



Fixed Assets Manager Release Considerations

Version 2009.01

The following sections contain new features and considerations that apply to this version:

What's New?

The following features are now available with this version:

- **Depreciation Export Report** - The following fields have been added to the Depreciation Export Report: Book Name, Bonus Depreciation, Date Acquired and Retired Date. You can now select up to six extra fields to print on the report.
- **Retirement Export Report** – You can now use the Retirement Export Report to export disposition details to MS Excel.
- **Report Grouping** – Two new grouping options now exist in the available list of groupings for a report. Reports can now be grouped by Asset Type or Classification along with any of the Accounting Information fields in the database.
- **Importing Option** – A new option “Display rejected import records” is now available on the Summary and Options page of the Text File Import wizard. When this option selected, a text file of the rejected records will be displayed after the import is complete. This file can be used to correct the rejected records and import only those assets that didn't originally import.
- **Section 179 Limitations** - For taxable years beginning in 2010, the new Section 179 amount is \$134,000.00 and the Section 179 investment limitation is \$530,000.00.
- **Vertex TDC Export Consolidation** – A new report, Vertex Tax Forms TDC Export Consolidation, is available to consolidate data from multiple entities. The Vertex TDC Export report should be used to export data on an individual entity by entity basis.

Considerations

The following considerations apply to this version:

- **Form 4797** – Depreciation allowed or allowable now includes transferred-in depreciation on line 2e and 10e. Previously, only the depreciation from the destination's entity was being included.
- **Additions Report** – Cost and current depreciation values are now being rounded correctly. Previously, these values were not rounded consistently with those in the Asset Input dialog.
- **Attachment Tab** – The Launch File button and Remove File button have been placed further apart so that the Remove File button is not accidentally selected.

- **Print Properties** – On the Print Properties dialog, when you have more entities than can show in the Entity Selection window, choosing 'Select All Entities' now selects all entities in the list. Previously, only the entities visible in the Entity Selection window were selected.
- **Depreciation Export Report** – The accumulated depreciation amount on a destination asset of an inter-entity transfer with proration is now correct. Previously, the transferred-in depreciation was being excluded.
- **Inter-Entity Transfer**
 - Assets that are Inter-Entity transferred in the first year of life are now calculating depreciation correctly. Previously, these assets were getting a full year of depreciation regardless of the timing convention.
 - Assets that were transferred and later retired within the same year are now calculating correctly. Previously, the system was using the wrong proration values used to evaluate the time in each entity.
 - Assets that were split, had a year-end close, and then were transferred are now calculating correctly. Previously, after the year-end close, the source asset was not getting any depreciation.
- **Period Setup** – The 'EOL option' on the Period Setup dialog has been renamed to 'End of period life' and is now only available when 'By Days in the Period' Prorate Depreciation option is selected. For more information about this option, see the help topic *Setting up periods*.
- **Life to Date Utility** – The Life to date utility will now display the Life to Date report when a user defined book is selected. Previously, the 'Unable to create Preview window' error message would display and the report would not display. **Period Data** - When an asset is retired in a period that was overridden, the system is now calculating Proceeds and Recognized Gain/(Loss) or Unrecognized Gain/(Loss) for that period. Previously, these values were not being calculated.
- **Depreciate Past End of Life** – When the Depreciation Past End of Life option is turned on for an asset, the system will now verify that there will be depreciation left after the asset's natural end of life before flagging the asset to calculate past the end of life.
- **Depreciation Report**
 - If you print a grouping report for Assets that were transferred then later retired in the current year, for a date range that does not include the retirement date, the total amounts for the last grouping will show the correct amounts on the Asset Retirements line.
 - Autos/trucks placed in service during 2008 display the method as 'MF2SL' on the Depreciation report and the check box in asset input is checked for 'method has switched'. This does not alter the calculation. It is a display issue only. When the year is closed, the box becomes unchecked.
 - If you have an asset with no remaining life and you enter an override for current depreciation, that override amount now is displayed on the Depreciation report when using the book data as the source.
- **Depreciation Projection Report**
 - Assets with a negative value are now displayed properly on the monthly future year projection report. Previously, only an amount was displayed for the month of June and the balance was displayed as a rounding adjustment.
 - The amount in the July month is now correct for assets whose lives expire between August and the end of the year. This applies to both the Monthly Current Year report and Monthly Future Year report
- **Vertex VLD Export Report** – The source asset involved in an Inter-Entity transfer now correctly displays on the Vertex Tax Form VLD Export report. Previously, the asset was not shown on the report.

