Prextra documentation

Prextra

ERP Solution Adapted to your Operations

Capital Asset Process

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Capital Asset Process

An asset allows you to record, according to accounting recognition, the depreciation of an item, based on various calculation methods.
This process also allows you to make year-end adjustments, to sell or dispose of an asset.

1. Asset Creation

To create an asset, go to the "Capital Assets" option in the "Management" menu of the "Capital Assets" module and click on the icon to add a new record.

Enter a code, a description, a category, a depreciation method, and the asset's service start date.
Please refer to the "Capital Assets" documentation for more information.

Click on "Save".

NOTE: When an asset is created, it will be considered active. It is only possible to delete an active asset if no accounting period has been recorded, in order to make it inactive. Furthermore, an asset only becomes inactive if it is sold or disposed of.

2. Add a Value to the Asset

To add a value to an asset, you can use one of the 4 following methods.

Once a value is added, a line will appear in the list of added values via the "Added values list" section at the bottom of your screen.

When a value has been added, it will be possible to create the depreciation schedule for your asset.

NOTE: When adding a value, the service start date linked to the "Start date" field will be the default date for the addition. Additionally, the various added values within an asset will accumulate in the "Added values list" section. It is not possible to add values from the asset screen once the depreciation schedule has been generated. Furthermore, the amount in the "Residual value (UCC Remaining to be amortized or initial purchase value)" field will show the cumulative values to be depreciated as of the date the depreciation schedule is created.

2.1 Via the 'Residual Value' Field

2.1.1 Manual Entry

Enter the residual amount to be depreciated in this field and click the "Modify" button.

Once the value is added to the list, the "Start Date" field will be grayed out.

Once the value is added to the list of added values, the "Start Date" field will become read-only.

NOTE: Click the trash icon at the end of the line of the added value in the "Added values list" to make the "Start Date" field editable again.

Please refer to the "Capital Assets" documentation for more information on the various fields.

2.1.2 Automatic Calculation

Enter the initial amount of the asset in the "Postponed purchase initial value" field, then the already depreciated amount for this value in the "Already cumulated amortization postponed" field located in the FNACC reported section.

The system will automatically calculate the difference between these values and will show the remaining amount to be depreciated automatically in the " Residual value (UCC remaining to be amortized or initial purchase value)" field.

Click "Modify" to save your changes.

The system will automatically use the service start date to add this value to the list of added values. The "Start Date" field will then be read-only.

NOTE: If a value has already been added to the asset, the fields Initial "Postponed purchase initial value" and "Already cumulated amortization postponed" will be locked. You must delete the value if you wish to add a value automatically.

2.2 Via the 'Add Value' button

The 'Add Value' button allows you to add a value to the asset.

Click this button, enter the amount, and modify the date if necessary.
Complete the other fields if needed and click "Save".

When the value is added, a line with the added value will appear in the list of added values at the bottom of your screen.

NOTE: Adding a value through this button is only available when the depreciation schedule has not been generated. If you wish to add a value and the schedule is generated, you must create a purchase invoice and add the value through it. To do so, please refer to section 2.3 of this document. You can also add a value through the "Fixed assets value modification" option in the "Management" menu. Please refer to the "Capital Assets" documentation as needed.

2.3 Via a Purchase Invoice

When creating a purchase invoice, it is possible to use the General Ledger account linked to the "GL Asset" field in the "Categories" option in the "Management" menu of the "Capital Assets" module to add a value to an asset, directly through the line item of the purchase invoice.

NOTE: It is also possible to use this method via a purchase order. However, only when the purchase order is converted into a purchase invoice will the value be added to the asset, and it will be necessary to link an item to the purchase order for the value addition.

Go to the "Purchase invoices" option in the "Transactions" menu of the "Accounts Payable" module and click the icon to add a new record.

Complete the purchase invoice header, then enter the General Ledger account linked to the "GL Asset" field for your asset category.

NOTE: The value will be added on the date of your purchase invoice to the list of added values of the asset.

Once you enter the General Ledger account linked to an asset category, the "Capital Asset #" field will appear in the transaction line, allowing you to select the asset to which you want to add a value. This field is mandatory.

NOTE: Please refer to the asset categories in the "Capital Assets" documentation to configure the General Ledger accounts for your asset.

NOTE: Only assets whose category contains the General Ledger account selected in the purchase invoice will be displayed.

Enter the amount and click the green checkmark.

NOTE: It is not possible to add a value for an inactive asset. To display the "Capital Asset #" field for the asset in the detail lines, you must add the value "'immo" in the configuration "NewApInvShowFields".

