



How to Set Depreciation Tracking in CFAwin8

Things to know about CFAwin8 first time depreciation setup:

- Tracked per vehicle using a **straight line model**.
- Setup: Equipment Table -> Specifications tab -> Depreciation, Fixed Costs, and Replace section.

I. Set Equipment Table Depreciation:

1. Populate depreciation fields
 - i. Purchase Price = Equipment purchase value
 - ii. Purchase Date = Date equipment was purchased
 - iii. Month Depreciation Cost = Period value to decrease from book value
 1. **Initial entry adds immediately to Depreciation Cost Totals.**
 2. **Initial entry deducts immediately from Book Value.**
 3. **Subsequent changes within the same period don't adjust either Depreciation Cost Totals or Book Value until the period is closed.**
 - iv. Salvage Value = Estimated resale value at end of useful life
 - v. Full Depreciation Date = Date for equipment's lowest desired resale value

II. Depreciation Effects:

1. Month Depreciation Cost is removed from the book value at period close
 - i. Cost to be provided by one of the following:
 1. Customer's finance department
 2.
$$\frac{(\text{Purchase Price}-\text{Salvage Value})}{(\text{Total Months of Expected Ownership})}$$
2. Equipment stops depreciating when:
 - i. Book Value < Salvage Value
 - ii. Full Depreciation Date is reached

III. Standard CFAwin8 Reports with Depreciation Information:

1. Equipment Cost Detail [Curr/YTD/LTD]
2. Equipment Cost Detail [Curr/YTD/LTD/LY]
3. Equipment Cost Summary – Detail
4. Equipment Replacement – Detailed Laser/Landscape
5. Equipment Replacement Summary