1. How to add an Asset in XPA

Aim:

To add asset and post Asset Purchase Journal entry in XPA.

Details Required:

(i) Asset Purchase Value (ii) Asset Acquisition Date (iii) Type of Asset (iv) ATO Tax Depreciation method & rate for the Asset.

Procedures:

Step 1: Go to XPA, navigate to your Job file by entering the file name or description. Go to Assets (Figure 1) and a menu like this will pop up (as shown in figure 2)

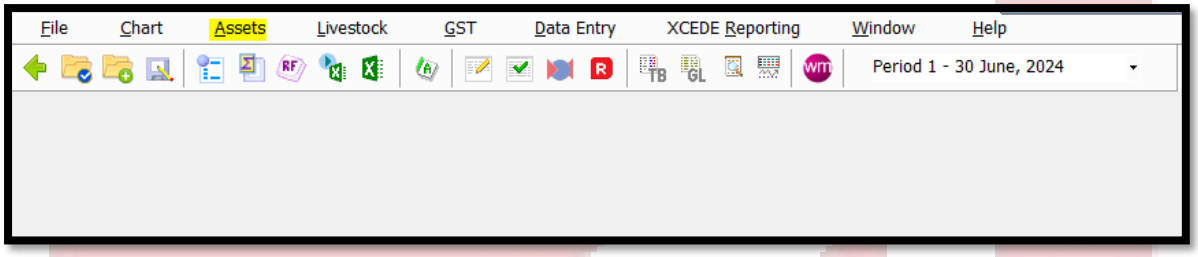


Figure 1

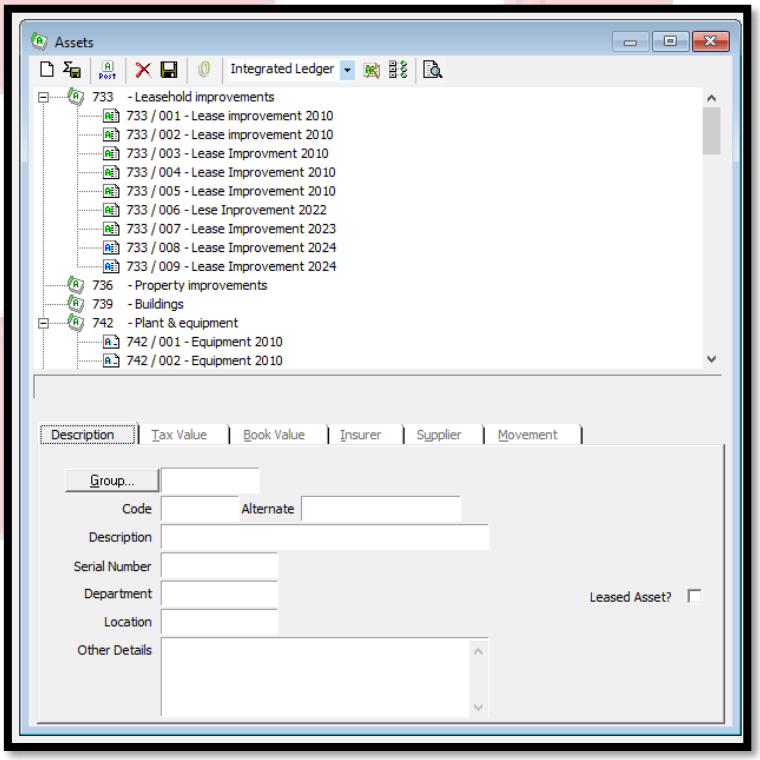


Figure 2

Step 2: Based on the asset purchase invoice, determine which type of fixed asset is being added such as Plant & Equipment, Motor Vehicle, Land & Buildings or Leasehold improvements. Etc.

Step 3: After determining the type of asset, go to their respective asset group listed in the asset menu. In this case, let us assume that we are adding an asset in 'Plant and equipment' group (as displayed in Figure 3).

