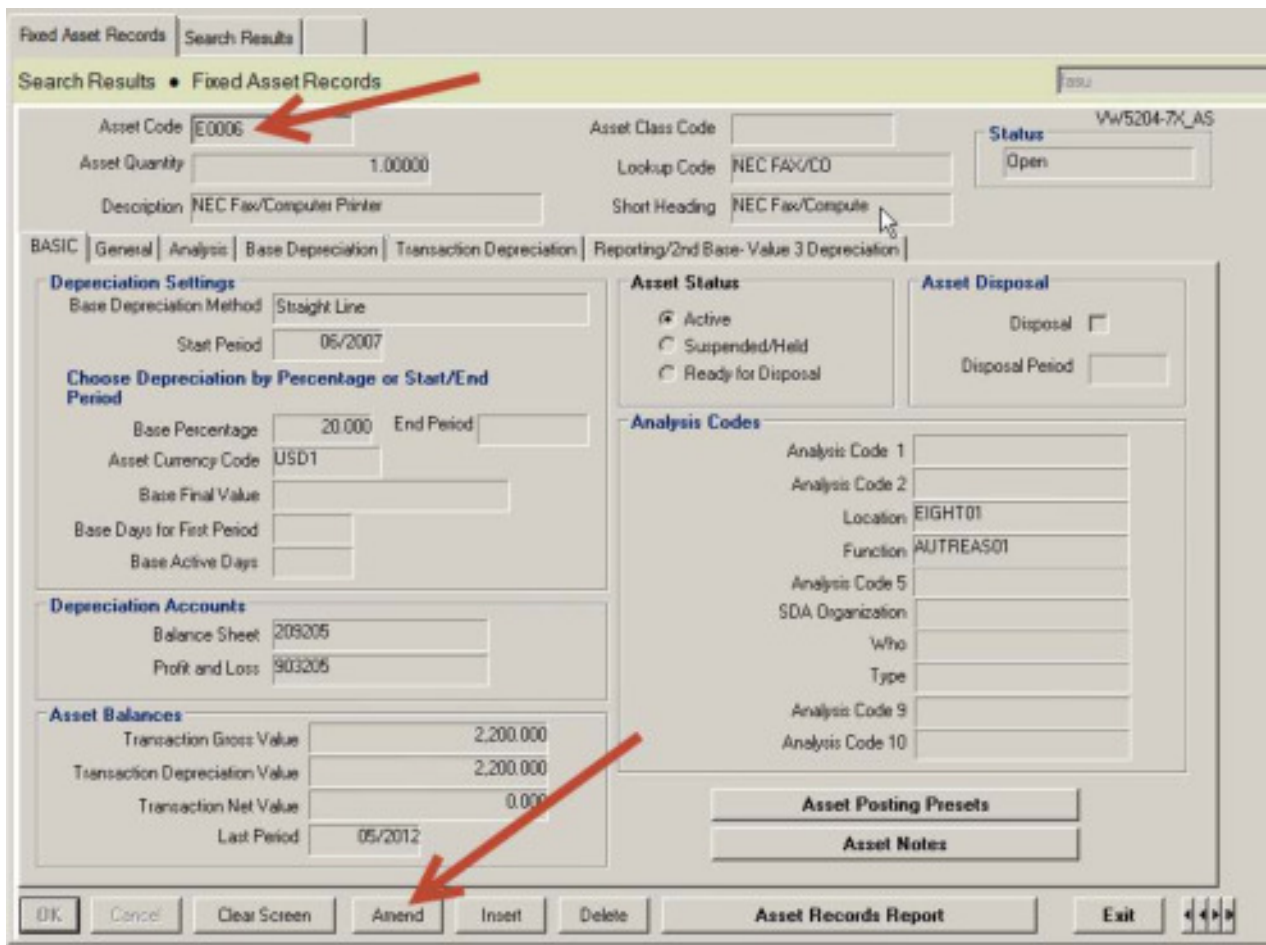Quality | Transparency | Vision

Disposal of Assets (SunSystems v6)

Asset Disposal (FAD) can automate the procedures for disposing of a selected asset or group of assets. If generates the relevant disposal postings, and reports the postings.

1. In Fixed Asset Setup, mark the assets for disposal by changing the asset status of your asset from *"active"* to *"ready for disposal"* and indicate the *Disposal Period.*

2. Open Asset Disposal function in SunSystems by typing "Asset Disposal" or simply "FAD" on the search bar.

3. The form below will appear. Enter the necessary details. You may leave Asset Class From/To, Asset Code From/To, Analysis Dimension, Analysis Code From/To as BLANK.

Specify the **Disposal Period** from/to as shown below. All assets marked "ready for disposal" in Fixed Asset Setup with a Disposal Period that falls within the range indicated in this form will be processed.

Indicate "YES" on the **Post Transactions** field to post the disposal entries. Select "No" to view the disposal report without posting the transactions.

On **Remove Asset Details**, select NO. The will allow the asset code is still be part of the asset register, but will be marked as "disposed" and with a null value.

Indicate Asset Disposal Account on **Disposal Suspense Account**.

Click Ok and then Print

Finally, click OK. Wait for the disposal entries to be posted. A journal listing report will appear once the entries are posted.

After running disposal, check your Asset Register to make sure the Asset Balances are now zero, and the status is set to **Disposed** as shown below:

Additional step when asset is sold:

Use Ledger Entry (LEN) to manually post any sales proceeds for the asset.

If the asset sold is **fully depreciated**, record all proceeds as Gain from Sale of Asset.

Net book value of Asset Disposed = $0

Proceeds from sale of asset = $5,000

Dr/Cr	Acct	Acct Description	Amt	Period	Rsce	Fund	Fnct	Rstr	Tfww	Flag
Dr	101110	Cash	5000	11/2015		10				
Cr	997110	Transfer Between Funds	-5000	11/2015	UFNT	10	SUINHOU01	0	20	IN
Dr	997110	Transfer Between Funds	5000	11/2015	UFNT	20	SUINHOU01	0	10	OUT
Cr	762110	Gain from Sale of Asset	-5000	11/2015	UFUN	20	SUINHOU01	0		

If the asset sold is **not fully depreciated**, record the proceeds as a Credit to the Asset Disposal Account (977110) to reduce the loss up to the amount of the net book value of the asset. Record the remaining amount to Gain from Sale of Asset (762110).

Net Book Value of Asset Disposed = $5,000

Proceeds from Sale of Asset = $7,000

Dr/Cr	Acct	Acct Description	Amt	Period	Rsce	Fund	Fnct	Rstr	Tfww	Flag
Dr	101110	Cash	7000	11/2015		10				
Cr	997110	Transfer Between Funds	-7000	11/2015	UFNT	10	SUINHOU01	0	20	IN
Dr	997110	Transfer Between Funds	7000	11/2015	UFNT	20	SUINHOU01	0	10	OUT
Cr	977110	Asset Disposal or Retirement	-5000	11/2015	UFUN	20	SUINHOU01	0		
Cr	762110	Gain from Sale of Asset	-2000	11/2015	UFUN	20	SUINHOU01	0		