)* box.

Important: The remaining portion of the fixed asset still owned by the business can be revalued, capitalized at its new value and its depreciation recalculated. The fixed asset's reevaluation should be valued at its fair market value based on the fixed asset's sale price and the percentage retained. **For Example:** If 50% of fixed asset with a net book value of \$1,000 is sold for \$5,000, the reported gain is \$4,000, and the new fair market value of the fixed asset is \$10,000. The business's retained 50% is worth \$5,000. The business's reevaluation would be \$5,000.

- ⑥ If the fixed asset was exchanged and the *Exchanged* button selected, identify if the fixed asset exchange was for a similar asset or a dissimilar asset. If the exchange was for a similar asset, select the *Exchanged (Similar Asset)* button. If the exchange was for a dissimilar asset, select the *Exchanged (Dissimilar Asset)* button.

Note 2: A similar asset exchange may be exchanging a horse for another horse for full or partial payment, where a dissimilar asset exchange may be exchanging a tractor for a horse for full or partial payment.

- ⑦ If the fixed asset was exchanged and the *Exchanged* button selected, enter the cost of the new asset in the *New Purchase Cost (\$)* box.

If the fixed asset was exchanged and the *Exchanged* button selected, enter the exchanged value of the fixed asset being exchanged in the *Exchanged Value (\$)* box.

Important: The purchase cost is used in determining the actual cost and depreciation of the new asset after the net value of the exchanged asset is deducted. The *Fixed Asset Exchange Report* will display the 'true' cost of the new asset after the exchanged asset's net value has been deducted.

- ⑧ Enter any comments or notes associated with the selected fixed asset's management information.

- ⑨ Select enter before leaving the *Financial Management – Fixed Assets* screen.

- ① Selection of the '*Fixed Assets Sold Current Year*' button will enable the fixed assets sold in the current year to be viewed, exported and/or printed.

- ② Selection of the '*Fixed Assets Sold – Date Specified*' button will enable the fixed assets sold in the specified date range to be viewed, exported and/or printed.

- ③ **Selection** of the '*Fixed Assets Exchanged Current Year*' button will enable the fixed assets exchanged in the current year to be viewed, exported and/or printed.
- ④ **Selection** of the '*Fixed Assets Exchanged – Date Specified*' button will enable the fixed assets exchanged in the specified date range to be viewed, exported and/or printed.
- ⑤ **Selection** of the '*Fixed Assets Removed Current Year*' button will enable the fixed assets removed in the current year to be viewed, exported and/or printed.
- ⑥ **Selection** of the '*Fixed Assets Removed – Date Specified*' button will enable the fixed assets removed in the specified date range to be viewed, exported and/or printed.
- ⑦ **Selection** of the '*View Fixed Asset*' button will enable the selected fixed asset capitalization and depreciation information to be viewed, exported and/or printed.
- ⑧ **Selection** of the '*Go To Remove Asset*' button will display the '*Fixed Asset Remove / Restore*' screen.

Information: Additional asset reports are available in the *Financial Reports – Assets* screen.
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Financial Management – Fixed Asset Removal

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There is a prerequisite setup required before a fixed asset can be removed. The fixed asset to be removed must have been previously set up on the fixed asset setup screen. (Financial Setup – Fixed Assets)

Think/Plan before removing a fixed asset! The fixed Asset removal screen is used to remove the business's fixed assets. For example: fixed assets that are retired, sold, removed or exchanged.

① Select the fixed asset to be removed from the *Select Fixed Asset* dropdown.

Important: A fixed asset must have been previously setup on the *Financial Setup – Fixed Assets* screen (**Financial Setup –Fixed Assets**) to be displayed in the *Select Fixed Asset* dropdown.

② To remove the selected fixed asset, select the *Removed?* button changing it from a **Red No** to a **Green Yes**.

Note 1: A removed asset can be restored by selecting the fixed asset in the *Select Fixed Asset* dropdown and changing the *Removed?* button from a **Green Yes** to a **Red No**. To complete the selected fixed asset restore process, select the *Enter* button.

③ Select or enter the reason for removing the fixed asset from the *Reason For Removal* dropdown. If the reason is not in the dropdown, 'click' in the dropdown and add the reason. The added reason will be remembered by equineGenie and available for future selection.