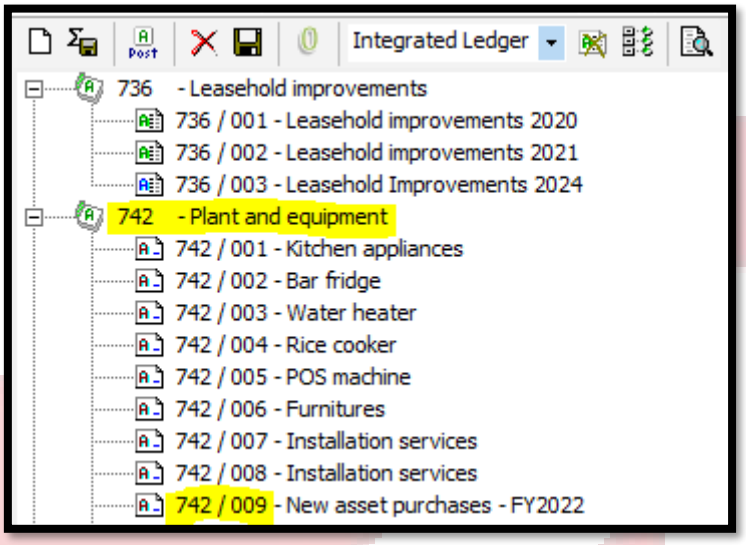


Figure 3

Step 4: Check the number of sub-accounts created in the group (i.e. 009 as shown in Figure 3). The new asset that is being created should have the account code 742/010.

Process Key:

1. Ensure that the XPA file has been backed up and rolled forward.

2. Ensure that the purchase price of the asset journal entry has already been posted under Asset Suspense (969 or 970)

Step 5: After checking the above-mentioned Process Key, you will see a form below the Asset list. You need to enter the group of the assets you are adding, i.e. Plant & Equipment (742) Below that you need to enter the sub-account code, and their description as mentioned in figure 4. After filling in the form, click "Enter" to proceed with the subsequent steps.



Figure 4

Step 6: Now, the other tabs must have been unlocked and move to Tax Value and enter the acquisition date of the asset, and Purchase cost of the asset as per the invoice and Enter the depreciation method and rates of the assets from the website (ATO Depreciation rate) as shown in figure 5.

