

In parts 1 and 2, we discussed conducting the baseline physical inventory of fixed assets and addressed automatic data capture technologies. In this post, we will discuss (at a high level) putting it all together with Fixed Asset tracking and management program. Many of our clients come to us with a specific need or problem, such as reconciliation of their fixed asset register. Upon further discovery, it becomes apparent that while this will resolve their asset management program, they will likely end up in the same position and with the same problem in a years' time. Getting a baseline physical inventory and and tagging your assets is a great start (and also a necessity). Reconciling the fixed asset register keeps you compliant with regulatory requirements. However, if you don't make some fundamental changes in the way you are managing your assets on an ongoing basis, these snapshots in time will eventually become outdated and you will wind up right back where you are. This isn't to say that there won't be a need for physical inventory and reconciliation next year, but it will likely be a much cleaner, simpler, and more cost-effective process. To establish a useful set of policies and procedures, you must first look closely at how things are currently done. There are a number of diverse roles that have a direct impact on how an asset is managed and tracked throughout its useful lifecycle. While there is no one size fits all process for management of assets, there are common trends and typical process flows amongst most organizations. DISCOVERY The process should begin with an asset lifecycle assessment and discovery phase. The assessment should look at all of the processes that impact fixed assets across their useful lifecycle. Here are some high-level steps that we take with our clients; Stakeholders and gatekeepers are identified. There are various individuals/roles that will have an impact on an asset at different stages throughout its useful life. This will vary from one organization to the next depending on the internal resources available, but often include; procurement, finance, receiving, operations, custodians, and more. Each role represents a point of control. What will happen when the asset is first purchased? What about when it is received? When will the asset be tagged and entered into the asset tracking system? Who will take cyclical physical inventory audits? What is the process for disposal? These (and many more) are all considerations that need to be addressed, documented (formally), and followed through. Conduct a review existing checks and balances you have in place. There are likely gaps in this area. Identify sources of information. Leverage all available databases and data sources, including; ERP systems, IT/Help Desk, CMMS, facilities, and financial records. This is also a good time to consider implementing technology where it will be useful. We talked about automation in Part 2. Having access to bar coding and or RFID technology will greatly enhance your asset tracking program. CONTROL POINTS Once discovery is completed, establish control and integration points. We talked about roles. Set additional definition to the controls and points of integration exist throughout the asset lifecycle? This ranges from processes involving physically touching an asset to integrating information about the asset across different systems. Refine information and automation of data flow between systems and departments can reduce redundancies and help keep disparate systems up-to-date. Establish reliable monitoring of the program. PLOTTING YOUR MATURITY PATH Plot your current position into a model. Are you in a proactive or a reactive state? Plot your future position with desired milestones and timelines. Where do you want to be and how long will it take you to get there? Compile established process adjustments and associated schedules. Prioritize implementation stages and IMPLEMENT. DOCUMENT When the review and assessment has been completed, you have established the various roles, technologies, processes, and timeline, create a formal Policies and Procedures document to ensure alignment of the program. Be sure to include; Approach and findings of the assessment Identify established standards and conventions Refined process flow at control points Information sources, dependencies, and key points of integration Internal controls Roles and responsibilities Schedules Contact us to learn more about developing best practice Asset Management Policies and Procedures in your organization. Have you ever wondered how organizations monitor and manage their important assets to ensure peak performance and financial stability? It is the Fixed Asset Management Process, which includes the acquisition, monitoring, maintenance, and disposal of long-term physical assets such as buildings and equipment. It ensures optimal use, reduces costs, and maintains compliance. Key tasks include purchase, tracking, maintenance, depreciation, and disposal, all to increase operational efficiency with the 3-Phase Fixed Asset Management Process. Click here to enhance your asset management strategy! The Fixed Asset Management Process Flowchart PowerPoint Presentation by SlideTeam is a fantastic resource for delivering data-driven asset management insights. It allows firms to efficiently visualize and explain complicated information. This PPT Deck will help ensure correct paperwork, approval procedures, and accurate financial reporting. Grab this must-have for companies to keep detailed records, maximize the use of their assets, and make their finances more transparent and accountable. Seeking to revolutionize asset management? Click here to transform your process! Template 1: Fixed Asset Management? Click here to transform your process! Template 1: Fixed Asset Management? Click here to transform your process! Template 1: Fixed Asset Management? Click here to transform your process! Template 1: Fixed Asset Management? Click here to transform your process! Template 1: Fixed Asset Management? Click here to transform your process! Template 1: Fixed Asset Management? Click here to transform your process! Template 1: Fixed Asset Management? Click here to transform your process! Template 1: Fixed Asset Management? Click here to transform your process! Template 1: Fixed Asset Management? Click here to transform your process! Template 1: Fixed Asset Management? Click here to transform your process! Template 1: Fixed Asset Management? Click here to transform your process! Template 1: Fixed Asset Management? Click here to transform your process! Template 1: Fixed Asset Management? Click here to transform your process! Template 1: Fixed Asset Management? Click here to transform your process! Template 1: Fixed Asset Management? Click here to transform your process! Template 1: Fixed Asset Management? Click here to transform your process! Template 1: Fixed Asset Management? Click here to transform your process! Template 1: Fixed Asset Management? Click here to transform your process is the disposal. This presents an organized approach to asset management. Use this presentation in between. Download today and lead your company to success. Conclusion Use SlideTeam's PPT Templates to walk through each stage of asset management, from creation to disposal. Understand how Fixed Assets Administration, Finance, and other departments work to keep things in order. Don't wait; download now and modify your approach to fixed asset management. Interested in refining your asset management skills? Explore the Training Plan for Implementing Fixed Asset Management to boost your operations. Page 2 Page 3 Page 4 Page 5 Page 6 "Fixed Assets" is a six-step process and after maintaining and depreciating for useful life ends with the final disposal of the fixed asset. These steps are cyclic in nature and most of them happen in any fixed management lifecycle. Some optional steps may happen only in certain business scenarios or in specific industries. Process Can be summarized as: Initiate Acquire - Procuring an asset Maintain - Registering/Adding an asset Dispose & Retire - Transfer/ Adjust/ Dispose Report 1. Initiate: The Fixed Asset process usually begins with an approved asset requisition (A/R). Any person who is authorized to request a fixed asset prepares an Appropriation Request (AR) form providing details of the requested fixed asset and submits it for review and approval. 