

# MODULE 3: FIXED ASSET RECLASSIFICATIONS

## Module Overview

With Microsoft Dynamics® NAV 2013, you can reclassify fixed assets. Reclassifying fixed assets can be useful when you have to do one of the following:

- Transfer an asset to another location or from one dimension value to another.
- Split an asset.
- Dispose of only a part of the asset.
- Combine two assets.

### Objectives

The objectives are:

- Transfer a fixed asset.
- Split a fixed asset.
- Dispose of a part of a fixed asset.
- Combine assets.

### Asset Transfers

You can use asset transfers when you want to transfer, split, or combine assets. Use the reclassification journal for all postings from asset transfers.

Some companies frequently transfer assets from one location to another. For example, assume that, while an asset is being assembled, a worker puts it in the warehouse. When the assembling process is complete, someone has to move the asset to another location in the administration.

A company always has to have an exact overview of the current location of all its assets. Therefore, you should register this process in Microsoft Dynamics NAV 2013.

### Transferring Assets

When you transfer a fixed asset, the program moves the fixed asset entries (acquisition cost and depreciation) from one fixed asset account to another fixed asset account.

To transfer an asset from one location to another in Microsoft Dynamics NAV 2013, follow these steps:

1. Set up a new fixed asset card to which the fixed asset will be transferred.



**Note:** You can use the **Copy Fixed Asset** batch job from the **Process FastTab** to copy the information from the old fixed asset and then change the corresponding fields.

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2. In the **Fixed Asset Card** window for the new asset, on the **Lines** FastTab, enter a new location in the **FA Location Code** field.
3. Assign a depreciation book to the new asset.

## Module 3: Fixed Asset Reclassification

- In the navigation pane, click **Departments > Financial Management > Fixed Assets > FA Reclass. Journals.**

**FIGURE 3.1: FA RECLASS. JOURNAL**

- Move 100 percent of the asset's acquisition cost and depreciation by filling in the fields in the FA reclassification journal as described in the following table.

Field	Description
<b>FA Posting Date</b>	The date of the reclassification.
<b>Document No.</b>	The document number for the transaction.
<b>FA No.</b>	The number of the asset that you are transferring from.
<b>New FA No.</b>	The number of the asset that you are transferring to.
<b>Description</b>	A text description for the transaction.
<b>Depreciation Book Code</b>	The code of the book to which the line will be posted.

Field	Description
<b>Reclassify Acq. Cost Amount</b>	The amount of the asset acquisition cost to be transferred. By default, this field is hidden. Or, you can enter the percentage of the acquisition cost to transfer by filling in the <b>Reclassify Acq. Cost %</b> field.
<b>Reclassify Acq. Cost %</b>	The percentage of the asset acquisition cost to be transferred. The program uses the following formula: Reclassified amount = $\text{Reclassify Acq. Cost \%} / 100 * \text{Accumulated Amount of the posting type (depreciation, write-down, appreciation, custom 1, custom 2, and salvage value)}$ . Or, you can enter the amount of the acquisition cost to transfer by filling in the <b>Reclassify Acq. Cost Amount</b> field.
<b>Reclassify Acq. Cost Amount</b>	The amount of the asset acquisition cost to be transferred. By default, this field is hidden. If you enter an amount in this field, the program internally calculates the value in the <b>Reclassify Acq. Cost %</b> field as $\text{Reclassify Acq. Cost Amount} / \text{Accum. Acquisition Cost} * 100$ . Or, you can enter the percentage of the acquisition cost to transfer by filling in the <b>Reclassify Acq. Cost %</b> field.
<b>Reclassify Acquisition Cost</b>	Select this check box to transfer the selected acquisition cost.
<b>Reclassify Depreciation</b>	Select this check box to transfer the depreciation.
<b>Insert Bal. Account</b>	If you set up balancing accounts in the <b>FA Posting Groups</b> window, select this option so that the program automatically inserts the balancing account in the FA G/L journal. If you did not set up the default balancing accounts, do not fill in this field.

6. After you have filled in the FA reclassification journal line(s), click **Reclassify**.

## Module 3: Fixed Asset Reclassification

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Microsoft Dynamics NAV 2013 automatically creates lines in the FA G/L journal by using the specified template and batch. If the fixed asset is not integrated with the general ledger, the program creates lines in the FA journal, and in this case, you do not have to create balancing lines.

7. In the navigation pane, click **Departments > Financial Management > Fixed Assets > FA G/L Journal**.



**Note:** You can post these lines to complete the fixed asset transfer. If the balancing accounts were not set up in the **FA Posting Group** table, you must enter the balancing accounts before posting the lines.

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8. If the entries must be adjusted, adjust them, and then post the journal lines.

When you post the FA G/L journal, the program moves both the fixed assets entries and the G/L entries from one asset account to another.

The **Fixed Asset - Book Value 02** report which provides an overview of the total of all assets or each asset can help you decide which asset you have to reclassify.

### Splitting Fixed Assets

With Microsoft Dynamics NAV 2013, you can also split an asset by transferring portions of its acquisition cost to several assets. To split an asset, you use the reclassification journal in exactly the same way as you transfer an asset. The only difference is that you transfer acquisition cost and depreciation to multiple assets. You can use the reclassification journal to split one asset into two assets and still keep a part of it as the original asset.

For example, you can move 40 percent of the acquisition cost and depreciation for an asset to a different asset, whereas 35 percent moves to a third asset, and 25 percent remains for the original asset.

If the precise percentage is unknown, then use a reclassification amount. This amount refers to the original acquisition amount. In the current version of Dynamics NAV 2013, you cannot enter a quantity. You have to calculate the amount to be transferred.

Before you transfer acquisition and depreciation to new assets, you must first set up the new asset.

## Lab 3.1: Splitting a Fixed Asset

### Scenario

Cassie is managing fixed assets in the company. She decides to reclassify fixed asset FA000050 Conveyor Belt so that 50% of its acquisition cost and depreciation is split between fixed asset FA000060 Conveyor Lift and fixed asset FA000070 Conveyor Computer, 30% for FA000060 and 20% for FA000070.

### Objectives

Split a fixed asset.

### Splitting a Fixed Asset

#### *Exercise Scenario*

To split the posted acquisition cost and depreciation, Cassie uses the FA reclassification journal where she enters the percentage of acquisition costs and depreciation to transfer. Cassie uses December 31, 2013 as the FA posting date to include the FA ledger entries posted until this date.



**Note:** Before completing this lab, make sure that you set up the balancing accounts in the **FA Posting Groups** window for the **MACHINERY** posting group. To open the **FA Posting Groups** window, in the navigation pane, click **Departments > Financial Management > Setup > Posting Groups > FA Posting Groups**. For demonstration purposes, use account 8640 as an acquisition cost balancing account (the **Acquisition Cost Bal. Acc.** field). If you do not set the default accounts, you have to select them manually on the FA G/L journal lines.

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### Task 1: Split a Fixed Asset

#### *High Level Steps*

1. View the current book value, posted acquisition cost, and depreciation for the fixed asset that you plan to split and for the assets among which the acquisition cost percentage will be split.
2. Create two FA reclassification journal lines: one where you transfer 30% of the acquisition cost and depreciation of fixed asset FA000050 to FA000060, and another where you transfer 20% of the acquisition cost and depreciation of fixed asset FA000050 to FA000070.
3. Reclassify fixed asset FA000050.
4. Review the generated FA G/L journal lines and make sure that you select balancing accounts for each reclassification journal line.

## Module 3: Fixed Asset Reclassification

5. Post the journal lines.
6. Review the book value and posted FA ledger entries for all three fixed assets to make sure that the program split up fixed asset FA000050 correctly.