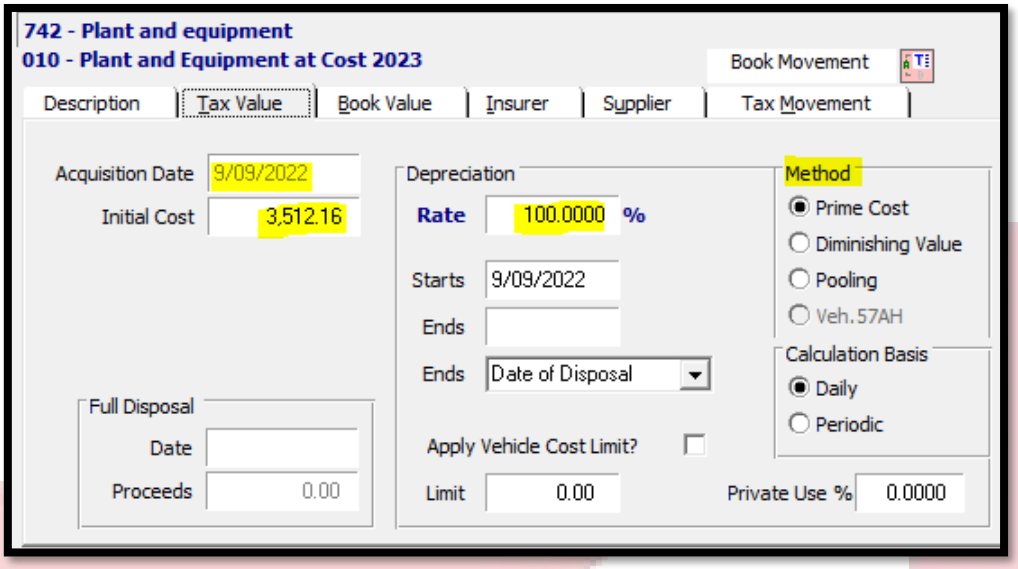
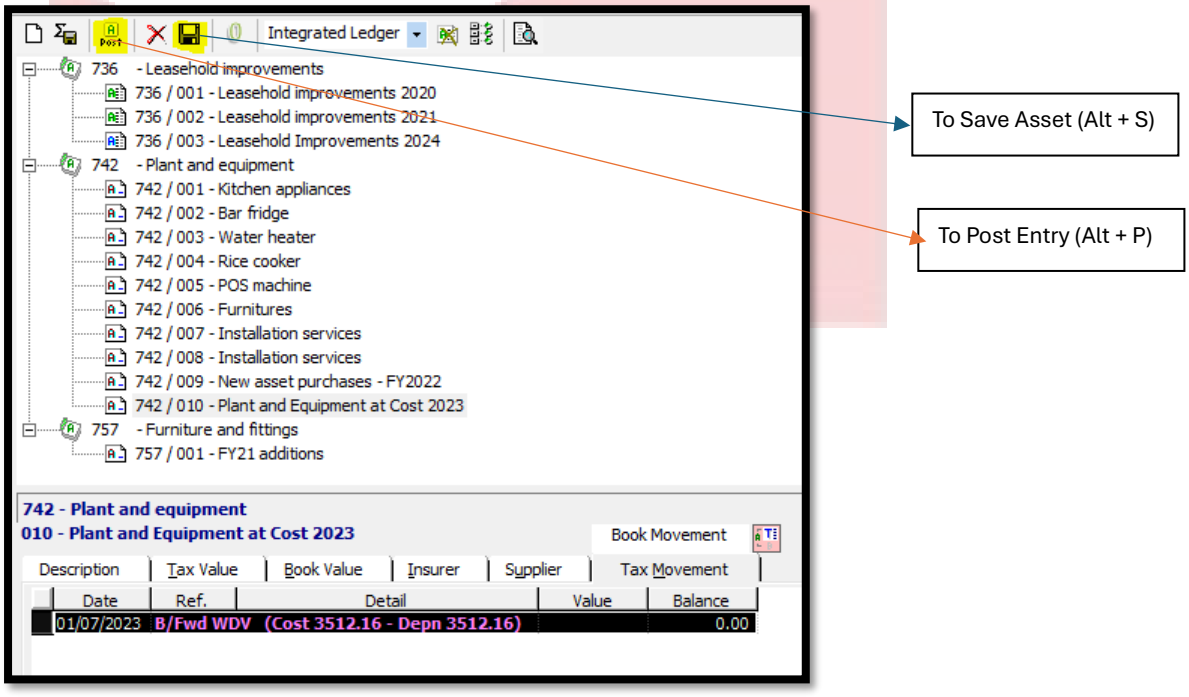


Figure 5

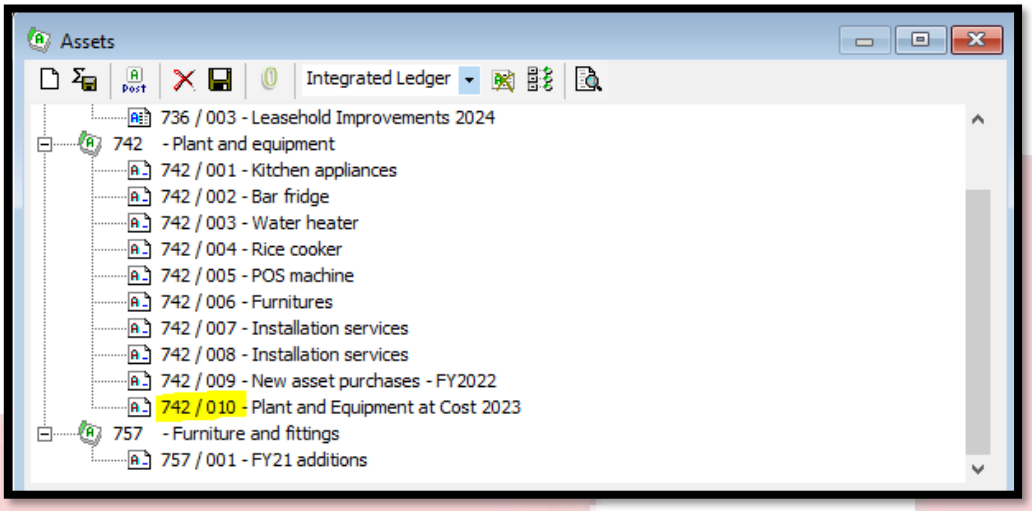
Step 7: Upon entering the Tax Value, the Book Value will be captured automatically in the software and now the final step in adding the asset; Navigate to the last tab "Tax Movement" and the Journal entry is ready to post.