- ④ **Enter the removal date** by selecting the date from the calendar icon or 'clicking' in the *Remove Date* box and entering the date format set in your windows operating system. (mm/dd/yyyy or dd/mm/yyyy).
- ⑤ **Enter** any comments or notes associated with the selected fixed asset's removal information.
- ⑥ **Select** enter before leaving the *Fixed Asset Removal / Restore* screen.
- ① **Selection** of the '*Removed Asset Report*' button will enable the removed fixed assets to be viewed, exported and/or printed.

Information: Additional asset reports are available in the *Financial Reports – Assets* screen.
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Business Operations – Asset Repair

Path: Home: Business Operations: Buildings Machinery: Repair

There is a prerequisite setup required before a fixed asset can be repaired. The fixed asset to be repaired must have been previously set up on the fixed asset setup screen. (*Financial Setup – Fixed Assets*)

Think/Plan before entering a fixed asset repair! The fixed Asset repair is only used to repair the business's fixed assets. For example: buildings and equipment. Horses are not repaired. Vehicle repair is entered in the business operations transportation section.

① Select the fixed asset to be repaired from the *Select Fixed Asset* dropdown.

Important: A fixed asset must have been previously setup on the *Financial Setup – Fixed Assets* screen (**Financial Setup – Fixed Assets**) to be displayed in the *Select Fixed Asset* dropdown. The fixed asset repair is for repairing buildings, machinery and equipment. Horses are not repaired and vehicle repair is entered in business operations transportation. *Path - Home: Business Operations: Transportation: Vehicle Repairs*

- ② Enter the repair date by selecting the date from the calendar icon or selecting **[New Date]** in the *Repair Date* dropdown, 'clicking' in the dropdown and entering the date format set in your windows operating system. (mm/dd/yyyy or dd/mm/yyyy).
- ③ Select or enter the type of repair from the *Type Of Repair* dropdown. If the reason is not in the dropdown, select **[New Repair]**, 'click' in the dropdown and add the type of repair. The added type of repair will be remembered by equineGenie and available for future selection.

④ **Select or enter who did the repair** by selecting who did the repair from the *Repaired By* dropdown. If there is not a previous selection, 'click' in the *Repaired By* dropdown and enter who did the repair. The added repaired by will be remembered by equineGenie and available for future selection.

⑤ **Enter** the repair cost in the *Repair Cost* box.

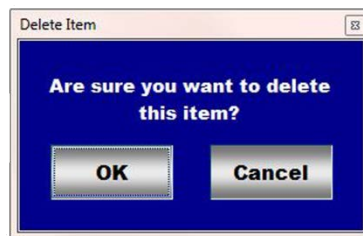
Selecting the **RED '\$'** after the repair cost has been entered will enable the financial transaction to be completed.

Note 1: Selecting the **RED '\$'** will display the *Payment Method* popup. The vendor or supplier name from the *Repaired By* dropdown will be displayed. Selecting the desired *Pay By* - button will display the corresponding pay by popup enabling the financial transaction to be completed.

⑥ **If there are additional repairs to the same fixed asset on the same date**, **Additional Repairs Same Date** can be selected. The previous fixed asset repair information will be entered and cleared so another repair for the same fixed asset on the same date can be entered.

⑦ **The selected fixed asset's total repair cost** is displayed to the right of the *Total Asset Repair Cost:* label.

⑧ **If you need to remove a selected fixed asset repair**, it can be removed by displaying the selected fixed asset repair information and selecting the *Remove Selected Asset repair Red* button. When the button is selected a **Delete Item** popup will be displayed to make sure you want to remove the repair.



After selecting **OK** on the **Delete Item** popup you need to select the **Enter** ⑩ button.

⑨ **Enter** any comments or notes associated with the selected fixed asset's repair.

⑩ **Select enter** before leaving the *Business Operations – Asset Repair* screen.

① **Selection** of the '*View Asset Repairs*' button will enable the selected fixed asset's repairs to be viewed, exported and/or printed.

② **Selection** of the '*View All Repairs*' button will enable the all fixed asset repairs to be viewed, exported and/or printed.

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