Click the "Save" button to add this value to the asset according to the date of the purchase invoice.

NOTE: To delete a value from the asset, you must click on the trash can icon. However, only the link to this value will be removed, so the purchase invoice will not be deleted. If you delete the purchase invoice, the value added to the asset will be automatically deleted. Additionally, if the amount of the purchase invoice is modified, the value added to the asset will also be updated. However, if an amortization schedule has been generated and this value has already been accounted for, it will no longer be possible to modify the invoice.

3. Creation of the Amortization Schedule

To record the amortizations of your asset, you must create your amortization schedule based on your chosen amortization method.

Go to the "Capital Assets" option in the "Management" menu of the "Capital Assets" module and double-click on the asset for which you want to create the amortization schedule.

Select the date on which you wish to start amortizing your asset in the "Amortization table creation date" field, then click on the "Asset creation" button to generate the amortization schedule based on the amortization method for your asset.

The amortization schedule will be generated and displayed in the "Amortization schedule" section.

NOTE: When the table is generated, it will no longer be possible to add values directly in the asset screen. You will need to create a purchase invoice or use the "Modify Asset Values" option to add a value.

NOTE: It is possible to display the "Open asset" button for desired users via the access "Access to the "Open asset" button in a closed asset if no depreciation entry has been made" in the "General Ledger Tab" category of user's access. By clicking this button, it will be possible to delete the amortization schedule when no amortization has been accounted for.

4. Accounting for Amortizations

Once the amortization schedule has been generated, you will be able to account for the amortizations of your asset.

Go to the "Creating depreciation entries" option in the "Transactions" menu of the "Capital Assets" module.

Select the search parameters to display the assets for which you need to generate amortization entries, then click the "Generate" button.
The assets for which entries need to be generated will be displayed.
Check the box for the assets you wish to account for and click the "Complete" button.

NOTE: You will also be able to modify the amount to be amortized if necessary. If you modify a value, the amortization schedule will be recalculated accordingly.

Once the amortization entries are accounted for, they will be displayed in the asset under the "Amortization schedule" section.

NOTE: Click on the recorded line to display the details of the General Ledger transaction that was generated.

NOTE: You can click on the details of the recorded entry to view the details of this transaction in the General Ledger. Additionally, adding value to an asset is only available for a period where no amortization entries have been generated. Furthermore, when a value has been added to the asset, the amortization schedule will be recalculated.

5. Year-End Adjustment for an Immobilization

You will also be able to make year-end adjustments that will be directly linked to one or more immobilizations.

5.1 Requirements for Making the Adjustment

In order to make an adjustment for an immobilization, an amortization entry must have been generated for the last period of the year in which the adjustment will be made.

To perform the adjustment, the immobilization must be active in the first period of the following year.
Furthermore, the immobilization must not have been sold at the time the adjustment is generated, and the year of the adjustment must be closed.

5.2 Creation of the Adjustment

Go to the "End of Year Regularisation" option in the "Utilities" menu of the "General Ledger" module.

Select the year for the adjustment and click the green plus icon to add an adjustment transaction.

Year : 2022

Description	Transaction Date	Date Launched	Amount	☐

➕

Trans. Date : 31/03/2023   2022-12 ⌄   Retained Earnings Account : 3999 | B.N.R. ⌄

Print   Launch   Close

Create the accounting transaction by selecting a General Ledger account linked to an immobilization category and enter the active immobilization in the "Capital Asset #" field.

Enter the amount of the adjustment and click the green checkmark to add the line.

IMPORTANT: To increase your immobilization value, you need to enter a value in the "Debit" field, and to decrease your immobilization value, you need to enter a value in the "Credit" field.

Description : Regularisation of cake asset
Reversal : ☐
Balance : 0.00
Converted Balance : 0.00

Save   Close

GL Code	Description	Currency	Rate	Project	Capital Asset #	Debit	Credit	CAD debit	CAD credit	
00001403	Immobilisations	CAD	1.0000		01	250.00		250.00		✔ ✖

Once the adjustment transaction is balanced, click "Save".