Step 8: You need to save the Asset and post the entry. Upon posting the entry the Purchase amount already available in Suspense account will be credited (Decrease) simultaneously debiting the Plant & Equipment Account (Increase) in the trial balance.



Observation:

After completing all the above-mentioned steps, you will observe that the asset has been added to the XPA and the asset is ready to run depreciation. Also, Purchase value posted in Asset Suspense account will be nullified and the value of Plant & Equipment account will be increased in the TB.



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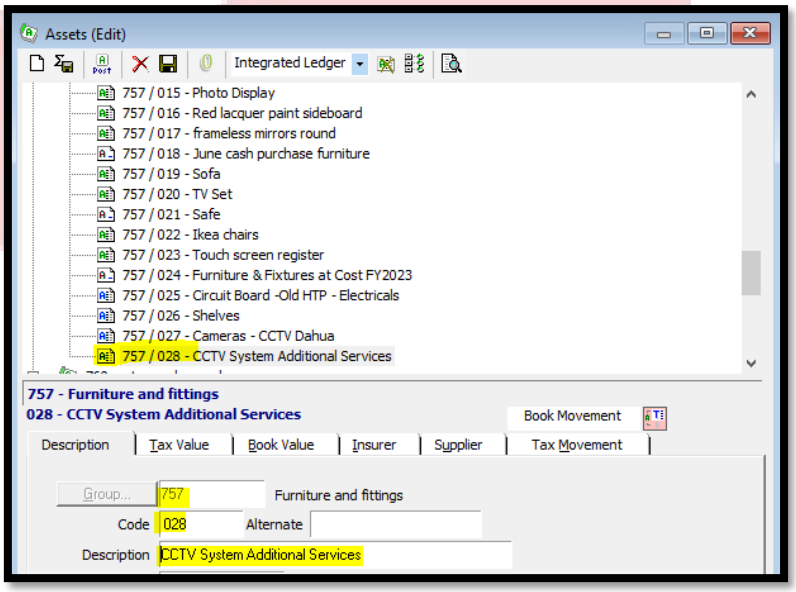
2. How to Sell / Write – off Asset in XPA

Aim:

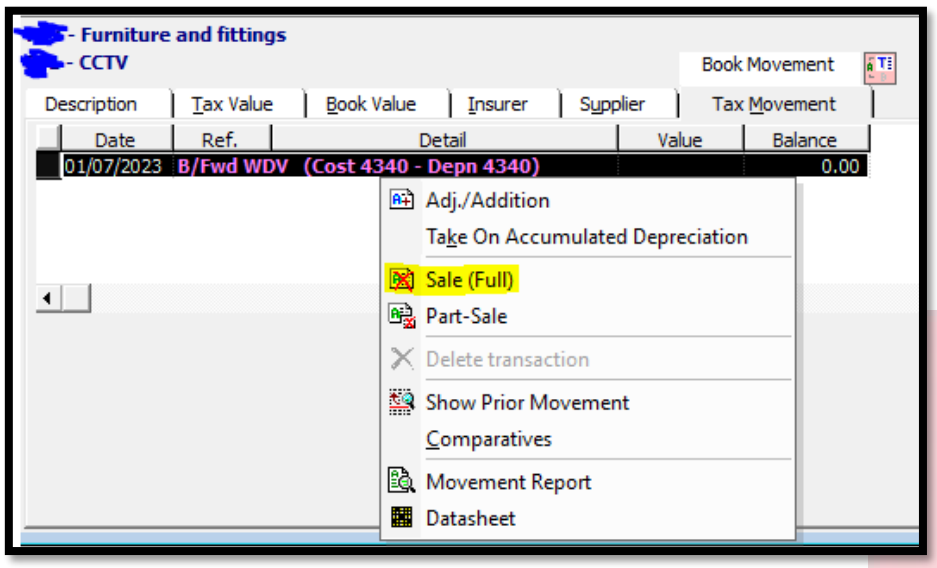
To sell or write-off asset and post entry in XPA.

