Are You Serious? - Fixed Asset Maintenance in a Spreadsheet

There are so many gotchas involved in calculating depreciation it's a wonder anyone comes up with the right numbers. The number of variables that one has to consider in order to calculate tax depreciation is easily over a hundred depending on the type of property (real versus personal, equipment versus software), the acquisition date (prior to 1987 used ACRS rules and post 1986 uses MACRS rules), and when the asset is acquired during the year (mid-quarter convention).

There is also the issue of making multiple calculations for each asset. For example, Federal depreciation for your tax return, GAAP depreciation for your financial statements, AMT and ACE for tax preference calculations, and some states have different rules regarding bonus depreciation and Section 179 limits so you may need a separate state calculation.

Aside from the difficulty in trying to entering the correct formulas in a spreadsheet to maintain and calculate depreciation for your fixed asset data, what are some of the other drawbacks.

Spreadsheets are almost impossible to audit -
> you can spend hours, days, weeks, trying to follow the links in a complicated spreadsheet such as you would need to create to handle the numerous variables to calculate depreciation.

Maintenance is extremely time consuming -
> Unless you are working in the spreadsheet almost daily, you can easily forget about the inter relationships you've created between various cells. Modifying the spreadsheet for new requirements becomes extremely ineffective and difficult.

What asset got changed -
> You can always look at the timestamp of the file to know if it was modified; however, trying to determine what got changed is only as good as your memory.

Turnover becomes a nightmare -
> If the person who designed the spreadsheet sudden disappears and you don't have a 2nd person who understands and can update your spreadsheet, you could be faced with data that you can't update or access until you train a new person.

Reporting is inflexible -
> Creating reports based on spreadsheet data is an exercise in frustration. When you consider sorting, filtering, and what data to include in the report, you can easily run out of hair before you can generate your report.

These are just a few of the reasons why you should be using Asset Keeper Pro to maintain your fixed asset data. When you consider these pitfalls and the affordability of the Asset Keeper Pro software, do you really want to rely on your staff and a spreadsheet to do it right?