2. Acquire - Procuring an asset: A fixed asset could be a self-constructed asset or maybe an acquired asset. Once the AR is approved a Purchase Order is issued in case the asset is most often entered; into the accounts payable; or purchasing module of the system. Assets can also be directly entered in the Fixed Asset Management System. 3. Maintain: Most organizations need to deal with hundreds or even thousands of physical assets. In such a case, it's important to know the operating condition and location of the assets are a critical step in 'Asset Maintenance'. Registering or Adding an asset: Most of the information needed to set up the asset for depreciation is available at this stage includes; acquisition date, placed-in-service date, description, asset type, cost basis, depreciable basis, etc. Some information will flow automatically based on the asset type selected based on the relationships that need to be defined in the system. Sometimes a fixed asset is transferred to another subsidiary, reporting entity, or department within the company. These inter-company and intra-company transfers may result in changes that impact the asset's depreciable basis, depreciation, or other asset data. This needs to be reflected accurately in the fixed assets management system 4. Depreciate: The decline in an asset's economic and physical value is called depreciation. According to GAAP, depreciation is an expense, that must be periodically reflected, on a company's books, and allocated to the accounting periods, to match income and expenses. Sometimes, the revaluation of an asset may also result in an appreciation established in each fixed asset record. The system may have the capability to calculate separate depreciation for Company GAAP, Local GAAP, and Tax purposes. Adjustments to existing asset information are often needed to be made for events may occur that can change the depreciable basis of an asset. value to the asset or extend its economic life. 5. Dispose & Retire: Items of fixed assets that have been removed, not being used, are obsolete or beyond repair, or identified to be retired from active use are held for disposal. When an asset is taken out of service, depreciation cannot be charged on it. An item of a fixed asset is eliminated from the financial statements on disposal and any profit/loss arising out of disposal/retirement should be recognized in the profit and loss statement. When a fixed asset is, no longer in use, becomes obsolete, is beyond repair, the asset is typically disposed of. When an asset is taken out of service, depreciation cannot be charged on it. There are multiple types of disposals, such as abandonments, sales, and trade-ins. Any difference between the book value, and realized value, is reported as a gain or loss. 6. Reporting for Fixed Asset' compliance reporting and planning needs for multinational corporations are varied and complex. There exists a multitude of depreciation methods and different regulations/statues prescribe different rates and methods to calculate depreciation for the same asset. A company needs to prepare financial (US GAAP) and tax (Income Tax, VAT, GST) depreciation schedules and compliance reports. The FA system should provide for the capability of reporting on these different dimensions and the ability to perform analytical reviews. At the month-end, the accounting period in the FA system transfers to G/L the monthly fixed asset accounts. Generate all of the necessary fixed asset reports to complete the closing process. Related Links Creation Date Thursday, 13 June 2013 Hits 57418 You May Also Like Fixed Asset Barcoding Physical assets are frequently out in the field for use; undergo repairs, sold, updated, removed or stolen. From purchase to disposal and all of the steps in between, an asset's history can be easily traced and reviewed using an asset management system that utilizes asset tags or asset labels. Read more Costs subsequent to acquisition of fixed assets Costs related to plant assets that are incurred after the asset is placed in use are either added to the fixed asset account (capitalized) or charged against operations (expensed) when incurred. In this article, we will discuss underlying principles for this accounting event. Read more Fixed Assets - Process Flow "Fixed Assets" is a six-step process and starts with initiating and approving the request to acquire the asset and after maintaining and depreciating for useful life ends with the final disposal of the fixed asset. These steps are cyclic in nature and most of them happen in any fixed management lifecycle. Some optional steps may happen only in certain business scenarios or in specific industries. Read more Need for Fixed Asset Register (FAR) is accounting book with a list of fixed asset register (FAR) is accounting book with a list of fixed asset register (FAR) is accounting book with a list of fixed asset register (FAR) is accounting book with a list of fixed asset register (FAR) is accounting book with a list of fixed asset register (FAR) is accounting book with a list of fixed asset register (FAR) is accounting book with a list of fixed asset register (FAR) is accounting book with a list of fixed asset register (FAR) is accounting book with a list of fixed asset register (FAR) is accounting book with a list of fixed asset register (FAR) is accounting book with a list of fixed asset register (FAR) is accounting book with a list of fixed asset register (FAR) is accounting book with a list of fixed asset register (FAR) is accounting book with a list of fixed asset register (FAR) is accounting book with a list of fixed asset register (FAR) is accounting book with a list of fixed asset register (FAR) is accounting book with a list of fixed asset register (FAR) is accounting book with a list of fixed asset register (FAR) is accounting book with a list of fixed asset register (FAR) is accounting book with a list of fixed asset register (FAR) is accounting book with a list of fixed asset register (FAR) is accounting book with a list of fixed asset register (FAR) is accounting book with a list of fixed asset register (FAR) is accounting book with a list of fixed asset register (FAR) is accounting book with a list of fixed asset register (FAR) is accounting book with a list of fixed asset register (FAR) is accounting book with a list of fixed asset register (FAR) is accounting book with a list of fixed asset register (FAR) is accounting book with a list of fixed asset register (FAR) is accounting book with a list of fixed asset register (FAR) is accounting book with a list of f the accountant using a book that was set aside specifically for tracking fixed assets. Now with the advent of IT systems for bookkeeping it is more often held in electronic format. Learn the importance of maintaining a FAR. Read more Fixed Assets - Key Terminology In this article, we have explained the meaning and usage of key generic terms that are used in almost every FA management system/ Fixed Assets process. Understanding these terms is a prerequisite to building a solid understanding of the fixed assets. In such a case it's important to know the operating condition and location of the assets owned by them at periodical intervals. Identifying, tracking, and controlling assets are a critical step in 'Asset Maintenance'. Read more Key challenges in managing FA process As organizations grow in scale they leads to many functions getting involved in the fixed asset management process with significant "hand-offs" at each step/stage. In this chapter, we will address a broad array of issues involved in the process of fixed assets in any large scale organization. Read more What are different assets in any large scale organization. benefit. Every company must take actions to safeguard, control, and manage the assets it owns. Cash Assets needs to be managed effectively to safeguard and utilize them efficiently. In this section, we will start with understanding what are assets, what are various classification of assets and then we will focus on Asset Management. Read more Introduction to Capital Asset