### Detailed Steps

1. View the current book value, posted acquisition cost, and depreciation for the fixed asset that you plan to split and for the assets among which the acquisition cost percentage will be split.
  - a. In the navigation pane, click **Departments > Financial Management > Fixed Assets > Fixed Assets**.
  - b. Select the line with fixed asset FA000050 and then click **View**.

On the **Lines** FastTab, in the **Book Value** field, you can see the current book value of the fixed asset. In the given example, it is 5,940.00.

The screenshot displays the 'View - Fixed Asset Card - FA000050 - Conveyor Belt' window. The 'General' section includes fields for No. (FA000050), Description (Conveyor Belt), Serial No. (23 111 SW1), Main Asset/Component (Component), and Component of Main Asset (FA000040). The 'Lines' section contains a table with the following data:

Depreciation Method	FA Posting	Depreciation Start	Depreciation End	No. of Depreciations	D.	Book Value
COMPANY	MACHINERY	Straight-Line	1/1/2013	12/31/2022	10.00	5,940.00

The 'Posting' section shows TANGIBLE, MACHINERY, BUILD 2, No. The 'Maintenance' section shows 44127904, 44127904, 8/12/2014. A 'Notes' panel on the right contains a link to create a new note.

**FIGURE 3.2: FIXED ASSET CARD FOR FIXED ASSET FA000050**

- c. Click the link in the book value field to view the FA ledger entries.

## Fixed Assets in Microsoft Dynamics® NAV 2013

In the **FA Ledger Entries** window, you can see the posted acquisition cost and depreciation ledger entries.

FA Postin...	Documen...	Documen...	FA No.	Depreciat...	FA Postin...	FA Postin...	Description	Amount	R.	No. o
1/1/2013	Invoice	108010	FA000050	COMPANY		Acquisitio...	Order 106018	6,600.00		
1/31/2013		D20130100...	FA000050	COMPANY		Depreciation	Depreciation January 2013	-55.00		
2/28/2013		D20130200...	FA000050	COMPANY		Depreciation	Depreciation February 2013	-55.00		
3/31/2013		D20130300...	FA000050	COMPANY		Depreciation	Depreciation March 2013	-55.00		
4/30/2013		D20130400...	FA000050	COMPANY		Depreciation	Depreciation April 2013	-55.00		
5/31/2013		D20130500...	FA000050	COMPANY		Depreciation	Depreciation May 2013	-55.00		
6/30/2013		D20130600...	FA000050	COMPANY		Depreciation	Depreciation June 2013	-55.00		
7/31/2013		D20130700...	FA000050	COMPANY		Depreciation	Depreciation July 2013	-55.00		
8/31/2013		D20130800...	FA000050	COMPANY		Depreciation	Depreciation August 2013	-55.00		
9/30/2013		D20130900...	FA000050	COMPANY		Depreciation	Depreciation September 2013	-55.00		
10/31/2013		D20131000...	FA000050	COMPANY		Depreciation	Depreciation October 2013	-55.00		
11/30/2013		D20131100...	FA000050	COMPANY		Depreciation	Depreciation November 2013	-55.00		
12/31/2013		D20131200...	FA000050	COMPANY		Depreciation	Depreciation December 2013	-55.00		

**FIGURE 3.3: FA LEDGER ENTRIES FOR FIXED ASSET FA000050**

- d. Close the **FA Ledger Entries** and **Fixed Asset Card** windows.
  - e. Repeat steps 2 through 4 for fixed assets FA000060 and FA000070 to view their current book value and ledger entries. In this example, FA000060 has a book value of 3,992.00, and the book value of FA000070 is 2,394.00.
2. Create two FA reclassification journal lines: one where you transfer 30% of the acquisition cost and depreciation of fixed asset FA000050 to FA000060, and another where you transfer 20% of the acquisition cost and depreciation of fixed asset FA000050 to FA000070.
    - a. In the navigation pane, click **Departments > Financial Management > Fixed Assets > FA Reclass. Journals**.
    - b. Create a line to transfer 30% of acquisition cost and depreciation from fixed asset FA000050 to fixed asset FA000060 by filling in the fields as shown in the following table.



## Module 3: Fixed Asset Reclassification

Field	Value
<b>FA Posting Date</b>	12/31/2013
<b>Document No.</b>	G05025
<b>FA No.</b>	FA000050
<b>New FA No.</b>	FA000060
<b>Reclassify Acq. Cost %</b>	30
<b>Reclassify Acquisition Cost</b>	Yes
<b>Reclassify Depreciation</b>	Yes
<b>Insert Bal. Account</b>	Yes

- c. Create another line to transfer 20% of acquisition cost and depreciation from fixed asset FA000050 to fixed asset FA000070 by filling in the fields as shown in the following table.

Field	Value
<b>FA Posting Date</b>	12/31/2013
<b>Document No.</b>	G05026
<b>FA No.</b>	FA000050
<b>New FA No.</b>	FA000070
<b>Reclassify Acq. Cost %</b>	20
<b>Reclassify Acquisition Cost</b>	Yes

## Fixed Assets in Microsoft Dynamics® NAV 2013

Field	Value
<b>Reclassify Depreciation</b>	Yes
<b>Insert Bal. Account</b>	Yes

FA Posting ...	Document ...	FA No.	New FA No.	Depreciatio...	Description	Reclassify Acq. ...	R.	R. I...	Re...
12/31/2013	G05025	FA000050	FA000060	COMPANY	Conveyor Belt	30	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	0.00
12/31/2013	G05026	FA000050	FA000070	COMPANY	Conveyor Belt	20	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	0.00

**FIGURE 3.4: FA RECLASSIFICATION JOURNAL**



**Note:** If you did not set up balancing accounts in the FA posting groups, do not select the **Insert Bal. Account** check box, as balancing accounts will not be inserted automatically in the FA G/L journal. You will have to create balancing lines in the FA G/L journal manually. The value that you should type in the **Document No.** field depends on how you set up number series on the journal batch. You may have to adjust the **Document No.** field manually on the journal lines.

3. Reclassify fixed asset FA000050.
  - a. On the **Home** FastTab, click **Reclassify** to have the program create FA G/L journal lines.
  - b. When you receive the message "Do you want to reclassify the journal lines?", click **Yes**.
  - c. When you receive the message "The journal lines were successfully reclassified.", click **OK**.

## Module 3: Fixed Asset Reclassification

4. Review the generated FA G/L journal lines and make sure that you select balancing accounts for each reclassification journal line.
  - a. In the navigation pane, click **Departments > Financial Management > Fixed Assets > FA G/L Journals**.
  - b. In the **Fixed Asset G/L Journal** window, make sure that the **Document No.** field contains the unique document numbers on each line. This depends on how you set up number series in the journal batch. If the document numbers have to be adjusted, adjust them manually.

