

# DEPRECIATION SETUP





## Vehicle Depreciation Setup

The following fields must be completed for each vehicle within Vehicle Fleet:

### Service Page

**Acq Price:** (The price paid for the vehicle)

**Owning Loc:** (The location to whom you are assigning the cost of the vehicle)

**Date:** (upper right corner of screen-Date the vehicle was placed into service)

**Grounding Miles/Date:** (The maximum number of miles that you wish the vehicle to accumulate before it is removed from the fleet of available units. Also the "as of date" that you wish to remove the vehicle from the available fleet.)

### Finance Page

**First Month Dep:** (The amount of depreciation you wish the system to calculate if the vehicles first month in fleet is less than 30 days)

**Last Month Dep:** (The amount of depreciation you wish the system to calculate if the vehicles very last month in fleet is less than 30 days)

*Note: These two fields should only be used if you are using a monthly amount to depreciate your vehicles. If you are using a daily percentage. leave these fields blank.*

**Accum Dep:** (The total accumulated depreciation to date. This field will automatically update each time you post your Depreciation Report.)

**Residual:** (The residual value, or difference between the Acq Price and the Accum Dep fields. This field will automatically update each time you post your Depreciation Report.)

**Mo Dep Amount:** (The flat amount you wish the system to depreciate the vehicle each month.)

**Mo Dep%:** (The percentage of Acq Price that you wish the system to depreciate the vehicle each month. 2% is average)

**Daily Dep%:** (The daily percentage of Acq Price you wish the system to use to determine how much the vehicle should be depreciated. The system will calculate how many days there are between the Last Dep Date and the cutoff date you enter for the Depreciation report then multiply that by the Daily Dep%.)

*Note: Only ONE of the previous three fields should be filled in.*

*Formula:* 1) Take the annual percentage you want to depreciate the vehicle by expressed as a decimal and divide by 365. e.g. If you want to depreciate by 20% annually divide .20 by 365 to get 0.000547945 as the daily rate.

2) Take 2.5% or 2% divide by 365: .0000684

3) Customer wants to depreciate by using the monthly payment. Example: monthly payment is 304.09. Take 304.09 X 12= 3,649.08/(price of the car) 12,163.55= 30% or .30/365 days=.0008219 for daily Dep percentage.

**Start Dep:** (The date you wish the computer to start calculating the depreciation for this vehicle - i.e. 01/09/03)

**Last Dep Date:** (The date this vehicle is depreciated through, or the cutoff date used for the last Depreciation Report. This field will automatically update each time you post your Depreciation Report.)

**Odom:** (The odometer reading through the last cutoff date used. This field will automatically update each time you post your Depreciation Report.)

**Start Lic Dep:** (The date you wish the system to start depreciation your license costs for the year.)

**Last Lic Dep:** (The last cutoff date for License Depreciation. This field will automatically update each time you post your Depreciation Report.)

**Accum Lic Dep:** (The YTD total license depreciation. This field will automatically update each time you post your Depreciation Report.)

Note: Only enter values into the Lic Dep fields if you wish to depreciate your licensing / registration costs each year. UK customers might possibly use these fields to depreciate their yearly vehicle taxes. Lic Depreciation is calculated by taking the License Amount from the General page and dividing by 365.

**Bank ID:** (This field is in the Amortization section of this screen but is absolutely necessary for depreciation as well. Even if you have paid CASH for the vehicle a bank ID is necessary in order to use the depreciation module.)