Planning Before you purchase an asset in any organization, you must justify the decision to purchase the funds. These series of analysis steps where cost-benefit analysis is performed to justify the decision to purchase a prospective asset is called the process of capital asset planning or simply as capital budgeting. Read more Implementing an effective asset tagging system is crucial for effectively managing and tracking physical assets within an organization. The six key steps in this process include asset identification, labeling, data capture, tracking and monitoring, maintenance management and integration with other systems. Any organization that uses asset tagging to manage physical assets needs a clearly defined, efficient process for tagging assets throughout their usable life. In this article, we'll take you through the ins and outs of asset tagging and how to develop an efficient asset tagging system. What is Asset Tagging? Asset tagging is the process of affixing identification tags or labels, also known as asset tags, to assets to provide a way to identify individual assets throughout their useful life. Typically printed with barcodes, asset tags are scanned using a handheld barcode reader or smartphone equipped with a barcode scanning app, allowing users to obtain and document data regarding an asset's location, maintenance history, or other details. Asset tagging is commonly used for inventory management, work-in-process (WIP) applications, and for managing maintenance history, or other details. Asset tagging is used across many industries, from healthcare to education, to warehousing, to defense, utilities, and manufacturing. Click the button below to receive a free PDF of our Asset Management Checklist, which contains the critical questions to answer for any tagging project, as well as key tagging tips, allowing you to get your asset management system up and running faster. Get The Checklist > What is the Purpose of an Asset Tagging System? Asset tagging allows companies to assign a unique identifier to each asset. Printed with barcodes, asset tags eliminate the need for manual data entry, enabling accurate and efficient inventory tracking and streamlined documentation of activities such as maintenance and repairs. By tracking each asset's location, maintenance history, usage, and other details, companies can simplify record-keeping and tax purposes. For example, complete utilization data makes it easy to calculate depreciation for equipment assets. Some industries have regulations that stipulate the types of assets that must be tagged, the materials required for asset tags, and other asset identification, otherwise known as UID or IUID, under MIL-STD-130. Asset tags used for defense applications, known as UID labels, must meet strict criteria, including the ability to withstand harsh environmental conditions and remain readable throughout its lifecycle, from manufacture to distribution and eventual disposition. The data collected for individual assets enables companies across all industries to make smarter, data-driven decisions, such as determining whether investing in new equipment that's nearing the end of its expected usable lifespan. This is why its important to make sure they're properly formatted. Because each item is affixed with a unique identifier and its location history documented, asset tagging can also help to deter theft and loss. Certain types of asset tags, such as tamper-evident barcode labels, add an additional deterrent to discourage theft. Asset tags are the foundation of an asset tracking system, providing a reliable method for identifying individual assets and an efficient means of capturing data. Without asset tags, information on the asset's location and history must be documented manually, a process that's rife with human error and prone to inaccuracy. Assets are more likely to be misidentified when relying on manual processes, as well, resulting in unreliable data. Affixed to assets are more likely to be misidentified when relying on manual process that's rife with human error and prone to using permanent, pressure-sensitive adhesive or mechanical attachments, asset tags are meant to remain in use for decades, it's crucial to consider the operating environment when choosing asset tags. While barcodes can be printed on peel-and-stick labels, these paper-based labels aren't durable enough to withstand exposure to rain, snow, and UV over several months or years. Asset tags that fall off, fade, or otherwise become unreadable must be replaced, resulting in higher costs throughout the life of the asset tags that fall off, fade, or otherwise become unreadable must be replaced, resulting in higher costs throughout the life of the asset tags that fall off, fade, or otherwise become unreadable must be replaced. withstand the asset's typical environmental conditions from the start. 6 Steps to an Efficient Asset Tagging System Below is an overview of the essential steps in developing an asset tagging system. StepDescription1. Asset identificationIdentify all physical assets that need to be tracked and tagged, includes both fixed and movable assets. 2. Assign a unique identification numberAssign a unique identification number to each asset for accurate tracking.3. Choose a type of labelDetermine the appropriate asset tracking systemData entered into an asset tracking system would include asset identification number, date of acquisition, value and more5. Tagging the asset tagging attachment methods will vary based on the type of equipment or asset and the label type 6. Data verificationVerify and connect the asset tagging system; integrate it with other systems like accounting, inventory, and work order management to streamline data flow. Here's what you need to know to implemented an asset tracking system, you likely have a classification system, you likely have a classification system, you likely have a classification system, or schema, for asset tracking system for the first time, creating this categorization system is a system in the first time and types. If you're implemented an asset tracking system for the first time, creating this categorization system is a system in the first time and types. If you're implemented and types and types are categorization system in the first time and types are categorization system. an essential step to ensure consistent categorization over time. Assets may be grouped by department, cost, use, or any number of other variables. You may want to choose a categorization method that aligns with the process used to categorization method that aligns with the process used to categorize assets for accounting purposes. Even though your accounting system includes both tangible and intangible and i assets and your asset tagging process relates only to tangible assets, ensuring that your physical asset classification matches your accounting methodology allows for simpler integration and reporting. Screenshot via Corporate Finance Institute Here are a few examples of physical asset classification matches your accounting methodology allows for simpler integration and reporting. visual equipment Technical equipment (power supplies, air conditioning units) Beyond categorizing assets and classifying them by type, each asset should have a unique identification number for accurate tracking. This unique ID distinguishes individual assets from other assets of the same category and type, making it easier to manage processes such as reordering, maintenance, and accounting. Unique identification numbers may contain coding that indicates an asset's type or department of ownership. For example, assets controlled by the HR department of ownership. For example, assets controlled by the HR department may contain a prefix such as 013, while assets controlled by the HR department of ownership. important information about an asset simply by looking at the tag, while more detailed information is a barcode scan away. Asset tags are not a one-size-fits-all solution. There are a variety of asset tags designed to suit specific applications, such as durable asset tags for asset tags for high-value assets that may be subject to theft, unauthorized transfer, or tampering. Permanent equipment labels are ideal for automating