Posting Date	Do...	Document ...	Account Ty...	Account No.	Depre...	FA Posting ...	Description	Gen. Po...	Gen. Bu...	Gen. ...	Amount	Bal. ...
12/31/2013		G05025	Fixed Asset	FA000050	COMP...	Depreciation	Conveyor Belt				198.00	G/L A
12/31/2013		G05025	G/L Account	8820			Conveyor Belt				-198.00	G/L A
12/31/2013		G05025	Fixed Asset	FA000050	COMP...	Acquisition ...	Conveyor Belt				-1,980.00	G/L A
12/31/2013		G05025	G/L Account	8640			Conveyor Belt	Purchase	NATION...	MISC	1,980.00	G/L A
12/31/2013		G05025	Fixed Asset	FA000060	COMP...	Acquisition ...	Conveyor Belt				1,980.00	G/L A
12/31/2013		G05025	G/L Account	8640			Conveyor Belt	Purchase	NATION...	MISC	-1,980.00	G/L A
12/31/2013		G05025	Fixed Asset	FA000060	COMP...	Depreciation	Conveyor Belt				-198.00	G/L A
12/31/2013		G05025	G/L Account	8820			Conveyor Belt				198.00	G/L A
12/31/2013		G05026	Fixed Asset	FA000050	COMP...	Depreciation	Conveyor Belt				132.00	G/L A
12/31/2013		G05026	G/L Account	8820			Conveyor Belt				-132.00	G/L A
12/31/2013		G05026	Fixed Asset	FA000050	COMP...	Acquisition ...	Conveyor Belt				-1,320.00	G/L A
12/31/2013		G05026	G/L Account	8640			Conveyor Belt	Purchase	NATION...	MISC	1,320.00	G/L A
12/31/2013		G05026	Fixed Asset	FA000070	COMP...	Acquisition ...	Conveyor Belt				1,320.00	G/L A
12/31/2013		G05026	G/L Account	8640			Conveyor Belt	Purchase	NATION...	MISC	-1,320.00	G/L A
12/31/2013		G05026	Fixed Asset	FA000070	COMP...	Depreciation	Conveyor Belt				-132.00	G/L A
12/31/2013		G05026	G/L Account	8820			Conveyor Belt				132.00	G/L A

Account Name: Conveyor Belt      Bal. Account Name:      Balance: 198.00      Total Balance: 0.00

**FIGURE 3.5: FA G/L JOURNAL WITH RECLASSIFICATION LINES**

5. Post the journal lines.
  - a. Click **Post** to post the journal.
  - b. When you receive the message "Do you want to post the journal lines?", click **Yes**.
  - c. When you receive the message "The journal lines were successfully posted.", click **OK**.

## Fixed Assets in Microsoft Dynamics® NAV 2013

6. Review the book value and posted FA ledger entries for all three fixed assets to make sure that the program split up fixed asset FA000050 correctly.
  - a. In the navigation pane, click **Departments > Financial Management > Fixed Assets > Fixed Assets**.
  - b. Select the line with fixed asset FA000050, and then click **View**.

Because you have split the fixed asset, the book value, shown in the **Book Value** field on the **Lines** FastTab, decreased by 50%.

The screenshot displays the 'View - Fixed Asset Card - FA000050 - Conveyor Belt' window. The window title is 'View - Fixed Asset Card - FA000050 - Conveyor Belt' and the company name is 'CRONUS International Ltd.'. The ribbon includes 'Home', 'Actions', 'Navigate', and 'Report'. The 'Actions' ribbon has buttons for 'Edit', 'New', 'Delete', 'Calculate Depreciation', 'Depreciation Books', 'Statistics', 'Maintenance Registration', 'Main Asset Components', 'Maintenance Ledger Entries', 'Copy Fixed Asset...', 'Fixed Assets List', 'Details', 'Analysis', 'Projected Value', and 'Register'. The 'General' section shows: No.: FA000050, Description: Conveyor Belt, Serial No.: 23 111 SW1, Main Asset/Component: Component, Component of Main Asset: FA000040, Search Description: CONVEYOR BELT, Responsible Employee: MH, Inactive: , Blocked: , Last Date Modified: 5/9/2012. The 'Lines' section shows a table with columns: Depreciation..., FA Posting..., Depreciation..., Depreciation..., Depreciation..., No. of Deprecia..., D., and Book Value. The first row is highlighted with a blue background and contains: COMPANY, MACHINERY, Straight-Line, 1/1/2013, 12/31/2022, 10.00, , and 2,970.00. The 'Posting' section shows: TANGIBLE, MACHINERY, BUILD 2, No. The 'Maintenance' section shows: 44127904, 44127904, 8/12/2014. A 'Notes' section on the right contains a link: 'Click here to create a new note.' A 'Close' button is at the bottom right.

Depreciation...	FA Posting ...	Depreciation...	Depreciation...	Depreciation...	No. of Deprecia...	D.	Book Value
COMPANY	MACHINERY	Straight-Line	1/1/2013	12/31/2022	10.00	<input type="checkbox"/>	2,970.00

**FIGURE 3.6: FIXED ASSET CARD FOR FIXED ASSET FA000050 AFTER RECLASSIFICATION**

- c. Click the link in the **Book Value** field to view the FA ledger entries.

## Module 3: Fixed Asset Reclassification

In the **FA Ledger Entries** window, you can see the new reclassification entries with the **Reclassification Entry** check box selected.

FA Postin...	Documen...	Documen...	FA No.	Depreciat...	FA Postin...	FA Postin...	Description	Amount	R.	No. of D
1/1/2013	Invoice	108010	FA000050	COMPANY		Acquisitio...	Order 106018	6,600.00	<input type="checkbox"/>	
1/31/2013		D20130100...	FA000050	COMPANY		Depreciation	Depreciation January 2013	-55.00	<input type="checkbox"/>	
2/28/2013		D20130200...	FA000050	COMPANY		Depreciation	Depreciation February 2013	-55.00	<input type="checkbox"/>	
3/31/2013		D20130300...	FA000050	COMPANY		Depreciation	Depreciation March 2013	-55.00	<input type="checkbox"/>	
4/30/2013		D20130400...	FA000050	COMPANY		Depreciation	Depreciation April 2013	-55.00	<input type="checkbox"/>	
5/31/2013		D20130500...	FA000050	COMPANY		Depreciation	Depreciation May 2013	-55.00	<input type="checkbox"/>	
6/30/2013		D20130600...	FA000050	COMPANY		Depreciation	Depreciation June 2013	-55.00	<input type="checkbox"/>	
7/31/2013		D20130700...	FA000050	COMPANY		Depreciation	Depreciation July 2013	-55.00	<input type="checkbox"/>	
8/31/2013		D20130800...	FA000050	COMPANY		Depreciation	Depreciation August 2013	-55.00	<input type="checkbox"/>	
9/30/2013		D20130900...	FA000050	COMPANY		Depreciation	Depreciation September 2013	-55.00	<input type="checkbox"/>	
10/31/2013		D20131000...	FA000050	COMPANY		Depreciation	Depreciation October 2013	-55.00	<input type="checkbox"/>	
11/30/2013		D20131100...	FA000050	COMPANY		Depreciation	Depreciation November 2013	-55.00	<input type="checkbox"/>	
12/31/2013		D20131200...	FA000050	COMPANY		Depreciation	Depreciation December 2013	-55.00	<input type="checkbox"/>	
12/31/2013		G05025	FA000050	COMPANY		Depreciation	Conveyor Belt	198.00	<input checked="" type="checkbox"/>	
12/31/2013		G05025	FA000050	COMPANY		Acquisitio...	Conveyor Belt	-1,980.00	<input checked="" type="checkbox"/>	
12/31/2013		G05026	FA000050	COMPANY		Depreciation	Conveyor Belt	132.00	<input checked="" type="checkbox"/>	
12/31/2013		G05026	FA000050	COMPANY		Acquisitio...	Conveyor Belt	-1,320.00	<input checked="" type="checkbox"/>	

**FIGURE 3.7: FA LEDGER ENTRIES AFTER RECLASSIFICATION**

- d. Close the **FA Ledger Entries** and **Fixed Asset Card** windows.
- e. In the navigation pane, click **Departments > Financial Management > Fixed Assets > Fixed Assets**.
- f. Select the line with fixed asset FA000060, and then click **View** to open the **Fixed Asset Card** window for fixed asset FA000060.

