Introduction

Fixed assets management is an [accounting](#) process that seeks to track [fixed assets](#) for the purposes of [financial accounting](#), [preventive maintenance](#), and [theft](#) deterrence.

Many Large organizations face a challenge to track location, quantity, condition, maintenance, and depreciation status of their fixed assets. This is mainly due to the complexities of the organization's structure, the large number of locations, and due to the large number of fixed assets. Thus it is vital to have an effective and efficient fixed asset management solution (FAMS).

Features of the Proposed Solution

Fixed Asset Administration Module

The user will be able to pre define the categories of the fixed assets through an administration module. Once these categories are entered, types of fixed assets can be defined and can be assigned to any category. Once the type of asset is defined the number of sub categories can be predefined according to the type of asset. This can be explained by the following example:

> *Say the client needs to enter the information about their vans, then the user will have to first define an asset category such as 'Vehicle'. Under this category a type can be assigned as 'Van' and the sub categories can be engine, chassis, Interior, Electrical system etc…*

This module will have the capability to define an approval flow according to the requirement of Asset Line Leasing.

The solution will have the ability to create users and can give each user different capabilities, according to the management requirements.

Fixed Asset Information Module

This module will give the user the ability to enter new and update fixed assets. The proposed solution will give the user an option to edit existing fixed assets which are previously entered, however the changes done shall go through an approval flow before changing existing data. In this solution the fixed assets will be managed under the following categories:

- Location

- Value

- Quantity

- Condition

- History

- Depreciation

- Maintenance

Note: Certain mandatory fields can be determined after a detailed requirement gathering.

This module will have the following additional features

- Capability to attach documents such as warranty cards, registration documents, receipts and the like

- Alert and reminder module to remind users of Agreement Renewals, Service dates, expiry dates, lease payment dates etc… thus assisting in preventive maintenance.

- The system shall also validate data and pop error messages as and when required.

- The module will generate an asset ID number and will also generate a barcode. (A sample of the barcode sticker is shown in figure 01)

- Each cost center shall be given a user name and a password in order to enter information of any new fixed asset purchases. All entries will be sent through an approval flow before updating the database.   This should include transfers and disposals. Each user will be given a user name and password.

Fixed Asset Acquisition Module

These modules assist in the acquisition process of an asset. The module captures the following:

- The recording of quotations and their approval process

- The recording of documentation of an acquired asset

- Creating GRN of the acquired asset/s and the reconciliation process.

- the integration of information with third party accounting systems

Fixed Asset Life Cycle Management

 This module will record the history and the movements of the fixed asset and also generate new ID stickers whenever the asset is moved. The user will be able to

choose a fixed asset and assign the fixed asset for a transfer, disposal, service, refurbishment, and annual maintenance. This module will also give a summary of the past history of the fixed asset.

Movement Count
ID Number
Bar Code

Existing Reports and Required Reports

The existing reports are as follows:

- Asset details by cost center (one category- cost center wise total no of items and total value)

- Asset details category wise (above selected category – cost center wise, asset wise – no grand total)

- RTO wise all assets (only one category at a time with all asset A/H codes)

- Fully depreciated assets

- Asset history

- Depreciation forecast for one category only

The Reports that the new system have are as follows:

- Depreciation report for the month – super category wise

- Depreciation report for the month – sub category wise

- Asset schedule at any given date with details such as, cost, accumulated depreciation, net book value (NBV), super category wise totals, grand total

- Asset schedule for a given period with details such as, opening balance + additions – disposals = closing balance

  Closing Balance – accumulated depreciation = NBV

- Fully depreciated asset schedule, super category wise with grand total

- Fully depreciated asset schedule, with asset header codes and details such as, total cost, fully depreciated value, balance

- Motor vehicle report RTO wise, with asset header code and vehicle number

- Additions and acquisitions during a given period (asset wise)

- Disposals for a given period

- Depreciation forecast for a given period in any category or number of categories (what-if depreciation)

Other Requirements

Bulk Upload Facility

The system will be able to upload bulk entries of fixed assets and the uploaded data can be validated. The bulk data should be entered in MS Excel format and entered according to a predefined table.