Existing Considerations

The following considerations were reported in a previous version of FAM and they still apply to this version:

General

- **FADATA Named Database** – FAM uses two databases:
 - FASYS – Contains system data. You should never rename this database.

- FADATA – Contains asset data. You can create the FADATA database with a different name.
- **Calculate Before Printing** - When printing reports that include Inter-Entity Transferred assets, it is important to calculate the assets in all entities that were involved in the transfer. Failure to calculate assets in all entities can cause incorrect values on the report. Ex. Asset one is transferred from Entity A to Entity B. Asset one must be calculated in both Entity A and Entity B.
- **Deleting Assets from the Output Pane** – When deleting assets from the Output Pane and no book information is listed in the book column, you must select the ALL button to delete the assets. Selecting the Current button does not delete the asset from any book.
- **Units of Production Assets** – When assets that use the depreciation method of UOP are closed, the amounts on the UOP tab of Asset Input are not automatically updated. You need to update this information manually. This issue will be addressed with a future version.
- **Maintaining Entities** – When making an offline copy of an entity to use remotely and then merge back into the original database later, you need to do the following:
 - Before the offline copy is made, make changes to the following items as necessary:
 - Accounting Information Fields
 - Asset Types
 - Books
 - Book Types
 - Custom Depreciation Methods
 - Create a backup of the database
 - After you have taken the entity offline and you are using it remotely, do not create any of the items listed above or make changes to them while you are working on the entity offline. If you make changes to the items listed above while you are working on the entity offline, the entity may not work correctly when the entity is restored to the original database.
 - The restore option 'Replace an entity in the database with the offline entity' is not working correctly. It only replaces the first asset in the entity. To correct this issue, before the entity is restored into the original database, you must delete the original entity first and use the Add the offline entity to the database option to restore the entity.
 - After the entity is restored, you can continue to create any of the items listed above or make changes to them.
 - Any assets that were transferred before the offline copy will not link back to the original asset.
- **Switching to a Short Year and using the MACRS Table Percentages** – If you use assets that have a depreciation method of MT200 or MT150 and the entity switches to a short tax year, by law, you must change the depreciation methods to MF200 or MF150, respectively. Failure to do so causes incorrect depreciation to be calculated for the remainder of the assets' lives. The easiest way to locate assets with a depreciation method of MT200 or MT150 is to use the Find Utility.
 - 1.From the Tools menu, select Find. Find Assets opens.
 - 2.From the Item list, select Book and then Depreciation Method.
 - 3.From the Action list, select is either.
 - 4.From the Value 1 list, select MT200 - MACRS 200% Tables and from the Value 2 list, select MT150 - MACRS 150% Tables.
 - 5.To add this criterion to the search criteria, click Add.
 - 6.From the Item List, select Entity.
 - 7.From the Action List, select equals.
 - 8.From the Value list, select the entity that is changing to a short year.

9. To add this criterion to the search criteria, click Add.
10. Click Find. All assets with these depreciation methods appear in the Output pane.
11. You can edit these assets in the Output pane, or you can print a report with only these selected assets.

