

Depreciation

Module Guide: Asset Depreciation Process (Run Depreciation)

Module Location

Fixed Asset > Depreciation

Module Objective

The **Depreciation** module is the execution center for running the periodic (usually monthly) depreciation process for fixed assets. This page displays the automatic depreciation calculation for all depreciable assets and allows the user to post the depreciation journal to the General Ledger with a single click.

1. Main View (Depreciation Schedule)

The main page of this module is a list of all the company's fixed assets, which functions as a "command center" for the depreciation process.

View and Key Column Explanation

This page displays a list of all depreciable assets along with their monthly depreciation calculation.

- **Monthly Depreciation:** Shows the amount of depreciation expense that has been automatically calculated by the system and will be charged for this period.

- **Last Depreciation:** A status that indicates whether the depreciation for this period has already been run. The status "Not yet" (**Belum**) means the asset is ready to be depreciated.
- **Current Value:** Shows the book value of the asset before this month's depreciation is run.

2. Steps to Run the Monthly Depreciation Process

This process is usually performed at the end of every month as part of the closing process.

Step 1: Review the Calculation

At the end of the month, open the Depreciation module. Review the list of assets and the **Monthly Depreciation** values that have been automatically calculated by the system to ensure everything looks reasonable.

Step 2: Run the Process

Click the **[Run]** button in the bottom-left corner of the page.

Step 3: Confirm

The system will likely ask you to confirm the effective date for the depreciation journal (for example, the last day of the month). After you confirm, the process will run.

3. Process Results

After you click "Run" and confirm, the system will automatically perform two important actions:

1. **Create a General Journal:** The system will create a single, combined general journal to record the total depreciation expense for the period (Debit: Depreciation Expense, Credit: Accumulated Depreciation).
2. **Update Asset Values:** The system will update the book value (**Current Value**) of each asset in the asset register. The **Last Depreciation** status will also be updated.

Tips & Important Notes

- This process is usually performed only **once per month**.
- To ensure the calculation is accurate, make sure all new assets acquired within the month have been registered in the **Asset Register** module before running this process.
- This is one of the most important monthly accounting procedures to ensure that asset values and expenses are recorded correctly in the financial statements.

Revision #1

Created 9 October 2025 10:46:22 by Muhammad Ali Akbar

Updated 9 October 2025 10:48:21 by Muhammad Ali Akbar