data collection for the life of an asset. Consider the asset's category and type, as well as the environmental conditions the asset will be exposed to. Ask the following questions such as: Will the asset be cleaned using harsh cleaning solutions? Will it be exposed to chemicals or solvents? Will it be exposed to outdoor weather conditions? All of these factors should be weighed when determining the best asset label for each asset. Step 4. Enter the Asset and Associated Information into Your Asset Tracking System Assets should be entered into the system immediately after they're received. To streamline this process, it's helpful to have written process documentation outlining when asset should be tagged, how they're categorized, what types of asset labels to request for certain asset types, and procedures for data entry. For example, the University of Washington has a Tagging Procedure Document that provides specific information on the process flow. Data entry requirements may vary by asset category and type. In general, data entered into an asset tracking system includes: Asset value Attachment methods vary based on the type of asset tags offer both attachments. Some asset tags offer both attachments, choose the method required per company policy. Verify assets from a minimum of two data points, such as the barcode and the item's serial number. When disposing of assets, this step is crucial to ensure an "accurate and verifiable chain of custody," which can help to mitigate data breaches (particularly for the disposal of IT assets) and also help to maintain compliance with regulations. Implementing a consistent asset tagging system and process flow ensures that all assets received by your company are consistently classified and tracked, making it easy to locate assets throughout the company, implement regular maintenance schedules, and maintain accurate record-keeping for auditing and accounting purposes. Developing clear policies and procedures and training your team members on approved asset tagging procedures streamlines processes and can ultimately have a positive impact on your bottom line, allowing you to improve resource utilization, reduce unnecessary duplication of assets, and get more usable life out of your investments. Frequently Asked Questions About Asset Tagging The purpose of asset tagging is to assign unique identifiers to individual assets. Asset tags may contain varied information depending on the application, but most are printed with barcodes that users can scan for easy asset identification. They're used for the purpose of monitoring inventory, location tracking maintenance management, check-in/check-out processes, and monitoring equipment performance. Asset tagging offers numerous benefits to organizations. They improve document maintenance activities, retrieve manufactures information, access operating instructions, and more. They can also help to improve asset utilization by supporting robust data collection about each asset's usage or performance and support more effective inventory management best practices. An example of asset tagging is an equipment tag that's affixed to an HVAC unit. When the unit fails or before a set utilization by support more effective inventory management best practices. begins to show signs of a potential failure, HVAC workers can scan the unit's asset tag to access information about its maintenance history, its manufacturer, the age of the unit, and even what suppliers to order replacement parts from. Assets are tagged by affixing a label or attaching a tag to the asset that includes a unique identifier for the asset tag to access information about its maintenance history. (such as a serial number) and a barcode that is associated with the asset's information in an asset tracking system. Asset tags typically have a permanent pressure-sensitive adhesive to bond with a trusted asset tag manufacturer like Camcode to identify the best asset tags for your applications. Camcode offers durable asset tags and labels that can withstand harsh environments or exposure to outdoor elements. Choosing an asset tags remain readable throughout the asset's lifespan. The main types of asset tags include: Barcode tags - Visual tags requiring line of sight to scan RFID tags - This include passive RFID tags (which are powered, transmit a signal over 100+ feet) QR code tags - Contain data in a barcode readable by smartphone cameras NFC tags - Short range RFID activated by smartphones Bluetooth tags - Enable tracking through Bluetooth connections WiFi tags - Leverage WiFi networks for asset tags depends on tracking range needed, environment they're used in, budget, and required features. Companies should choose asset tag types that meet their specific inventory tracking needs. Fixed Assets are acquired they need to be entered into software where they can be tracked and depreciated over know in the comments section below.Get a free trial of our eDepreciation software or request a demo to see it in action. In this task, you will identify and record any new fixed assets that have been acquired by the company. This includes assets such as land, buildings, equipment, and vehicles. The purpose of this task is to ensure that all new assets are properly accounted for and added to the fixed asset register. The desired result is an accurate and up-to-date record of all fixed assets owned by the company. To complete this task, you will need to gather information. Potential challenges include locating all necessary information and ensuring accurate data entry. Resources or tools needed for this task include the fixed asset register template and access to relevant purchase records or invoices. Date of Acquisition Supporting Documentation File will be uploaded here In this task, you will calculate the initial cost of a newly acquired fixed asset. The initial cost includes the purchase price of the asset plus any additional costs incurred to bring the asset into its intended use, such as delivery charges or installation fees. The calculated initial cost will be used for depreciation and financial reporting purposes. To complete this task, you will need the purchase price of the asset from the previous task, as well as any relevant additional costs. Potential challenges include a calculator or spreadsheet software. In this task, you will determine the estimated useful life of a fixed asset. The estimated useful life represents the period over which the asset is expected to be used by the company before it becomes obsolete or no longer functional. This information is important for calculating depreciation expense. The task's desired result is an accurate estimate of the asset's useful life. To complete this task, you will need to consider various factors such as the nature of the asset, industry standards, and any specific regulations or guidelines. Potential challenges include obtaining accurate information for estimating useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life and dealing with assets that have varying useful life a useful life In this task, you will determine the appropriate depreciation method to use for a fixed asset. Depreciation is the systematic allocation of the asset's cost over its estimated useful life. Different depreciation is the systematic allocation of the asset and accounting standards. The purpose of this task is to select the most suitable method for calculation expense. The desired result is an accurate and consistent depreciation calculation. To complete this task, you will need to consider factors such as the asset's expected pattern of use and any industry-specific requirements. Potential challenges include understanding the implications of different depreciation methods and complying with relevant accounting regulations. No additional resources or tools are required for this task, you will calculate the depreciation rate to be applied to a fixed asset. The depreciation rate represents the percentage of the asset's cost that will be allocated as depreciation expense each period. The calculated rate will be used to determine the depreciation rate. To complete this task, you will need to know the asset's initial cost from a previous task and the estimated useful life determined in an earlier