Asset Input

- **Remaining Life** – In some cases, the remaining life for an asset is displayed as one month less than it should be. This is a display issue only and does not affect calculations for the asset. This issue will be addressed with a future version.
- **Removing an Override** – To remove an override from a field, you must leave the field blank. Entering a zero in the field overrides the value to zero.
- **ITC Qualified Investment and ITC Credit Amount** – If you override both the Qualified Investment and the Current/Prior Credit Amount on the ITC tab of Asset Input at the same time, the overridden Qualified Investment does not print correctly on the ITC report.
- **Section 1250 Retired ITC Asset in a Corporation** – The Ordinary Gain/Loss is incorrectly calculated on Asset Retirement and the Retirement Report for all assets that 1) have prior ITC, 2) have been retired under Section 1250, and 3) have an Entity Type of Corporation. However, this incorrect gain/loss is not reflected on Form 4797, Line 26g.
- **Ordinary Gain/Loss vs Realized Gain/Loss** – In some cases, the amount calculated for Ordinary Gain/Loss is off by one cent because of a rounding issue on Asset Retirement and the Retirement Report. For example, when there is no unrecaptured Section 1250 gain for the asset, you may find that the ordinary gain/loss is different from the realized gain/loss by one cent. However, the ordinary gain/loss reflected on Form 4797 is correct.
- **Asset Retirement, 6252 Tab** – You cannot enter data for prior-year Installment Sales.

Depreciation Calculation

- **Depreciation for ACRS Other Real Property in a Short Tax Year** – A short tax year is not taken into consideration when calculating depreciation for assets that have a classification of ACRS Other Real Property. Therefore, a full twelve months worth of depreciation is calculated for these assets instead of a prorated amount based on the number of months in the short tax year. To correct this issue, override the current depreciation on Asset Input.
- **Multiple Partial Retirements on Form 4797** – Multiple partial retirements for a given asset in the current year are combined on Form 4797. The asset data is carrying to Part I, Part II or Part III of the form based on the last transaction that occurred. If the partial retirements need to be presented on different parts of the form, you need to split the asset into two or three assets to get the amounts to carry to the correct part of the form.
- **Property Involving Sec 179 Flow-Through Entities** – For entities with a type of Partnership or S-Corporation and assets with Section 179 that are retired: these properties are not reported on Form 4684, Form 4797, or Form 6252. They should be reported on the partner's or shareholder's K-1s.

Reports

- **Printing** – If you print a report without previewing it first, it may appear the program stops working because the progress bar on Printing Reports may stop increasing; however, the program continues to process the records and print the report.
- **Printing Report or Forms** – Before printing reports or forms, select an entity, or a branch under an entity in the Explorer pane. If you select the database, Asset Types branch or the Accounting Information branch in the Explorer Pane, not all of the report properties are available for selection and they do not print.
- **Sub-Totaling** – Currently, you cannot turn off the sub-totaling for any group on the Depreciation Projection Report.

- **Export to MS Word** – Currently when exporting any report to the Microsoft Word format, when the file produced is opened, the error message “Invalid file format” appears, the file can’t be opened. This will be fixed in a future release.

Tools

- **Life to Date Utility and Section 179** – The Life To Date utility does not calculate Section 179 correctly. This will be addressed with a future version.
- **Overridden ITC Qualified Investment during Close Year-end** – During close year-end, when overriding the Qualified Investment on the ITC tab of Asset Input and retiring a portion of this asset, the remaining ITC Amount is doubled. Override the Prior ITC amount after the year-end close so that the adjusted basis for the asset is correct.

Demonstration Version

- **Limitations** – If you are using a demonstration version of the program, you can only create up to 50 assets in the database file. If you enter more than 50 assets, you will not be able to enter or import new assets. In addition, the demonstration version only works for 30 days from the date it was installed. The Migrate option is disabled in the demonstration version. To determine if you have a demonstration version of the program:
 - From the **Help** menu, select **About Fixed Assets Manager**. If you have a demonstration version, the word 'demonstration' appears after the version number.
 - To license the full version of the program, call the Red Moon Solutions Hotline at 1 800 224 1260.

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