Description : Regularisation of cake asset
Reversal : ☐
Balance : 0.00
Converted Balance : 0.00

Save   Close

GL Code	Description	Currency	Rate	Project	Capital Asset #	Debit	Credit	CAD debit	CAD credit	
		CAD	1.0000							✔ ✖
00001403	Immobilisations	CAD	1.0000		01	250.00	0.00	250.00	0.00	🗑
4020	SALES - MANUFACTURED PRODUCTS ;	CAD	1.0000	Initial Project		0.00	250.00	0.00	250.00	🗑

Back on the adjustment screen, check the box for the adjustment to apply and click the "Lauch" button to apply the adjustment to the immobilization

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NOTE: Year-end adjustments related to an immobilization cannot be reversed or deleted once they have been applied. If you need to correct an adjustment, you will have to create a new adjustment transaction.

Please refer to the "General Ledger" documentation for more information on year-end adjustments**.**

5.3 Impact on the Immobilization

When the year-end adjustment is applied, it will trigger the recalculation of the amortization table for your immobilization.

In your immobilization, the value of your adjustment will either be added or deducted in the list of added values for the immobilization.

Thus, the "Amount" and "Outstanding Amount" columns in your amortization table will be modified to display the amount you should have had.

This line will be displayed in bold orange.

In cases where some periods have been accounted for in the current year and then an adjustment is made for the previous year, the system will calculate the difference in amortization amounts.

The recalculation of amortizations will be applied to the next period to be accounted for.

This recalculation involves using the adjustment amount and the amortized amounts for the current year and calculating the difference with the amount that should have been amortized. This difference will be applied to the current period.

The following periods will display the amount to be amortized according to the adjusted residual amount and the amortization method of the immobilization.

No.	GL Period	Date	Amount	Outstanding Amount	Recorded
1	2021.11	28/02/2022	76.92	9,923.08	2021.11 (28/02/2022)
2	2021.12	31/03/2022	76.92	9,846.16	2021.12 (31/03/2022)
3	2022.01	30/04/2022	82.05	9,764.11	2022.01 (30/04/2022)
4	2022.02	31/05/2022	81.37	9,682.74	2022.02 (31/05/2022)
5	2022.03	30/06/2022	81.37	9,601.37	2022.03 (30/06/2022)
6	2022.04	31/07/2022	81.37	9,520.00	2022.04 (31/07/2022)
7	2022.05	31/08/2022	81.37	9,438.63	2022.05 (31/08/2022)
8	2022.06	30/09/2022	81.37	9,357.26	2022.06 (30/09/2022)
9	2022.07	31/10/2022	81.37	9,275.89	2022.07 (31/10/2022)
10	2022.08	30/11/2022	81.37	9,194.52	2022.08 (30/11/2022)
11	2022.09	31/12/2022	81.37	9,113.15	2022.09 (31/12/2022)
12	2022.10	31/01/2023	81.37	9,031.78	2022.10 (31/01/2023)
13	2022.11	28/02/2023	81.37	8,950.41	2022.11 (28/02/2023)
14	2022.12	31/03/2023	-168.63	9,119.04	2022.12 (31/03/2023)
15	2023.01	30/04/2023	63.35	9,055.69	2023.01 (30/04/2023)
16	2023.02	31/05/2023	63.35	8,992.34	2023.02 (31/05/2023)
17	2023.03	30/06/2023	63.35	8,928.99	2023.03 (30/06/2023)
18	2023.04	31/07/2023	113.91	8,815.08	
19	2023.05	31/08/2023	75.99	8,739.09	

6. Selling an Asset

To sell an asset, go to the "Invoicing" option in the "Transactions" menu of the "Accounts Receivable" module and click on the icon to add a new record.

Complete the invoice header with the customer information, then enter the General Ledger account related to the "GL Asset" field of the asset category being sold.

Once you have entered the General Ledger account related to an asset category, the "Capital Asset #" field will appear in your transaction line, allowing you to select the asset you wish to sell and enter the sale amount.

NOTE : It is not possible to sell an inactive immobilization. To display the "Capital Asset #" field for the asset in the detail lines, you must add the value "'immo" in the configuration "ArNewInvoicesShowField".

When the sale invoice for the immobilization is recorded, the amortization table of the immobilization will be reset for all periods where amortization entries have not been recorded.
The immobilization will thus become inactive, and the "Disposal date" field will now show the sale invoice date.

Additionally, the "Deemed proceeds" field will display the amount entered in the sale invoice, and a new field for "Loss" or "Gain" will be displayed based on the case, showing the gain or loss from the sale of the immobilization.
The sale invoice number will also be displayed in a new field "Disposal invoice number".