task. Potential challenges include performing the calculations accurately and ensuring consistency in the application of the rate. Required resources or tools for this task include a calculator or spreadsheet software. In this task, you will update the fixed asset register with the necessary information about a newly acquired fixed asset. The fixed asset register is a record of all the company's fixed assets, including their description, acquisition date, cost, and other relevant details. The task's purpose is to ensure that the register remains accurate and up-to-date. The desired result is an updated fixed asset register reflecting the newly acquired asset. To complete this task, you will need the information gathered in the previous tasks, such as the asset's description, acquisition late, calculated initial cost, and other relevant details. Potential challenges include data entry errors and overlooking required in this task. Date of Acquisition In this task, you will reconcile the fixed asset register with the general ledger to ensure that the recorded assets are accurately reflected in the company's financial statements. The fixed asset register provides detailed information about each fixed asset, while the general ledger summarizes the company's financial statements. identify and resolve any discrepancies between the two records. The desired result is a reconciled fixed asset register and general ledger. To complete this task, you will need access to both the fixed asset register and general ledger. required for this task. In this task, you will prepare a fixed asset schedule, which is a summary of the company's fixed assets and their corresponding values. The fixed assets and their corresponding values. and present the fixed asset schedule. The desired result is a comprehensive and well-organized schedule. To complete this task, you will need the information from the fixed asset register, such as the asset descriptions, acquisition dates, initial costs, accumulated depreciation, and other relevant details. Potential challenges include calculating depreciation and organizing the schedule effectively. No additional resources or tools are required for this task, you will conduct a physical asset to ensure that they exist and are in good condition. Physical asset verification is an important control procedure to prevent loss, theft, or misuse of assets. The task's purpose is to verify the presence and condition of fixed assets. To complete this task, you will need to physically inspect each fixed asset, compare it with the fixed assets. To complete this task, you will need to physically inspect each fixed asset. locating all assets, identifying any missing or damaged assets, and managing the logistics of the verification process. No additional resources or tools are required for this task, you will account for any disposals or impairments of fixed assets. Disposals occur when an asset is sold, scrapped, or otherwise removed from service, while impairments occur when an asset's value has decreased significantly. The desired result is an accurate and up-to-date fixed asset register. To complete this task, you will need information about the disposed or impaired asset, such as its description, disposal date, proceeds from disposal, or impairment loss. Potential challenges include accurately determining the disposal or impairment amount and complying with relevant accounting regulations. No additional resources or tools are required for this task. Disposal or Impairment Date In this task, you will prepare an updated depreciation schedule to reflect any changes in the company's fixed asset values. The depreciation schedule provides detailed information about the depreciation, and the net book value. The task's purpose is to accurately calculate and present the updated depreciation schedule. To complete this task, you will need the information from the fixed asset register, such as the asset descriptions, acquisition dates, initial costs, accumulated depreciation, and other relevant details. Potential challenges include calculating depreciation and organizing the schedule effectively. No additional information about the company's financial statements. Fixed asset disclosure notes to be included in the company's financial statements. fixed assets, such as their nature, carrying amounts, and accounting policies. The task's purpose is to comply with accounting standards and provide relevant information to financial statement users. The desired result is comprehensive and information from the fixed asset register, such as the asset descriptions, acquisition dates, initial costs, accumulated depreciation, and other relevant details. Potential challenges include understanding the accounting policies and regulations related to fixed asset management documents for future reference and compliance purposes. Fixed asset management documents include the fixed asset register, supporting documentation, depreciation schedules, and any other relevant records. The task's purpose is to ensure that all required documents are properly stored and easily accessible. The desired result is a well-organized and secure archive of fixed asset management documents. To complete this task, you will need the fixed asset management documents entry of the archived documents. No additional resources or tools are required for this task. Archiving Date Document File File will be uploaded here Browse all templates Edit in Process Street Are you looking to streamline your asset management involves tracking, maintaining, and optimizing an organization's physical and digital assets. From equipment and vehicles to software and intellectual property, effective asset management can help businesses improve productivity, reduce downtime, and ensure compliance with managing their assets effectively due to a lack of proper processes and tools. With the right tools and strategies, you can optimize your asset management process and achieve better results. In this comprehensive guide, we will walk you through the asset management process step by step, providing you with valuable insights, best practices, and free templates to help you improve your asset management process step by step. you optimize your asset management process and achieve better results. What is Asset Management Process The Best Asset Management Process The Best Asset Management Process The Stages of the Asset Management Process The Best Asset Management Pro Key Features of Asset Management Process Automation Software Asset management is the systematic approach to managing and maximizing the value, and customer as well as intangible assets, such as intellectual property, brand value, and customer relationships. Effective asset management involves a range of activities such as: Planning Optimizing Acquisition Operation Maintenance Disposal of assets It aims to ensure that resources are utilized efficiently, risks are minimized, and the overall performance and profitability of the organization are enhanced. By implementing robust asset management strategies, companies can streamline their operations, reduce costs, increase productivity, and ultimately achieve their long-term goals and objectives. Asset lifecycle management consists of four phases. These are: Planning and Acquisition: This phase involves identifying the need for a new asset, securing budgeting and funding, pecifications, evaluating options, selecting the most suitable asset, and completing the procurement process through negotiation and maintained. this phase includes deploving and installing the asset. training personnel, establishing maintenance schedules, and continuously monitoring performance and utilization: This phase emphasizes maximizing asset performance and utilization ensure continuous productivity. Disposal and Renewal: In this final phase, an end-of-life assessment determines when the asset should be decommissioned. The asset should be decommissioned. The asset should be decommissioned. systematic and strategic management of assets to optimize their value and performance. There are various types of asset management. Here are the 5 more common: Focuses on managing tangible assets such as machinery, equipment, buildings, and infrastructure. It involves the