## Fixed Assets in Microsoft Dynamics® NAV 2013

The book value increased because of the transferred 30% of acquisition cost and depreciation from fixed asset FA000050.

The screenshot displays the 'Edit - Fixed Asset Card - FA000060 - Conveyor Lift' window. The interface includes a ribbon with tabs for Home, Actions, Navigate, and Report. The ribbon contains various icons for editing, calculating depreciation, and viewing reports. The main area is divided into sections: General, Lines, and Posting. The General section contains fields for No., Description, Serial No., Main Asset/Component, Search Description, Responsible Employee, Inactive, Blocked, and Last Date Modified. The Lines section contains a table with columns for Depreciation, FA Posting, Depreciation, Depreciation, Depreciation, No. of Depreciation, D., and Book Value. The Posting section contains fields for Posting and Maintenance.

Depreciatio...	FA Posting ...	Depreciatio...	Depreciatio...	Depreciatio...	No. of Deprecia...	D.	Book Value
COMPANY	MACHINERY	Straight-Line	2/1/2013	1/31/2021	8.00	<input type="checkbox"/>	5,774.00

**FIGURE 3.8: FIXED ASSET CARD FOR FIXED ASSET FA000060**

- g. Click the link in the **Book Value** field to view the fixed asset ledger entries.

## Module 3: Fixed Asset Reclassification

You can see the reclassification entries created from splitting fixed asset FA000050.

FA Postin...	Documen...	Documen...	FA No.	Depreciat...	FA Postin...	FA Postin...	Description	Amount	R.	No. of D
2/1/2013	Invoice	108011	FA000060	COMPANY		Acquisitio...	Order 106019	4,512.00	<input type="checkbox"/>	
2/28/2013		D20130200...	FA000060	COMPANY		Depreciation	Depreciation February 2013	-47.00	<input type="checkbox"/>	
3/31/2013		D20130300...	FA000060	COMPANY		Depreciation	Depreciation March 2013	-47.00	<input type="checkbox"/>	
4/30/2013		D20130400...	FA000060	COMPANY		Depreciation	Depreciation April 2013	-47.00	<input type="checkbox"/>	
5/31/2013		D20130500...	FA000060	COMPANY		Depreciation	Depreciation May 2013	-47.00	<input type="checkbox"/>	
6/30/2013		D20130600...	FA000060	COMPANY		Depreciation	Depreciation June 2013	-47.00	<input type="checkbox"/>	
7/31/2013		D20130700...	FA000060	COMPANY		Depreciation	Depreciation July 2013	-47.00	<input type="checkbox"/>	
8/31/2013		D20130800...	FA000060	COMPANY		Depreciation	Depreciation August 2013	-47.00	<input type="checkbox"/>	
9/30/2013		D20130900...	FA000060	COMPANY		Depreciation	Depreciation September 2013	-47.00	<input type="checkbox"/>	
10/31/2013		D20131000...	FA000060	COMPANY		Depreciation	Depreciation October 2013	-47.00	<input type="checkbox"/>	
11/30/2013		D20131100...	FA000060	COMPANY		Depreciation	Depreciation November 2013	-47.00	<input type="checkbox"/>	
12/31/2013		G05025	FA000060	COMPANY		Acquisitio...	Conveyor Belt	1,980.00	<input checked="" type="checkbox"/>	
12/31/2013		G05025	FA000060	COMPANY		Depreciation	Conveyor Belt	-198.00	<input checked="" type="checkbox"/>	
1/2/2014		G05017	FA000060	COMPANY		Depreciation	Depreciation Dec 2013 - Jan ...	-50.00	<input type="checkbox"/>	

**FIGURE 3.9: FA LEDGER ENTRIES FOR FIXED ASSET FA000060**

- h. In the navigation pane, click **Departments > Financial Management > Fixed Assets > Fixed Assets**.
- i. Select the line with fixed asset FA000070, and then click **View** to open the **Fixed Asset Card** window for fixed asset FA000070.

## Fixed Assets in Microsoft Dynamics® NAV 2013

The book value increased because of the transferred 20% of acquisition cost and depreciation from fixed asset FA000050.

The screenshot displays the 'Edit - Fixed Asset Card - FA000070 - Conveyor Computer' window. The interface includes a ribbon with tabs for Home, Actions, Navigate, and Report. The main area is divided into sections: General, Lines, and Notes.

**General Section:**

- No.: FA000070
- Description: Conveyor Computer
- Serial No.: 23 111 SW3
- Main Asset/Component: Component
- Component of Main Asset: FA000040
- Search Description: CONVEYOR COMPUTER
- Responsible Employee: MH
- Inactive:
- Blocked:
- Last Date Modified: 5/9/2012

**Lines Section:**

Depreciation...	FA Posting ...	Depreciation...	Depreciation...	Depreciation...	No. of Deprecia...	D.	Book Value
COMPANY	MACHINERY	Straight-Line	3/1/2013	2/28/2017	4.00	<input type="checkbox"/>	3,582.00

**Posting Section:**

- Posting: TANGIBLE | MACHINERY | BUILD 2 | No
- Maintenance: 44127904 | 44127904 | 8/12/2014

**Notes Section:**

Click here to create a new note.

**FIGURE 3.10: FIXED ASSET CARD FOR FIXED ASSET FA000070**

- j. Click the link in the **Book Value** field to view the fixed asset ledger entries.



## Module 3: Fixed Asset Reclassification

You can see the reclassification entries created from splitting fixed asset FA000050.

FA Postin...	Documen...	Documen...	FA No.	Depreciat...	FA Postin...	FA Postin...	Description	Amount	R.	No. of D
3/1/2013	Invoice	108013	FA000070	COMPANY		Acquisitio...	Order 106020	3,024.00		
3/31/2013		D20130300...	FA000070	COMPANY		Depreciation	Depreciation March 2013	-63.00		
4/30/2013		D20130400...	FA000070	COMPANY		Depreciation	Depreciation April 2013	-63.00		
5/31/2013		D20130500...	FA000070	COMPANY		Depreciation	Depreciation May 2013	-63.00		
6/30/2013		D20130600...	FA000070	COMPANY		Depreciation	Depreciation June 2013	-63.00		
7/31/2013		D20130700...	FA000070	COMPANY		Depreciation	Depreciation July 2013	-63.00		
8/31/2013		D20130800...	FA000070	COMPANY		Depreciation	Depreciation August 2013	-63.00		
9/30/2013		D20130900...	FA000070	COMPANY		Depreciation	Depreciation September 2013	-63.00		
10/31/2013		D20131000...	FA000070	COMPANY		Depreciation	Depreciation October 2013	-63.00		
11/30/2013		D20131100...	FA000070	COMPANY		Depreciation	Depreciation November 2013	-63.00		
12/31/2013		D20131200...	FA000070	COMPANY		Depreciation	Depreciation December 2013	-63.00		
12/31/2013	G05026	G05026	FA000070	COMPANY		Acquisitio...	Conveyor Belt	1,320.00		
12/31/2013	G05026	G05026	FA000070	COMPANY		Depreciation	Conveyor Belt	-132.00		

FIGURE 3.11: FA LEDGER ENTRIES FOR FIXED ASSET FA000070

## Partial Disposal of an Asset

Sometimes you have to partially dispose of an asset instead of disposing of the whole asset. To dispose of a part of an asset, split the asset through the FA reclassification journal and then dispose of one of the assets that you gained from the split.

**Best Practice:** To make sure both assets are seen together in reports, you can make them a main asset and a component asset.

To dispose of a part of an asset, follow these steps:

1. Set up a new asset for the partial disposal amount.
2. Post a reclassification of the part to sell.
3. Post the disposal to the new asset.