Capital Assets

Code : 01
English Description : Industrial cake machine
Category : Capital assets Doc
Method : Degressive 10%

Supplier :
Sales rep. :
Manufacturing :
Model :
Condition to the acquisition : New
Start date : 01/02/2022
Redemption month : Choose a/the option(s)

Insurance broker :
Policy number :
Insurances amount : 1000
Expiration date : 28/02/2026

Disposal date : 19/03/2025 ⬅
Gain : 10821.01 ⬅

Created by : Maéva (CDID)
Creation Date : 07/03/2025

Item code :
Warehouse : Saint-Georges
Location Code : DEFAULT
Serial Nbr :

UCC postponed
Postponed purchase initial value : 25500.00
Already cumulated amortization postponed : 15500.00

Residual value (UCC remaining to be amortized or initial purchase value) : 10000
Amortization table creation date : 01/02/2022

Deemed proceeds : 20000 ⬅
Disposal invoice number : 00010

○ Added values list ● Amortization schedule

[Print] [Specifications] [Close]

No.	GL Period	Date	Amount	Outstanding Amount	Recorded
1	2021.11	28/02/2022	76.92	9,923.08	2021.11 (28/02/2022)
2	2021.12	31/03/2022	76.92	9,846.16	2021.12 (31/03/2022)
3	2022.01	30/04/2022	82.05	9,764.11	2022.01 (30/04/2022)
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8	2022.06	30/09/2022	81.37	9,357.26	2022.06 (30/09/2022)
9	2022.07	31/10/2022	81.37	9,275.89	2022.07 (31/10/2022)
10	2022.08	30/11/2022	81.37	9,194.52	2022.08 (30/11/2022)
11	2022.09	31/12/2022	81.37	9,113.15	2022.09 (31/12/2022)
12	2022.10	31/01/2023	81.37	9,031.78	2022.10 (31/01/2023)
13	2022.11	28/02/2023	81.37	8,950.41	2022.11 (28/02/2023)
14	2022.12	31/03/2023	-168.63	9,119.04	2022.12 (31/03/2023)
15	2023.01	30/04/2023	63.35	9,055.69	2023.01 (30/04/2023)
16	2023.02	31/05/2023	63.35	8,992.34	2023.02 (31/05/2023)
17	2023.03	30/06/2023	63.35	8,928.99	2023.03 (30/06/2023)

NOTE : If the sale invoice is reversed, the immobilization will become active again, and the amortization table will be recalculated from the last recorded period.

7. Disposal of an Immobilization

The disposal of an immobilization allows you to close the immobilization without selling it.

To do this, select an immobilization, enter a disposal date in the "Disposal date" field, and then click the "Modify" button.

NOTE: The disposal amount must be zero. If you attempt to close an immobilization with a disposal amount different from zero, a warning message will be displayed to inform you to create a sales invoice.

By clicking on "Modify", a confirmation message will appear, and you can click "Yes" to confirm the disposal of the immobilization.

Following the disposal of an immobilization, the amortization table of the immobilization will be reset for all periods where amortization entries had not been recorded.

The immobilization will thus become inactive, and a new "Loss" field will display the amount of the loss generated by the disposal of the immobilization at zero value.

Capital Assets

Code : 01
English Description : Industrial cake machine
Category : Capital assets Doc
Method : Degressive 10%

Created by : Maéva (CDID)
Creation Date: 07/03/2025

Supplier :
Sales rep. :
Manufacturing :
Model :
Condition to the acquisition : New
Start date : 01/02/2022
Redemption month : Choose a/the option(s)

Item code :
Warehouse : Saint-Georges
Location Code : DEFAULT
Serial Nbr :

UCC postponed
Postponed purchase initial value : 25500.00
Already cumulated amortization postponed : 15500.00

Insurance broker :
Policy number :
Insurances amount : 1000
Expiration date : 28/02/2026

Residual value (UCC remaining to be amortized or initial purchase value) : 10000
Amortization table creation date : 01/02/2022

→ Disposal date : 01/04/2025
→ Loss : -9178.99

Deemed proceeds : 0
Disposal invoice number : 00011

○ Added values list ● Amortization schedule

[Print] [Specifications] [Close]

No.	GL Period	Date	Amount	Outstanding Amount	Recorded
1	2021.11	28/02/2022	76.92	9,923.08	2021.11 (28/02/2022)
2	2021.12	31/03/2022	76.92	9,846.16	2021.12 (31/03/2022)
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16	2023.02	31/05/2023	63.35	8,992.34	2023.02 (31/05/2023)
17	2023.03	30/06/2023	63.35	8,928.99	2023.03 (30/06/2023)

IMPORTANT: An immobilization whose disposal has been performed from the immobilization screen cannot be reopened.

Thus, the process of fixed assets is complete.