planning, acquisition, maintenance, optimization, and disposal of physical assets to ensure they provide maximum value and efficiency throughout their lifecycle. Involves managing financial assets such as stocks, bonds, real estate, and other investment, risk assessment, and financial planning. Deals with the management of infrastructure assets like roads, bridges, water supply systems, and electrical grids. It focuses on maintaining and optimizing these critical public and private infrastructures to ensure they provide reliable services, meet regulatory requirements, and support economic growth. Involves managing an organization's IT assets, including hardware, software, networks, and data. IT asset management of all assets within an organization integrating physical, financial, infrastructure, and IT asset management. EAM focuses on optimizing asset performance, reducing costs, enhancing asset reliability, and aligning asset management strategies with organizational goals and objectives. effectiveness. Some of these challenges include: Managing assets in a business presents numerous challenges that can impede efficiency and effectiveness. One major pain point is the reliance on manual data entry, which is time-consuming and prone to errors. This labor-intensive process increases the risk of inaccuracies and can lead to asset mismanagement. Another challenge is the lack of a structured asset management process. Without proper organization, assets may be scattered or misplaced, making it difficult to track and locate them when needed. This can result in unnecessary costs and delays in operations. Inadequate authority is also a challenge. When there is a lack of centralized control or decision-making power, it becomes challenging to ensure compliance with asset management protocols and policies. This can lead to inconsistencies or negligence in handling assets, compromising their security and value. procedures and communication channels, implementing changes or upgrades to assets can be disjointed, causing confusion and resistance from employees. Lastly, the absence of tracking and reporting mechanisms creates challenges in assessing the status and performance of assets. the ability to identify areas for improvement or investment. The asset management process involves several stages to ensure that assets are effectively managed within an organization. By following these stages and using structured templates mapping out the various associated tasks, organizations can effectively managed within an organization. lifecycle, ensuring they provide maximum value and support organizational objectives. This stage involves identifying asset needs, setting goals, and creating a strategic plan for asset management. It includes determining the required assets, budgeting, and aligning asset management. It includes determining the required assets, budgeting, and creating a strategic plan for asset management. Management Plan Template: This asset management plan template outlines tasks for asset identification, age and condition tracking, performance assessment, maintenance assessment, maintaining, and disposing of assets. This stage includes the processes of procuring assets, from selecting vendors to finalizing purchase agreements. It ensures that the right assets are installed, configured, and made operational. It includes integrating assets into existing systems and training staff on their use and maintenance. Templates: This stage involves the day-to-day operation and maintenance of assets to ensure they function efficiently and effectively. It includes regular inspections, servicing, and repairs. improvement. It involves implementing upgrades and optimizations to enhance asset efficiency and extend their lifespan. Templates: In this final stage, assets that have reached the end of their useful life are decommissioned and disposed of. Templates: Fixed Asset Management Template: This fixed asset management template outlines the steps to streamline the identification, tracking, and reporting of asset disposal are addressed, including environmental considerations. Asset Management Plan Template: This asset management plan template details all the stages of asset management and outlines the steps for managing an asset from the asset management process offers numerous benefits that can significantly improve organizational operations. Automating the asset management process significantly improve organizational operations and renewal stage. streamlines tasks by reducing manual efforts and eliminating human errors. This not only saves valuable time but also allows employees to redirect their focus toward more critical activities. By automating repetitive and mundane tasks, such as data entry and tracking, organizations can increase efficiency and productivity. Automation enhances decision-making by providing real-time and accurate data. Managers can access comprehensive reports and analyses, enabling them to make informed decisions quickly. This improves the overall decision-making process and allows organizations to proactively identify and address challenges and risks. through effective maintenance and monitoring. By utilizing automated systems, organizations can track the condition and performance of assets, enabling them to schedule regular maintenance and detect potential issues early on. This maximizes the lifespan of assets and reduces the need for costly repairs or replacements. Automation aids in meeting consumer demands by improving responsiveness. With automated systems in place, organizations can quickly adapt to changes in customer preferences and supply chain dynamics. This ensures that products or services are delivered on time, fostering customer satisfaction and loyalty. Automation improves responses to emergencies or unexpected risks. By automating the asset management process, organizations can set up alerts and triggers that notify them of any potential emergencies, enabling them to take immediate action. This reduces downtime, minimizes damages, and enhances overall risk management. workflows, checklists, and standard operating procedures (SOPs) effectively. It streamlines and automates business processes, resulting in greater efficiency and productivity. Key Features: Workflows and checklists, ensuring tasks are completed consistently and accurately. Workflows outline the steps and actions required to complete a process, while checklists provide a predefined set of instructions or procedures. Centralizes and update SOPs. This ensures employees have access to the most up-to-date information, reducing the risk of errors and inconsistencies. Task Management: Features for assigning responsibilities, setting due dates, and tracking progress. This helps with various other tools and software for seamless collaboration and data sharing Collaborative features enable multiple users to work together on the same document, promoting teamwork and efficient communication. Reporting Capabilities: Provides insights into process and enhance overall efficiency. User-Friendly Interface: Easy-to-use interface that allows for customization of templates and workflows to meet specific business needs. This customization ensures the tool can adapt to various requirements. IBM Maximo is a comprehensive enterprise asset management (EAM) solution designed to help organizations effectively manage their assets, including equipment facilities, and infrastructure. It offers a wide range of features and functionality to streamline asset maintenance processes; improve operational efficiency, and support proactive asset management. Key Features: Streamlined Asset Maintenance Processes; IBM Maximo allows users to schedule and track work orders, manage inventory, and perform preventive maintenance, ensuring assets are maintained efficiently and downtime is minimized. Work Order Management: Users can create, assign, and monitor work orders, enabling better planning and execution of maintenance tasks. Inventory Management: Users can create, assign, and monitor work orders, enabling better planning that the necessary components are available when needed. Preventive Maintenance: The software supports the scheduling of regular maintenance activities to prevent asset lifespan. Geospatial