## Fixed Assets in Microsoft Dynamics® NAV 2013

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Microsoft Dynamics NAV 2013 automatically calculates the gain or loss of the partial disposal.

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**Note:** When you post a partial disposal, the sales goes to the original asset. The program handles the disposed-of asset as if it is completely sold. You cannot post additional entries to the asset after you post an entry with the FA posting type Disposal. For example, you must dispose of a motherboard which is a part of a computer, a fixed asset. You first have to reclassify the fixed asset into two assets with corresponding acquisition costs and depreciation amounts. Next, you dispose of the new asset (the motherboard). Therefore, the acquisition cost and depreciation amount of the original fixed asset (the computer) will be reduced correspondingly.

---

## Lab 3.2: Disposing of a Part of an Asset

### Scenario

The company decided to sell a segment of the Lift for Furniture fixed asset. This fixed asset is registered as a single asset in the program. Cassie has to dispose of the part of the asset that will be sold.

### Objectives

To dispose of a part of an asset.

### Disposing of a part of an asset.

#### *Exercise Scenario*

To dispose of a part of the Lift for Furniture asset, Cassie has to create a new asset for the part to be sold, use the reclassification journal to reclassify the Lift for Furniture fixed asset into two assets, and then dispose of the resulting part. The estimated acquisition cost of the part to be sold is 1/4 of the total acquisition cost and depreciation amount. This part of the fixed asset will be sold to customer 10000 for unit price 1000 excluding VAT.

### Task 1: Dispose of a Part of the Lift for Furniture Fixed Asset

#### *High Level Steps*

1. Create a fixed asset card for the segment of the fixed asset to be disposed of.
2. On the new fixed asset card, assign a depreciation book to this fixed asset.
3. In the reclassification journal, split the Lift for Furniture fixed asset to move 25% of its book value (acquisition cost and depreciation) to the new fixed asset.
4. Post the generated FA G/L journal lines.
5. Create and post a sales invoice to dispose of the new fixed asset that represents the segment of the Lift for Furniture fixed asset.

## Detailed Steps

1. Create a fixed asset card for the segment of the fixed asset to be disposed of.
  - a. In the navigation pane, click **Departments > Financial Management > Fixed Assets > Fixed Assets**, and then click **New**.
  - b. In the **Fixed Asset Card** window, press ENTER to have the program assign the number to the fixed asset.
  - c. On the **General** FastTab, fill in the fields as shown in the following table.

Field	Value
<b>Description</b>	Lift for Furniture Segment
<b>Serial No.</b>	AKW23587
<b>Responsible Employee</b>	MH

- d. On the **Lines** FastTab, fill in the fields as shown in the following table.

Field	Table
<b>Depreciation Book Code</b>	COMPANY
<b>FA Posting Group</b>	MACHINERY
<b>Depreciation Method</b>	Straight-line
<b>Depreciation Starting Date</b>	2/1/2013
<b>Depreciation Ending Date</b>	2/28/2021

## Module 3: Fixed Asset Reclassification

- e. On the **Posting** FastTab, fill in the fields as shown in the following table.

Field	Table
<b>FA Class Code</b>	TANGIBLE
<b>FA Subclass Code</b>	MACHINERY
<b>FA Location Code</b>	PROD

The screenshot shows the 'New - Fixed Asset Card' for 'FA000190 - Lift for Furniture Segment'. The interface includes a ribbon with 'Home', 'Actions', 'Navigate', and 'Report' tabs. The 'General' section contains the following fields:

- No.: FA000190
- Description: Lift for Furniture Segment
- Serial No.: AKW23587
- Main Asset/Component: (empty)
- Search Description: LIFT FOR FURNITURE SEGM...
- Responsible Employee: MH
- Inactive:
- Blocked:
- Last Date Modified: 7/5/2012

The 'Posting' section contains:

- FA Class Code: TANGIBLE
- FA Subclass Code: MACHINERY
- FA Location Code: PROD
- Budgeted Asset:

The 'Lines' section shows a table with one row:

Depreciation...	FA Posting ...	Depreciation...	Depreciation...	Depreciation...	No. of Deprecia...	D.	Book Value
COMPANY	MACHINERY	Straight-Line	2/1/2013	2/28/2021	8.08333333	<input type="checkbox"/>	0.00

**FIGURE 3.12: FIXED ASSET CARD FOR THE NEW FIXED ASSET**

- f. Click **OK**.
- On the new fixed asset card, assign a depreciation book to this fixed asset.
    - In the **Fixed Assets** window, select the line with fixed asset FA000080, and then click **Edit**.

## Fixed Assets in Microsoft Dynamics® NAV 2013

On the **Lines** FastTab, in the **Book Value** field, review the current book value of the fixed asset before you split it to move 25% of its value to the newly created fixed asset.

The screenshot displays the 'Edit - Fixed Asset Card - FA000080 - Lift for Furniture' window. The interface includes a ribbon with tabs for Home, Actions, Navigate, and Report. The 'General' section contains fields for No. (FA000080), Description (Lift for Furniture), Serial No. (AKW2476111), and Search Description (LIFT FOR FURNITURE). The 'Lines' section features a table with columns for Depreciation, FA Posting, Depreciation, Depreciation, No. of Depreciation, D., and Book Value. The table contains one row with the following data: COMPANY, MACHINERY, Straight-Line, 4/1/2013, 3/31/2021, 8.00, and 3,440.00. The 'Posting' section shows TANGIBLE, MACHINERY, PROD, No, and Maintenance with associated numbers and dates.

Depreciation	FA Posting	Depreciation	Depreciation	No. of Depreciation	D.	Book Value
COMPANY	MACHINERY	Straight-Line	4/1/2013	3/31/2021	8.00	3,440.00

**FIGURE 3.13: FIXED ASSET CARD FOR FIXED ASSET FA000080**



**Note:** If you did not finish the Calculating Depreciation demonstration in the Fixed Asset Transactions module of this course, the book value for fixed asset FA000080 will differ because in that demonstration you calculate and post depreciation for January 2014 for this fixed asset.

## Module 3: Fixed Asset Reclassification

- b. Click the link in the **Book Value** field to view the posted acquisition cost and depreciation ledger entries.

FA Postin...	Documen...	Documen...	FA No.	Depreciat...	FA Postin...	FA Postin...	Description	Amount	R.	No. of D
4/1/2013	Invoice	108014	FA000080	COMPANY		Acquisitio...	Order 106021	3,840.00		
4/30/2013		D20130400...	FA000080	COMPANY		Depreciation	Depreciation April 2013	-40.00		
5/31/2013		D20130500...	FA000080	COMPANY		Depreciation	Depreciation May 2013	-40.00		
6/30/2013		D20130600...	FA000080	COMPANY		Depreciation	Depreciation June 2013	-40.00		
7/31/2013		D20130700...	FA000080	COMPANY		Depreciation	Depreciation July 2013	-40.00		
8/31/2013		D20130800...	FA000080	COMPANY		Depreciation	Depreciation August 2013	-40.00		
9/30/2013		D20130900...	FA000080	COMPANY		Depreciation	Depreciation September 2013	-40.00		
10/31/2013		D20131000...	FA000080	COMPANY		Depreciation	Depreciation October 2013	-40.00		
11/30/2013		D20131100...	FA000080	COMPANY		Depreciation	Depreciation November 2013	-40.00		
12/31/2013		D20131200...	FA000080	COMPANY		Depreciation	Depreciation December 2013	-40.00		
1/31/2014		G05019	FA000080	COMPANY		Depreciation	Depreciation January 2014	-40.00		

**FIGURE 3.14: FA LEDGER ENTRIES FOR FIXED ASSET FA000080**

- c. Close the **FA Ledger Entries** and **Fixed Asset Card** windows.
3. In the reclassification journal, split the Lift for Furniture fixed asset to move 25% of its book value (acquisition cost and depreciation) to the new fixed asset.
- In the navigation pane, click **Departments > Financial Management > Fixed Assets > FA Reclass. Journals**.
  - In the **FA Reclass. Journal** window, create a reclassification line to transfer 25% of the Lift for Furniture fixed asset value (acquisition cost and depreciation) to the new fixed asset by filling in the lines as shown in the following table.

