

3 Simple Values Yield All Answers

Calculating Depreciation in the Cloud

By Matthew P. Kennedy

Depre123 is the solution

If you, like most people find the calculation of depreciation overly complicated, a new cloud based app called Depre123 is the solution you've been looking for. Traditional systems require a complex collection of variables before you can even begin a calculation. This process is prone to error and difficult to ensure consistency within your general ledger code structure.

If you have ever used a spreadsheet or traditional fixed asset system, you have to enter a **minimum of 9 values** before you can calculate depreciation, they are:

① Cost	② Service Date	③ Property Type
④ Listed	⑤ Bonus Code	⑥ Depreciation Method
⑦ First Year Convention	⑧ Recovery Life	⑨ Section 179

Type of Asset by Class

Maintaining all of these variables for each asset becomes increasingly more problematic as you enter additional fixed asset records. Instead of maintaining this detail on an individual basis, it is much more efficient to store the calculation variables by type of asset. This way each class of asset can be properly configured and then applied to all assets in the associated class.

Depre123 uses **pre-defined asset classes to intelligently set the critical calculation parameters for you**. So you only need to enter 3 values:



1. Cost

The cost is the purchase price of the asset. How you paid for the asset is the beginning basis for all depreciation calculations. This calculation amounts will then be spread over the recovery life that the asset is in use based on the depreciation method and first year convention defined in the asset class.

2. Service Date

The service date is when the asset is actually placed in service and depreciation starts. This is typically the same as the acquisition date but can be different if the asset is purchased and not immediately deployed. Construction projects can also delay the start of depreciation until the work is completed and asset put to use.

3. Asset Class

The asset classes utilize an open design to populate all of the necessary calculation parameters and ensure consistent results. You can also add new asset classes to cover all types of fixed asset purchases. Each asset class holds all the variables required for Tax, Internal Book and AMT. The utilization of asset classes is the key to simplifying the complex depreciation parameters and ensuring consistency in assets of the same type.

All Answers

By entering just three crucial values, Depre123 can provide all the answers for any accounting period or periods, whether historical, current or future. Reports can be run for a selected schedule, tax year, period start and period end to produce the needed results.

Calculating in the Cloud

Depre123 is a true cloud based solution that you can run from any desktop browser or mobile device. There is no need to get IT involved with a complicated install and configuration, just login and run the Depre123 application. All users have a unique login with an associated profile to limit or enable access to various features of the system.

Take a free test drive or start a trial at [Depre123 app exchange](#)

Assets by Account

You can store fixed assets by account to easily control each client's acquisitions separately. The system supports multiple users, with access to the following features:

- Pre-defined and user definable asset classes
- Manage fixed assets in a browse with powerful filtering and sorting options
- Edit, add and delete fixed assets records
- Work with all associated schedules for each asset
- View depreciation detail for any calculation
- Run pre-defined reports for selected schedule and accounting period(s)
- Import fixed asset data from text files

And more

Calculating depreciation for individual states can vary greatly based on rules established by their department of revenue. Depre123 includes complex logic to process each asset based on the selected state, the year of acquisition and current period of the report. All reports can also be exported to spreadsheets for further manipulation and analysis.

Sample the many calculation options of Depre123 with our easy to use on-line web demonstration page. Just enter 3 pieces of information, select a schedule and calculate.