data, enabling better visualization and management of asset locations. Integration with Emerging Technologies: IBM Maximo is evolving to include advanced technologies such as artificial intelligence (AI) and the Internet of Things (IoT) to enable predictive maintenance and optimize asset management processes further. The SAP ERP Suite is a comprehensive solution for enterprise asset management that offers a range of key features and advantages. It has evolved into a complete set of tools that seamlessly manage materials, assets, and costs in one convenient platform. This suite helps organizations streamline and automate their asset management processes, improving efficiency and reducing costs. Key Features Streamlining and Automating Asset Management Processes: The SAP ERP Suite provides businesses with the tools needed to manage all aspects of their assets, from procurement and inventory management to maintenance and repair. Advanced functionality allows businesses to effectively track and monitor their assets in real time. This ensures that organizations have up-to-date information on asset status and location. Predictive Maintenance: The suite includes tools for predictive maintenance, helping organizations anticipate and address potential issues before they lead to asset downtime or failure. This optimizes asset performance and extends their lifecycle. Analytical Reporting: SAP ERP Suite offers robust analytical reporting capabilities, providing insights into asset management strategies. Integrated Materials, Assets, and Costing Management: By managing materials, assets, and costs in one place, the suite eliminates the need for multiple systems and manual data entry. This reduces errors and increases productivity, giving organizations a complete view of their assets and associated costs. Kissflow Finance and Operations Cloud is a powerful software solution designed to streamline and automate business processes. It offers a user-friendly interface, making it accessible to users without extensive training or technical knowledge. a consistent user experience across both desktop and mobile devices. Key Features: User-Friendly Interface: The platform is designed with an intuitive interface that ensures easy navigation, reducing the need for extensive training or technical expertise. Flexibility and Customization: Kissflow offers robust customization options, allowing organizations to tailor the software to meet their specific needs. This adaptability ensures that the software provides a seamless experience across desktop and mobile devices, enabling users to access and manage their tasks efficiently, regardless of their location. Asset and Facility Management: The platform includes tools to efficiently handle assets, conduct maintenance activities, and monitor facility-related expenses. Financial Management Capabilities: Kissflow Finance and Operations Cloud offers comprehensive financial management features, including budgeting, expense tracking, invoicing, and financial reporting. These capabilities help organizations manage their finances effectively. IFS Ultimo is a powerful software solution that offers a wide range of features and functionalities to businesses across various industries. It excels in comprehensive asset management, maintenance planning, and supply chain management. IFS Ultimo is particularly beneficial for industries such as manufacturing, energy, and utilities, where effective asset management module efficiently tracks and manages all assets throughout their lifecycle. This feature allows companies to optimize asset utilization, reduce downtime, and extend the lifespan of their assets. The intuitive user interface and robust reporting capabilities provide accurate, real-time data on asset performance, maintenance history, and costs. Maintenance Planning: IFS Ultimo's maintenance planning module enables companies to effectively schedule and execute preventive and corrective maintenance tasks. It automates work orders, assigns tasks to technicians, and improves overall operational efficiency. Supply Chain Management: The supply chain management module simplifies inventory management, and order fulfillment processes. It optimizes inventory levels, streamlines purchasing activities, and enables seamless collaboration with suppliers. times, and enhanced customer satisfaction. eMaint is a leading Computerized Maintenance Management System (CMMS) software designed to provide efficient maintenance activities, optimize equipment performance, and minimize downtime. Key Features: Work Order Management: eMaint provides a comprehensive work order management system that allows users to create, assign, and track work orders from initiation to completion. This feature streamlines the maintenance process, ensuring timely resolution of issues and improved productivity. Inventory Management: The software includes robust inventory management capabilities, enabling users to accurately track and control their inventory, automates the procurement process, and helps organizations avoid stockouts and overstocking. Reporting and Analytics: eMaint is emaint inventory management capabilities, enabling users to accurately track and control their inventory. equipped with powerful reporting and analytics tools. Users can generate detailed reports on maintenance, maintenance, maintenance costs, and overall maintenance effectiveness, facilitating data-driven decision-making and operational

efficiency improvements. Asset Panda's asset tracking software is an invaluable tool designed to enhance asset manufacturers to efficiently track and manage their assets. Key Features: Customizable Features: Asset Panda allows manufacturers to tailor the software to meet their specific asset-tracking needs. Users can add custom fields, create unique labels, and configure workflows to match their manufacturer. Mobile Apps: The software includes mobile applications that provide a seamless asset management experience. These apps enable manufacturers to access the software on the qo, allowing them to easily track and manage assets from anywhere at any time. This mobility is particularly advantageous on the manufacturing floor, where assets are constantly moving and being used. Unlimited User Access: Asset Panda offers unlimited user access, allowing all relevant stakeholders within the manufacturing organization to access the software. This feature ensures transparency and collaboration, as the production team, maintenance crew, and quality control personnel all have real-time access to asset information and can contribute to asset management efforts. Atera is a cutting-edge software platform designed to revolutionize remote monitoring and management (RMM) solutions for IT technicians worldwide. This all-in-one platform provides a comprehensive suite of tools essential for efficient IT management and support. Key Features: Advanced Ticketing System: Atera's ticketing system streamlines and automates the process of managing customer support requests. It ensures quick response times and efficient issue resolution by allowing IT technicians to track and prioritize customer inquiries, assign tickets to appropriate team members, and update ticket statuses in real time. robust asset management capabilities, enabling IT technicians to track and monitor all customer assets, including hardware and software. Through an intuitive and centralized dashboard, technicians can manage warranties, monitor software licenses, and track hardware health, ensuring no critical assets are overlooked. Proactive Monitoring Functionalities: Atera provides real-time insights into the performance and health of customer systems through its proactive monitoring capabilities. This feature allows IT technicians to detect and address issues before they escalate, reducing downtime and minimizing the impact on customers' business operations. Freshservice is a comprehensive software platform designed to streamline IT services, focusing on ticketing, asset management, and automation. Key Features: Ticketing System: Freshservice's ticketing system allows users to easily create, track, and manage support tickets. This system facilitates efficient communication and collaboration between IT teams and end-users, ensuring