## Fixed Assets in Microsoft Dynamics® NAV 2013

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Field	Value
<b>FA Posting Date</b>	1/31/2014
<b>FA No.</b>	FA000080
<b>Depreciation Book Code</b>	COMPANY
<b>Description</b>	Splitting Lift for Furniture
<b>Reclassify Acq. Cost %</b>	25
<b>Reclassify Acquisition Cost</b>	Yes
<b>Reclassify Depreciation</b>	Yes
<b>Insert Bal. Account</b>	Yes



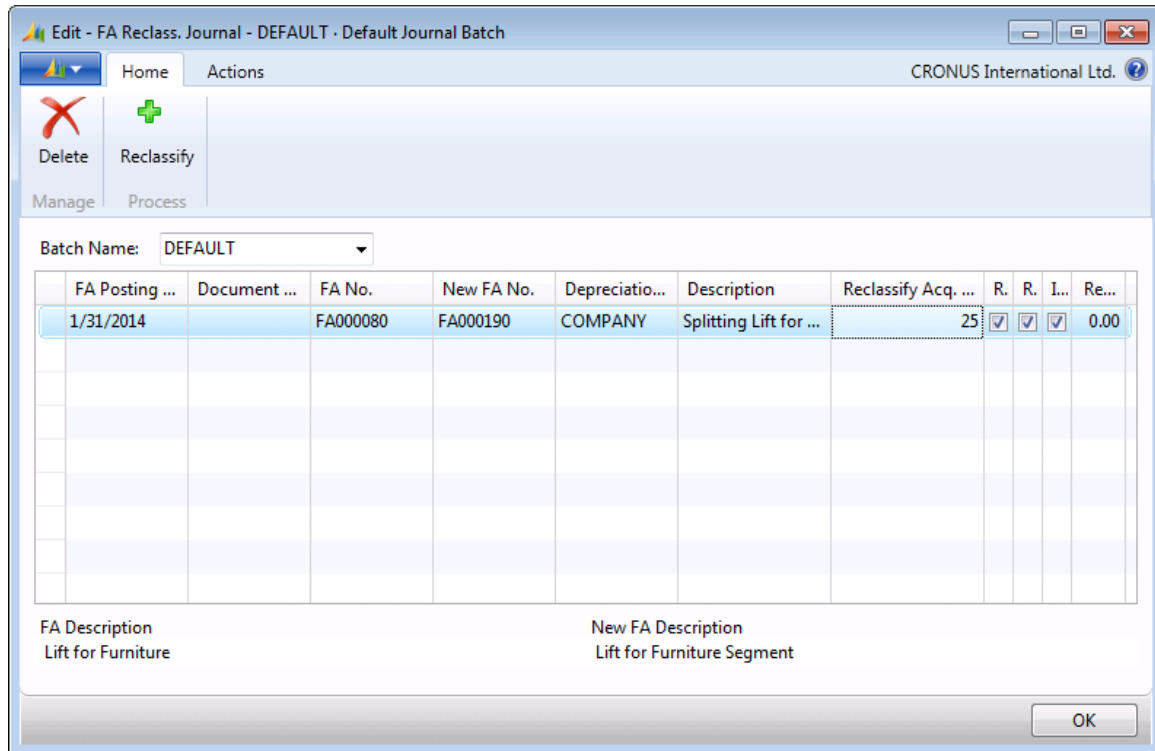
**Note:** To include all the acquisition cost and depreciation entries in the reclassification, the date in the **FA Posting Date** field should be equal to or later than the date of the last posted depreciation for the asset that you selected in the **FA No.** field.

---



## Module 3: Fixed Asset Reclassification

- c. In the **New FA No.** field, enter the number of the new asset that you created. In this example, it is **the Lift for Furniture Segment** asset. This number may be different in your case, depending on how many assets you created before you created a new asset in this lab. Click the field and select the Lift for Furniture Segment fixed asset.



**FIGURE 3.15: FA RECLASS. JOURNAL**

- d. Click **Reclassify** to create FA G/L journal lines on the basis of the reclassification journal line.
  - e. When you receive the message "Do you want to reclassify the journal lines?", click **Yes**.
  - f. When you receive the message "The journal lines were successfully reclassified.", click **OK**.
4. Post the generated FA G/L journal lines.
    - a. In the navigation pane, click **Departments > Financial Management > Fixed Assets > FA G/L Journals**.

## Fixed Assets in Microsoft Dynamics® NAV 2013

In the **FA G/L Journal** window, the program created the journal lines.

Posting Date	Do...	Document ...	Account Ty...	Account No.	Depre...	FA Posting ...	Description	Gen. Po...	Gen. Bu...	Gen. ...	Amount	Bal. Acc
1/31/2014		G05027	Fixed Asset	FA000080	COMP...	Depreciation	Splitting Lift f...				100.00	G/L Acc
1/31/2014		G05027	G/L Account	8820			Splitting Lift f...				-100.00	G/L Acc
1/31/2014		G05027	Fixed Asset	FA000080	COMP...	Acquisition ...	Splitting Lift f...				-960.00	G/L Acc
1/31/2014		G05027	G/L Account	8640			Splitting Lift f...	Purchase	NATION...	MISC	960.00	G/L Acc
1/31/2014		G05027	Fixed Asset	FA000190	COMP...	Acquisition ...	Splitting Lift f...				960.00	G/L Acc
1/31/2014		G05027	G/L Account	8640			Splitting Lift f...	Purchase	NATION...	MISC	-960.00	G/L Acc
1/31/2014		G05027	Fixed Asset	FA000190	COMP...	Depreciation	Splitting Lift f...				-100.00	G/L Acc
1/31/2014		G05027	G/L Account	8820			Splitting Lift f...				100.00	G/L Acc

Account Name: Lift for Furniture  
Bal. Account Name: Lift for Furniture  
Balance: 100.00  
Total Balance: 100.00  
Bal. Account: 0.00

**FIGURE 3.16: FA G/L JOURNAL**

- Review the lines and make adjustments if they are necessary.
- On the **Home** FastTab, click **Post** to post the journal lines.
- When you receive the message "Do you want to post the journal lines?", click **Yes**.
- When you receive the message "The journal lines were successfully posted.", click **OK**.
- In the navigation pane, click **Departments > Financial Management > Fixed Assets > Fixed Assets**.
- Select the line with fixed asset FA000080, and then click **View** to open the **Fixed Asset Card** window for fixed asset FA000080.

## Module 3: Fixed Asset Reclassification

The book value decreased by 25% because you reclassified the fixed asset and moved 25% of its value to the new fixed asset.

**FA000080 - Lift for Furniture**

**General**

No.: FA000080 Search Description: LIFT FOR FURNITURE  
 Description: Lift for Furniture Responsible Employee: MH  
 Serial No.: AKW2476111 Inactive:   
 Main Asset/Component: Blocked:   
 Component of Main Asset: Last Date Modified: 5/9/2012

**Lines**

Depreciatio...	FA Posting ...	Depreciatio...	Depreciatio...	Depreciatio...	No. of Deprecia...	D.	Book Value
COMPANY	MACHINERY	Straight-Line	4/1/2013	3/31/2021	8.00	<input type="checkbox"/>	2,580.00

**Posting**

TANGIBLE | MACHINERY | PROD | No  
 Maintenance | 44127904 | 44127904 | 4/18/2014

OK

**FIGURE 3.17: FIXED ASSET CARD FOR FIXED ASSET FA000080 AFTER RECLASSIFICATION**

## Fixed Assets in Microsoft Dynamics® NAV 2013

- h. Click the link in the **Book Value** field to view the posted reclassification entries.

