



Some functions in this ebook require either the free Adobe Reader or Adobe Acrobat.



The Complete Guide to Managing Fixed Assets in NetSuite

The Complete Guide to Managing Fixed Assets in NetSuite

The vast majority of businesses have fixed assets that they must account for properly, but accurately tracking assets period over period can be a manual and complicated ordeal. It's critical to correctly depreciate and account for each year of fixed assets' lives since they're shown on the balance sheet. The NetSuite Fixed Assets Management SuiteApp helps make this tedious and recurring process easier to manage by eliminating the need to depreciate and manage assets manually, greatly reducing the burden on your staff. This ebook will walk through how the NetSuite Fixed Assets application works and best practices for setting up and monitoring fixed assets with it.

Fixed Assets Management SuiteApp

The NetSuite Fixed Assets Management (FAM) SuiteApp is designed to work across a wide variety of businesses and can store a range of different assets. It supports standard and user-defined depreciation methods and can link the two methods together. You can categorize assets into asset types in setup and provide defaults for the assets, making asset creation, depreciation, and retirement less time-consuming and error-prone. You can also use the tool to manage nondepreciating assets such as cell phones, software, and hired plant or machinery.

The FAM SuiteApp is an add-on that NetSuite customers can purchase, and it must be installed and set up to access these fixed asset capabilities.



Below are a few tasks that you must complete

after installation:

- Set up the General Ledger Accounts for FAM.
- Set up Fixed Assets General Preferences, Fixed Assets Report Preferences, and Fixed Assets Country-Specific Preferences.
- Set up the Asset Transfer Accounts.
- Set up your FAM Diagnostics Portlet to monitor the health of your fixed assets from your dashboard.
- Assign Depreciation Methods to an asset.
- Set up Alternative Methods (Tax Depreciation Methods).
- Define Asset Types.
- Migrate fixed asset data from your previous system via CSV Import.

Fixed Assets can be marked and created through many different transactions, including Purchase Orders, Vendor Bills, or Journal Entries. Once you select an eligible Fixed Asset Account type on a transaction, the FAM SuiteApp will mark the asset for creation.

Review Chart of Accounts for Setup for Fixed Assets

Fixed Assets accounts must be properly created to reflect information correctly in your Balance Sheet and P&L reports. Once you set up the accounts, you must link them to the FAM module in order to use them.

Account	Account Type
PPE (Property, Plant, and Equipment)	Fixed Asset Account
Accumulated Depreciation	Depreciation Account
Depreciation Expense	Depreciation Expense Account
Gain (Loss) on Sale of Assets	Write Off, Write Down, and Disposal Cost Account

Review Chart of Accounts for Setup for Fixed Assets

Setting Up Depreciation Methods

Each asset needs to be assigned a depreciation method so that NetSuite can calculate the asset's depreciation. You can link depreciation methods so that an asset can depreciate using one method for the first part of its life and then switch to a different method for its remaining life. The FAM SuiteApp lets you maintain separate book depreciation and tax depreciation calculations. Book (accounting) depreciation of fixed assets is linked to journal postings and transactions in NetSuite. You can use any of the preconfigured depreciation methods or create a new depreciation method.

You can **create a New Depreciation Method** in the FAM SuiteApp. To create a custom method, you need the following information:

- Name for the depreciation method
- Depreciation Method Description
- Depreciation Period (monthly or annually)
- End Period Number
- Next Depreciation Period
- Depreciation Rate Table
- Depreciation Formula

Setting Up Asset Types

You must set up Asset Types prior to creating assets in the FAM module. You can build a variety of Asset Types for identification and reporting purposes. To create an Asset Type, you must enter the below information:

- Name for the Asset Type
- Asset Type Description
- Default Depreciation Method for Asset Type
- Residual Percentage
- Asset Lifetime

You can also indicate on the Asset Type page if it will be used for assets generated from an operating lease.

EDIT VIEW	INTERNAL ID ▲	NAME
Edit View	1	Furniture & Fixtures
Edit View	2	Computer Equipment
Edit View	3	Leasehold Improvements
Edit View	4	Vehicles
Edit View	5	Buildings

FAM
Depreciation
Method List

FAM Asset
Type List

Asset Creation

There are four different methods to create assets in the FAM SuiteApp.