Procedures:

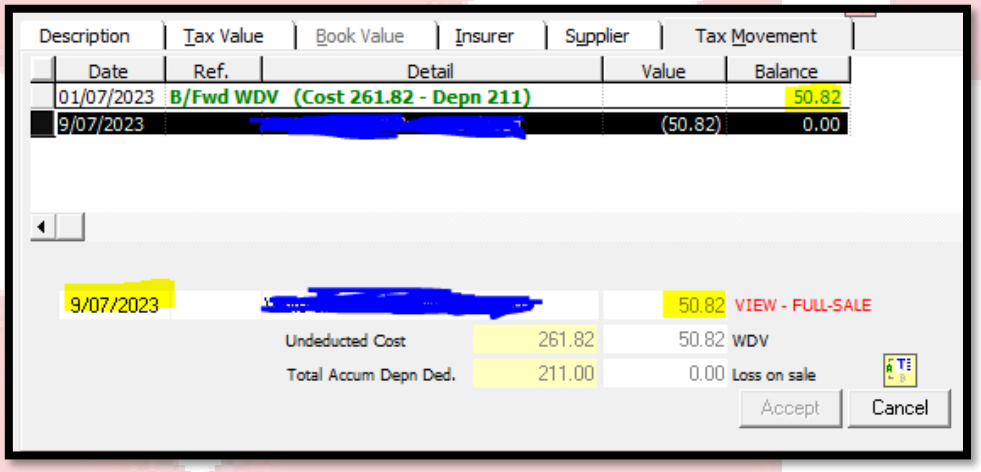
Step 1: Go to Assets Tab, after opening the file in XPA, navigate to the Asset you want to sell or write off and double click the Asset to edit the Asset.



Step 2: After opening the Asset editing option, Go to Tax Movement Tab, you will see the asset entry being posted, Right click the entry to open the following context menu.



Step 3: After clicking the sale (Full), you need to enter the date on which the asset is sold or written off (From Sale Document) and the opening balance of the asset in the below mentioned field.



Step 4: After entering those data, click "Accept" for XPA to post the Entry.

Process Key:

The following JE will be posted by XPA

Asset Suspense A/C Dr xxxxx

To Accumulated Depreciation xxxxx

(This entry will close the asset balance in the Asset Account, the amount in Asset Suspense Account is waiting to be transferred to Profit or Loss on Sale of Asset)

Note: When the asset is being written off, the entire amount in suspense account should be transferred to Loss on sale of Asset account in P&L.

Step 5: After the asset has been sold, the amount in Suspense Account should be reallocated to P&L A/C by posting the following Entry

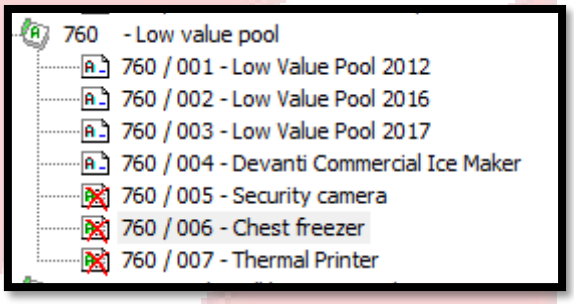
Bank A/C or Other Debtors A/c	Dr	xxxxx	
Loss on Sale of Asset (if any)	Dr	xxxxx	
To Profit on Sale of Asset (if any)			xxxxx
To Asset Suspense A/c			xxxxx

Note: If the entries are posted by bringing in the Net Movements from the Bookkeeping Software, then the sale of asset from the Bookkeeping Software will already be affecting both Bank and Asset Suspense Account. After posting the Sale entry the Amount in Suspense Account will be decreased and the remaining should be transferred to Loss Or Profit on Sale of Assets.

Observation:

After Completing all the above-mentioned Steps, you will observe the following:

- You will see a cross mark for the asset that has been sold in the asset list as shown in the below figure.



- The depreciation entry for the current year period up to the date of sale will be calculated and posted.
- The Loss or Profit on Sale of Asset will be posted in the Trial Balance and Asset Suspense Balance will be nullified while the Asset that has been sold will have closing balance of zero in the depreciation schedule (D10).