FA Postin...	Documen...	Documen...	FA No.	Depreciat...	FA Postin...	FA Postin...	Description	Amount	R.	No. of D
4/1/2013	Invoice	108014	FA000080	COMPANY		Acquisitio...	Order 106021	3,840.00		
4/30/2013		D20130400...	FA000080	COMPANY		Depreciation	Depreciation April 2013	-40.00		
5/31/2013		D20130500...	FA000080	COMPANY		Depreciation	Depreciation May 2013	-40.00		
6/30/2013		D20130600...	FA000080	COMPANY		Depreciation	Depreciation June 2013	-40.00		
7/31/2013		D20130700...	FA000080	COMPANY		Depreciation	Depreciation July 2013	-40.00		
8/31/2013		D20130800...	FA000080	COMPANY		Depreciation	Depreciation August 2013	-40.00		
9/30/2013		D20130900...	FA000080	COMPANY		Depreciation	Depreciation September 2013	-40.00		
10/31/2013		D20131000...	FA000080	COMPANY		Depreciation	Depreciation October 2013	-40.00		
11/30/2013		D20131100...	FA000080	COMPANY		Depreciation	Depreciation November 2013	-40.00		
12/31/2013		D20131200...	FA000080	COMPANY		Depreciation	Depreciation December 2013	-40.00		
1/31/2014		G05019	FA000080	COMPANY		Depreciation	Depreciation January 2014	-40.00		
1/31/2014		G05027	FA000080	COMPANY		Depreciation	Splitting Lift for Furniture	100.00		<input checked="" type="checkbox"/>
1/31/2014		G05027	FA000080	COMPANY		Acquisitio...	Splitting Lift for Furniture	-960.00		<input checked="" type="checkbox"/>

**FIGURE 3.18: FA LEDGER ENTRIES WITH RECLASSIFICATION ENTRIES**

- i. In the navigation pane, click **Departments > Financial Management > Fixed Assets > Fixed Assets**.
- j. Select the line with the Lift for Furniture Segment fixed asset, and then click **View** to open the **Fixed Asset Card** window for the fixed asset. The **Book Value** field shows a transferred value equal to 25% of the original fixed asset value.

## Module 3: Fixed Asset Reclassification

**FA000190 - Lift for Furniture Segment**

**General**

No.: FA000190  
 Description: Lift for Furniture Segment  
 Serial No.: AKW23587  
 Main Asset/Component: [Dropdown]  
 Component of Main Asset: [Dropdown]

Search Description: LIFT FOR FURNITURE SEGM...  
 Responsible Employee: MH  
 Inactive:   
 Blocked:   
 Last Date Modified: 7/5/2012

**Lines**

Depreciat...	FA Posting ...	Depreciatio...	Depreciatio...	Depreciatio...	No. of Deprecia...	D.	Book Value
COMPANY	MACHINERY	Straight-Line	2/1/2013	2/28/2021	8.08333333	<input type="checkbox"/>	860.00

Posting: TANGIBLE | MACHINERY | PROD | No  
 Maintenance: [Dropdown]

**FIGURE 3.19: FIXED ASSET CARD AFTER RECLASSIFICATION**

- k. Click the link in the **Book Value** field to view the reclassification entries.

**FA Ledger Entries**

Filter: FA000190 • COMPANY • Yes

Depreciat...	FA Postin...	FA Postin...	Description	Amount	R.	No. of De...	Posting D...	G/L Entry ...	Entry No.	R.	Rev
COMPANY	Acquisitio...		Splitting Lift for Furniture	960.00	<input checked="" type="checkbox"/>	0	1/31/2014	2889	150	<input type="checkbox"/>	
COMPANY	Depreciation		Splitting Lift for Furniture	-100.00	<input checked="" type="checkbox"/>	0	1/31/2014	2892	151	<input type="checkbox"/>	

**FIGURE 3.20: FA LEDGER ENTRIES FOR THE NEW FIXED ASSET**

Now you are ready to dispose of the Lift for Furniture Segment fixed asset that represents a part of the Lift for Furniture fixed asset.

5. Create and post a sales invoice to dispose of the new fixed asset that represents the segment of the Lift for Furniture fixed asset.
  - a. In the navigation pane, click **Departments > Financial Management > Receivables > Sales Invoices**.
  - b. Click **New**.
  - c. To have the program assign a new sales invoice number, in the **Sales Invoice** window, press ENTER.
  - d. On the **General** FastTab, fill in the fields as shown in the following table.

Field	Value
<b>Sell-to Customer No.</b>	10000
<b>Posting Date</b>	1/31/2014
<b>Document Date</b>	1/31/2014

- e. On the **Lines** FastTab, set the Type field to Fixed Asset.
- f. In the **No.** field select the **Lift for Furniture Segment** fixed asset.
- g. In the **Quantity** field, enter **1**.
- h. In the **Unit Price Excl. VAT**, enter **1,000.00**.

## Module 3: Fixed Asset Reclassification

**Note:** The number of the Lift for Furniture Segment fixed asset may be different in your case. In the **No.** field, click the field and select the number of the Lift for Furniture Segment fixed asset.

- i. On the **Shipping** FastTab, set the **Shipment Date** to **1/31/2014**.

The screenshot shows the 'New - Sales Invoice - 1005 - The Cannon Group PLC' window. The 'General' section contains the following fields:

No.:	1005	Posting Date:	1/31/2014
Sell-to Customer No.:	10000	Document Date:	1/31/2014
Sell-to Contact No.:	CT000007	External Document No.:	
Sell-to Customer Name:	The Cannon Group PLC	Salesperson Code:	PS
Sell-to City:	Birmingham	Status:	Open
Sell-to Contact:	Mr. Andy Teal		

The 'Lines' section contains a table with one line item:

Type	No.	Description	Locatio...	Quantity	Uni...	Unit Price Excl. ...
Fixed Asset	FA000190	Lift for Furniture Segment	BLUE	1		1,000.00