Asset Proposal is the best practice method for creating new asset records. With this method, the SuiteApp captures any assets that have been purchased through transaction records, such as bills and journal entries. You can then preview and make changes to an asset record prior to finalizing it.

For example, when equipment is purchased and entered via a bill, the Equipment account line item will show up as an asset waiting to be created. When using the Asset Proposal approach, you can review the asset prior to creation so that if you used an incorrect account line, for example, you can reject the asset and change the account utilized on the bill.

Asset Creation is another way to create assets through transaction records. This method eliminates the preview process that's part of the Asset Proposal path—once you enter an asset through a transaction, it's ready to be created.

CSV Imports are another way to create fixed assets and the recommended approach for bringing in historical

assets from older systems. All details regarding the assets, such as Name, Asset Type, Depreciation Method, Remaining Life, Current Value, and more, can be entered into a CSV template and uploaded into the FAM SuiteApp so your team doesn't have to manually input historical assets one by one. You can also use these imports to bring in Depreciation History Records.

Finally, you can **create assets manually** if you're not starting with a transaction record. This method is typically used for assets being transferred from older systems, and you simply enter in all the details related to the asset and create it.

Manage
Proposals

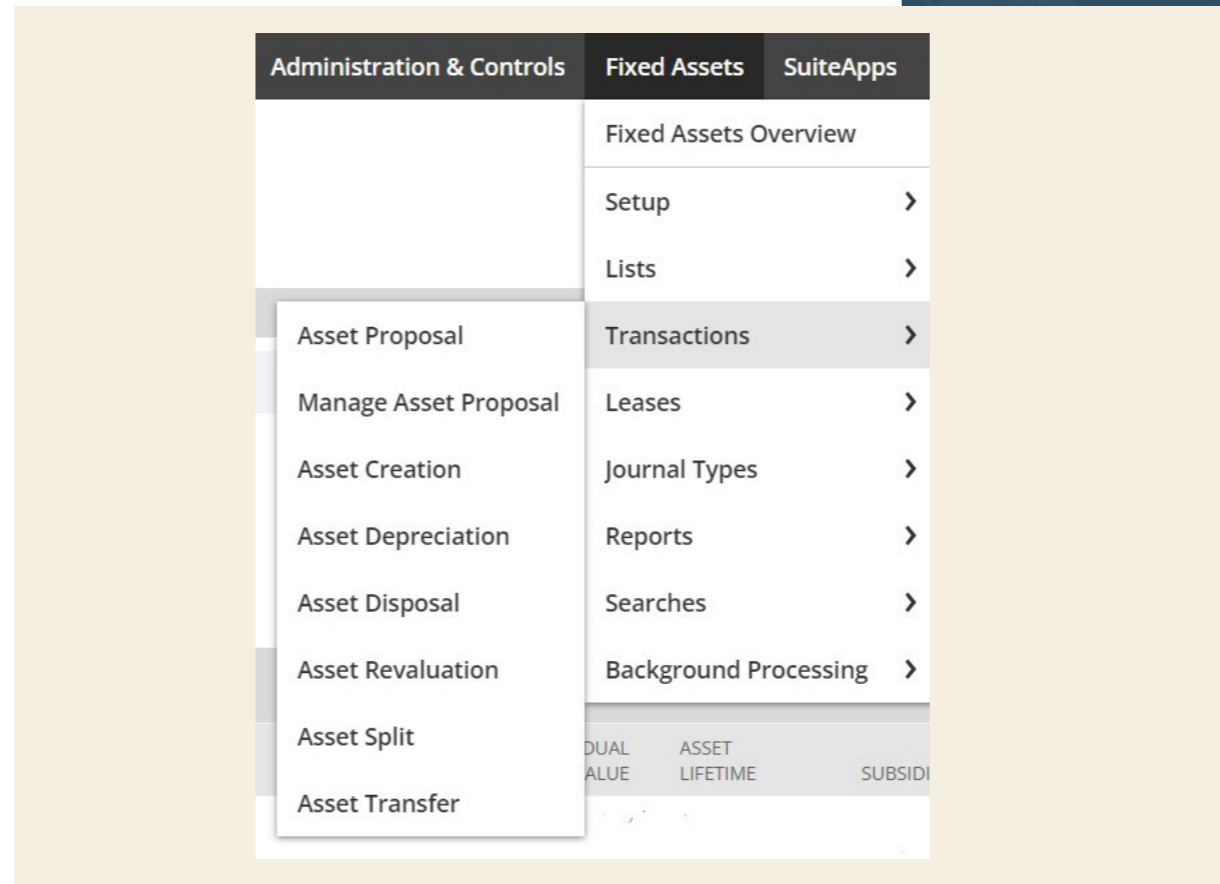
Manual Asset
Creation

Managing Fixed Assets

Once you create asset records in NetSuite, you can manage them in a variety of ways to ensure accuracy and compliance. Along with Asset Depreciation, you can split, revalue, transfer, and dispose of assets.

Asset Depreciation can automatically depreciate assets for the first time or depreciate an asset following a revision of the depreciation method or period. It can be performed periodically for a single asset type or across several asset types. The FAM SuiteApp will decide which assets require depreciation by checking the depreciation start date, last depreciation period, and the depreciation rules. When posting the depreciation values, the system will create a batch of GL Journal Entries.

Fixed Asset Split is another asset management option available for assets that have not been disposed of or defined as inactive. The Quantity field on an asset record tracks the number of individual elements that form the asset. Asset split lets you separate a specific quantity from the original asset and create a new asset record.



Managing