timely resolutions to common problems independently, reducing the volume of tickets raised. Asset Management: The platform provides a centralized database to track and manage IT assets, including hardware, software licenses, and contracts. This feature helps IT teams optimize asset utilization, track warranty periods, and streamline the procurement process, ensuring all assets are accounted for and efficiently managed. Automation Features: Freshservice offers automation functionalities such as workflows and escalation rules to automate routine tasks and ensure adherence to service level agreements (SLAs). This reduces manual efforts and enhances efficiency, allowing IT teams to focus on more critical tasks. Incorporating best practices in asset management software usage empowers companies to better manage their assets, optimize their lifespan, and make informed decisions about replacement or maintenance. Here are some of the most effective best practices to keep in mind when using asset management software: Establishing an asset register is essential. This entails comprehensive list of organizational assets, including necessary details such as their location, condition, purchase date, and maintenance history. Maintaining an accurate asset register ensures that all assets are accounted for. Accurately tracking asset depreciation, and provide the capability to monitor asset value over time, factor in depreciation, and provide the capability to monitor asset depreciation asset accounted for. real-time updates on an asset's current worth. This allows organizations to make informed decisions regarding asset replacement cost. This information aids in budgeting for asset maintenance, repairs, or future acquisitions. Shifting from reactive to predictive maintenance is a recommended best practice. Asset management software is equipped with predictive maintenance is a recommended best practice. predictive maintenance strategies, organizations can minimize downtime, optimize asset performance, and reduce costs. Automating tasks like data collection and reporting enhances operational efficiency. Asset management software should have the capability to automate data collection, analyze information, and generate accurate reports. This streamlines the asset management process, saving time and resources. Asset management process automation software is designed to streamline the management of asset management of asset management process. process automation software allows users to track and monitor the status, location, and condition of each asset, ensuring accurate inventory management. This feature enables organizations to easily identify and allocate resources effectively. The software provides standardized processes for asset check-in and checkout, allowing for efficient tracking and managing of assets. It also enables users to easily reserve assets, reducing conflicts and improving availability. Maintenance tasks, such as inspections, repairs, and replacements, ensuring assets remain in optimal condition. This helps prevent asset downtime and extends their lifespan. Fixed asset management is the process of tracking, monitoring and maintaining an organization's physical assets as they are easy to scan and to use with mobile devices. Types of assets include vehicles, computers, furniture and machinery. Using an asset management system, organizations can: Track and monitor fixed assets. Oversee equipment and machinery in multiple locations. Lower maintenance costs. Improve operational efficiency. Maintain a record of retired, sold, stolen or lost assets. Fixed assets management enables organizations to monitor equipment and vehicles, assess their condition, and keep them in good working order. In this way, they minimize lost inventory, equipment failures and downtime — and improve an asset's lifetime value. Discover expertly curated insights and news on AI, cloud and more in the weekly Think Newsletter. Fixed assets such as servers, transport trucks and elevators require a large capital investment. They may comprise a large portion of a company's net worth. In some businesses, as much as 40% of investment goes to buying equipment and vehicles. The better and more effectively a company manages its assets, the greater the prospect of maximizing value from these investments. Without a fixed asset management system, an organization might experience: Unplanned downtime. Equipment failures. Misplaced or lost inventory. Safety or environmental breaches. Failure to meet compliance or regulatory standards. For companies with large inventories, the results may convert into millions of dollars in lost productivity, repairs, replacement or fines. Beyond immediate costs, substandard equipment can impact the quality of an organization's services or products—in turn, affecting customer satisfaction and business reputation. According to the ISO 55000 international standard, asset management improves the quality and useful life of equipment and ensures the best return on investment. Fixed asset management can be complex, especially for global enterprises or companies with large inventories — like a car rental business or a manufacturing multinational. Organizations may use spreadsheets or enterprise resource planning (ERP) tools for asset tracking. However, manual data entry is prone to error. It can also be a slow method for staying on top of fixed asset inventory, when fleets of vehicles are moved between locations or the technology is complex. To put it into perspective, consider this scenario where your organization owns vehicles. Maybe you have a notebook where you keep track of when each needs an oil change, new wiper blades or a new set of tires. As the number of vehicles increases, you begin to see the issues that start to arise. If only you had all this data centralized you could easily track this information with no risk of it getting lost or misplaced. This is the purpose that an asset management system serves. Asset tracking software and management solutions offer a reliable way to oversee fixed assets. Included are features like location tracking, work order processing and audit trails. Smaller operations may benefit from a computerized maintenance activities. Features include handling workflows, resourcing and routing, operating and repair guidance, and reporting and auditing. For large operations, an enterprise asset data from across the asset lifecycle: acquisition, operations, maintenance, depreciation and renewal or replacement. With a complete view, organizations gain insight into their complex asset health. Features and workflows help them optimize management tasks and reduce downtime. Teams also have an enterprise view of safety and environmenta controls, the better to address issues and risks. The Internet of Things (IoT) offers deep insights and enables greater control of fixed assets. IBM Maximo software, for example, correlates data from sensors and devices to provide timely visibility into asset health and performance. It enhances asset management by analyzing status, assessing value and risk, and anticipating failures. AI uses machine learning to gauge asset status and enable predictive maintenance. The technology gathers asset data (from sensors, telemetry, work orders, even weather events) and uses algorithms to see patterns or trends and develop forecasting models. The information, coupled with predictive scoring, enables the system to prescribe preemptive tactics or strategies. Connecting maintenance and repair frontline technicians, delivering near real-time asset performance and operations data and step-by-step maintenance instructions wherever they are. The powerful combination of AI, intelligent workflows, remote human assistance and access to asset data enables Maximo Mobile to put the digital equivalent of decades of industry experience into technicians 'hands'. See the details of all your assets, including their specifications and location. Access real-time data from operating assets to learn, diagnose and take action. Optimize ticket requests and scheduling. View the locations of your work on a map and plan your route. Assess asset health and prioritize repairs. Collaborate with other experts remotely or through AI-based expert assistance.