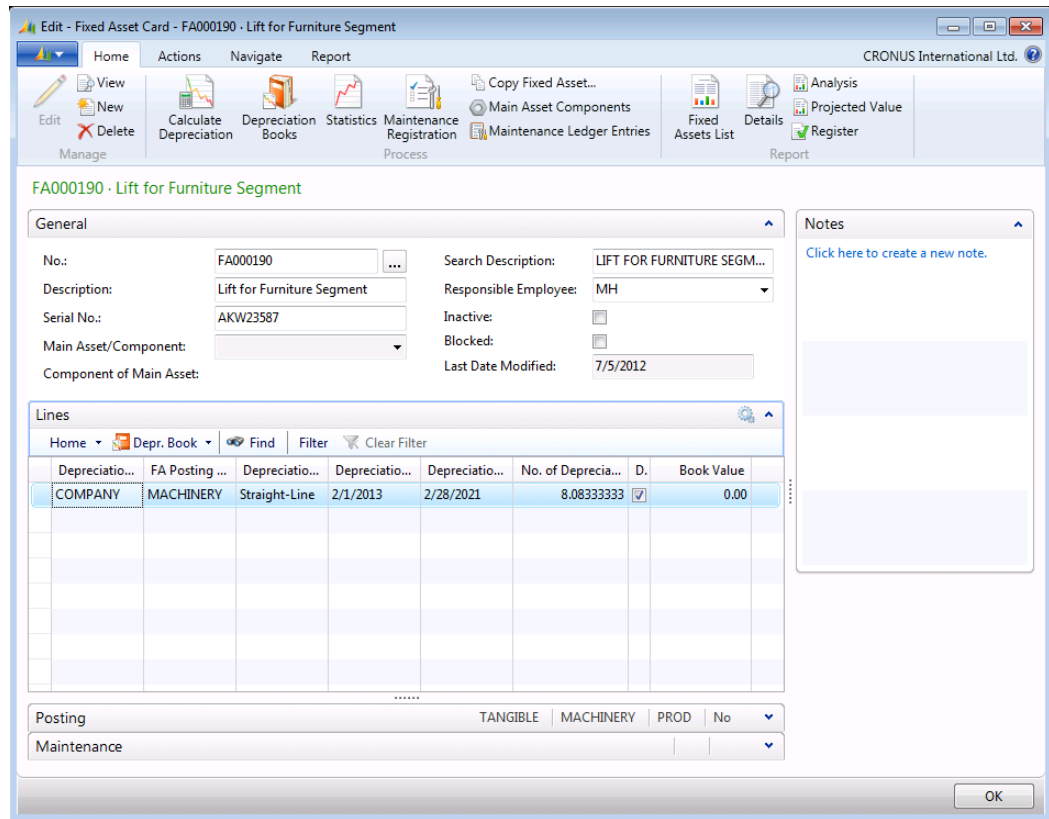
The 'Shipping' FastTab is selected, showing a 'Shipment Date' of 1/31/2014. The 'Customer Statistics' pane on the right shows a balance of 168,364.41 and total sales of 17,100.96. The 'Customer Details' pane shows contact information for Mr. Andy Teal.

**FIGURE 3.21: SALES INVOICE**

- j. On the **Home** FastTab, click **Post** to post the sales invoice.
- k. When you receive a message regarding the modified shipment date, click **Yes**.
- l. When you receive the message "Do you want to post the Invoice?", click **Yes**.
- m. In the navigation pane, click **Departments > Financial Management > Fixed Assets > Fixed Assets**, select the line with the Lift for Furniture Segment fixed asset, and then click **View** to open the **Fixed Asset Card** window for the fixed asset.

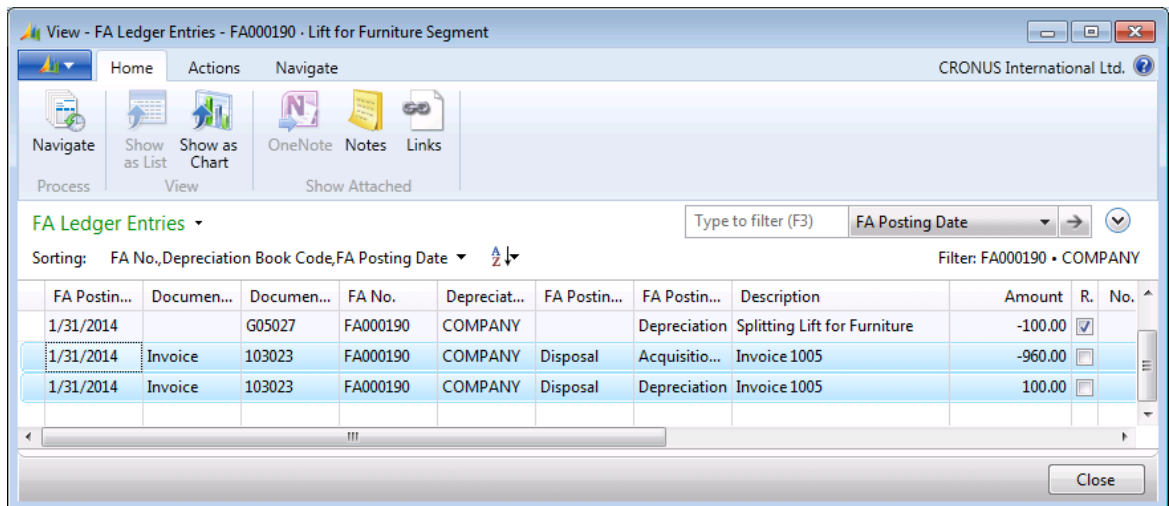
## Fixed Assets in Microsoft Dynamics® NAV 2013

On the **Lines** FastTab, you can see in the **Book Value** field that the book value is zero and the **Disposed Of** check box is automatically selected. That tells you that the fixed asset is disposed of.



**FIGURE 3.22: FIXED ASSET CARD OF THE DISPOSED-OF FIXED ASSET**

n. Click the link in the **Book Value** field to view the disposal entries.



**FIGURE 3.23: FA LEDGER ENTRIES FOR THE DISPOSED-OF FIXED ASSET**



## Module 3: Fixed Asset Reclassification

- o. To view the detailed ledger entries that include the gain/loss amount, in the **Fixed Asset Card** window, on the **Navigate** FastTab, in the **History** action group, click **Ledger Entries**.

FA Postin...	Documen...	Documen...	FA No.	Depreciat...	FA Postin...	FA Postin...	Description	Amount	R.	No. of De
1/31/2014		G05027	FA000190	COMPANY		Acquisitio...	Splitting Lift for Furniture	960.00	<input checked="" type="checkbox"/>	
1/31/2014		G05027	FA000190	COMPANY		Depreciation	Splitting Lift for Furniture	-100.00	<input checked="" type="checkbox"/>	
1/31/2014	Invoice	103023	FA000190	COMPANY		Proceeds o...	Invoice 1005	-1,000.00	<input type="checkbox"/>	
1/31/2014	Invoice	103023	FA000190	COMPANY		Gain/Loss	Invoice 1005	-140.00	<input type="checkbox"/>	
1/31/2014	Invoice	103023	FA000190	COMPANY	Disposal	Acquisitio...	Invoice 1005	-960.00	<input type="checkbox"/>	
1/31/2014	Invoice	103023	FA000190	COMPANY	Disposal	Depreciation	Invoice 1005	100.00	<input type="checkbox"/>	

FIGURE 3.24: DETAILED FA LEDGER ENTRIES

## Combining Assets

In Microsoft Dynamics NAV 2013, you can combine several assets into one. This may be necessary, for example, when you post acquisition costs for several fixed assets and you want to unify the asset amounts in one asset.

### Combining a Fixed Asset

You can combine assets in the same manner as you split an asset. The difference is that when you want to combine assets, you typically transfer 100 percent of the asset amount (acquisition cost and depreciation) to the new asset.

When you create a reclassification journal entry to combine assets, in the **FA Reclass. Journal** window, in the **FA No.** field, you enter the number of the original asset that will be combined with another asset and, in the **New FA No.** field, you enter the number of the target asset with which the original asset will be combined.

## Module Review

### *Module Review and Takeaways*

Fixed Assets Reclassifications is the functionality of the Fixed Assets application area in Microsoft Dynamics NAV 2013 that lets you perform various operations with fixed assets, such as transferring fixed assets to different locations, splitting fixed assets, and combining assets.

To dispose of a part of an asset, you split the asset, which transfers the part of the amount that you want to dispose of to a new asset, and then you dispose of the resulting asset that represents the split amount.

You reclassify assets by using the FA reclassification journal where you enter the amount to transfer, split, or combine. You can enter either the amount or percentage of the acquisition cost or depreciation to reclassify. Because of reclassification, the program creates the FA journal lines that you post to complete the reclassification procedure.