Fixed Assets

Asset
Depreciation

Fixed Asset Revaluation allows you to write down or revalue an existing asset. You can enter in a new Net Book Value for the asset and post the difference to the general ledger. You can also change the depreciation method and the asset lifetime through Fixed Asset revaluation.

Fixed Asset Transfer lets you transfer an asset recorded in one segment, such as a department or location, to another segment. To transfer assets between subsidiaries, you must set up Asset Transfer Accounts.

Fixed Assets Disposal lets you manage assets that you're either selling or disposing of. Through this feature, you can indicate the Disposal Type as a sale or a write-off. Once indicated, you can add additional details such as the disposal date and quantity to dispose. This will establish a write-off journal entry for an asset. If the asset is being sold, you can specify the customer who bought it and the purchase price. The SuiteApp will create a journal entry, along with a sales invoice.

Fixed Asset Leases

The FAM SuiteApp also supports the recording and tracking of Leased Assets. There are several setup permissions that you must review and enable to ensure that assets are tracked accurately.

Asset Transfer

Account	Account Type
Right-of-Use Asset Account(s)	Fixed Asset
Accumulated Depreciation Right-of-Use Account(s)	Fixed Asset
Lease Liability	Accounts Payable/Long-Term Liability/Other Current Liability
Interest Expense	Expense
Gain/Loss on Modification	Other Income

Lease Accounting

The correct GL Accounts must also be created for Lease Accounting, as shown in the table above.

The SuiteApp lets you Propose Lease Assets, create Leases Assets manually, or import Lease Assets.

Based on the information entered in the lease asset records, the SuiteApp will generate lease amortization schedules, create lease journal entries, and record lease interest.

Reporting

The FAM SuiteApp provides comprehensive reporting across assets, valuation, and depreciation. With these reports, you can report on assets across locations, subsidiaries, asset types, and more.

The **Asset Register** report lists costs, accumulated depreciation, and net book value for each asset between the periods selected.

The **Asset Summary** report lists cost or valuation, depreciation, and net book value totals for the selected asset types and the specified period.

The **Depreciation Schedule Net Book Value** report shows the current value of the asset for the specific period.

Administration & Controls	Fixed Assets	SuiteApps
	Fixed Assets Overview	
	Setup	>
	Lists	>
	Transactions	>
Lease Proposal >	Leases	>
Generate Lease Schedules	Journal Types	>
Record Lease Interest	Reports	>
Finalize Migrated Leases	Searches	>
	Background Processing	>

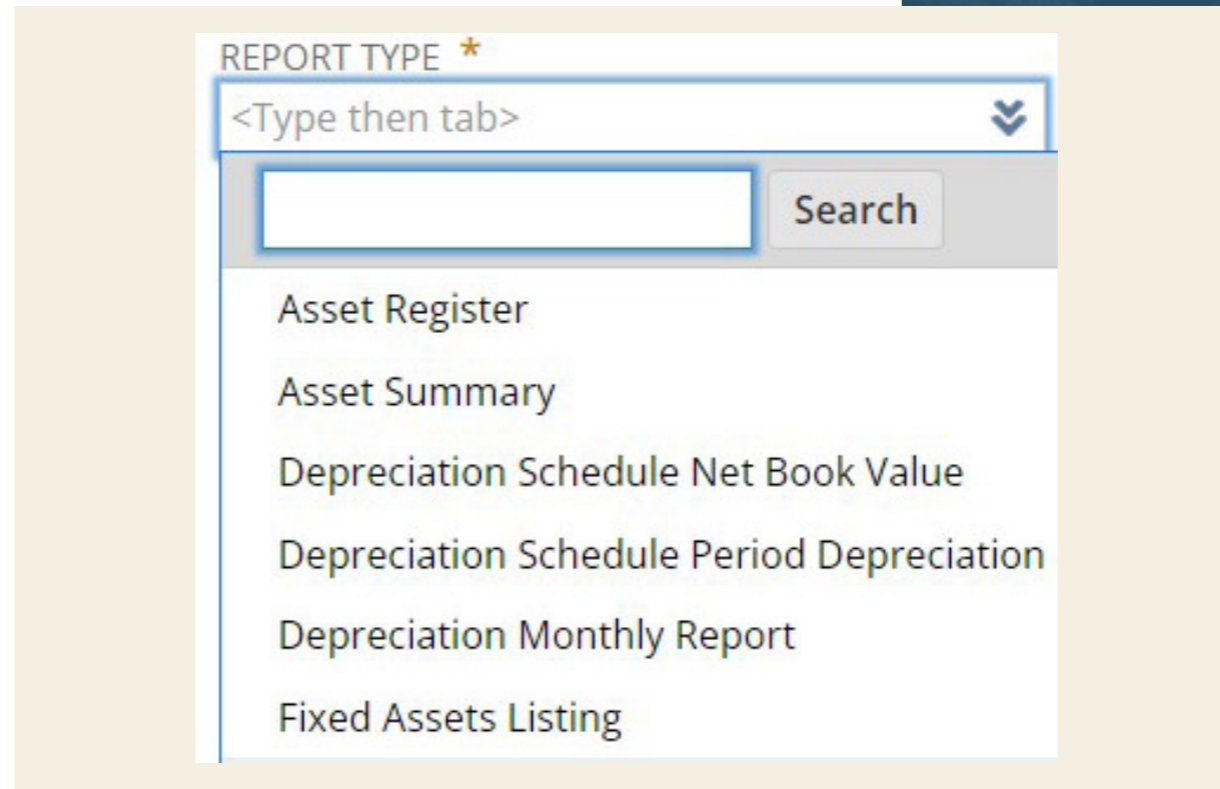
Leased Assets

Fixed Assets Report

The **Depreciation Schedule Period Depreciation** report shows the total depreciation for each asset for the specified period.

The **Depreciation Monthly Report** shows the depreciation expense for the period by asset, the asset records, and the journal entries.

The **Fixed Assets Listing** shows the total acquisition costs, additions, disposals, transfers, and write-ups for the fiscal year. It is an annual report, and by default, set to the current year, and you can set it to run monthly or quarterly.



Fixed Asset Report Types

Supporting You Along the Way

If you want to learn more about customization in NetSuite, check out this Learning Cloud Support (LCS) course:

- [Fixed Assets Curriculum](#)

[LCS](#) provides subscription-based training that allows all NetSuite users to engage in continuous education easily and cost-effectively. With on-demand learning, hands-on lab exercises, and multiple training options, LCS can help accelerate your entire organization's system knowledge and productivity.

Join the NetSuite Support Community

The [NetSuite Support Community](#) is an online gathering place for NetSuite professionals to share information, experiences, and advice. Ask a Support Guru for help or start a public discussion with the community.



ORACLE
NetSuite

www.netsuite.com
Infonetsuite_WW@oracle.com
877-638-7848



Copyright © 2024. Oracle and/or its affiliates. Oracle, Java, and MySQL are registered trademarks of Oracle and/or its affiliates. Other names may be trademarks of their respective owners.